

2020 Notice of Annual General Meeting



Invitation to shareholders from Iress' Chair

Notice is hereby given that the Annual General Meeting of the members of Iress Limited ABN 47 060 313 359 (the Company) will be held at Level 1, 10 Shelley Street, Sydney, NSW on Thursday, 7 May 2020, at 11.30 am (AEST).

27 March 2020

Dear Shareholder,

I am pleased to invite you to the 2020 Annual General Meeting for Iress Limited.

The meeting is an important part of the Iress calendar and we encourage you to read these materials.

Firstly, your health and wellbeing - we are acutely aware of the current circumstances resulting from COVID-19. While at this stage we plan to proceed with the meeting at our offices in Sydney, we have arranged through Link, our registry services provider, to conduct the meeting through Link's virtual Annual General Meeting facility. Details are provided in this Notice about how to participate through that service.

While shareholders are entitled to attend the Annual General Meeting in person, we strongly encourage all shareholders, if you wish to actively engage, to do so through the virtual facility. If you do not wish to attend virtually, then I encourage you to vote by proxy by following the instructions set out in this Notice of Meeting and the enclosed proxy form. If you are considering attending the Annual General Meeting in person at the official venue, please read the information set out in this Notice carefully. Iress may be required to take extraordinary measures, including to limit or prohibit physical attendance at the Meeting, taking into account government advice and requirements and health concerns.

With that in mind, I confirm the following details for participation.

This year's meeting will be held at 11.30 am (AEST) on Thursday, 7 May 2020.

Shareholders can attend the Annual General Meeting and participate by asking questions:

- from any place via the online portal - <https://agmlive.link/IRE20>. For more information about how to attend via the online portal, including how to ask questions, refer to the AGM Online Portal Guide available on the Iress website at <https://www.iress.com/resources/investors/annual-general-meeting/>. You will be able to test your web browser from 10.00am on the day of the Annual General Meeting to ensure that you can see and hear proceedings; or
- in person at the official venue, subject to the considerations described below.

Enclosed information

We have included in this Notice of Meeting:

- Highlights of the business and financial performance of Iress during 2019 (pages 3-5)
- Notice of Meeting and Explanatory Notes (pages 6-11)
- Information on how to exercise your proxy vote (pages 6-7), and
- Your proxy form (separate document).

Voting by proxy

If you are unable to attend the meeting in person or through the virtual facility and wish to vote, please complete and return the enclosed proxy form no later than 11.30 am (AEST) on Tuesday, 5 May 2020. Further voting details are set out in the Notice of Meeting on pages 6 and 7 and in the proxy form.

Attendance on the day

Again, in the current circumstances, we strongly encourage all shareholders, if you wish actively to engage in the Annual General Meeting, to do so through the virtual Annual General Meeting facility.

If you do attend in person, you will need to register on arrival.

Registration will open from 10.30 am (AEST). Unfortunately, we will not be in a position to serve refreshments in conjunction with this year's meeting, please accept our apologies.

Circumstances relating to COVID-19 are changing rapidly. We will update shareholders if any of these changes impact planning for Iress' Annual General Meeting. Depending on these eventualities, we may need to adopt extraordinary meeting procedures and/or, if necessary, we may need to postpone the meeting, and we will inform shareholders as soon as practicable.

Yours sincerely,



Tony D'Aloisio
Chair

Iress 2019 result

Iress' financial performance is underpinned by a focus on client service and support, ongoing investment in products and technology, increasing product and geographical diversification and a recurring subscription revenue model.

Financial highlights of the 2019 result

Group revenue

\$508.9M

+10% on FY18

Group Segment Profit

\$152.1M

+10% on FY18

Statutory net profit after tax

\$65.1M

+2% on FY18

Final dividend

30 cents per share

40% franked

Strategic highlights of the 2019 result

Successful delivery of key projects to clients in the UK, Australia and South Africa across private wealth, financial advice and trading.

Strong growth in wealth management in Australia. Against a backdrop of industry dislocation and change, financial advice performed well with new client implementations, strong demand for Xplan by independent financial advisers and several clients going live with our data analytics and compliance software, Lumen.

