Notice of Annual General Meeting 2019

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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 RACV City Club, located at 501 Bourke Street, Melbourne, Victoria on Thursday, 2 May 2019, at 11.30 am (AEST).

29 March 2019

Dear Shareholder

I am pleased to invite you to the 2019 Annual General Meeting for IRESS Limited. The meeting is an important part of the IRESS calendar and we encourage you to read these materials.

This year's meeting will be held at **11.30 am (AEST)** on **Thursday, 2 May 2019** at:
RACV City Club
501 Bourke Street
Melbourne, Victoria

Enclosed information

We have included in this Notice of Meeting:

- A map showing the RACV City Club (page 16)
- Highlights of the business and financial performance of IRESS during 2018 (pages 3–5)
- Notice of Meeting and Explanatory Notes (pages 6–15)
- Information on how to exercise your proxy vote (page 7), and
- Your proxy form (separate document).

Voting by proxy

If you are unable to attend the meeting and wish to vote, please complete and return the enclosed proxy form no later than **11.30 am (AEST)** on **Tuesday, 30 April 2019.** 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

If you are able to attend in person, you will need to register on arrival. Registration will open from 10.30 am (AEST). Following the meeting we will be serving refreshments and we encourage you to stay for these.
I look forward to seeing you on the day.

Yours sincerely

Tony D'Aloisio
Chair

IRESS 2018 Results

In 2018, our goal of being both essential and desirable to our clients and users drove our key decisions including our product investment and innovation priorities, technology improvements and how we work. Our financial results reflect our strong and ongoing progress towards this goal.

FINANCIAL HIGHLIGHTS OF THE 2018 RESULT

GROUP REVENUE

$464.6m

+8% on FY17

GROUP SEGMENT PROFIT

$137.7m

+10% on FY17

STATUTORY NET PROFIT

$64.1m

+7% on FY17

FINAL DIVIDEND

30.0c per share

40% franked

STRATEGIC HIGHLIGHTS OF THE 2018 RESULT

Successful completion of milestone projects including significant deliveries in the UK and Australia to large private wealth management and advice clients.

Continued momentum in lending with the successful go-live of a major UK lending project and with work for a number of new clients in the UK and Australia underway.

Investment and innovation in our solutions including a new automated personal advice product for Australian superannuation funds, an improved adviser-client portal and the integration of our data analytics solution Lumen with XPLAN. Our focus on involving users directly in designing our products at scale, through our Labs program, is also gathering momentum.

Making integrations with third parties faster and easier for clients through our IRESS Open initiative – building on our strong history of third-party integrations.

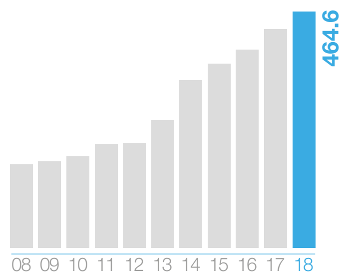
Improving efficiency and quality with significant progress on technology initiatives including enhanced cloud capability and continuous delivery.

REVENUE GROWTH AND OPERATING LEVERAGE DRIVING EARNINGS

	% OF GROUP REVENUE	OPERATING REVENUE (AUD)	DIRECT CONTRIBUTION (AUD)
Asia Pacific • Growth in financial markets revenue driven by continuing buy-side demand and successful client delivery in Asia. • Underlying XPLAN growth driven by ongoing demand amidst increased regulatory focus. • Demand for superannuation solutions continuing.	54%	$252.0m +5%	$182.3m +3%
United Kingdom • Revenue growth reflects successful key client deliveries and product uptake. • Lending momentum is increasing following recent client deliveries.	32%	$147.6m +14%	$100.0m +16%
South Africa • Revenue growth reflects continuing demand across the product suite.	10%	$46.5m +9%	$35.3m +8%
Canada • Flat financial markets revenue reflects ongoing focus of clients on costs in a challenging market. • Wealth revenue growth from successful client deployments.	4%	$18.5m +5%	$9.60m +7%
Product and Technology • Primarily people costs and reflects IRESS' ongoing investment in existing and new technology. • On a reported basis, costs increased 5%. • On a constant currency basis, costs increased 3%, reflecting progress on the establishment of an effective and aligned approach to teams, planning, executing and delivering value to our clients with operating leverage, which partially offset salary inflation, the impact of the 2017 reduction in cash STI that was not repeated in 2018 and increases in occupancy costs during the year. • Costs remained at 25% of Operating Revenue.			($114.2m) +5%
Operations • Includes core business infrastructure and people. • On a reported basis, costs increased 3%, reflecting the impact of foreign exchange movements. • On a constant currency basis, costs were flat and remained at 9% of Operating Revenue.			($39.7m) +3%
Corporate • Includes IRESS' central business functions including human resources, finance, communications and marketing, legal and other general corporate costs. • On a reported basis, costs increased 8%. • On a constant currency basis, costs were flat on the previous year after excluding the impact of the increase in people costs following the 2018 change in non-executive remuneration model. This reflects a strong focus on operational and process efficiency to offset increasing occupancy costs and higher software licence fees associated with core corporate systems including information security. • Costs remained at 8% of Operating Revenue.			($35.6m) +8%
Total Group		$464.6m +8%	$137.7m +10%

