



AGM Transcript

4 May 2023

Roger Sharp: Good morning ladies and gentlemen both in person and online. My name is Roger Sharp, Chair of Iress Limited. It's 11:30 and I declare this Annual General Meeting open.

Before we begin I would like to pay my respects to the traditional owners of the land on which we meet, the Wurundjeri people of the Eastern Kulin Nation. I would also like to pay my respects to their Elders past and present and Aboriginal Elders of other communities who may be here today.

Thank you for taking the time to join our meeting today. This is, as you know, a hybrid meeting and you may join us either online via the Computershare platform, or here with us at the KWM office in Melbourne and as I say that I look at our partner Joe Muraca and I must thank you Joe for again making these splendid premises available to Iress.

For those of you attending in person, there are two exit points from the building, one to the left outside the doors, one to the right and I am reliably informed that in the event that we need to head towards the exit a fire warden, KWM personnel, will come and guide us out so if you head through the doors someone will guide you either to the right or the left. And indeed if there is an emergency, please exit out of both doors to avoid congestion.

Before we move to the formal business of the meeting, I would like to do some important introductions. All directors are with us today, most are here in person and to my immediate right, our new CEO and managing director, well you were new Marcus but I suspect you are quite weathered by now, Marcus Price.

Marcus Price: New is wearing off.

Roger Sharp: Michael Dwyer AM, Julie Fahey who Chairs our PPC, our People and Performance Committee. Tony Glenning who will sing for his supper shortly who was appointed under a casual vacancy and is seeking election. Trudy Vonhoff, who Chairs our Audit and Risk Committee. Unfortunately our Company Secretary and General Counsel, Peter Ferguson, has Covid and is not here but we are more than capably assisted by Georgina Gillingham at the end of the table who's going to give Peter a run for his money.

Niki Beattie is online somewhere, I'm not sure that I can see her, but Niki is our UK based director and I will start by thanking Niki. It's 2.30 in the morning in London. Niki's always turning up at 2.30 or 3 in the morning and it's not generally understood the pressure that places on board members but she does it with good grace.

Also in attendance I see in the crowd a number of employees. John Harris who was our Chief Financial Officer during 22 and 23 and until in fact, April when he was appointed to his new role of CEO Managed Portfolio which we will talk about. Anita Chow, hello Anita, our interim CFO.

Now I know there are a number of our other senior executives in the room, some made it, some didn't, but I will acknowledge Kelly Fisk. Julia I don't think is here, Harry Mitchell our new CEO of Wealth, welcome Harry. Justin Schmitt who recently joined the Team. And I also like to acknowledge, I have already acknowledged, Joe Muraca from Mallesons and Stephen Roche from Deloitte, our auditor of



many years. David Petersen from Ernst & Young is also here today, David. Subject to shareholder approval, Ernst & Young will be appointed the Company's auditor in place of Deloitte from the conclusion of the meeting. And of course Stephen will be available for any questions when we consider the financials which will be the first item of business.

So today we're going to cover six matters, the formal matters. The presentation of the 2022 financial statements and reports. Then we'll move to Resolution 1, which is the appointment of Tony Glenning as a non-executive director. Then the re-election of Trudy Vonhoff as director. Followed by which, the Resolution 3 will cover the advisory resolution to adopt the Remuneration Report, after which Resolution 4 will be the proposal to change the Company's Constitution which is simply a matter of refreshing it, and then Resolution 5 is the proposal to change the Company's auditor.

I am advised that due notice of the meeting has been given in accordance with the requirements of the Corporations Act and the ASX Listing Rules and that a quorum is present. I'll take the Notice of Meeting as read.

Now a few words on questions and voting. A slide should appear now to my left outlining the process for asking questions online, and there it is.

There will be an opportunity to ask questions on all items of business and I will also take general questions before finishing the meeting from those attending online and in person. Now we'll take in person questions from the room first, followed by online written questions. This will allow a bit more time for online participants to formulate and submit questions.

So, for those in person who wish to ask a question, please make your way to the microphone, or alternatively we will bring one to you. We ask that you state your name. If you're representing someone other than yourself please identify whom you're representing, then ask your question. We're using a microphone to ensure audio quality and it looks to me by the fixed nature of the microphone you better head over to it if you don't mind.

For those online, questions can be submitted at any time. As previously mentioned, the process for asking questions online is outlined on the slide. Further information for participants, including the help number in the event of any difficulties, can be found in the Online User Guide referenced on page 5 of the Notice of Meeting.

Although you can submit questions any time from now, they will not be addressed until the relevant time in the meeting or indeed as I have flagged at the end. Questions will be moderated. If we do receive multiple questions on one topic they may be amalgamated.

We do reserve the right, we want everybody to have their say but we do reserve the right to limit the number of questions from any individual shareholder if the number of questions asked starts to deny other shareholders the right to ask their questions.

So that's the process for questions, now the process for voting.

The first of the matters to be considered is in relation to the presentation of the 2022 financial accounts and reports. This is not a matter for voting but it's for tabling and discussion. The resolution regarding the election or re-election of a director as the case may be, is an ordinary resolution as are the resolutions on the Remuneration Report and the change of Company's auditor. Those resolutions need to be passed by ordinary resolution, simple majority.



A special resolution will be required in relation to the proposed amendments to the Company's Constitution. Resolution 5 will require at least 75% of the votes cast by eligible shareholders to be in favour of the resolution.

The voting restrictions for all shareholders are included in the Voting Exclusions sections of the Explanatory Notes in the Notice of Meeting. Voting today will be held via a poll on all Resolutions. I appoint Michael Stretton from our share registry Computershare Investor Services as Returning Officer. Those entitled to vote are all shareholders, representatives and attorneys of shareholders, and proxyholders who, if attending in person, hold blue admission cards. To provide you with enough time to vote, I will shortly open the poll for voting for all resolutions. Voting will remain open until I declare the poll closed at the end of the meeting.

As we go through each Resolution, the proxy results received before the meeting for the relevant Resolution will be displayed on the screen as indeed they have to ASX. The 'for' numbers displayed for each resolution will include proxies received and available to be voted by me as the Chair of the meeting.

