

Integrated Research Limited

ABN: 76 003 588 449

Annual General Meeting

**The Mint, 10 Macquarie Street, Sydney
Friday 25th November 2016 at 3:00pm.**

Agenda

1. Introductions and welcome by Mr Steve Killelea, Chairman of Integrated Research Limited.
2. Confirmation of Proxies received.
3. Notice of Meeting.
4. Confirmation of 2015 AGM Minutes.
5. Tabling of the financial report, including the directors' declaration, for the year ended 30 June 2016 and the related directors' report and audit report.
6. Chairman's Address by Mr Steve Killelea.
7. Finance Overview by Mr Peter Adams.
8. CEO Address by Mr Darc Rasmussen.
9. Any questions arising from items 3-8, above.
10. To consider, and if thought fit, to pass the following resolution as an advisory resolution:

Item 1: *"That the remuneration report forming part of the 2016 Annual Report be adopted, in accordance with the explanatory notes accompanying the notice of meeting."*

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

Item 2: *"That for the purposes of ASX Listing Rules 10.14 and for all other purposes, approval is given for the Company to grant up to 350,000 performance rights over ordinary shares in the Company ("**Performance Rights**") to its Chief Executive Officer, Mr Darc Rasmussen, and the acquisition of up to 350,000 ordinary shares in the Company by Mr Darc Rasmussen on vesting of the Performance Rights, in accordance with the Integrated Research Rights & Option Plan and on the terms set out in the Explanatory Notes accompanying this notice of meeting".*

Item 3: *"That Garry Dinnie, a director retiring in accordance with Article 6.1 (f) of the company's constitution and, being eligible, offers himself for re-election, is re-elected as a director of the company."*

Item 4: *"That Peter Lloyd, a director retiring in accordance with Article 6.1 (f) of the company's constitution and, being eligible, offers himself for re-election, is re-elected as a director of the company."*

12. Any other business, which may be brought forward in accordance with the Constitution and the Corporations Act.

Notice of Annual General Meeting Integrated Research Limited

ABN: 76 003 588 449

Notice is given that the 2016 Annual General Meeting (the **AGM**) of Integrated Research Limited (the **Company**) will be held at The Mint, 10 Macquarie Street, Sydney on Friday 25th November 2016 at 3:00pm.

Agenda

Financial report and directors' and audit reports

To receive and consider the financial report, including the directors' declaration, for the year ended 30 June 2016 and the related directors' report and audit report.

Remuneration report

1. To consider, and if thought fit, to pass the following resolution as an advisory non-binding resolution:
"That the remuneration report of the Company for the financial year ended 30 June 2016, forming part of the 2016 Annual Report, be adopted."

Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company except in the circumstances described in Division 9 of Part 2G.2 of the Corporations Act.

Issue of performance rights to Mr Darc Rasmussen

2. To consider, and if thought fit, to pass the following resolution as an ordinary resolution:
*"That for the purposes of ASX Listing Rules 10.14 and for all other purposes, approval is given for the Company to grant up to 350,000 performance rights over ordinary shares in the Company ("**Performance Rights**") to its Chief Executive Officer, Mr Darc Rasmussen, and the acquisition of up to 350,000 ordinary shares in the Company by Mr Darc Rasmussen on vesting of the Performance Rights, in accordance with the Integrated Research Rights & Option Plan and on the terms set out in the Explanatory Notes accompanying this notice of meeting".*

Re-election of Directors

3. To consider, and if thought fit, to pass the following resolution as an ordinary resolution:
"That Garry Dinnie, a director retiring in accordance with Article 6.1 (f) of the Company's constitution and, being eligible, offers himself for re-election, is re-elected as a director of the Company."
4. To consider, and if thought fit, to pass the following resolution as an ordinary resolution:
"That Peter Lloyd, a director retiring in accordance with Article 6.1 (f) of the Company's constitution and, being eligible, offers himself for re-election, is re-elected as a director of the Company."

Other business

To deal with any other business which may be brought forward in accordance with the Company's constitution and the Corporations Act 2001 (Cth) (the **Act**).

By Order of the Board
David Purdue
Company Secretary
15th September 2016

Voting entitlements

For the purpose of the AGM, the directors have determined that shares in the Company will be taken to be held by persons registered as shareholders as at 7:00pm Australian Eastern Daylight Savings Time on Wednesday 23rd November 2016.

Voting exclusion statement – Resolution 1

In accordance with section 250R(4) of the Act, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's key management personnel, whose remuneration details are included in the Remuneration Report (**KMP**), or a KMP's closely related party. A "closely related party" means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse, anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company, or a company the KMP controls.