Continued demand in the UK for integrated wealth and trading software. Implementations of private wealth software for two top-tier financial services clients.

Strong momentum in our mortgage business in the UK. Three clients now live with four further deployments underway.

QuantHouse acquisition accelerates our data strategy. Highly complementary and strategically aligned with Iress' strategy and evolving market data needs of clients globally.

Clients benefiting from improvements in speed, scale and efficiency. Migration to cloud well underway with several products now live. Significant increase in process automation and continuous delivery. Focus on usability across software, including rollout of enhanced navigation with Xplan.

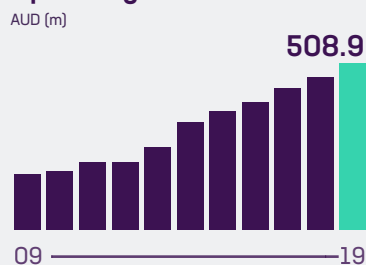
Revenue growth and improving operating leverage driving earnings

	% OF GROUP REVENUE	OPERATING REVENUE (AUD)	DIRECT CONTRIBUTION (AUD)
Asia Pacific <ul style="list-style-type: none"> - Underlying Xplan growth driven by ongoing demand amidst industry change and increased regulatory focus. - Financial Markets revenue resilient. - Demand for data analytics ongoing. 	52%	\$264.5m +5%	\$191.1m +5%
UK and Europe <ul style="list-style-type: none"> - Revenue growth reflects successful key client deliveries and product uptake. - Positive contribution from QuantHouse. - Mortgages client momentum is increasing. 	34%	\$171.7m +16%	\$111.1m +11%
South Africa <ul style="list-style-type: none"> - Revenue growth reflects continuing demand across product suite and successful client deliveries. 	9%	\$48.3m +4%	\$37.5m +6%
North America <ul style="list-style-type: none"> - Revenue growth driven by QuantHouse acquisition combined with stable underlying client base. 	5%	\$24.5m +32%	\$10.4m +8%
Product and Technology <ul style="list-style-type: none"> - Cost increase reflects ongoing investment in product, people and delivery capability and QuantHouse acquisition. 			(\$118.6m) +4%
Operations <ul style="list-style-type: none"> - Excluding the impact of adopting AASB 16, currency movements and the acquisition of QuantHouse, costs were flat with higher people costs offset by savings in communication costs and from the consolidation of offices in Melbourne. 			(\$42.7m) +8%
Corporate <ul style="list-style-type: none"> - Excluding the impact of adopting AASB 16, currency movements and the acquisition of QuantHouse, costs were flat with higher people costs and insurance costs offset by lower non wage opex and cost savings from office consolidations. 			(\$36.7m) +3%
Total Group		\$508.9m +10%	\$152.1m +10%

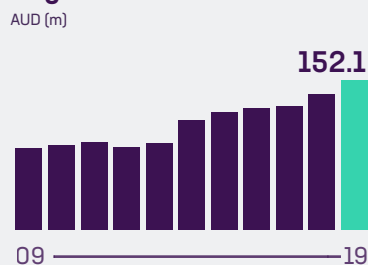
Strong track record of producing sustainable return for shareholders