I'll now outline the instructions for conducting the poll, firstly for those attending in person and then for those attending online. I should start by saying if there's anyone here present at the KWM office who believes they're entitled to vote but didn't register to vote, could you please make your way to the registration desk to register.

Those who've already registered will have received a blue admission card. On the reverse of that card is your voting paper which details the Resolutions being put to this poll and instructions. Proxyholders have attached to their admission card a Summary of Proxy Votes which details the voting instructions received, if any. By completing the voting paper, when instructed to vote in a particular manner, you are deemed to have voted in accordance with those instructions. In respect of any open votes a proxyholder may be entitled to cast, you need to mark a box beside the resolution to indicate how you wish to cast your open votes. Shareholders and representatives and attorneys of shareholders also need to mark a box beside the Resolution to indicate how you wish to cast your votes.

Please ensure that you print your name where indicated and sign the voting paper. When you've finished filling in your voting paper, please hand it into a ballot box to ensure your votes are counted.

For those attending online, if you're eligible to vote at this meeting, the vote icon will appear in your browser. An image of the icon is now being shown on the screen to my left. Once voting opens press the vote icon at the top of your screen and all Resolutions will be activated with voting options. To cast your vote simply select one of the options. There is no need to hit submit or enter, it's just automatically recorded and you will receive a vote confirmation notification on your screen. Importantly you can change your vote up until the time that I declare the meeting closed, in case you don't like the answers Marcus gives. If you experience any difficulty submitting a question or voting online please consult the Online User Guide on page 5 of the Notice of Meeting for further assistance.

So I now declare voting open on all resolutions. I will give you a warning before closing voting at the end of the meeting. Subject to any applicable voting restrictions, and as set out in the Notice of Meeting, the Board recommends that all shareholders vote in favour of each Resolution. Also as indicated in the Notice of Meeting, I intend to vote all available proxies in favour of each Resolution.

We will now move to brief addresses from me and from Marcus before going to the formal business of the meeting.



For those who attended Investor Day on the 20 April, you will have heard me remark that it has been a really eventful 23 months since I took over as Iress Chair in 2021.

Within a relatively, in fact, within a very short period of time, we have experienced a takeover offer, we appointed a new CEO, we've held two investor days, I have to admit to articulate two different strategies, we've made an earnings downgrade and we've held an EGM. That has, it's been a busy 23 months. However, Marcus' appointment to the CEO role has provided both myself and the Board with the opportunity to reflect, not only on what we've learned during our time at the company, but also reflect on our accumulated years of experience in the technology sector and in financial services.

We have spent a considerable amount of time developing an improved pathway for this Company. Always at the heart of our discussions has been our desire to do the right thing for shareholders, for clients and for employees. Having said all that, it is very clear to us that Iress must deliver improved returns based on a faster trajectory, a faster cadence.

You will hear from Marcus shortly that in the Investor Day, at the Investor Day a couple of weeks ago, he outlined a clear vision for a simpler, higher performing Iress with clearer lines of accountability and performance metrics, new business leaders, a renewed focus on customers and a reduced cost base. He also flagged changes to our remuneration model.

Back to 2021 when I was appointed to this role, we immediately sought shareholder feedback on Iress and the feedback from shareholders was very consistent, revenue growth was too slow, EPS had flat-lined, this is a potentially great business it's just not reaching its potential. And a number of shareholders have also raised concerns that our remuneration model was not closely enough aligned with shareholder outcomes.

We've listened. And we are actually very confident that the changes outlined on 20 April, and a few additional changes yet to come, will address shareholders' concerns. Look, I'll quickly address the company's performance and remuneration issues and then cover capital management, balance sheet, ESG and Board structure and then I'll hand over to Marcus.

The more focused vision that we've announced for Iress really will improve accountability for delivering outcomes for customers and for shareholders. Strategies are very easy to articulate, it's not hard to stand here and articulate a strategy but delivering is really difficult and we're very conscious of that. It requires very focused execution and a depth of planning that might surprise you. There is a lot of work going on inside Iress to ensure that we think through and resource the delivery of the changes that we've mapped out.

We're spending a lot of time thinking about how we link the way we remunerate our people to the new strategy. We engaged an external consultant early this year to support us with this activity, that review is now approaching completion. It will result in the introduction of a new reward framework during this calendar year that will align Iress with market norms and will result in two major changes. The first of which is replacing the existing equity rights with an alternative short term incentive plan thereby replacing an element of fixed remuneration with a performance-based incentive. Secondly, we will replace the existing long term incentive plan with a new plan that reflects our new operating structure and strategy. We, once these plans are finalised and have been socialised with the team, we will consult the shareholders and then we will put the plan to an Extraordinary General Meeting within the next few months.



A few words on our FY22 financial performance. It was solid but fell short of expectations. On a reported basis, revenue was up 4% while Net Profit After Tax was down 29% to \$52.7m. Reported Earnings Per Share were down 26% to 28.6c, with Segment Profit down 1%. Now taken in isolation you might think that was a poor set of results but actually it's worth noting that the declines in reported Net Profit After Tax and Earnings Per Share were almost entirely driven by non operating items from the previous year. Indeed in 2022 we had a \$23.3m non-cash gain on the finalisation of earnout provisions relating to two acquisitions, QuantHouse and BC Gateways. While the performance was within range of the revised guidance, it clearly fell short of our expected performance and further underscores the importance of the updated strategy and renewed focus announced at Investor Day.

Before I move off financial performance I do wish to point out, we set ourselves the task of improving EPS, Earnings Per Share, and that Constant Currency Underlying EPS for financial year 22 improved by 10%, so we did achieve an uplift. The Company is focused on improving its financial metrics including Earnings Per Share and return on capital. During 2022 we completed a \$100m on-market share buyback as part of that plan, which contributed to the improvement in underlying EPS.

In April this year, Iress announced that it had launched a sale process for its Managed Fund Administration and Platforms businesses, as well as exploring further opportunities to execute a carefully managed program to release capital across other aspects of our portfolio.

