



EGM Transcript
29 September 2022

Roger Sharp: Good morning, my name is Roger Sharp, Chair of Iress Limited. It's 11:30am and I declare this Extraordinary 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 Gadigal people of the Eora 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 all for taking the time to join our meeting either online, via the Computershare Meeting platform, or here with us at KWM in Sydney.

For those of you attending in person a little housekeeping, there are two exit points from the building outside this room. The closest exit is via the Sky Bar, located via the same route to which we entered. From this room, turn right and the fire stairs will be on your left. For the other exit point, turn left through the corridor, past the lift lobby and the fire stairs will be on your left. If there is an emergency, please exit out of both doors to avoid congestion. Fire Wardens will be present to assist with evacuation and direction to the Assembly area.

Before we move to the formal business of today's meeting some important introductions. All directors join us here today, some in person and some by video link. In person we have to my left Michael Dwyer, Marcus Price, Non-Executive Director and our incoming Managing Director and of course Andrew Walsh our current Managing Director and CEO. By video link we have three Non-Executive Directors, Niki Beattie from the UK, Trudy Vonhoff who is also Chair of our Audit and Risk Committee and Julie Fahey who is Chair of our People and Performance Committee. Now I can't see my colleagues but I'm going to assume that they are there in the ether somewhere.

Also in attendance today are Peter Ferguson our Chief Legal Officer and Company Secretary to my far left, John Harris our Chief Financial Officer and a number of the Iress team; welcome and thank you for coming. I'd also like to acknowledge Joe Muraca, a representative from our legal advisers, King & Wood Mallesons.

There are three resolutions to be considered at today's meeting, relating respectively to proposed grants to the incoming Managing Director and CEO Marcus Price of Equity Rights, Performance Rights and Options.

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



A slide should now be going up which outlines the process for asking questions online. There will be an opportunity to ask questions on all items of business and I will take questions from those attending in person first, followed by online questions. This will allow for a bit more time for online participants to formulate and submit any questions.

For those attending in person who wish to ask a question, please raise your hand and we will bring a microphone to you. We ask that you state your name and who you represent prior to asking your question. We are using a microphone to ensure audio quality.

For those attending 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 online participants, including the help number in the event of any difficulties, can be found in the Online User Guide referenced on page 3 of the Notice of Meeting. While you can submit questions at any time from now on, they will not be addressed until the relevant time in the meeting. Questions will be moderated or, if we receive multiple questions on one topic, they may be amalgamated.

Now to voting, I will now outline the process for voting at today's meeting. Each resolution before shareholders is an ordinary resolution and will be passed by simple majority. Voting today will be held by way of a poll on all resolutions and I appoint Michael Hutchison from our share registry Computershare Investor Services as the 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 on 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. The for numbers displayed, for each resolution, will include proxies received, and available to be voted, by me as Chair of the meeting.

I will now outline the instructions for conducting the poll, firstly for those attending in person at the venue and then for those attending the meeting online. First, if there is anyone here at the KWM offices who believes they're entitled to vote but didn't register to vote on arrival, please make your way to the registration desk outside to register. Those that have already registered should 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 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



have finished filling in your voting paper, please lodge it in a ballot box to ensure your votes are counted.

Now for those attending online, if you are eligible to vote at this meeting, the vote icon will appear in your browser. An image of this icon is being displayed on the slide appearing on screen. Once voting opens press the vote icon at the top of the 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 submit or hit an enter button as the vote is automatically recorded. You will receive a vote confirmation notification on your screen and you can change your vote up until the time I declare voting closed. If you experience any difficulty submitting a question or voting online please consult the Online User Guide on page 3 of the Notice of Meeting.

I now declare voting open on all resolutions. I will give you a warning before I close voting at the end of the meeting.

Subject to any applicable voting restrictions, the Board other than Marcus Price and Andrew Walsh recommend that shareholders vote in favour of each resolution. As indicated in the Notice of Meeting, I intend to vote all available proxies in favour of each resolution.

Now we will move to three brief addresses from me, Andrew and Marcus before moving to the formal business of the meeting.

Before we officially begin, I wanted to address the announcement we made to the market this morning. As you'll all be aware, we are currently operating against a backdrop of quite challenging macro conditions. As a result, Iress has experienced some timing delays to the conversion of new sales opportunities which is expected to impact on FY22 guidance. In addition, we have experienced some higher than anticipated supplier costs largely in technology and in part driven by FX rates on USD pricing.

Our full year Segment Profit for FY22 is now expected to be in the range of \$166m to \$170m on a constant currency basis. Net profit after tax is now expected to be in the range of \$54m to \$58m as a result of the updated outlook for Segment Profit.

The primary contributor to the reduced second half FY22 profit expectation is extensions to sales cycles on new client opportunities in APAC and in Mortgages resulting in revenue previously anticipated to land in 2022 being pushed into 2023. These details are contained in the release we launched before the market opened this morning and for now I'd like to refocus on the purpose of today's meeting.