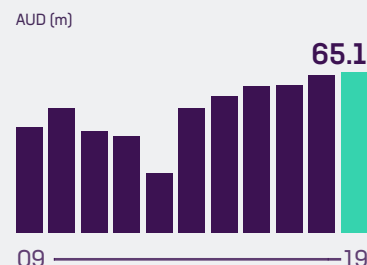
Operating revenue



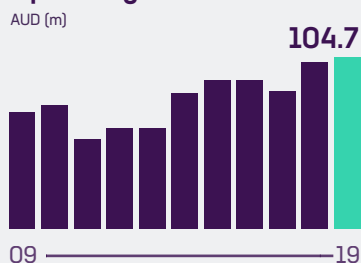
Segment Profit



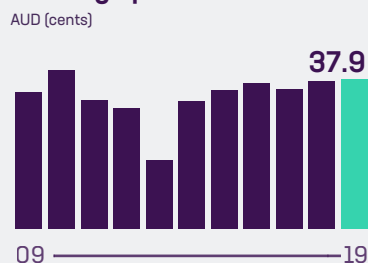
Net Profit After Tax



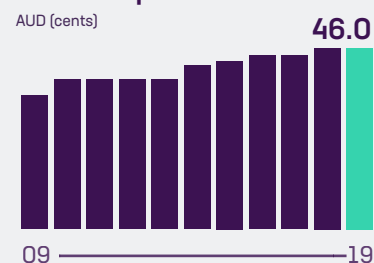
Operating cash flow



Earnings per share



Dividend per share



Unless otherwise stated all comparisons are with the prior corresponding period on a constant currency basis. Financial information in this report is extracted or calculated from the half-year and annual financial statements which have been subject to review or audit.

[1] Segment Profit represents earnings before interest, tax, depreciation, amortisation, share-based payments, non-operating items and realised and unrealised FX gains/losses - see page 48 of Iress' 2019 Annual Report for a full reconciliation.

Items of business

BUSINESS

Accounts

To receive and consider the full financial report (financial statements, notes and Directors' Declaration) for the year ended 31 December 2019, together with the consolidated accounts of the Company and its controlled entities in accordance with the *Corporations Act 2001 (Cth)* and associated Directors' and Auditor's Reports.

RESOLUTIONS

ELECTION OF DIRECTORS

To consider and, if thought fit, to pass the following resolution as ordinary resolutions:

1. "That Mr. Michael Dwyer be elected as a Director of the Company".
2. "That Ms. Trudy Vonhoff be elected as a Director of the Company".

Information regarding the candidates can be found in the accompanying Explanatory Notes.

REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

3. "That the Remuneration Report (which is contained in the Directors' Report) for the year ended 31 December 2019 be adopted".

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

GRANT OF EQUITY RIGHTS AND PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND CEO (MR. ANDREW WALSH) IN RELATION TO 2020 EXECUTIVE REMUNERATION FRAMEWORK

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

4. (A) "That, for the purpose of ASX Listing Rule 10.14 and all other purposes, the grant of 76,374 Equity Rights to the Managing Director and CEO, Andrew Walsh, and the provision of ordinary shares on exercise of those Equity Rights, under the Iress Equity Participation Plan be approved."
- (B) "That, for the purpose of ASX Listing Rule 10.14 and all other purposes, the grant of 80,916 Performance Rights to the Managing Director and CEO, Andrew Walsh, and the provision of ordinary shares on exercise of those Performance Rights, under the Iress Equity Participation Plan be approved."

Information regarding the resolutions may be found in the accompanying Explanatory Notes.

INFORMATION FOR SHAREHOLDERS

Entitlement to attend and vote

All shareholders are entitled to attend the Annual General Meeting. For the purposes of voting at the meeting, shareholders will be taken to be those persons recorded on the Company's register of members at 7.00 pm (Melbourne time) on Tuesday, 5 May 2020. With respect to joint shareholders, all holders may attend the meeting, but only one shareholder may vote at the meeting in respect of the relevant shares (including by proxy). If multiple joint shareholders are present and vote in respect of the relevant shares, only the vote of the joint shareholder whose name appears first in the register in respect of the relevant shares is counted.

While shareholders are entitled to attend the Annual General Meeting, in light of the evolving COVID-19 circumstances, we encourage all shareholders to consider whether they should attend the meeting in person or whether, instead, they should vote by proxy by following the instructions set out in this Notice of Meeting and the enclosed proxy form.

In relation to the physical meeting, Iress may be required to take extraordinary measures, including to limit or prohibit attendance, taking into account government advice and requirements and health concerns.

A corporate shareholder may appoint one or more persons to act as its representative(s), but only one representative is entitled to exercise the corporate shareholder's powers at one time. The Company will require the representative to provide appropriate evidence of the appointment.