At Investor Day, we announced the Company would be increasing leverage in the very short term during its transformation process. But in the medium term, net debt will be targeted at 1.5 to 2 x EBITDA. De-leveraging will be driven by divestments and by earnings growth. The Company has declared a final dividend of 30 cents per share unfranked, bringing the full year 2022 dividend to 46.0 cents per share.

A few words on Environmental and Social Governance, or ESG and then we'll move to the Board and then I'll pass to Marcus. We made good progress in ESG during 2022. We were again recognised by ACSI, the Australian Council of Superannuation Investors, as I think just one of six ASX 200 technology companies to achieve a 'detailed' rating which recognises our commitment to transparency. We are committed to effectively managing risks across our operations, including cyber security, modern slavery, climate change and so on.

Key highlights in 2022 included establishing a near term science-based emission reduction target, developing our inaugural response to the Task Force on Climate-related Financial Disclosures, strengthening our support of Talent Beyond Boundaries, revising and strengthening our risk management framework and establishing an internal working group on modern slavery.

Board structure, in May 2022, John Cameron, a long standing director with 12 years experience on this board retired from the Iress Board and we wish to thank John for his considerable contribution over many years.

In August last year we announced that Tony Glenning would join the Board as an independent Non-Executive Director. Tony has more than 25 years' experience as a software engineer and is an accomplished board member, he's lived in Silicon Valley, he's worked for Google, he's built and sold a company. We're looking, he is making a great contribution at the board table and we are looking forward to him singing for his supper in a few minutes.



So in summary, before handing over to Marcus, I would like to acknowledge and thank shareholders for staying the course as we navigate change and reposition this business for future success. I'd also like to welcome several significant new shareholders to the register.

Finally, I would like to thank the broader Iress team for its professionalism and focus at this time, as well as my fellow Board members for their diligence, hard work and counsel over the year. This has not been an easy time for Iress, it has not been an easy time for its people, but we have embarked on a very necessary journey and, as they say, the bus has now left the station. We're on the journey, and I do need to end by saying, it's actually really exciting at this point, we definitely see light at the end of the tunnel.

I'll now invite Marcus to say a few words.

Marcus Price: Thanks Roger. I'd really like to just start out by thanking the Board and particularly Roger for the support that we've had over the last six months, it's been very busy. You can't have an Investor Day Presentation as we had a few weeks ago without the support of the Board and without the ongoing support of your Chairman. It takes courage to make those sorts of changes and it comes from the top so thank you to all the Directors and thank you to the Board for that support.

Today I will reflect on our 2022 performance, as well as briefly cover the intent of the strategy refresh we announced two weeks ago at the Investor Day. Firstly just turning to 2022 performance. Reiterating Roger's point from earlier, our 2022 financial results represent a solid performance but not one that really meets our expectations.

We saw demonstrated the strength of Iress' core Australian franchise, with domestic revenues increasing for the APAC region by 6% on a constant currency basis. In Australia as you know, Iress enjoys leading market share, with excellent products that are critical to our clients' businesses whilst we play in large, growing addressable markets with long-term recurring revenues. Very attractive businesses.

Our Superannuation business also performed well. Recurring revenues grew by 17% in constant currency terms supported by new client wins, including the Commonwealth Super Corporation. All Australian super funds are seeking to solve for operational efficiency and improved member experience, underpinned by digitisation. And in those respects, Iress is one of the best-placed independent technology partners for funds in this country.

Outside Australia, a number of our offshore markets underperformed. The UK in particular was disappointing, with overall revenue growth declining by 1% in constant currency. Although it was a bit of a mixed bag in the UK, growth in recurring revenue occurred in Private Wealth and Trading which was offset by churn in Retail Wealth in that region so it wasn't an, wasn't a consistent performance.

In terms of the strategy update, as I mentioned at the EGM when I officially joined Iress, I've been a long-time admirer of this business, a long term Australian company.

Iress has got an enviable reputation in the financial services industry and particularly here in Australia where our software is an essential part of the wealth and trading & market data ecosystems.

The capabilities here at Iress are first rate, that's one of the most impressive things about the Company, the teams that underpin the performance. Our legacy of innovation has shaped markets, markets that we today sit at the centre of. However, it is clear, and it is clear to everyone, that change is required to guide Iress to its next growth horizon.



Our objective is to remain at the forefront of our chosen industries in our chosen markets where we believe opportunity abounds. I firmly believe there's never been a better time to actually be in financial advice and investment management given what's going on in those industries.

We are actually on the cusp of a new era, it is generally exciting, it's our job to step into that and to drive the change necessary in the industry. What we aspire to be is a company with the attributes of higher growth and EBITDA margins, that will rate us amongst leading, global technology peers that are in Australia and offshore of course.

The strategy we outlined on 20 April encompasses three phases, Reset, Refocus and Build. Within those six big jobs for the business, six big jobs for us to execute to achieve our potential. I am going to go through just each of them very quickly as a recap.

The first is the reset around structure. We want to structure for accountability and performance. Here we will be transitioning to a product-led business unit structure which orientates us much closer to clients, driving improved performance. We see tighter spans of control to drive efficiency and focus, while retaining the functional overlays to ensure we retain focus on culture, shared client accounts and corporate services. As part of these changes, we announced some changes to our Leadership Team, including the establishment of four CEOs to manage the four new business units. Harry Mitchell who's here today, CEO of Wealth. Jason Hoang who is CEO Trading & Market Data, Paul Giles, CEO of the Superannuation business and our current CFO John Harris I'm delighted to say has moved to be CEO of the Managed Portfolio which includes most of our offshore assets. Anita Chow, our current Group Financial Controller we've been delighted has actually stepped up to become the Group CFO in the interim, so thank you Anita for that.

We also announced Ana Smith who's the Chief Strategy and Transformation Officer, she's been appointed to drive the transformation program, David Hentschke our Chief Innovation Officer looking at some of our build programs and Justin Schmitt as Chief Operating Officer. Finally Simon New was appointed as the CEO of the UK business. The Chief Product Officer role is not part of our structure, that each business has its own Product Office so the Chief Product Officer role which previously was occupied by Joydip Das has actually, is no longer in the structure and as a result Joydip has decided to leave Iress to pursue other opportunities.

