

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Members of iSOFT Group Limited (formerly IBA Health Group Limited) ("Company" or "iSOFT") will be held at Tower 2, Darling Park Level 27, 201 Sussex Street, Sydney, New South Wales on 6 October 2009 at 11am with the purpose of transacting the following business:

ITEM 1 – Financial, Directors' and Auditor's Reports

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of the Company for the year ended 30 June 2009.

RESOLUTION 1 – Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2009

Note: The vote on this resolution is advisory only and does not bind the directors or the Company. Whilst there is no legal requirement to abstain from voting, the Company believes it is appropriate that neither the directors nor their associates should vote on this advisory resolution.

RESOLUTION 2 – Re-election of Professor Claire Jackson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That Professor Claire Jackson, a director of the Company who retires in accordance with the Company's constitution, being eligible, is re-elected as a director of the Company.

RESOLUTION 3 – Re-election of Mr Peter Harry Wise

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That Mr Peter Harry Wise, a director of the Company who retires in accordance with the Company's constitution, being eligible, is re-elected as a director of the Company.

RESOLUTION 4 – Re-election of Mr Robert Bernard Moran

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That Mr Robert Bernard Moran, a director of the Company who retires in accordance with the Company's constitution, being eligible, is re-elected as a director of the Company.

RESOLUTION 5 – Re-election of Dr James Charles Fox

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That Dr James Charles Fox, a director of the Company who retires in accordance with the Company's constitution, being eligible, is re-elected as a director of the Company.

RESOLUTION 6 – Approval of issue of shares and performance rights to Mr Gary Michael Cohen

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purpose of Rule 10.14 of the ASX Listing Rules and for all other purposes, approval is given to the issue of up to 2,000,000 fully paid ordinary shares under the iSOFT Employee Loan Plan and up to 3,000,000 performance rights under the iSOFT Employee Incentive Plan to Mr Gary Michael Cohen in accordance with the terms of those plans, in the manner and on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.

RESOLUTION 7 – Approval of issue of shares and performance rights to Mr Stephen John Garrington
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purpose of Rule 10.14 of the ASX Listing Rules and for all other purposes, approval is given to the issue of up to 500,000 fully paid ordinary shares to Mr Stephen John Garrington in accordance with the terms of the iSOFT Employee Loan Plan and up to 250,000 performance rights in accordance with the terms of the Employee Incentive Plan in the manner and on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.

RESOLUTION 8 – Ratification of allotment and issue of securities
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purpose of Listing Rule 7.2 and for all other purposes, approve and ratify the allotment and issue of 14,939,027 ordinary shares in the Company to persons who are not related parties of the Company, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.

RESOLUTION 9 – Amendment to terms of options
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

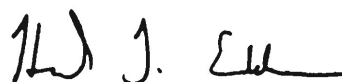
That, for the purpose of Listing Rule 6.23.3 and for all other purposes, the Members of the Company approve an amendment to the terms of the existing 13,200,000 unquoted employee incentive options in the Company of persons who are not related parties of the Company on the terms and conditions set out in the Explanatory memorandum accompanying this Notice of Meeting, such that the exercise price of the options may be reduced in accordance with the formula contained in Listing Rule 6.22.2.

RESOLUTION 10 – Approval of Mr Gary Michael Cohen's entitlements
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*That, for all purposes under the Corporations Act 2001 (Cth) (**Corporations Act**), including (as applicable) for the purposes of sections 200B and 200E of the Corporations Act, approval is given to the provision by iSOFT of benefits in connection with Mr Gary Cohen ceasing to hold a board or managerial office in iSOFT and its related bodies corporate under the terms of an Employment Agreement between iSOFT and Mr Cohen, as more particularly described in the Explanatory Memorandum accompanying this Notice of Meeting.*

Please refer to the Information for Members and Explanatory Memorandum incorporated in, and comprises part of, this Notice of Meeting.