Appointment of proxies

A shareholder entitled to attend and vote at the meeting may appoint:

- (a) a person; or

- (b) if the shareholder is entitled to cast two or more votes at the meeting, two persons,

as the shareholder's proxy or proxies to attend and vote for the shareholder at the meeting by using the proxy form. If the shareholder appoints two proxies and the instrument does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes.

A proxy need not be a shareholder, and may be an individual or a body corporate. A body corporate appointed as a proxy will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the meeting. The corporate representative will be required to provide appropriate evidence of the appointment prior to the commencement of the meeting.

In order for a proxy appointment to be valid, the Company must receive, at least 48 hours before the meeting (being no later than 11:30 am (AEST) on Tuesday, 5 May 2020):

- (a) the proxy's appointment; and
- (b) if signed by the appointer's attorney, the authority under which the appointment was signed or a certified copy of the authority.

Voting by proxies

Shareholders should consider directing their proxy as to how to vote on each resolution by crossing a "For", "Against" or "Abstain" box when completing their proxy form to ensure that their proxy is permitted to vote on their behalf in accordance with their instructions.

Pursuant to the *Corporations Act 2001* (Cth) (**Corporations Act**), if the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- (a) the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting exclusions);
- (b) if the proxy has two or more appointments that specify different ways to vote on the resolutions, the proxy must not vote on a show of hands;
- (c) if the proxy is not the Chairman, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
- (d) if the proxy is the Chairman, the proxy must vote on a poll and must vote as directed.

Default to Chairman

If:

- (a) a poll has been called on a particular resolution;
- (b) a shareholder has appointed a proxy other than the Chairman;
- (c) the appointment of the proxy specifies the way in which the proxy is to vote on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the Annual General Meeting; or
 - (ii) the proxy attends the Annual General Meeting but does not vote on the resolution,

then the Chairman of the Annual General Meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for that shareholder for the purposes of voting on that resolution. In these circumstances, the Chairman must vote in accordance with the written direction of that shareholder.

Proxy by post or facsimile

The proxy's appointment and, if applicable, the authority appointing an attorney, may be sent by post or fax to the Company's Share Registry at the address or fax number set out below:

Press Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Fax: +61 2 9827 0309

Online proxy

Shareholders may submit their proxy online by visiting - www.linkmarketservices.com.au

To use this option, shareholders will need their Security holder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode. Shareholders will be taken to have signed the proxy form if it is lodged in accordance with the instructions on the website.

A proxy appointed under Power of Attorney or similar authority may be lodged electronically in the same manner, provided the Power of Attorney/authority, or a certified copy thereof, has been physically lodged with the Registry. The Registry will keep a record of the authority under which the appointment was made.

The online proxy facility may not be suitable for some shareholders, including those who wish to appoint two proxies with different voting instructions.

KMP voting restrictions

Under the Corporations Act, voting restrictions apply to the Company's key management personnel (**KMP**) and their closely related parties for Resolutions 3, 4A and 4B. The term "closely related party" in relation to a member of the Company's KMP includes a spouse, dependent and certain other close family members, as well as any companies controlled by the KMP (**Closely Related Parties**). In addition, voting exclusions apply in respect of Resolutions 4A and 4B under the ASX Listing Rules. Please refer to the Explanatory Notes for more details.

By Order of the Board



Peter Ferguson
Company Secretary
Sydney, 27 March 2020

Explanatory notes

RESOLUTION 1 - ELECTION OF MICHAEL DWYER

Mr Dwyer brings over 35 years' experience in superannuation and investment, including 14 years as CEO of First State Super. He is currently a director of TCorp (New South Wales Treasury Corporation), WSC Group, the Global Advisory Council of Tobacco Free Portfolios and the Sydney Financial Forum. Since 1998 he has also been a director and subsequently Chair of Australia for UNHCR, the private sector partner of the UN Refugee Agency. He is a life member of ASFA and the Fund Executives Association.

Iress' Corporate Governance Statement at paragraph 9 sets out the mix of skills the board values and its approach to renewal, appointment, induction and term of directors. See <https://www.iress.com/trust/corporate-governance/corporate-governance-statement/>.

The Board has concluded that Michael Dwyer is independent.

Michael, being eligible, offers himself for election.