Additionally, as Roger mentioned, we will be replacing our remuneration framework with a performance-based model which is aligned to this structure and aligned to business unit performance as well as shareholder returns. We'll be seeking feedback and approval from shareholders on that renewed approach later in the year.

The second reset was the reset of the cost and asset base. This will involve us running our program of cost savings through a 10% headcount reduction by June 30 and we expect further efficiencies from the structure going forwards. We will also deliver on a program of asset realisation, commencing with a process to divest our MFA and Platforms businesses whilst executing an ongoing process of management and capital repatriation from the non-strategic assets. This crystallisation also led to us announcing a \$123m write down which primarily relates to the carrying value of our UK assets.

The second part of the strategy is refocusing, and very much refocusing on our core businesses. As reflected in our 2022 financial performance, our analysis has confirmed that our Australian franchises are incredibly strong with opportunities abounding in industries that we serve here and ones that we're well placed in, in Wealth Management, Trading & Market data and Superannuation. We see significant opportunities to grow and expand our already leading positions in the Australian wealth management



and trading & market data businesses and a strong and growing demand for superannuation software as the industry transitions to automated administration models. We will be prioritising our investments in our core software and focus on uplifting software functionality, expanding industry connectivity and investing to grow new capabilities in digital advice and data.

The second refocus is actually a change in focus, it's managing our portfolio or our other assets for value. We have announced a new approach to how we manage the broader portfolio of assets under the Iress umbrella, which includes the UK, South Africa and Canada as well as the MFA and Platforms businesses. Here, as we said on the Investor Day, we'll be adopting a private equity mindset, including empowering local management teams and exploring alternate funding models to release capital back to the group. Underperforming or non-strategic assets will be divested, that's beginning with our MFA and Platforms businesses.

In terms of the build part of Iress, the part that really does excite us, we need to finish our technology uplift. We previously had announced a transition to a platform-based architecture and cloud optimisation program and we've made great progress. It will be brought to a close by Q1 2024. We will, however, be extending the original scope of the program to include a couple of initiatives which are designed to improve client experience very much targeted on our core businesses, particularly on our core trading and advice software. These will also be concluded by that first quarter of 2024.

Our final big job is to build new businesses. We will be investing to innovate and build new organic business opportunities and by cultivating and accelerating a disciplined approach to innovation. Our immediate focus will be on developing the next generation of wealth capabilities to meet the growing demand for advice. We'll also be exploring opportunities in data & AI, and enhancing our connectivity capabilities in wealth and trading.

One thing is, I hope you take away from that, is we are going to be very, very clear and focused on where those initiatives are and what they're designed to achieve.

Finally, we will be taking a very deep, vigorous, sorry, taking a very disciplined and rigorous approach to executing on this plan, by establishing clear governance at the Board and Management Team level, as well as setting up a dedicated Transformation Office to oversee the delivery and benefit realisation of these initiatives. Transformation Office being headed by Ana Smith.

Ultimately, our objective is to create an innovative technology company which connects and empowers millions to generate and manage their wealth. Our financial goal is to return a consistent Rule of 40 performance across all core Iress businesses, and to build new businesses which are at or above the Rule of 40 standard.

I've every confidence we've got the right strategy, we've got the right team and in particular got the right support from the Board and Chairman to deliver on these objectives. I'm certainly looking forward to sharing progress with you over the coming months and years and we look forward to rewarding our loyal shareholders with long-term, sustainable growth and higher returns.

So thank you for your time and thank you Roger.

Roger Sharp: Thank you Marcus. As I noted earlier and as set out in the Explanatory Notes to the Notice of Meeting, there are six items of business and five Resolutions before the meeting today. The proxies received for each Resolution are being shown on screen now and were filed to ASX before the start of this meeting.



We'll start with the presentation of the 2022 Financial Statements and reports which of course is the first item of ordinary business set out on the slide and visible to those attending online, there we are. This is not a voting item but we'd be very pleased to receive written questions and comments. The question and comment function is open, so please raise any matters you believe require attention.

I also note that our external auditor for half an hour more I suspect, Stephen, is available to answer questions on the conduct of the audit, the auditor's report, the Company's accounting policy or indeed the independence of the auditor. Again, please raise any matters you believe require attention.

Do we have any written requests, questions?

Georgina Gillingham: Yes Roger we have three. The first one is from Stephen Mayne. 'The CEO referenced the Rule of 40 at the conclusion of his formal address. Could he please clarify what this means, why it is a useful measure for SAAS companies and what it is trying to incentivise our leadership team to do?'

Roger Sharp: Well thank you Stephen. The Rule of 40 I think is best summarised as a measure of the efficiency of software companies and it is a combination of earnings margin and revenue growth. And if you were to plot Rule of 40 companies on a scatter gram you will find that those companies that achieve Rule of 40 versus those that aren't, as indeed we demonstrated in the 20 April Investor Day, those that achieve the Rule of 40 actually are, currently receive about a 50% valuation premium over companies that don't and that's why we think it's very useful. We've got two Rule of 40 companies, one is Wealth, the other is Markets Trading and we think Superannuation is heading there. The remainder of our businesses do not and you know, hence we've adopted the strategy we have. Next question Georgina.

Georgina Gillingham: The second question also comes from Stephen Mayne and it is, 'we obviously now regret taking our business to the UK. Whilst the CEO and Chair are both relatively new to the Company, could they provide an estimate as to how much the Company has lost by investing in the UK and a summary of the two or three main causes of these losses. Was BREXIT a factor?'

Roger Sharp: I think Stephen that's a very fair question and I am going to ask John Harris to answer because he has, he is in the unique position of having been our CFO and now actually being responsible for performance improvement and divestment of those businesses, so John you might need to go to the microphone.

John Harris: Thank you Roger. So it's a good question, thank you Stephen. We have deployed somewhere in the order of \$400 to \$500 million worth of capital in the UK. I think the question is less about how much we lost in the UK but more about what is an appropriate return on the capital we've deployed in that country. And I think we've been clear in our announcements to the market in April but also in previous financial years that we are unhappy with the level of return that we've delivered from that investment in the UK and that we need to find ways of unlocking the value that we see in that market. I think at the very centre of the strategy that we've announced a couple of weeks ago on April 20, is a way of running our business and structuring our business that seeks to unlock that. We are focused on the potential we see for wealth management in the UK and we are focused on running the business in a way that unlocks that potential but also by seeking potential alternative sources of capital to fuel that and to derisk or to reduce the exposure that Iress Limited has to that market. Hopefully that answers the question.