By order of the Board of Directors



Howard T. Edelman
Company Secretary
4 September 2009

INFORMATION FOR MEMBERS

Right to vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that, for the purpose of voting at the Annual General Meeting, shares will be taken to be held by the person set out in the Register of Shareholders as at 7pm (Sydney time) (being 'End of Day') on Monday 5 October 2009. Transactions registered after that time will be disregarded in determining members entitled to attend and vote at the Annual General Meeting.

Voting Exclusion Statements – Australian Securities Exchange (ASX) Listing Rules

Resolution	Persons excluded from voting
Resolution 6	Gary Michael Cohen and Stephen John Garrington and any of their associates.
Resolution 7	Stephen John Garrington and Gary Michael Cohen and any of their associates.
Resolution 8	Any person who participated in the issues and any of their associates.
Resolution 9	Any person who participated in the option allotment and any of their associates.

However, the Company need 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 Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Proxies

A member who is entitled to vote at the Annual General Meeting has a right to appoint a proxy and should use the proxy form with this Notice of Meeting. The proxy need not be a member of the Company and may be an individual or a body corporate. If a body corporate, the body corporate may wish to appoint a representative (see 'Body Corporate').

A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the

proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half the votes (ignoring fractions).

A proxy's authority to speak and vote for a member at the Annual General Meeting is suspended if the member is present at the Annual General Meeting.

The proxy form must be signed and dated by the member or the member's attorney. Joint members must each sign.

Proxy forms and the original or certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received:

- at Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001 Australia; or
- on fax number +61 3 9473 2555; or
- otherwise in accordance with the directions on the proxy form,

no later than 11.00am (Sydney time) on Sunday 4 October 2009. The Chairman intends to vote any undirected proxies that he holds in favour of each resolution.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

Annual Report – Online

iSOFT Group Limited's Annual Report for the year ended 30 June 2009 is available on the Company's website at www.isofthealth.com.

Questions

If you have any questions about this Notice of Meeting or the accompanying documents, please contact Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney,

NSW 2000 Australia, on telephone numbers 1300 855 080 (within Australia) or +61 3 94154000 (outside Australia) or on fax number +61 3 9473 2555.

If you are planning to attend the Annual General Meeting and have questions you would like addressed, please register those questions with the Company by either writing to iSOFT Group Limited, Darling Park, Tower 2, Level 27, 201 Sussex Street, Sydney NSW 2000 Australia, sending a fax to +61 2 8251 6801 or by emailing investor@isofthealth.com.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is provided to Members to assist them to assess the merits of the resolutions contained in the Notice of Meeting.

The directors recommend that Members read this Explanatory Memorandum in full before making any decision on the resolutions.

The following information should be noted in respect of the various matters contained in the Notice of Meeting.

ITEM 1

Financial, Directors' and Auditor's Reports

The Corporations Act requires the financial report, directors' report and auditor's report for the most recent financial year be laid before the Annual General Meeting of the Company. Members will be provided with an opportunity to ask questions about the reports themselves and on the performance of the Company generally but there will be no formal resolution put to the meeting.

RESOLUTION 1

Remuneration Report

The Corporations Act requires the Company to put at its Annual General Meeting a resolution that the Remuneration Report be adopted. The vote on the resolution is advisory only and does not bind the directors or the Company.

The Remuneration Report is set out in the Company's 2009 Annual Report. The Remuneration Report sets out the remuneration policy for the Company and reports the remuneration arrangements in place for each

director and each of the Company's senior executives.

A reasonable opportunity will be provided for Members to ask questions about, or make comments on, the Remuneration Report.