Directors' Recommendation

The Board (other than Michael) recommends that shareholders vote in favour of **Resolution 1**.

RESOLUTION 2 - ELECTION OF TRUDY VONHOFF

Ms Vonhoff has over 20 years' experience in retail banking, financial markets and investment. She is currently a director of Credit Corp Group and Cuscal Limited. Past directorships include AMP Bank, A2B (Cabcharge), Ruralco Holdings Limited, Tennis NSW and the Westpac Staff Superannuation Fund. For 13 years Ms Vonhoff held senior executive roles at Westpac and AMP across retail banking, finance, risk, technology and operations, and agribusiness.

Iress' Corporate Governance Statement at paragraph 9 sets out the mix of skills the board values and its approach to renewal, appointment, induction and term of directors. See <https://www.iress.com/trust/corporate-governance/corporate-governance-statement/>.

The Board has concluded that Trudy Vonhoff is independent.

Trudy, being eligible, offers herself for election.

Directors' Recommendation

The Board (other than Trudy) recommends that shareholders vote in favour of **Resolution 2**.

RESOLUTION 3 - REMUNERATION REPORT

The Remuneration Report forms part of the Directors' Report and is included in the Company's Annual Report for the year ended 31 December 2019. The Annual Report is available on the Company's website at <https://www.iress.com/resources/investors/reports-presentations/>.

In accordance with the Corporations Act, the Company is seeking the adoption of the Remuneration Report by shareholders at this Annual General Meeting.

The Remuneration Report:

- explains the Company's remuneration policy, as well as its relationship with and link to the Company's performance;
- contains the remuneration details of the Directors and other key management personnel (KMP) of the Company; and
- explains the incentive arrangements in place for KMP.

Directors' Recommendation

The vote on the adoption of the Remuneration Report is advisory only. However, the Board will take the outcome of the vote into consideration in future reviews of the remuneration policy for Directors and other KMP of the Company.

The Board recommends that shareholders vote in favour of **Resolution 3**.

Voting exclusion

The Company will disregard any votes cast on this Resolution 3:

- by or on behalf of a member of the Company's KMP whose remuneration details are included in the Remuneration Report (and their Closely Related Parties) in any capacity; and
- as proxy by a person who is a member of the Company's KMP (and their Closely Related Parties).

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy for a person entitled to vote on Resolution 3 in accordance with a direction on the proxy form; or
- as proxy for a person entitled to vote on Resolution 3 by the Chairman of the meeting, and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit, despite the fact that Resolution 3 is connected with the remuneration of the Company's KMP.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on this resolution on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy on this resolution even though this resolution is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the meeting. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

RESOLUTIONS 4A AND 4B - GRANT OF EQUITY RIGHTS AND PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND CEO (MR. ANDREW WALSH)

The Board implemented a new executive remuneration framework effective 1 January 2019 as detailed in Section 2 of the 2019 Remuneration Report at page 25 of the Company's 2019 Annual Report. Under that framework, Andrew Walsh's remuneration includes three components: Base salary, Equity Rights and Performance Rights. The Chief Executive Officer (CEO) is also required to accrue and hold Iress equity equivalent to 400% of his base salary by 31 December 2023. The Company has chosen to grant Equity Rights and Performance Rights under the Iress Equity Participation Plan to support Iress' focus on sustainable long-term growth and to align the interests of executives with shareholders.

The Board is seeking shareholder approval for the grant of Equity Rights and Performance Rights to Andrew Walsh in 2020. For 2020, the Board compared Andrew Walsh's total remuneration to the market and determined to maintain the 2019 base salary and to apply a market increase to his potential Equity Rights and Performance Rights awards. Subject to Shareholder approval of those awards, the Board considers that this will have the effect of appropriately positioning his 2020 Total Remuneration against the market, while also increasing the proportion of his remuneration that is delivered in equity. Details of the proposed grants are shown in Table 1, and the key terms of each of the proposed grants are set out further below.