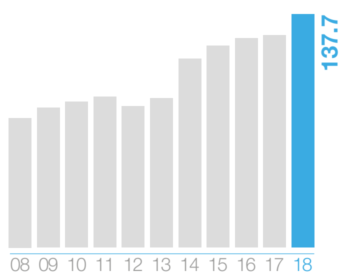
Operating Revenue

AUD (m)



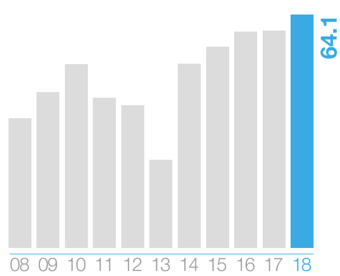
Segment Profit (1)

AUD (m)



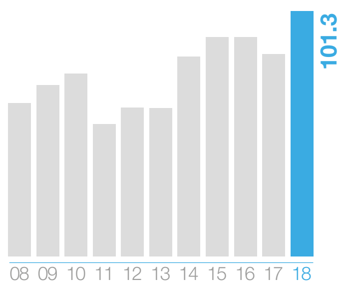
NPAT

AUD (m)



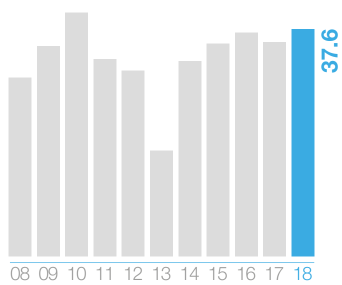
Operating Cash Flow

AUD (m)



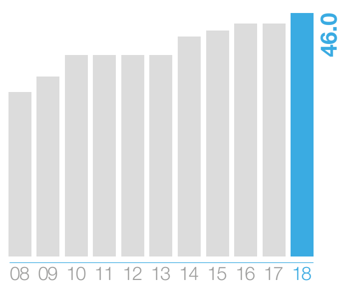
Earnings Per Share

AUD (cents)



Dividend Per Share

AUD (cents)



Unless otherwise stated all comparisons are with the prior corresponding period on a reported currency basis.

Financial information in this report is extracted or calculated from the half year & 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 unrealised FX gains/losses.

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 2018, 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

RE-ELECTION OF DIRECTORS

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

1. "That Mr. Tony D'Aloisio be re-elected as a Director of the Company".
2. "That Mr. John Cameron be re-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 2018 be adopted".

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

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

4. "That the maximum aggregate amount payable to Non-Executive Directors of the Company by way of Directors' fees be increased by A$300,000 from A$1,200,000 to A$1,500,000 per annum."

AMENDMENT TO CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a special resolution:

5. "That articles 10.1 and 10.2 of the Company's Constitution be amended as follows:

10.1 NUMBER OF DIRECTORS

Unless otherwise determined by the Company in general meeting, the number of Directors is to be not less than three nor more than:

a) ~~eight~~ ten; or

b) any lesser number than ~~8~~10 determined as the board limit by the Directors in accordance with the Corporations Act and subject to article 10.2 (but the number must not be less than the number of Directors in office at the time the determination takes effect).

The Directors in office at the time of adoption of this Constitution continue in office subject to this Constitution.

10.2 CHANGE OF NUMBER OF DIRECTORS

Subject to the Corporations Act, ~~T~~the Company in general meeting may approve by ordinary resolution a board limit proposed by the Directors to increase or reduce the ~~minimum or maximum~~ number of Directors."