Roger Sharp: Thanks John and look, I think it's worth adding that in my couple of budget rounds since taking on the Chair role I've seen an attempt to improve the business two years in a row and I think



there has been attempt for many years in a row that has really not delivered and it is time to do something different and that's what we're doing. You had another question I think?

Georgina Gillingham: Yes Roger this one comes from Eric Pascoe of the Australian Shareholders Association. 'Mr Chairman, at the recent Investor Day presentation you said investors had given you the feedback that Iress had lost its way. Some of that has occurred in the last two years including abandoned revenue projections, discredited acquisitions, increased debt and large future rights offs. What can you say to shareholders that will give them confidence that this latest strategy is the right one and that Iress is now capable of successfully executing and delivering on this strategy?'

Roger Sharp: Eric, that's a 100% fair question which I'm pleased you've asked. Look, the strategy that we rolled out on the 20th April is the fruit of a whole lot of quantitative analysis. My own maxim is the truth is in the numbers and I think it's fair to say that both our internal teams supported by some external consultants has crunched the data and the numbers at Iress in every which way one can and that's how we've worked out what's very profitable, a Rule of 40 company, what is underperforming and it's how we've come up with the strategy. Now of course it is all down to execution and I'm hoping you get the sense that there is an enormous amount of planning going on and execution. Now I didn't introduce Ana before, you might want to put your hand up Ana, Ana runs our Transformation Office and the reason I am pointing her out to you is not because she single handedly going to fix this and implement but we've taken this very seriously, we've got a Transformation Office in place, we have dozens and dozens of initiatives, of initiatives with people allocated to them and timeframes so we're not, hope is not a strategy, we're not hoping to get this right, we have allocated a significant number of resources and plans to deliver so Eric, thank you for your question. Do you have any more online questions?

Georgina Gillingham: No further questions.

Roger Sharp: I should have asked, are there any questions from the floor today on this item of business? Thank you, well we will now move on to the resolutions.

Resolution 1 relates to the appointment of Tony Glenning as a Non-Executive Director of the Company. The text of the resolution is set out on the slide and is visible to those attending online.

Tony will say a few words but as I actually stole my own thunder about 5 minutes ago and said he's got more than 25 years' of experience, he's built and sold a company, he's worked for Google, he's on the board of two ASX-listed technology companies, Pro-Medicus and Austco and I think actually Pro-Medicus is the largest, or second largest tech company by market capital at the moment isn't it. And his experience in the global tech sector makes him a valuable asset to Iress. And I will, I'd also say he is no wallflower. Tony is giving us very robust views around the board table which is exactly what we both need and want.

He's been a Director since October 2022 and pursuant to Rule 10.7 of the Constitution filled a casual vacancy. A director appointed under that rule holds office until the conclusion of the next Annual General Meeting but is eligible for election at that meeting. So Tony, being eligible, offers himself for election.

I'd now like to invite him, Tony to say a few words about your background and your commitments outside of Iress.

Anthony Glenning: Thank you Roger, good morning everyone. So my name is, as you know by now, is Anthony Glenning, and as Roger said I was appointed to the Board in October by the board, so I offer



myself today to be formally elected by the shareholders and I thought I'd start out by saying a little bit about myself. And so although I started in Melbourne completing a bachelor's degree in electrical engineering and computer science at the University of Melbourne, I soon went to Silicon Valley straight after graduating to complete my master's in electrical engineering at Stanford University and to pursue my dream at that time of working with and around computers. And so my first real job was as a software developer deep in the bowels of the operating system at Sun Microsystems. And I really do still count software development as my first love, professionally I might add, and although sadly I don't get as many opportunities as I would like to get stuck into coding these days.

In 1999 I became an entrepreneur, both starting my own software company and working with other start-ups. I sold my company, which developed presentation software for the web, to Google in 2007. And I then worked at Google, again as a software developer in California, for a few years before returning to Australia at the end of 2009.

And in 2010, it was really a bit of a career change, as I went to the other side of the entrepreneurial table and joined the venture capital firm, Starfish Ventures. As Investment Director, I had the pleasure of working with many high-growth, and some not so high-growth companies, including positions on the board of eight private companies. One of which, Nitro Software, has since gone public and very recently gone private again.

So since 2018, I have balanced my time between working part-time at Skalata Ventures, where I lead the fund management team, and also joining two public company boards as Roger said, with Pro Medicus and Austco Healthcare. And I would welcome the opportunity to extend this to include a directorship at Iress here today.

That's a bit about me. How I see Iress. So hopefully as you might have gathered, I like working with high-growth companies. And believe it or not and despite Iress' 30-year history, I do consider it part of this category. Well perhaps more precisely, I believe Iress can return to its higher growth early years. And I'm a pretty straightforward person so I'm very much on board with Marcus' comments earlier where I believe Iress needs to be a bit simpler, it needs to do fewer things, it needs to do them better, it needs to focus more on its loyal and patient customers and bring more innovation to its core businesses.

And you know I think this is consistent with what you heard at our Investor Day and so not surprisingly I am very supportive of all initiatives that Marcus and the Iress Management Team are currently working on.

So perhaps what I hope to contribute at Iress as a Director of Iress, I'd like to bring a high-growth technology mindset to the business. I'll be encouraging Management to not be satisfied with the status quo. I'll also be encouraging a product-centric approach both to tech delivery and business management. I would like Iress to continue to build on its legacy by reinvesting in, and building new, best-in-class products in the markets in which we choose to compete. In my view, Iress needs to really understand our customers' problems and innovate to deliver software solutions that make a meaningful difference to the way that those customers achieve their goals.

So in conclusion, with your support today, I would like to not only fulfil my fiduciary duty in requiring good governance and driving accountability of management in delivering against these agreed plans,



but I would also like to challenge the Iress team to deliver on the untapped potential that I see within Iress. Thank you. Back to you Roger.