However, a vote may be cast on Resolution 1 by a KMP as a proxy, or a KMP's closely related party as a proxy, if the vote is not cast on behalf of a KMP or a closely related party of a KMP and:

- a) the proxy appointment is in writing and specifies how the proxy is to vote on Resolution 1; or
- b) the proxy is the chair of the meeting, and:
 - (i) the appointment does not specify the way the proxy is to vote on the resolution; and
 - (ii) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the Company's KMPs.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on Resolution 1 on the Proxy Form, you will be expressly authorising the Chairman of the meeting to exercise your proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the meeting.

Voting exclusion statement – Resolution 2

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 2 by the Chief Executive Officer of the Company and any of his associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or, it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. Mr Rasmussen is the only Director currently eligible to participate in an employee incentive scheme of the Company.

In addition, as resolution 2 is directly related to the remuneration of a member of the Company's KMP (Mr Rasmussen), a vote must not be cast (in any capacity) on Resolution 2 by or on behalf of a member of the Company's KMP, or a KMP's closely related party. However, a vote may be cast on Resolution 2 by a KMP as a proxy, or a KMP's closely related party as a proxy, if the vote is not cast on behalf of a KMP or a closely related party of a KMP and:

- a) the proxy appointment is in writing and specifies how the proxy is to vote on Resolution 2; or
- b) the proxy is the chair of the meeting, and:
 - (iii) the appointment does not specify the way the proxy is to vote on the resolution; and
 - (iv) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the Company's KMPs.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on Resolution 2 on the Proxy Form, you will be expressly authorising the Chairman of the meeting to exercise your proxy even if Resolution 2 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 Resolutions 1 and 2. Accordingly, if you appoint the Chairman of the meeting as your proxy and wish to vote differently to how the Chairman of the meeting intends to vote on any of the resolutions, you must mark "For", "Against" or "Abstain" on the proxy form for the relevant resolution.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage or number of votes each proxy is appointed to exercise. Proxy Forms (and any Power of Attorney under which it is signed) must be received at any given address below no later than 3:00pm on Wednesday 23rd November 2016. Proxy forms received after that time will not be effective.

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Act. Where the appointment of a proxy is signed by the appointor's attorney, a certified copy of the power of attorney must be received at any given address below no later than 3:00pm Australian Eastern Daylight Savings Time on Wednesday 23rd November 2016.

The Proxy Form must be completed and returned by:

- mail to the share registry of the Company, Computershare Investor Services Pty Limited, at GPO Box 242 Melbourne, Victoria 3001, Australia
- mail or hand delivered to the Company at its registered office at Level 9, 100 Pacific Highway, North Sydney, NSW 2060
- facsimile to Computershare on 1800 783 447 within Australia or +61 3 9473 2555 from overseas; or
- facsimile to the Company on +61 2 9966 1042.
- online by visiting www.investorvote.com.au or scan the QR Code with your mobile device. Follow the instructions on the secure website to vote.

Privacy

Chapter 2C of the Act requires information about you (including your name, address and details of the shares you hold) to be included in the Company's public register of members. This information must continue to be included in the public register if you cease to hold shares. These statutory obligations are not altered by the Privacy Amendment (Private Sector) Act 2000 (Cth). Information is collected to administer your shareholding which may not be possible if some or all of the information is not collected. Your information is collected by Computershare on behalf of the Company. Computershare's privacy policy is available at www.computershare.com.au.

The Explanatory Notes and the Proxy Form are enclosed and form part of this notice of meeting.

By order of the Board

David Purdue
Company Secretary

Explanatory Notes

The following notes explain the items of business to be considered at the AGM and form part of, and should be read in conjunction with, the notice of meeting.

Financial report and directors' and audit reports

As required by the Act, the financial statements of the Company and the reports of the directors and auditor for the most recent financial year ended 30 June 2016 will be laid before the AGM.

This item does not require voting by shareholders. It is intended to provide an opportunity for shareholders as a whole to raise questions on the reports themselves and on the performance and management of the Company.

The auditors of the Company will be present at the AGM and shareholders will be given a reasonable opportunity to ask the auditors questions about the auditor's report and the conduct of the audit of the Company's financial reports.

Resolution 1: Approval of remuneration report

In accordance with section 250R of the Act, the Company must put to shareholders a resolution that the remuneration report for the financial year ended 30 June 2016 be adopted. The full remuneration report is contained in the Company's 2016 Annual Report.