GRANT OF DEFERRED SHARE RIGHTS TO THE MANAGING DIRECTOR AND CEO (MR. ANDREW WALSH) IN RELATION TO 2018 EXECUTIVE REMUNERATION FRAMEWORK

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

6. "That, for the purpose of ASX Listing Rule 10.14 and all other purposes, the grant of up to 60,000 Deferred Share Rights to the Managing Director and CEO, Andrew Walsh, and the provision of ordinary shares on exercise of those Deferred Share Rights, under the IRESS Limited Employee Deferred Share Rights Plan be approved."

GRANT OF EQUITY RIGHTS AND PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND CEO (MR. ANDREW WALSH) IN RELATION TO 2019 EXECUTIVE REMUNERATION FRAMEWORK

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

7. (A) "That, for the purpose of ASX Listing Rule 10.14 and all other purposes, the grant of 80,020 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 80,020 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, 30 April 2019. 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.

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 (Melbourne time) on Tuesday, 30 April 2019):

(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:

IRESS 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.

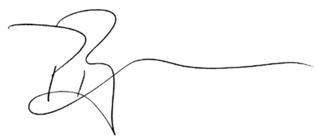
A proxy appointed under Power of Attorney or similar authority may be lodged electronically in the same manner, provided the Power of Attorney/authority, or a certified copy thereof, has been physically lodged with the Registry. The Registry will keep a record of the authority under which the appointment 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, 4, 6, 7A and 7B. 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 6, 7A and 7B under the ASX Listing Rules. Please refer to the Explanatory Notes for more details.

By Order of the Board



Peter Ferguson
Company Secretary

Sydney, 29 March 2019

EXPLANATORY NOTES

RESOLUTION 1 – RE-ELECTION OF MR. TONY D'ALOISIO

Tony D'Aloisio is a Non-Executive Director of the Company and a member of the Audit & Risk Committee. Tony was appointed as a Non-Executive Director on 1 June 2012 and as Chairman of the Company's Board on 25 August 2014. As at the date of the Annual General Meeting to which this notice relates, Tony will have been a Non-Executive Director for 6 years and 9 months.

Tony has 45 years' experience as a senior executive in government, corporate and legal roles. Tony became Chairman of Perpetual Limited in May 2017, following his appointment as independent non-executive director in December 2016. He was appointed as a Commissioner for the Australian Securities and Investment Commission (ASIC) in late 2006 and then as Chairman in 2007 for a four-year term. He was Chairman of the (International) Joint Forum of the Basel Committee on Banking Supervision from 2009 to 2011. Prior to ASIC, he was managing director and chief executive officer at the Australian Securities Exchange (ASX) from 2004 to 2006. Tony was chief executive partner at Mallesons Stephen Jaques between 1992 and 2004, having first joined the firm in 1977. Tony has a depth of experience in executive and non-executive roles, which are directly relevant as we grow our international footprint in financial markets and wealth management.

IRESS' Corporate Governance Statement at paragraphs 9 and 10 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/global/company/corporate-governance/corporate-governance-statement.

The Board has concluded that Tony D'Aloisio is independent.

Tony D'Aloisio, being eligible, offers himself for re-election.

Directors' Recommendation

The Board (other than Mr. Tony D'Aloisio) recommends that shareholders vote in favour of **Resolution 1**.

RESOLUTION 2 – RE-ELECTION OF MR. JOHN CAMERON

John Cameron is a Non-Executive Director of the Company and a member of the People & Performance Committee. John was appointed as a Non-Executive Director on 15 March 2010 and, as at the date of the Annual General Meeting to which this notice relates, will have been a Non-Executive Director for 9 years.

John is one of the pioneers of electronic trading. He was a key member of the team that first automated the trading floor of the ASX, one of the first in the world. He has designed and developed information systems for major financial institutions in the United Kingdom, France, the United States and Australia. In 1997 John created what was to become the world's leading FIX solution, CameronFIX. It was acquired by ORC Software in 2006 where John served as CTO until 2009. In 2007 John created the Cameron Foundation. John now works pro bono for the global refugee initiative Talent Beyond Boundaries and serves as Vice Chair of its board.

IRESS' Corporate Governance Statement at paragraphs 9 and 10 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/global/company/corporate-governance/corporate-governance-statement.

The Board has concluded that John Cameron is independent.

John Cameron, being eligible, offers himself for re-election.