Table 1 - Proposed equity grants

Instrument	Quantum*	Award Value	Estimated Grant Date	Performance/Vesting Period	Vesting Conditions (Summary)
Equity Rights	76,374	\$1,008,889	8 May 2020	2 years (28 February 2020 - 28 February 2022) Shares provided on exercise of any vested Equity Rights are subject to a mandatory 2-year holding lock (28 February 2022 - 28 February 2024)	Acceptable individual performance over the vesting period, subject to Board discretion and clawback**
Performance Rights	80,916	\$1,068,889	8 May 2020	3 Years (1 January 2020 - 31 December 2022)	Absolute Total Shareholder Return (ATSR) hurdle over the performance period, subject to Board discretion and clawback**

* The number of Rights has been calculated by dividing the Award value by the volume weighted average price of Iress shares in the twenty trading days up to and including 31 December 2019.

** The Board can lapse unvested Equity Rights and Performance Rights if individual or company performance is significantly below expectations and can lapse unvested Equity Rights and Performance Rights, or forfeit shares allocated on exercise of vested Equity Rights that are subject to the mandatory holding lock, if a 'clawback event' occurs (see page 11).

Andrew Walsh's base salary is currently \$1,000,000 per annum, as reported in the 2019 Annual Report. This represents 32% of his 2020 total remuneration (\$3,077,778). The Board considers this an appropriate level of total remuneration given the size, scope, strategic objectives and complexity of the Company, Andrew Walsh's unique skills and experience, and comparable remuneration levels for relevant domestic and international Information Technology peers.

Specific terms for Equity Rights

Equity Rights under the new remuneration framework comprise 33% of total remuneration, representing a value of \$1,008,889. The number of Equity Rights proposed to be granted to Andrew Walsh (76,374) has been calculated by dividing this value by the volume weighted average price of Iress shares in the 20 trading days up to and including 31 December 2019.

In determining to proceed with this level of Equity Rights, the Board was informed by its 2019 year-end assessment of the Iress group's (Group) performance and Andrew Walsh's individual performance and conduct.

Key terms for Equity Rights include:

- Vesting is conditional on Andrew Walsh achieving acceptable individual performance, including completion of his employment duties and tasks to the required level, over the two-year vesting period, Board discretion and the absence of clawback events (described below). The Board will consider individual and company performance against targets set by the Board (see Section 3.1 on page 28 of the 2019 Annual Report) and **may reduce, cancel or clawback equity if performance is significantly below expectations.**
- The award remains restricted for a further two years after vesting with a mandatory holding lock applying to any shares provided on exercise of the Equity Rights.
- The shares allocated on exercise of vested Equity Rights remain subject to clawback during the mandatory holding lock period.
- Subject to applicable law and unless the Board determines otherwise:

where Andrew Walsh's employment ceases due to...	then...
resignation and termination for cause	<ul style="list-style-type: none"> - unvested Equity Rights will lapse on the date of cessation of employment; and - vested Equity Rights, and shares allocated on exercise of Equity Rights and subject to the mandatory holding lock period, will be retained, but may be subject to clawback (see below)
any other reason	<ul style="list-style-type: none"> - unvested Equity Rights will remain eligible to vest in accordance with their normal terms (including clawback); and - vested Equity Rights, and shares allocated on exercise of Equity Rights and subject to the mandatory holding lock period, will be retained, but may be subject to clawback (see below)

- Andrew Walsh will not be eligible to receive any dividends on Equity Rights until the Equity Rights vest and shares are provided. However, if the Equity Rights do vest, he will receive (either in additional vested Equity Rights or in cash, as determined by the Board) an amount equal to the dividends he would have received had he held shares during the vesting period (calculated on an accumulating basis, i.e. assuming the dividend equivalents are reinvested). Importantly, the dividend equivalent amount will not be provided unless and until the Equity Rights vest, and the Board may take any steps it determines appropriate to recover the amount should any 'clawback events' (described below) occur.
- Equity Rights do not carry voting rights.

A detailed explanation of the Equity Rights instrument and the basis for determining how the instrument is allocated is set out in Section 2 of the 2019 Remuneration Report in pages 25 and 26 of the Company's 2019 Annual Report.