The vote on the resolution is advisory only and does not bind the Company or the directors except in the circumstances described in Division 9 of Part 2G.2 of the Act. However, the directors will take into future consideration the shareholders' vote on this matter in determining future remuneration policy for Directors and executives.

If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the CEO) must seek re-election.

The chairman will allow shareholders a reasonable opportunity, as a whole, to ask questions about the remuneration report, following which the advisory resolution will be put to members.

The Directors consider that the Company's remuneration levels, including the grant of short and long-term incentive arrangements, are competitively set to attract and retain appropriately qualified and experienced directors and senior executives and are consistent with other successful mid size listed companies in the technology sector in Australia, and the interests of directors and senior executives for the short, medium and long term are aligned with the interests of shareholders.

Recommendation: Acknowledging that each Director has a personal interest in his or her own remuneration from the Company, as described in the Remuneration Report, the Directors recommend that you vote in favour of Resolution 1.

Resolution 2: Issue of performance rights to Mr Darc Rasmussen

Mr Darc Rasmussen was appointed by the Company to the position of Chief Executive Officer with effect from 8 October 2013. At the 2013 Annual General Meeting, shareholders approved the issue of 850,000 performance rights to Mr Darc Rasmussen in three tranches over three consecutive financial years of the Company. All of these performance rights have since vested and/or expired.

Resolution 2 asks shareholders to approve the grant of a further 350,000 performance rights to the Company's Chief Executive Officer, Mr Darc Rasmussen (**CEO**), under the Integrated Research Performance Rights and Option Plan (**IRPR&OP**), as part of his remuneration package.

The IRPR&OP is a key component of the Company's compensation arrangement for the CEO. The Board considers that the value of Mr Rasmussen's remuneration package, including the grant of performance rights, is within market range for a successful CEO of a mid-size listed company in the technology sector in Australia. By having the performance rights subject to the Company achieving agreed hurdles, the IRPR&OP allows the Company to:

- ensure that the CEO's medium and long-term interests are aligned with the interests of shareholders of the Company;
- match rewards under the CEO remuneration with long-term performance of the Company; and
- attract and retain suitable candidates for the CEO position.

The CEO is the only director entitled to participate in the IRPR&OP.

Summary of the IRPR&OP terms

The key commercial terms of the Performance Rights proposed to be granted to Mr Rasmussen under the IRPR&OP are summarised in the table below.

Terms and Conditions	
Number of Performance Rights:	350,000 Performance Rights, each of which, subject to the satisfaction of the Vesting Conditions, entitles the CEO to receive one fully paid ordinary share in the Company.
Vesting Conditions:	Performance Rights will automatically be exercised and vest if both the Performance Condition and Service Condition set out below are satisfied on the applicable Vesting Date.
Service Condition:	Vesting of Performance Rights on an applicable Vesting Date is subject to the following conditions being satisfied: (a) The CEO continues to be employed by the Company on the applicable Vesting Date; and (b) the CEO complies with and follows the directions of the Board (or any member of it). If any of the Service Conditions are not satisfied, the Performance Rights will lapse immediately.
Performance Condition 2017:	The Performance Rights will vest if the actual consolidated net profit after tax (NPAT) of the Company for the financial year ending 30 June 2017 (2017 NPAT) is equal to or greater than A\$18,805,000, which amount has been calculated on the basis of the consolidated net profit after tax (NPAT) of the Company for the financial year ending 30 June 2016 of A\$16,029,000 plus 17%. In the event that this Performance Condition is not satisfied in respect of FY17, 20% of the Performance Rights will lapse (i.e. 70,000) and the remaining Performance Rights (i.e. 280,000 Performance Rights) will vest on the 2018 Vesting Date if the Performance Condition for 2018 (set out below) is satisfied.
Performance Condition 2018:	If the Performance Rights did not vest on the 2017 Vesting Date due to non-achievement of the Performance Condition 2017, the Performance Rights which did not lapse (i.e. 280,000 Performance Rights) will vest on the 2018 Vesting Date if the following Performance Condition 2018 is satisfied: • the consolidated net profit after tax (NPAT) of the Company for the financial year ending 30 June 2018 is equal to Performance Condition 2017 + (25% x Performance Condition 2017). <i>(For example, if the Performance Condition 2017 is \$18,805,000, then the relevant hurdle for the Performance Condition 2018 shall be A\$23,506,250)</i>
Vesting Date	The Vesting Dates are: • for the Performance Condition 2017, 31 August 2017; and • For the Performance Condition 2018, 31 August 2018. Any Performance Rights which do not vest by the above vesting dates will automatically lapse.
Issue of Shares:	The Company must either issue or procure the transfer of the relevant shares in the Company (e.g. by acquiring them on-market) resulting from the vesting of the Performance Rights within 30 days of the relevant Vesting Date.