Directors' Recommendation

The Board (other than Mr. John Cameron) 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 2018. The Annual Report is available on the Company's website at www.iress.com/global/company/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:

(a) explains the Company's remuneration policy, as well as its relationship with and link to the Company's performance;

(b) contains the remuneration details of the Directors and other key management personnel (**KMP**) of the Company; and

(c) explains the incentive arrangements in place for KMP.

This year, in the Chairman's letter to shareholders and in the Remuneration Report (see pages 9 and 22-27 of the 2018 Annual Report), we outline a new executive remuneration framework effective 1 January 2019. The new framework places greater emphasis on executive remuneration being aligned to shareholder returns.

The Equity Rights replace the previous cash STI and deferred equity. The value of the Equity Rights is tied to the fortunes of the company over four years (two years to vest and two years holding lock). The new Equity Rights have safeguards that give the Board discretion over outcomes if company or individual performance is significantly below expectations. There are two review points: at the time of grant each year having regard to past performance; and throughout the four year period, by way of a clawback mechanism (described below). In addition, there is an overall Board discretion exercisable during that period.

The new Performance Rights are tied to the 3-year compound annual growth of IRESS' total shareholder returns (TSR). The previous relative TSR (RTSR) metric has not always allowed executives to share in the returns delivered to shareholders. Due to the executive's inability to control other companies' performance, there was a "lottery" aspect to RTSR, which decreased the perceived value of the Performance Rights. The Board considered metrics that could be used instead of, or in addition to, TSR (for example Earnings per Share, Return on Equity, Return on Capital Employed, NPAT growth). Absolute TSR (ATSR) was selected as the metric as it provides the greatest alignment between executives and shareholders, and with IRESS' business strategy, which focuses the executives on generating real returns. The Board did not consider that an additional measure to ATSR was needed at this time.

In setting the ATSR target for the 2019 Performance Rights, the Board examined benchmarks such as recent performance of the All Ordinaries Accumulation index, IRESS' cost of equity, market practice for companies with ATSR targets and local and international peer company returns.

This intrinsic and transparent alignment with shareholders will be supported by the existing robust assessment of individual and company performance against targets set by the Board (see pages 24 and 30 of the 2018 Annual Report). As with the Equity Rights, the new Performance Rights have safeguards that give the Board discretion over outcomes if company or individual performance is significantly below expectations.

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),

unless the vote is cast as proxy for a person entitled to vote on Resolution 3:

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting, and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

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.

RESOLUTION 4 – NON-EXECUTIVE DIRECTORS' REMUNERATION

Under article 10.8 of the Company's Constitution and ASX Listing Rule 10.17, the maximum remuneration payable by the Company to its Non-Executive Directors must be determined by the shareholders of the Company in general meeting and may not be varied without shareholder approval.

The maximum aggregate remuneration (including all fees and superannuation contributions, but excluding the remuneration of the Managing Director or an Executive Director) that may be provided by the Company to the Non-Executive Directors for their services is currently A$1,200,000 per annum. The A$1,200,000 ceiling was approved by shareholders at the Company's Annual General Meeting in May 2016.

Current fee levels, which were set in 2017, are $240,000 for the Chairman's role, $154,000 for Committee Chairs and $130,000 for Non-Executive Directors. The full details of the remuneration paid to the Non-Executive Directors of the Company during the financial year ended 31 December 2018 are included in the Remuneration Report. The forecast total remuneration payable to all Non-Executive Directors during the 2019 financial year is (in round terms) A$1,085,000, leaving the Company with a buffer of A$115,000. The Board has determined that there will be no increase in Non-Executive Director fees in 2019.

However, the Board believes it is appropriate and timely to seek shareholder approval for an increase in the fee pool to ensure that there is flexibility to provide an orderly succession process (through the recruitment of up to two additional Non-Executive Directors over the next two to three years) so as to allow for an overlap between new directors and directors who are in their final term.

As is required by ASX Listing Rule 10.17, the Company confirms that no Non-Executive Directors have been issued Company securities in the last three years or otherwise pursuant to shareholder approval under ASX Listing Rules 10.11 or 10.14.

The Directors (because of their interest in this resolution) do not make a recommendation as to how shareholders should vote on this resolution.

Voting exclusion

The Company will disregard any vote cast on this Resolution 4 by any of the Company's Directors or their associates.

Further, a vote must not be cast on this Resolution 4 by a KMP (or a KMP's closely related party) acting as a proxy, if their appointment does not specify the way the proxy is to vote on this Resolution 4.

