

IRE is in the midst of a massive recalibration: future unknown.

Company/ASX Code	Iress Ltd/IRE
AGM time and date	11.30am on Thursday, 2 May 2024
Location	Level 27, 447 Collins St. Melbourne
Registry	Computershare Investor Services P/L
Type of meeting	Hybrid
Monitor	Eric Pascoe & Norm West
Pre-AGM Meeting	Roger Sharp Chairman and Julie Fahey NED

Monitor Shareholding: The individuals involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Re-election of Ms Niki Beattie	For
2	Re-election of Ms Julie Fahey	For
3	Re-election of Mr Roger Sharp	For
4	Remuneration report	For
5	FY24 grant of SARs to the CEO	For

2. Summary of Issues and Voting Intentions for AGM

Resolutions 1 and 2 ask us to vote for two directors who have both been with the Iress for 9-10 years, have both presided over unspectacular performance by Iress, and who both are declaring they will resign in 12 months' time if not before. The Chairman said Iress needed stability now and an orderly transition to new directors over the next 12 months.

Resolution 3 asks us to vote for Mr. Sharp's re-election to the board. He was parachuted into the Chairman's position three years ago and has presided over a tumultuous time in the company, which has resulted in the destruction of substantial shareholder value. However, there is evidence to support the notion that the company is recovering. Mr. Sharp maintains that the strength of the company will be visible in 12 months' time.

3. Matters Considered

Accounts and reports

Financial performance

(As at FYE)	2023	2022	2021	2020	2019
NPAT (\$m)	(\$137.5m)	\$52.7	\$73.8	\$59.1	\$65.1
UPAT (\$m)	N/A	N/A	N/A	N/A	N/A
Share price (\$)	\$8.15	\$9.55	\$12.68	\$10.69	\$13.10
Dividend (cents)	0	46c	46c	46c	46c
Simple TSR (%)	(14.7%)	(20.3%)	22.9%	(15.2%)	21.9%
EPS (cents)	(76.4c)	28.6	38.8c	32.3c	37.9c
CEO total remuneration, actual (\$m)	\$2,031,582	\$2,561,871	\$3,372,662	\$2,415,994	\$3,076,262

Governance and culture

Iress' culture has been turned on its head in the last 12 months under new CEO Marcus Price's 'transformational restructure plan'. It has gone from a sprawling, high-cost company of computer boffins to a cut down, rearranged set of business units, each focussed on profit maximisation. Virtually all of the old management regime has gone.

Key events

In April 2023 a complete transformational restructure was announced. It was further updated in August when the share price plunged by over 50%. The share price remains about 30% below pre-CEO Marcus Price's appointment.

Key board or senior management changes

Five out of seven managers in the executive leadership team left the company in 2023. There is now a new eight-person leadership group.

4. Rationale for Voting Intentions

Resolution 1 Re-election of Ms Niki Beattie (for)

To maintain stability at board level whilst the company finds a suitable replacement director.

Resolution 2 Re-election of Ms Julie Fahey (for)

To maintain stability at board level whilst the company finds a suitable replacement director.

Resolution 3 Re-election of Mr Roger Sharp (for)

Mr Sharp deserves a chance to see his restructure of Iress to fruition. If Iress isn't performing significantly better in 12 months the ASA will hold him accountable.

Resolution 4 Adoption of the Remuneration Report (for)

The presentation of the CEO's pay structure in 2024 is needlessly complex and presented in an appallingly convoluted manner. However, the pay is not excessive and is very aligned with shareholder value.

Resolution 5 FY24 grant of SARs to the CEO as LTI (for)

Share Appreciation Rights (SAR's) are an unusual form of LTI but are similar to Options. The CEO will get little if the share price doesn't improve substantially over the year which is very much in shareholder interest. SAR's are still subject to performance hurdles based around aTSR and EPS at vesting.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY24	Target \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	\$777,000	27%	\$777,000	%
STI – Cash*	\$932,400	32%	\$1,398,600	%
STI - Equity	-	%	-	%
LTI (SARs)**	\$1,165,500	41%		%
Total	\$2,874,900	100.0%		100%

**Whist the STI is intended to be paid in cash some may be issued as equity if required to achieve an executive's minimum shareholding requirements.*

*** Share Appreciation Rights (SARs) are achieved if the share price appreciates in value above the option exercise price. In 2024 if the 5-day VWAP share price after the results announcement, exceeds \$7.85 the CEO will receive 832,500 X 'the appreciation in price', divided by the share price, in shares.*