Explanatory notes continued

Specific terms for Performance Rights

Performance Rights under the new remuneration framework also comprise 35% of total remuneration, representing a value of \$1,068,889. The number of Performance Rights proposed to be granted to Andrew Walsh (80,916) has been calculated by dividing this value by the volume weighted average price of Iress shares in the 20 trading days up to and including 31 December 2019.

In determining to proceed with this level of Performance Rights, the Board was informed by its 2019 year-end assessment of Group performance and Andrew Walsh's individual performance and conduct.

Key terms for Performance Rights include:

- Vesting is subject to Iress' ATSR performance over the three-year performance period, Board discretion and the absence of clawback events. The Board will consider individual and company performance against targets set by the Board (see page 28 of the 2019 Annual Report) and **may reduce, cancel or clawback equity if performance is significantly below expectations.**
- ATSR focuses on the growth of Iress and value to shareholders, regardless of the broader market and other companies' movements. The Performance Rights will not vest unless shareholder value has been created over the performance period. TSR will continue to be calculated using a 20-day volume weighted average price to 31 December.
- 50% of the Performance Rights will vest in February 2023 if Iress' compound annual growth rate of its TSR over the performance period is 6.5%; 100% of the Performance Rights will vest if the compound annual growth rate is 10.0%; and, a sliding scale will apply for performance between these points.
- Subject to applicable law and unless the Board determines otherwise:

where Andrew Walsh's employment ceases due to...	then...
resignation or termination for cause	<ul style="list-style-type: none">- unvested Performance Rights will lapse on the date of cessation of employment; and- vested Performance Rights will be retained
any other reason	<ul style="list-style-type: none">- if less than six months of the performance period has elapsed at the date of cessation of employment, unvested Performance Rights will lapse on the date of cessation of employment;- during the remainder of the performance period, a pro-rata number of unvested Performance Rights will lapse based on the performance period elapsed at the date of cessation of employment. Performance Rights that do not lapse will remain eligible to vest in accordance with their normal terms (including clawback); and- vested Performance Rights will be retained

- Andrew Walsh will not be eligible to receive any dividends on Performance Rights until the rights vest and shares are provided. Performance Rights carry no right to any dividend equivalent amount on vesting.
- Performance Rights do not carry any voting rights.

A detailed explanation of the Performance Rights and the basis for determining how the instrument is allocated is set out in Section 2 of the 2019 Remuneration Report in pages 25 and 26 of the Company's 2019 Annual Report.

Directors' Recommendation in relation to Resolutions 4A and 4B

The Non-Executive Directors are confident that Andrew Walsh's total remuneration package for 2020 (as described in detail in the Remuneration Report and which includes the proposed grant of Equity Rights and Performance Rights set out in Table 1) is reasonable, having regard to the size, scope, complexity and strategic objectives of the Company, Andrew Walsh's unique skills and experience and comparable remuneration levels for relevant domestic and international Information Technology peers. Further, the Non-Executive Directors view that the high portion of his remuneration delivered in equity enhances the already strong alignment between his and shareholders' interests as the value of his Equity Rights and Performance Rights will fluctuate with the share price and are subject to vesting conditions and the discretion of the Board.

The Board (other than Andrew Walsh) recommends that shareholders vote in favour of **Resolutions 4A and 4B.**

General terms applicable to Equity Rights and Performance Rights

Entitlement & Vesting

Each of these equity instruments will give Andrew Walsh a right to receive one ordinary share in the Company or cash of equivalent value on vesting, subject to the satisfaction of applicable vesting conditions. The Board will determine whether shares in the Company or cash of equivalent value are provided at the time of vesting. If provided, the cash amount will be equal to the volume weighted average price of Iress shares during the five days of trading up to and including the vesting date (less any superannuation contributions and any other withholdings, deductions or payments for tax).

Equity Rights also give Andrew Walsh a right to a dividend equivalent amount, subject to the satisfaction of the applicable vesting conditions and as further described under the heading "Specific terms for Equity Rights" above.

Price payable on grant and exercise

The Equity Rights and Performance Rights will be granted at no cost to Andrew Walsh. There is no price payable on exercise.