However, the Company will not disregard a vote if:

(a) cast by a person as proxy for another person who is entitled to vote and the vote is cast in accordance with the directions on the proxy form; or

(b) the vote is cast by the Chairman (who is a KMP) as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the Chairman to exercise the proxy even though this Resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

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

RESOLUTION 5 – AMENDMENT TO CONSTITUTION

Under the Corporations Act, a company may amend its constitution by special resolution of shareholders. For a special resolution to pass, at least 75% of the votes cast must be in favour.

Increase in number of Directors

The Board reviews the size of the Board periodically and believes that it should not be larger than necessary to carry out its corporate governance responsibilities properly and efficiently.

The Board proposes that article 10.1 of the Company's Constitution is amended to increase the maximum number of directors permitted on the Board from eight to ten. The proposed increase to the maximum number of directors will give the Directors the flexibility to consider an orderly succession process through the appointment of up to two additional Non-Executive Directors over the next two to three years so as to allow for an overlap between new directors and directors who are in their final term.

Board limit amendments

Since the Company's current Constitution was first adopted, the Corporations Act has been amended to govern when (and how) directors can exercise their power to set a 'board limit'. There will be a board limit if directors propose that the number of board positions should be less than the maximum number specified in a company's constitution. The Corporations Act now requires that directors must not set a board limit unless the proposed limit has been approved by ordinary resolution at a general meeting of shareholders. Accordingly, amendments are proposed to articles 10.1 and 10.2 of the Company's Constitution to ensure that these provisions comply with the requirements of the Corporations Act.

If this resolution is passed, the Board has no current plans to set a board limit of less than ten directors. If a board limit was proposed in the future, the proposed board limit would be put to shareholders for approval in accordance with the requirements of the Corporations Act.

Directors' Recommendation

The Board recommends that shareholders vote in favour of **Resolution 5**.

RESOLUTIONS 6, 7A AND 7B – GRANT OF DEFERRED SHARE RIGHTS, EQUITY RIGHTS AND PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND CEO (MR. ANDREW WALSH)

New executive remuneration framework

The components of the remuneration package for Andrew Walsh in 2018 and prior years included base salary, a cash short-term incentive, a deferred equity short-term incentive and a long-term incentive. The Board has implemented a new executive remuneration framework effective 1 January 2019. The rationale and nature of the changes are detailed in the 2018 Annual Report (https://www.iress.com/downloads/GLB_Annual_Report_2018_210219.pdf, see pages 9 and 22-27). These changes, as they affect Andrew Walsh's annual remuneration package, mean that with effect from 1 January 2019:

- there will be no cash short-term incentive – in the Board's view this award was too focused on short-term individual objectives, and did not sufficiently reward executives for client successes and product investments that will support medium to longer-term shareholder value creation;
- base salary is unchanged, and will constitute 36% of total remuneration;
- the remaining 64% of total remuneration will be divided equally between two equity instruments, known as 'Equity Rights' and 'Performance Rights'. These equity instruments replace the instruments known as 'Deferred Share Rights' and 'Long-Term Incentives' under the previous framework;
- the new Equity Rights will constitute 32% of total remuneration and will have a two-year vesting period followed by a mandatory two-year holding lock applying to any shares provided on exercise of the Equity Rights;
- the new Performance Rights will constitute 32% of total remuneration and will have a three-year performance period. Vesting will be based on the Company's ATSR performance as discussed in the Explanatory Notes for Resolution 3; and
- the CEO will be required to accrue and hold IRESS equity equivalent to 400% of base salary within five years.

As further described in Section 2.2 of the 2018 Remuneration Report (at page 26 of the Company's 2018 Annual Report), the new executive remuneration framework delivers a greater proportion of Andrew Walsh's remuneration in equity rather than cash.

The Board is confident that the new executive remuneration framework will ensure that IRESS can continue to attract, retain and appropriately reward the people needed to deliver its strategy and outcomes for clients. In addition, the framework further enhances the already strong alignment between shareholders' and executives' interests.

Transition to new executive remuneration framework

While Resolutions 6, 7A and 7B give the appearance of 3 grants of equity for 2019, the Deferred Share Rights covered in Resolution 6 are in fact referable to 2018 performance. Under the previous executive remuneration framework, incentive outcomes were awarded after the Annual General Meeting based on a retrospective assessment of performance. Under the new framework, the Equity Rights and Performance Rights covered in Resolutions 7A and 7B are awarded up-front with service and performance measured from grant (as described further below). Therefore, in transitioning to the new framework, Andrew Walsh is eligible for equity instruments under both frameworks in 2019. It is proposed that in 2019 Andrew Walsh will be awarded:

- for 2018 performance (in arrears, and in addition to his cash short-term incentive) Deferred Share Rights, however no Long-Term Incentives will be awarded; and
- for 2019 performance (up-front) Equity Rights and Performance Rights. No cash short-term incentive will be paid for 2019 performance.

