



<b>Company</b>	Iress Ltd
<b>Code</b>	IRE
<b>Meeting</b>	AGM
<b>Date</b>	7 <sup>th</sup> May 2020
<b>Venue</b>	Virtual (Out of Sydney)
<b>Monitor</b>	Eric Pascoe

<b>Number attendees at meeting</b>	Virtual Meeting therefore unknown.
<b>Number of holdings represented by ASA</b>	48
<b>Value of proxies</b>	\$2,195,224
<b>Number of shares represented by ASA</b>	201,767 (Outside the top 20)
<b>Market capitalisation</b>	\$1.911 Billion
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM-Meeting?</b>	Yes, with CFO John Harris & Simon Conroy Head Fin Planning & Analysis

**DID SMALL SHAREHOLDERS ‘VIRTUALLY’ LOSE THEIR VOICE?**

The Iress AGM was a disappointing affair for the ASA. The ASA wanted to highlight Iress’ history of converting good revenue growth into poor profit results. Last year a 10% growth in revenue became a 1% gain in EPS. The CEO and board, we maintained, are excellent at utilising technology and satisfying customers but less skilled at controlling costs and applying financial discipline for the betterment of shareholders.

The board also shocked the ASA by raising the CEO’s salary potential by a whopping 11% which only added to our argument about a lack of cost control at Iress.

So, more than usual at an Iress AGM, the ASA was wanting to make an impact but we were thwarted by the environment of the ‘virtual’ meeting. Our questions were restricted in length, losing much of their meaning, and were read out to the meeting without emotion, by the Chairman. The respondents all had a chance to prepare because our questions were delivered early. Unlike us each was able to give their answers live to camera and they pushed our questions aside with polite ease free from cross examination.

The Chairman said that financial discipline was “a part of the DNA at Iress”. New director Michael Dwyer said he had done “rigorous scrutiny of the board” and was “extremely impressed” with their performance. Fellow new director Trudy Vonhoff said she joined Iress because they were “a well-respected board and CEO” and that they showed “specificity of purpose”. She said she and the board were very focused on providing shareholder value.

The Chairman defended the CEO’s exorbitant pay increase by saying that he hadn’t had a review in 3 years, the increase was applied to Equity Rights and Performance Rights (not his cash component) and that the decision had been made in late 2019 before Covid-19. He neglected to mention that a new Remuneration plan had been introduced just 12 months ago and that he could have modified or withdrawn the increase post Covid-19 had they wanted to.

Every resolution, including the Remuneration plan and election of the two directors passed resoundingly. The proxy votes held by the Chairman alone were greater than 99% of the total vote.

Regardless whether, in this instance, we were right or wrong in our voting stance, the virtual meeting has important implications for the ASA. At Iress the ASA can’t make an impact on the voting. This year we were robbed of making any form of impact at the AGM as well, because we couldn’t have a physical presence at the meeting.