Roger Sharp: Thank you Tony. Both Tony and I are available to address any questions or comments in relation to this resolution and we'll start with shareholders and proxyholders attending in person. Are there any questions please?

If there are no questions from the floor, Georgina, do you have any online questions?

Georgina Gillingham: Yes Roger, we have one online question and it is from Stephen Mayne. 'Can new director Anthony Glenning and the Chair comment on the recruitment process that led to his appointment to the Board. Was a headhunter involved? Did the full Board interview Anthony and did they interview any other candidates? Did Anthony know of any of the directors before engaging with the recruitment process?'

Roger Sharp: Thanks Georgina and Tony I might take this. We engaged Heidrick & Struggles, we ran a very fulsome process, I can't even remember how many non-exec director candidates we interviewed. The full Board did interview Tony, he was known to John Cameron who is no longer on the Board. But I can absolutely attest to the fact that there was a robust, transparent process and we're very pleased with the selection we made. Any further questions Georgina?

Georgina Gillingham: No further questions.

Roger Sharp: Right, thank you. The proxies received for the Resolution, for Resolution 1 are shown on the screen to my side and I won't labour the point by reading the numbers. Please could you now vote either for, against or abstain for Resolution 1. I will just pause for a few seconds to allow you to do that.

I'll now move to Resolution 2 which is the re-election of Trudy Vonhoff. The text of Resolution 2 which relates to Trudy's re-election as a Non-Executive Director of Iress, is now set out on the slide and visible to those attending online.

Trudy will say a few words in a moment, but by way of background, she has over 25 years' experience in retail banking, in financial markets and in investments. For 13 of those years, she held senior executive roles at Westpac and at AMP across retail banking, financial, risk, technology & operations as well as agribusiness. She was appointed Chair of Iress' Audit & Risk Committee in May 2021 and provides valuable insights and experience to both that Committee and to the Board. She currently serves on the boards of Credit Corp Group, Cuscal Limited and Australian Cane Farms.

Trudy has been a Director since 1 February 2020 and retires as a director in accordance with Rule 10.3 of the Constitution. Being eligible, she offers herself for re-election. And I might say before handing over to Trudy that the discipline and rigour she has brought to the Audit & Risk Committee, the increased focus on risk and risk management, the increased focus on environmental and social government is noted and appreciated. Trudy, time for you to sing.

Trudy Vonhoff: So now you've stolen all my words, so thank you Roger and good afternoon to you all. As Roger said, I have served on the Iress Board since early 2020 so a little over three years and I have to say my first interaction was a virtual one and again this year it's nice to see some of you in person.

So since joining, and I think Roger has touched on this as well, the Company has navigated the ups and downs of Covid, a challenging economic and regulatory environment, a new Chairman, some



take-over approaches, strategy re-shaping and a new CEO and, outlined in our recent Investor Day, changes to our strategy and the way we execute on that.

Pleasingly, some things remain the same. Iress remains a great company with huge potential. And I remain very excited about working with the Board, the CEO and the leadership team throughout the next era of Iress.

As Roger said, I was appointed to Chair the Audit & Risk Committee in May 21 and I thought I'd share with you a few of things the Committee has been focussed on.

So firstly Risk Management. Like all organisations, Cyber Risk Management has consumed a lot of time and effort. And in addition to that, we have lifted our investment in the risk management team, strengthened our lines of defence, as well as benchmarked our Risk culture.

With respect to ESG, the social and environmental obligations of organisations are continuing to evolve and I think Iress has made some really good progress in that space. We focus on areas that we can support and where we can make a difference.

And with respect to Assurance, so during the year as you would know, we put out our Audit & Assurance work to tender, and with your support, will be appointing David Petersen and his team from EY as our audit partners.

And I guess at this point I would like to thank Stephen Roche and Stuart and the whole Deloitte team over the years for their dedicated and quality service to Iress. The team have delivered excellent, have been excellent audit partners and we thank them also for their professionalism in the transition to our new audit partners. Thank you very much.

And in closing, just a little about me. As per the Notice of Meeting and Roger's remarks, my executive background is leading businesses in financial services, with skills in finance, retail & business banking, operations and technology. I continue to develop these skills and others by serving as a Non-Executive Director on ASX listed companies, APRA regulated financial institutions, public & private companies across a range of industries. I have and I continue to chair board committees in the areas of risk, remuneration and audit. And I bring these skills and experiences to the Iress table.

So together with your support and with this very experienced Board, I welcome the opportunity to continue to play my part in representing shareholders around the Board table and continuing to challenge management and deliver good shareholder value. Thank you.

Roger Sharp: Thank you Trudy. We are both available to address any comments or questions on this resolution. Perhaps we'll start with shareholders and proxyholders who are attending in person. Thank you, would you mind heading to the microphone, thanks.

Barry Telford: Hi, my name is Barry Telford. Now I notice Ms Vonhoff has been on the Board over the period of 2021 when you had the takeover offers at a lot higher price than the price is now. Also at the time and I expect it was authorised by the Board, and it probably had something to do with the failed takeover, there was a very optimistic set of announcements to the ASX, I think forecasting if I am correct in 2025 there'd be a net profit after tax of \$120m. Now I understand that that has just in the last few weeks been withdrawn and currently the share price is around, what, 10.40 or thereabouts. I would just like to know please, how you can demonstrate you've acted in the shareholder's interests as a director. Thank you.

Trudy Vondhoff: Would you like me to start.



Roger Sharp: Sure.

Trudy Vonhoff: So I think there's a few things. One, yes we have done some strategy reshaping and I think with respect to some of the goals that we put out there around 2025, I think those goals remain intact but what has changed is the way we're going to get there and that is significantly different. I think in terms of my confidence in the current strategy, there are a couple of things. I'd like to reiterate probably Roger's comments early that we have really gone into deep diving on data and having a fact based conversation around performance of the individual business units. I think the organisational design and the organisational structure that the CEO has put in place will help us improve our transparency and accountability along lines of business and their approach and lastly I think in terms of the execution which is where it will happen we've made further investments in the Transformation Office to make sure that we as a Board are getting the data and the facts we need to drive the business forward.