ASX Listing Rule 10.14 requires the Company to seek approval from its shareholders before issuing any securities to any director of the Company or its associates under an employee incentive scheme. Listing Rule 10.15 requires the notice of meeting to include the following information in relation to the securities:

- a) As at the date of this notice of meeting, Mr Rasmussen is the Chief Executive Officer of the Company. Mr Rasmussen is also the Managing Director of the Company.
- b) Under the IRPR&OP, it is proposed that Mr Rasmussen will be granted 350,000 Performance Rights. The maximum number of shares in the Company that Mr Rasmussen may receive on vesting of the Performance Rights is 350,000 ordinary shares.
- c) The Performance Rights will be granted for nil consideration. No amount is payable to the Company on the vesting of the Performance Rights and the resulting issue or transfer of shares in the Company to Mr Rasmussen.
- d) No Director or associate of a Director has acquired performance rights under the IRPR&OP except for the 850,000 performance rights that were granted to Mr Rasmussen for nil consideration following approval by shareholders at the 2013 AGM. 600,000 of those performance rights vested during October 2015 and no amount was payable to the Company by Mr. Rasmussen for the resulting shares issued to Mr. Rasmussen.
- e) Mr Rasmussen is the only director entitled to participate in the IRPR&OP.
- f) There is no loan applicable in relation to the acquisition of performance rights or the shares underlying them as no payment for performance rights or the shares underlying them is required by Mr Rasmussen.
- g) The Performance Rights are proposed to be granted to Mr Rasmussen in one tranche, within 1 month of the AGM and in any event, no later than 12 months after the AGM. Subject to the vesting and service conditions being satisfied, shares will be issued or transferred to Mr Rasmussen on vesting of the Performance Rights by no later than 30 September 2018.

Recommendation: The Directors (excluding Mr Rasmussen) recommend that you vote in favour of Resolution 2.

Resolutions 3-4: Re-election of Directors

Garry Dinnie

Garry Dinnie was appointed as a Director in February 2013. He is a Director & Chair of the Audit & Risk Committee of CareFlight Limited, Australian Settlements Limited and a Director of a number of private companies. He is also the Chair or member of a number of Audit & Risk Committees of NSW public sector and private sector entities. He was previously a partner with Ernst & Young for 25 years specialising in audit, advisory and IT services. Garry's current term will expire at the close of the 2016 Annual General Meeting. In accordance with Article 6.1 (f) of the Company's constitution, one-third of directors must retire every year by rotation and are eligible for re-election under Article 6.1 (i). This year Garry Dinnie retires and offers himself for re-election.

Recommendation: Directors (excluding Mr. Dinnie) recommend that you vote in favour of Resolution 3.

Peter Lloyd

Peter was appointed as a Director in July 2010. He has over 40 years' experience in computing technology, and in the sales and marketing of computer software products and services. For the past 31 years, Peter has been specifically involved in the provision of payments solutions for banks and financial institutions. He is currently the proprietor of The Grayrock Group Pty Ltd, a management consultancy company focussing on the payments industry, and a Non-Executive Director of Taggle Pty Ltd. Peter's current term will expire at the close of the 2016 Annual General Meeting. In accordance with Article 6.1 (f) of the Company's constitution, one-third of directors must retire every year by rotation and are eligible for re-election under Article 6.1 (i). This year Peter Lloyd retires and offers himself for re-election.

Recommendation: Directors (excluding Mr. Lloyd) recommend that you vote in favour of Resolution 4.



Integrated Research Limited
ABN 76 003 588 449

IRI

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 3:00pm (AEDT) Wednesday, 23 November 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Integrated Research Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Integrated Research Limited to be held at The Mint, 10 Macquarie Street, Sydney on Friday, 25 November 2016 at 3:00pm (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 and 2 (except where I/we have indicated a different voting intention below) even though Item 1 and 2 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 and 2 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 To adopt the Remuneration Report	☐	☐	☐
2 Issue of performance rights to Mr Darc Rasmussen	☐	☐	☐
3 To re-elect Garry Dinnie as a Director of the Company	☐	☐	☐
4 To re-elect Peter Lloyd as a Director of the Company	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date



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