For 2020, equity grants to Andrew Walsh will only comprise Equity Rights and Performance Rights.

The table below outlines all the remuneration elements that Andrew Walsh will or may be awarded in relation to his performance in 2018 and 2019, and the proposed grant value (in $000):

Table 1 – Actual and proposed remuneration elements of Andrew Walsh in 2018 and 2019

Remuneration element	2018 Target (Previous framework)	2018 Actual (Previous framework)	2019 Actual (New framework)
Base salary[1]	1,000	1,000	1,000
Cash STI	273	247	N/A
Deferred Share Rights	545	550	N/A
Equity Rights	N/A	N/A	889
Long-Term Incentives	1,212	0[2]	N/A
Performance Rights	N/A	N/A	889
Total remuneration	**3,030**	**1,797**	**2,778**[3]

1 Base salary excludes allowances, non-monetary benefits and superannuation and is therefore lower than fixed remuneration disclosed in the 2018 Remuneration Report.

2 No Long-Term Incentives will be awarded in relation to 2018 performance due to the transition to the new framework.

3 Andrew Walsh's actual remuneration for 2019 under the new framework is approximately 8% less than his target remuneration for 2018 under the previous framework.

Approvals sought

Under ASX Listing Rule 10.14, shareholder approval is required for certain issues of securities to Directors of the Company under an employee incentive scheme. Accordingly, shareholders are being asked to approve the grants of Deferred Share Rights, Equity Rights and Performance Rights to Andrew Walsh.

If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

Resolution 6 – Grant of Deferred Share Rights in respect of 2018 performance (under the previous executive remuneration framework)

The Board is seeking shareholder approval for a grant of Deferred Share Rights to Andrew Walsh in relation to his 2018 performance. Deferred Share Rights, which formed a part of the previous executive remuneration framework, were always granted retrospectively (i.e. based on performance in the year before grant). Accordingly, Deferred Share Rights have not yet been granted to Andrew Walsh for 2018 performance.

Details of the proposed grant of Deferred Share Rights are shown in Table 2 and the key terms of the proposed grant are set out further below.

Table 2 – Proposed equity grants under the previous remuneration framework

Instrument	Quantum	Award Value	Estimated Grant Date	Vesting Period	Vesting Conditions (Summary)
Deferred Share Rights	Up to a maximum of 60,000	$550,000	9 May 2019	3 Years (9 May 2019 – 9 May 2022)	Continued employment and acceptable individual performance over the vesting period

As noted above, the maximum number of Deferred Share Rights that can be granted to Andrew Walsh is 60,000. The actual number granted will be calculated by dividing the Award Value ($550,000) by the fair value of the Deferred Share Rights at the time of grant (which, for grant purposes, will be the volume weighted average price of IRESS shares in the 5 trading days up to and including the grant date, adjusted to reflect the ineligibility to receive dividends). For this reason, the actual number of Deferred Share Rights granted following the Annual General Meeting may be less than 60,000.

As further described in Sections 4.2 and 4.3 of the 2018 Remuneration Report (at page 30 of the Company's 2018 Annual Report), in determining the appropriate Deferred Share Rights award, the Board has considered:

- the Group's performance against 2018 financial and non-financial objectives (see Section 6.2 of the 2018 Remuneration Report);
- Andrew Walsh's performance against his 2018 individual objectives;
- Andrew Walsh's target remuneration under the previous framework (being base salary of 33%, cash short-term incentive and Deferred Share Rights (as short-term incentive) of 27% and Long-Term Incentives of 40%);
- the total value of Andrew Walsh's cash short-term incentive and Deferred Share Rights remuneration for 2018 performance; and
- the value of his unvested equity.

Specific terms for Deferred Share Rights

A detailed explanation of the Deferred Share Rights instrument is set out in Section 5.3 of the 2018 Remuneration Report at page 34 of the Company's 2018 Annual Report.