Clawback

The Board will have the ability to lapse unvested and unexercised Equity Rights and Performance Rights, and forfeit shares allocated on exercise of Equity Rights that are subject to the mandatory holding lock (i.e. clawback). The circumstances in which this may occur (referred to as "clawback events") include fraud, misrepresentation, misstatement of financial results, dishonesty, gross misconduct, poor risk practices or reputational issues, or any other matters the Board determines relevant.

Voluntary holding lock

Andrew Walsh may elect for a voluntary six-month holding lock to apply to any shares he receives on vesting of each of the above grants (and after the expiry of any mandatory holding lock). During any voluntary holding lock period, Andrew Walsh will not be able to sell, transfer or otherwise deal with the Iress shares he receives, but will be entitled to the dividends and voting rights attached to those shares.

Change of control

If certain change of control events occur in relation to the Company, the Board may determine in its absolute discretion to give notice that the Equity Rights or Performance Rights (as applicable) may vest and/or be exercised irrespective of whether the relevant vesting conditions have been satisfied at that time.

Date of grant

If shareholder approval is obtained, the Equity Rights and Performance Rights will be granted on or about 8 May 2020, and in any event within 6 months of the date of this meeting.

Other required information - ASX Listing Rules

Andrew Walsh is currently the only Director who is eligible to receive grants of Equity Rights or Performance Rights under the Iress Equity Participation Plan. The number of securities that have been granted to Andrew Walsh under the Iress Equity Participation Plan since it was implemented in 2019 are:

- 80,020 Performance Rights; and
- 80,020 Equity Rights

all of which were granted at no cost.

No loan will be made available by the Company to Andrew Walsh in connection with the grants of Equity Rights or Performance Rights.

Details of any securities issued to Andrew Walsh under the Iress Equity Participation Plan will be published in the Company's annual report. No additional persons covered by Listing Rule 10.14 will participate in the Iress Equity Participation Plan without shareholder approval being first obtained.

Approvals sought

Iress is proposing to issue 76,374 Equity Rights and 80,916 Performance Rights to Andrew Walsh under the Iress Equity Participation Plan. Listing Rule 10.14 provides that listed companies must not permit a director or their associates to acquire equity securities under an employee incentive scheme unless it obtains the approval of its shareholders.

Resolutions 4A and 4B seek the required shareholder approval to the issue of 76,374 Equity Rights and 80,916 Performance Rights under and for the purposes of Listing Rule 10.14 and, if shareholder approvals are obtained, the Company will proceed to issue Andrew Walsh Equity Rights and Performance Rights. If shareholder approvals are not obtained, it is intended that Andrew Walsh will be awarded a cash payment following the end of the applicable vesting and restriction periods equivalent in value to the value he would have realised had he been issued Equity Rights and Performance Rights.

Voting exclusion

The Company will disregard any vote cast on Resolutions 4A and 4B:

- by or on behalf of Andrew Walsh and any of his associates, in any capacity; and
- as proxy by a person who is a member of the Company's KMP (and their Closely Related Parties),

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person entitled to vote on resolutions 4A or 4B in accordance with a direction as to how to vote provided by that person; or
- as proxy or attorney for a person entitled to vote on Resolutions 4A or 4B by the Chairman of the meeting, and the Chairman has received express authority to vote undirected proxies on that resolution as the Chairman sees fit; or
- in favour of Resolutions 4A or 4B by Andrew Walsh or any of his associates as a nominee, trustee or custodian (or other fiduciary) for a person entitled to vote on Resolutions 4A or 4B, in accordance with a direction as to how to vote provided by that person, provided that person provides written confirmation to Andrew Walsh or his relevant associate (as applicable) that they are not excluded from voting or are an associate of a person excluded from voting.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on Resolutions 4A and 4B on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy on these resolutions. The Chairman of the meeting intends to vote undirected proxies in favour of Resolutions 4A and 4B.

2020 Annual General Meeting

Date

Thursday, 7 May 2020

Time

11.30 am (AEST)

Venue

Level 1,
10 Shelley Street,
Sydney, NSW