As you're aware, the purpose of this Extraordinary General Meeting is to provide shareholders with the opportunity to vote on the proposed grants of Equity Rights, Performance Rights and Options to the incoming Managing Director and CEO, Marcus Price.

Before handing over to Andrew and Marcus, I did want to take a moment to provide some context on what is happening and why the Board is seeking your approval for these grants.

Iress has a long history of leadership stability both with previous CEOs and indeed the board and Andrew and his predecessor indeed have been in place during periods of significant growth over really a number of years, significant to national expansion and delivery of value. Andrew has been an outstanding leader, we've worked together for a couple of years now. Since he took over as CEO in 2009, he really has been instrumental in building Iress into an innovative market leader with an international footprint.

Andrew and I have had many discussions about his decision to retire, we are very grateful to him for his service, and we truly wish him well and knowing Andrew as I do I have no doubt that he will regroup, he will ride his bike for a few thousand more kilometres, which he enjoys doing so much, and he will pop up again doing something new and exciting. Andrew, thank you.

The appointment of Marcus Price as Andrew's successor followed a thorough succession planning, candidate search and evaluation process. The Board believes that Marcus is ideally placed to steer Iress through the next phase of its journey. He brings decades of experience in financial services and technology, with a demonstrated track record in creating shareholder value.

He was the founding CEO of PEXA Group Ltd, Australia's first digital property exchange. He is acknowledged as the driving force in the creation of PEXA, which he led for more than a decade. Marcus has also held senior positions with the National Australia Bank, Boston Consulting Group, previously served in senior executive roles with both Equifax and Dun & Bradstreet.

The 2025 strategy announced last year aims to transform Iress into a more scalable company, delivering improved shareholder returns. We are fortunate to have secured a leader of Marcus' reputation and experience to guide the Company through the execution of this strategy and to develop future growth horizons. Recognising the importance of the role, Iress is seeking your approval for Marcus to step into the current Managing Director and CEO equity package, which was approved by shareholders at our Annual General Meeting in May this year.

Further reflecting Marcus' intention to align his interests with those of shareholders, he has agreed to a reduction in his fixed remuneration in return for the issue of a one-off grant of Options with an equivalent value. Shareholders should note that the transition from Andrew to Marcus has been structured to minimise any impact on the Company's FY22 profitability, with Andrew forfeiting his 2022 Performance Rights and only a three-month Fixed Remuneration overlap during FY22. On behalf of the



Board, I encourage you to support the proposed remuneration framework which closely aligns Marcus' interests with those of the Company and its shareholders.

I'll now invite Andrew to say a few words before Marcus introduces himself to shareholders. Andrew, over to you.

Andrew Walsh: Thanks Roger. After more than 20 fulfilling and enjoyable and simply awesome years at Iress and with the company in such a strong position, I feel the time is right for us to plan the next stage and future leadership.

The decision hasn't been an easy one, but I am confident this is the right time for me and for Iress. It was a great honour to succeed Iress' founding CEO Peter Dunai in 2009 with whom I worked very closely and I am proud to have seen Iress through a period of substantial transformation and growth into what is today, a successful global technology business with a genuinely unique and market-leading set of software and services.

Our strategy is very, very clear, we are making good progress and I have every confidence that Iress' new CEO, Marcus Price, will bring the right executive perspective and energy to continue to drive Iress forward, and ensure that it delivers on the goals and achieves those goals and its potential. I wish Marcus every success and I will be supporting him until the end of January.

My sincere thanks go to the entire Iress team for contributing their talent to Iress with hard work and focus and intellect over many many years and I would like to thank my own Leadership Team and the Iress Board. Finally I'd like to thank our investors for their continued support over many years including some from the time when Iress listed. Thank you.

Roger Sharp: Thanks Andrew. Marcus over to you.

Marcus Price: Thanks very much Roger. My name is Marcus Price. I'd like to start by congratulating Andrew on a true legacy. I think he's been an outstanding leader of Iress, he leaves an incredible legacy behind him, an enviable legacy of achievements during his tenure, and I think really importantly has set the foundations for the next phase of the company and its continued success. So I think, I know the whole team feel the same way about Andrew leaving, he's been a great leader and has been someone who will be actually missed by the team so thank you Andrew for everything.

To Roger and the Board, my sincere thanks for the faith you have shown in me in leading Iress and I am certainly looking forward to the challenge of that, I am genuinely excited about the opportunity. In particular I have been a long-term admirer of the Iress business, it's been a parallel business for me for many years as I was in PEXA but I really do relish the opportunity to bring that experience to Iress and to help it work through its next phase of growth in the next horizons of this business.



I am certainly looking forward to working with the Iress team, it's a great team. One of the reasons I joined the business was the calibre of the people in the management team so I am delighted with that, looking forward to executing on the 2025 strategy that was presented to the market last year and including I guess the continuation of our evolving of an operational model and a transition to a platform-based architecture, something I am very familiar with, whilst exploring further growth opportunities beyond that, so I am really looking forward to that challenge.