Barry Telford: Actually, you said, the goals are not intact. The financial one's been withdrawn, so that's an incorrect statement.

Trudy Vonhoff: I'm talking about our longer term goals in terms of where we're heading. I think we're going to be in for an interesting time there's no doubt about that, but yes, in terms of our long term performance and that's where my focus is in terms of a sustained long term performance.

Roger Sharp: Thank you. Do we have any further questions from the floor? Georgina, any questions online.

Georgina Gillingham: Yes Roger, we have a couple of questions online. The first one's from Stephen Mayne. 'Trudy was one of the Iress Directors who recruited current Chair, Roger Sharp, to the Board in February 2021 announcing that he would become Chair before he'd even served one day as a director. How does she believe the new Chair is performing and how it is working having a New Zealand based Chairman of a Melbourne based company? Also, Chairing three major organisations, Iress, Webjet and the New Zealand Lotteries Commission, it's a major workload for our Chair. Could Roger comment on how he is managing that so far?'

Roger Sharp: Do you want me to leave the room while you respond?

Trudy Vonhoff: So thank you for the question. I think it's probably worth saying that since Roger has been appointed I think within six months or so we had a formal Board review, so that not only covered the performance of Roger as a Director and Chair but also each individual, all individual Directors in terms of how we were performing with the major focus on one, what can we do better and how could we be more effective as a Board and that was facilitated independently and we all took away things that we can do better in terms of our Board performance. From a personal perspective, I think Roger has immersed himself into the business and has a deep desire like all of us to understand all the different parts of our business and as we've touched on today there's been quite amount of, a large amount of activity in recent times and I can only say that Roger as a Chairman, I would probably describe him as active but certainly not passive in terms of how he approaches things, so in terms of his approachability and accessibility he's always available. Thank you. I think that covers it from my perspective.

Roger Sharp: And I might just add, Stephen, thanks for your question and I think it is entirely fair, look, I live between Sydney and Queenstown. I spend half my life here in Australia. It's true that I do Chair Webjet, Iress and the National Lottery in New Zealand. That role at Lotto runs off in 30 June next year. I have immersed myself completely in Iress over the next couple of years, led the takeover defence,



hunted and found what I think is a great CEO replacement and supported the strategic response that you've seen that led to the new strategy launched on Investor Day so I, I am quite comfortable that Iress is getting, is squeezing a lot of juice out of my Director's fees. Thank you.

No more questions Georgina?

Georgina Gillingham: We have a further question from Stephen Mayne. 'At last year's Credit Corp AGM, the Chair and CEO were highly combative in dealing with proxy advisers and retail shareholders. Sure, debt collecting is a tough business but as a Credit Corp Director could Trudy comment if she was comfortable with how they went about it? As a professional director, does she respect the work of proxy advisers and the principle of maximum transparency?'

Trudy Vonhoff: Thank you for that. I'm not sure I would describe it as combative but I guess for context for the Iress folk, we did have a particular technical issue on our REM report and I Chair the REM Committee so there was interaction at the AGM with respect to questions around that issue. As a professional director I'm always supportive, of course, of open and respectful conversations with shareholders, proxy advisers, staff, anyone of our stakeholders and I've always made myself available for those conversations and will continue to do so. I think with respect to Iress, our recent Investor Day, I thought was very open and transparent in terms of how we presented our business and our performance and, of course, I'm very supportive of that level of transparency. Thank you.

Roger Sharp: No further questions?

Georgina Gillingham: No further questions Roger.

Roger Sharp: Thank you, good questions. The proxies received for Resolution 2 are now shown on the screen to my side and I will leave you to read the numbers for yourselves. Please now vote either for, against or abstain for Resolution 2. Again I'll pause for 20 seconds to give people an opportunity to vote.

The text of Resolution 3, which relates to the Company's Remuneration Report, is now set out on the slide to my left. It's an advisory resolution to adopt the Remuneration Report, which forms part of the Directors' Report, and is included in the Company's Annual Report for the year 31 December 2022. The Remuneration Report explains the Company's remuneration policy as well as its relationship with and link to the Company's performance, it contains the remuneration details of the Directors and other key management personnel of the Company and it explains the incentive arrangements in place for the key management personnel.

As the shareholder vote on this resolution is advisory in nature, the outcome of the vote is not binding. However, if the Company receives votes of 25% or more against the Remuneration Report at two successive AGMs, a resolution to call a spill meeting must be put to all shareholders at the second AGM. So clearly this is a resolution we take seriously. All of the relevant information concerning remuneration is contained in the Report, the Remuneration Report in the 2022 Annual Report.

Julie Fahey as Chair of the People & Performance Committee and I are available to answer questions. So I would like to start with questions from the floor please, are there any questions on this resolution from shareholders and proxyholders attending in person?

Thank you. Georgina are there questions online?

Georgina Gillingham: Yes Roger we have two online questions. The first one is from Eric Pascoe of the Australian Shareholder Association. And his question is 'Mr Chairman, the ASA understands that as a



result of your new strategy Iress is reviewing executive remuneration. Reduction in costs is vital to Iress and you are putting through staff redundancies. The ASA thinks that this is not the time for excess in the Executive Suite. Mr Chairman, will you be pushing for moderation in Iress' future deliberations on executive pay?'

Roger Sharp: Thanks Eric, good question. While, strangely enough, that was very much the subject for discussion yesterday at our Board meeting. Look, my answer is and Julie may wish to add, but we have to pay good people market rate to keep them. It's a fundamental principle for us. However, we need to operate more efficiently. So I, my personal bias is towards remunerating people at market, not excessively, but competitively and making sure that we are an efficient business that is not overstaffed in particular areas and I think it is possible to manage a more effective cost base and remunerate key people at market. Julie, is there anything you want to add to that?

Julie Fahey: I think the other thing I would add is that the revised accountability structure of the organisation is going to make it much similar for us to put together a framework which will be simple and very clearer metrics and outcomes for people to assess.

Roger Sharp: Thank you. Georgina I think there was another question.

Georgina Gillingham: Yes there's one from Stephen Mayne, and his question is 'thank you for disclosing the proxy position to the ASX with the formal addresses. This is a transparency best practice. The only double digit protest vote was 12% against the remuneration report. What was the issue and which of the proxy advisers recommended against?'