Key terms for Deferred Share Rights include:

- Vesting is conditional on three-years' continued service and Andrew Walsh achieving acceptable individual performance over that period, including completion of his employment duties and tasks to the required level, as determined by the Board.
- Subject to applicable law and unless the Board determines otherwise:

where Andrew Walsh's employment ceases due to…	then…
resignation, termination for cause or gross misconduct	• unvested Deferred Share Rights will lapse on the date of cessation of employment; and • vested Deferred Share Rights will be retained
other reasons (e.g. redundancy)	• unvested Deferred Share Rights will remain eligible to vest in accordance with their normal terms; and • vested Deferred Share Rights will be retained

- Andrew Walsh will not be eligible to receive any dividends on Deferred Share Rights until the rights vest and shares are provided.
- Deferred Share Rights do not carry any voting rights.

Directors' Recommendation in relation to Resolution 6

The Non-Executive Directors view that Andrew Walsh's total remuneration package for 2018 (as described in detail in the Remuneration Report and which includes the proposed maximum grant of Deferred Share Rights set out in Table 2) is reasonable, having regard to the Group's performance against 2018 financial and non-financial objectives, the size, scope, complexity and strategic objectives of the Company, Andrew Walsh's performance in 2018, Andrew Walsh's unique skills and experience, comparable remuneration levels for relevant domestic and international Information Technology peers and the transition to the new executive remuneration framework for 2019.

The Board (other than Andrew Walsh because of his interest) recommends that shareholders vote in favour of **Resolution 6,** which provides Andrew Walsh with the deferred equity component of his total remuneration package for 2018.

Resolution 7 – Grant of Equity Rights and Performance Rights for the 2019 year (under the new executive remuneration framework)

The Board is seeking shareholder approval for grants of Equity Rights and Performance Rights to Andrew Walsh in relation to the 2019 year. As noted above, Equity Rights and Performance Rights form part of Andrew Walsh's remuneration under the new executive remuneration framework.

Details of the proposed grants of Equity Rights and Performance Rights are shown in Table 3, and the key terms of each of the proposed grants are set out further below.

Table 3 – Proposed equity grants under the new executive remuneration framework

Instrument	Quantum	Award Value	Estimated Grant Date	Performance/Vesting Period	Vesting Conditions (Summary)
Equity Rights	80,020	$888,889	9 May 2019	2 years (28 February 2019 – 28 February 2021) Shares provided on exercise of any vested Equity Rights are subject to a mandatory 2-year holding lock (28 February 2021 – 28 February 2023)	Acceptable individual performance over the vesting period, subject to Board discretion and clawback**
Performance Rights	80,020	$888,889	9 May 2019	3 years (1 January 2019 – 31 December 2021)*	ATSR hurdle over the performance period, subject to Board discretion and clawback**

* While Performance Rights under the previous framework were eligible for one re-test of vesting conditions, there will be no re-test under the new framework

** 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 p. 15)

Andrew Walsh's base salary is currently $1,000,000 per annum, as reported in the 2018 Annual Report. Base salary under the new remuneration framework represents 36% of Andrew Walsh's total remuneration ($2,777,778). 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.

Equity Rights under the new remuneration framework comprise 32% of total remuneration, representing a value of $888,889. The number of Equity Rights proposed to be granted to Andrew Walsh (80,020) 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 2018.

In determining to proceed with this level of Equity Rights, the Board was informed by its assessment of Andrew Walsh's performance in 2018.

Specific terms for Equity Rights

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). In exercising its discretion, the Board will consider individual and company performance against targets set by the Board (see pages 24 and 30 of the 2018 Annual Report). The award remains restricted for a further two years 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, termination for cause or gross misconduct	• 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)
other reasons (e.g. redundancy)	• 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 any 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 2.2 of the 2018 Remuneration Report at page 25 of the Company's 2018 Annual Report.

Specific terms for Performance Rights

Performance Rights under the new remuneration framework also comprise 32% of total remuneration, representing a value of $888,889. The number of Performance Rights proposed to be granted to Andrew Walsh (80,020) 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 2018.

In determining to proceed with this level of Performance Rights, the Board was informed by its assessment of Andrew Walsh's performance in 2018.

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. In exercising its discretion, the Board will consider individual and company performance against targets set by the Board (see pages 24 and 30 of the 2018 Annual Report).
- ATSR focuses on growth of IRESS and value to shareholders, regardless of the broader market and other companies' movements. The Performance Rights will not vest unless real IRESS 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 2022 if IRESS' compound annual growth rate of its TSR over the performance period is 6.5%, 100% will vest if its 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, termination for cause or gross misconduct	• unvested Performance Rights will lapse on the date of cessation of employment; and • vested Performance Rights will be retained
other reasons (e.g. redundancy)	• 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 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 paragraph 2.2 of the 2018 Remuneration Report at page 25 of the Company's 2018 Annual Report.