I look forward to meeting with investors and customers over the next few months and to delivering on our objectives. I think that our challenge is to deliver a company which is simpler, faster which can deliver higher returns for shareholders. So thank you very much for the faith you have shown in me, thank you Roger, thank you team. I'll hand back to you.

Roger Sharp: Thank you Marcus, Andrew. As I noted earlier and as set out in the Explanatory Notes in the Notice of Meeting, there are three resolutions to be considered today.

The proxies received for each Resolution are being shown on the screen now. The following comments address resolutions 1, 2 and 3 together which I will then put separately and in turn. As I mentioned earlier, Iress announced its 2025 strategy in July last year. The strategy includes meaningful operational and financial targets, and aims to transform as Marcus just said the Company into a more scalable business. The Board and your incoming CEO remain focussed on those targets. Marcus is tasked with guiding the Company through execution of this strategy and it is important that his remuneration package is aligned to the interests of shareholders and the existing team here.

To that end, we are seeking your approval for Marcus to step into the current Managing Director and CEO equity package, as approved by shareholders in May this year. Further reflecting an alignment of Marcus' interests with those of shareholders, he has agreed to a 30% reduction in his fixed remuneration compared to the fixed remuneration awarded to Andrew Walsh for the period through 31 December 2024. In return, the Company has agreed to issue to Marcus a one-off grant of Options with an equivalent value. We are also seeking your approval at this meeting for the grant of those Options.

I'll start with Equity Rights, which are the subject of Resolution 1. These form a part of CEO's Fixed Remuneration. Marcus' Base Salary will be \$712,736 per annum inclusive of super. With your approval, Marcus will be awarded Equity Rights in 2022 with a face value of \$175,743, being a pro-rata amount reflecting his employment from I think next Monday until the end of 31 December at the 30% reduction I referred to. The Board considers this an appropriate level of fixed remuneration given the size, scope, strategic objectives and complexity of this Company, Marcus' skills and experience and overall remuneration package and comparable remuneration levels for relevant domestic and international Information Technology peers being taken into account.

Now we move to the Performance Rights, which are the subject of Resolution 2. First, the vesting, value and importantly, the overall amount of Performance Rights at risk, is directly aligned with the



achievement of Iress' 2025 strategic goals. Second, the terms of the Performance Rights are unchanged from those awarded to Andrew in May this year at the AGM.

Now we move to Equity Options, which are the subject of Resolution 3. This is a one-off grant intended to establish further alignment between the interests of our incoming CEO and shareholders. The options come at a cost to Marcus, who has sacrificed 30% of his fixed remuneration or \$1.3m in aggregate over 2022, 23 and 24. Clearly there is an upside to Marcus if during the life of these options the \$13.00 share price is exceeded. That share price increase would also of course accrue for the benefit of shareholders.

On behalf of the Board, I encourage you to support the proposed remuneration framework which closely aligns Marcus' interests with those of the Company and its shareholders.

Turning now to each resolution.

Resolution 1. The text of Resolution 1 is set out on the slide and is visible to those attending online, and that resolution is now before you. Are there any questions on this resolution from shareholders and proxyholders attending in person please?

Thank you. Peter, are there any online questions in relation to this resolution?

Peter Ferguson: Thank you Roger, no, there are no questions online.

Roger Sharp: Thank you. The proxies received for Resolution 1 are shown on the screen behind me. Please now either vote for, against or abstain for Resolution 1. I will just pause for a few seconds to enable you to vote.

We'll move to Resolution 2 which is also set out on the slide and visible to those attending online, and the resolution is before you now.

Are there any questions from shareholders and proxyholders attending in person?

Peter, do we have any questions online for this resolution?

Peter Ferguson: Thank you Roger, no we don't.

Roger Sharp: The proxies received for Resolution 2 are shown on the screen behind me, if you haven't already done so please now vote for, against or abstain and we'll pause briefly.

We'll move to Resolution 3 which is set out on the slide and visible to those attending online, are there any questions from shareholders and proxyholders attending in person on the options please?



Peter, are there any questions online?

Peter Ferguson: No questions Roger.

Roger Sharp: Thank you. The proxies received for Resolution 3 are of course shown behind me and if haven't already done so please now vote for, against or abstain, pause for 20 seconds to enable you to do so before moving on.

Thank you. That concludes, I was going to say our discussion on the items of business but we haven't had a single question.

We will now move to close voting. Please ensure that you have cast your vote on all resolutions. We'll pause, you know my script says for 90 seconds but I think we can probably do it quicker than that, we'll pause for a few seconds to enable you to finalise your votes. Computershare representatives will collect the voting papers of those attending in person.

Michael, have all voting papers been collected?

Michael Hutchinson: Yes

Roger Sharp: Thank you. I now declare the poll closed. I'll allow just a little bit more time for voting to be completed, you don't need more time do you, alright, we're good. I now declare the poll closed. Thank you.

The results of the votes will be released to the ASX later today and will also be available on our website. I thank shareholders, proxyholders and visitors for their attendance today and now declare the meeting closed.

Thank you.

- ENDS -