Roger Sharp: Well I think that's, I'm happy to talk about the issue, I'd like to play the issue not the man, the ball not the man I think the expression goes. We've had one proxy adviser with whom we've had a healthy series of discussions over a number of years recommend against the remuneration report on two grounds. Firstly on the grounds of equity rights which are perceived to be part of our fixed remuneration and secondly the performance rights structure. Now we've, we've been really transparent that we are moving away from that structure, we are launching a new structure which will be put to shareholders, both informally and through an Extraordinary General Meeting. We've, we're transitioning out, it is never 100% clean but we are transitioning towards a new strategy. One of our proxies chose to recommend against it and that's fine, we respect that. Julie, anything you want to add?

Julie Fahey: No, I think that covers everything.

Roger Sharp: Thank you. Any further questions?

Georgina Gillingham: No further questions.

Roger Sharp: Alright. Well let's have a look at the proxies which should appear to my left. As Stephen has said there has been, I think it is about a 12% no vote on the remuneration report, enough to make us sit up and notice and you know I can only repeat that we've taken remuneration advice, we will be speaking to our shareholders and then we will put the new package to shareholders. We can't really be any more transparent than that.

Please could you now vote either for, against or abstain for Resolution 3. Again I'll give you 20 seconds.

Thank you all. We will now move to Resolution 4 which relates to the Constitution. As you know the company proposes to make changes to its Constitution and the text is set out on the slide to my left and is visible to those attending online. This is a special resolution, requiring that at least 75% of votes



cast by shareholders who are entitled to vote on it, be in favour of the resolution. I have signed a copy of the Constitution that is marked-up to show that the proposed amendments are and I table it before the meeting. Details of key proposed amendments are set out in the Explanatory Notes to the Notice of Meeting.

Are there any questions on this Resolution from shareholders and proxyholders attending in person? Thank you. Georgina, are there any questions online?

Georgina Gillingham: No online questions.

Roger Sharp: Alright, thank you. Then in that case we'll show the proxies received to my left, and I will now pause again for a short period to enable you to vote for, against or abstain.

Before we move to Resolution 5, the appointment of auditors, a reminder that voting is open on all Resolutions and will remain open until I declare it closed at the end of the meeting.

So, to the final item of business, being the appointment of Ernst & Young as the Company's auditor. The text of Resolution 5 is set out on the slide to my left and it is also available, visible online. It's an ordinary resolution.

Are there any questions on this Resolution from shareholders and proxyholders who are present? Georgina, any questions online?

Georgina Gillingham: Yes we have one online question and it's from Stephen Mayne. His question is 'the latest audited accounts claim we have net assets of \$434 million yet our market capitalisation today is 1.94 billion. In light of this disparity could the existing auditor please comment on how management was able to announce \$123 million of right offs last month, a move which will make our balance sheet less accurate in terms of what the market believes the business is worth?'

Roger Sharp: Stephen?

Stephen Roche: I am prepared to take a question about how our audit procedures were conducted [inaudible] balance sheet but I think commenting on the P&L disparities probably [inaudible] subject.

Roger Sharp: Well I might ask John perhaps to move to the microphone and respond to that question. Thank you.

John Harris: Yes so thank you for the question. So the nature of our business as a software company is that very little of the assets if you like in a generic sense of the word that generate the value in our company appear in an accounting sense on the balance sheet of our organisation. And by that I mean the vast majority of the 1.9 billion of market cap that Stephen is referring to in his question is reflected in the core businesses in Australia of financial advice and trading and if you look at the balance sheet there's very few assets associated with those in an accounting sense and that reflects the fact that they have been built organically over the process, over a period of 20+ years. And so the disconnect between the market cap and the balance sheet is not a reflection of an accounting problem or an accounting issue. It's a natural outworking of the nature of our business.

Roger Sharp: Thank you John. Any further questions Georgina?

Georgina Gillingham: No that was the only question.

Roger Sharp: Right, thank you. To my left should be the proxies received. Could you now please vote for, against or abstain on Resolution 5 and while you are doing that I would like to add my own vote of thanks on top of Trudy's comments earlier in the meeting. On behalf of the Board and Management of



Iress, I really would like to thank Stephen and Stuart and the team at Deloitte for their assistance and services provided to Iress over many years. It's much appreciated and we wish you all the best for the future. And to David, Rachel and the EY team, welcome and we look forward to working with you.

Before moving to close voting, I'd now like to offer another opportunity to ask general questions firstly from those present and then secondly online. Are there any further questions from the room please? Anything else online Georgina?

Georgina Gillingham: Yes, we have one question online from Stephen Mayne. 'I know this meeting was held at the office of our lawyers, King Wood Malletsons, but did that really mean the Chair had to read out such a long rules and procedures summary. I hope they weren't being paid by the word. Thank you for offering a hybrid AGM this year and disclosing the proxies early to the ASX. Please keep up this practice and it would be great if a transcript of the AGM could also be published.'

Roger Sharp: Yes, thank you Stephen, we are happy to publish a transcript. That's a discussion you and I have had before. I would love a simpler set of instructions, I can tell you standing here reading this is a triplicate, quadruple set of instructions on how to vote, how to answer questions etc is quite tedious. It was actually done by our internal team, we didn't pay KWM to do it. But I think it's a great marker and Georgina and Peter, if we can simplify this for next year I would be very grateful.

On that note, that concludes our discussion on the items of business. I will now move to close voting. Please ensure you've cast your votes on all resolutions. I will now pause for a minute to allow you time to finalise your votes. Computershare representatives will collect the voting papers of those attending in person.

Have all voting papers been completed and collected?

Michael Stretton: Yes Mr Chairman.

Thank you very much. I now declare the poll closed. I will allow just a few more seconds for voting to be completed and for voting papers to be collected to the extent there are. I presume online is done, the room is done. Alright. In that case I declare the poll closed.

The results of the meeting will be released to ASX later today and will also be available on our website.

I thank shareholders, proxyholders and visitors for their attendance today and declare the meeting closed. Thank you.

- ENDS -