Directors' Recommendation in relation to Resolutions 7A and 7B

The Non-Executive Directors view that Andrew Walsh's total remuneration package for 2019 (as described in detail in the Remuneration Report and which includes the proposed grant of Equity Rights and Performance Rights set out in Table 3) is reasonable, having regard to the size, scope, complexity and strategic objectives of the Company, Andrew Walsh's unique skills and experience, comparable remuneration levels for relevant domestic and international Information Technology peers and the terms of the Equity Rights and Performance Rights. 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 at the discretion of the Board.

The Board (other than Andrew Walsh because of his interest) recommends that shareholders vote in favour of **Resolutions 7A and 7B**.

General terms applicable to Deferred Share Rights, 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 Deferred Share Rights, 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 Deferred Share Rights, 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 Deferred Share Rights, Equity Rights and Performance Rights will be granted on or about 9 May 2019, 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 Deferred Share Rights under the IRESS Limited Deferred Share Rights Plan, or Equity Rights or Performance Rights under the IRESS Equity Participation Plan. Following shareholder approval at the 2018 Annual General Meeting, Andrew Walsh was issued with 51,707 Deferred Share Rights and 91,210 Performance Rights, all of which were granted at no cost.

No other equity rights have been granted to Directors since the 2018 Annual General Meeting. No loan will be made available by the Company to Andrew Walsh in connection with the grants of Deferred Share Rights, Equity Rights or Performance Rights.

Voting exclusion

The Company will disregard any vote cast in favour on Resolutions 6, 7A and 7B:

- 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),

unless the vote is cast as proxy for a person entitled to vote on Resolutions 6, 7A and 7B:

- in accordance with a direction on the proxy form; or
- 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.

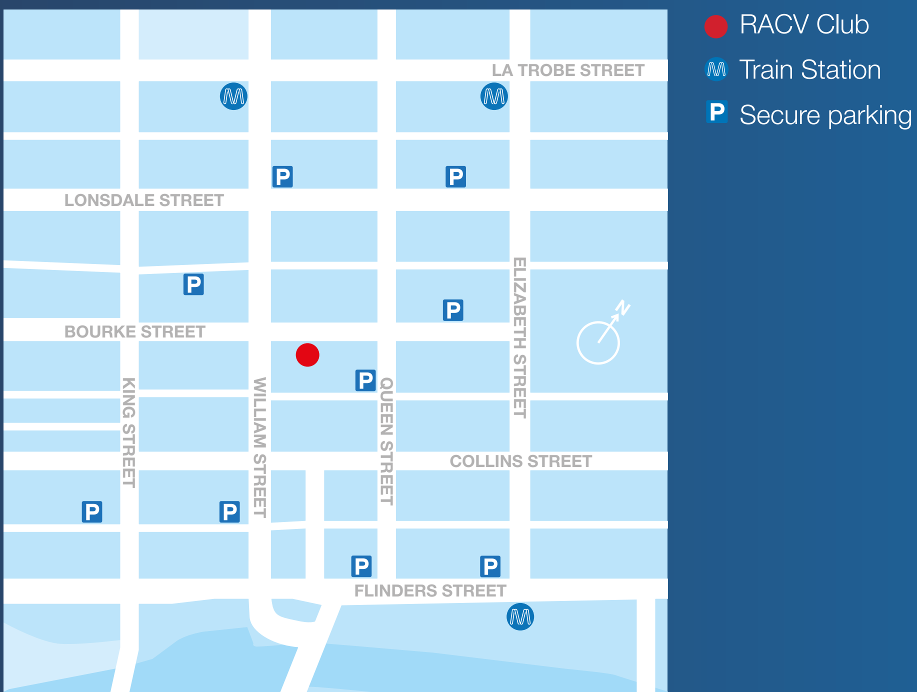
If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on Resolutions 6, 7A and 7B on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy on these resolutions. The Chairman of the meeting intends to vote undirected proxies in favour of Resolutions 6, 7A and 7B.

Annual General Meeting 2019

Date
Thursday, 2 May 2019

Time
11.30 am (AEST)

Venue
RACV City Club
501 Bourke Street
Melbourne, Victoria



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