RESOLUTION 2

Re-election of Professor Claire Jackson

Professor Claire Jackson was appointed a Director in November 2004. Professor Jackson has been active in general practice undergraduate and postgraduate education and research for many years, and has been extensively involved in health services research and reform since the early 90s. She was last year appointed to the 12 member National Primary Care Strategy Expert Reference Group and provided a commissioned paper for the National Health and Hospital Reform Commission on new models in primary care. As Director of the University of Queensland Field Support Service, she was heavily involved in the development of Australian Divisions of General Practice in the mid 90s. She has been a member of Queensland's General Practice Advisory Council, is immediate past Chair of the Royal Australian College of General Practitioners (Qld Faculty), past Chair of the RACGP national College Council, served as a member of the Brisbane Inner South Division of General Practice and South East Alliance of General Practice Boards between 1999 and 2007, and was a member of the Management Committee of the Brisbane South Centre for Health Service Integration. Professor Jackson is an active clinician in part-time general practice in Brisbane and a member of iSOFT's Nomination Committee.

Professor Jackson retires in accordance with the Company's constitution and, being eligible, offers herself for re-election.

RESOLUTION 3

Re-election of Mr Peter Harry Wise

Mr Peter Wise was appointed a director of iSOFT in September 1999. In association with directorships within the Tag Pacific Group, he has been actively involved in a large number of Australian and New Zealand industries and business sectors. His broad business experience in both executive and non-executive capacities in public and private companies spans a period of over 35 years.

Mr Wise retires in accordance with the Company's constitution and, being eligible, offers himself for re-election.

RESOLUTION 4

Re-election of Mr Robert Bernard Moran

Mr Robert Moran was appointed a director on 6 November 2008 by the directors of iSOFT, having acted as an Alternate Director since May 2008. In accordance with clause 3.3 of the Company's constitution, Mr Moran automatically retires as a director and is eligible for re-election at the Annual General Meeting.

Mr Moran is the Managing Director of Oceania Capital Partners Limited, the Company's largest shareholder. He has been involved as a principal investor for over 10 years, being involved at a Board and strategic level in a variety of businesses and sectors, taking an active involvement in the underlying businesses. Robert has a long involvement in the health IT sector, having been involved with IBA Health before its initial IPO. He is experienced in investment banking activities, including financings, capital raisings and mergers and acquisitions and has practiced corporate and commercial law at a senior level. He was responsible for the private equity business within the Allco Group. Mr Moran is also a director of Trans Tasman Collections Group, Krispy Kreme Group and Chairman of Signature Security Group.

Mr Moran is the Chairman of the Remuneration Committee, Member of the Nomination Committee.

Mr Moran, being eligible, offers himself for re-election.

RESOLUTION 5

Re-election of Dr James Charles Fox

Dr James Fox was appointed a director on 6 July 2009 by the directors of iSOFT. In accordance with clause 3.3 of the Company's constitution, Dr Fox automatically retires as a director and is eligible for re-election at the Annual General Meeting.

He has more than 25 years' experience as a public company director, and a track record of building technology-based companies in international markets. He is Chairman & Non-Executive Director at Biota Holdings Limited, Non-Executive Director & Deputy Chairman at Elders Limited; and Non-Executive Director at: Air New Zealand Ltd, MS Research Australia and TTP Group (U.K.).

Dr. Fox was Managing Director at Vision Systems Limited from 1993 to 2006, which developed, manufactured and sold cancer diagnostic systems to healthcare markets in Australia, North America, Europe and Asia Pacific.

Dr Fox is a member of the Remuneration Committee and a member of the Nomination Committee.

Dr Fox, being eligible, offers himself for re-election.

RESOLUTION 6

Approval of issue of shares and performance rights to Mr Gary Michael Cohen.

The Company partially remunerates its executive directors via the issue of shares under the Employee Loan Plan (**ELP**) and performance rights (**PRs**) under the Employee Incentive Plan (**EIP**). These issues to Mr Cohen (a director of the Company) require Member approval. The ELP and EIP were approved by members at the 2008 Annual General Meeting.

Mr Cohen's proposed annual remuneration arrangements include a long term incentive (**LTI**) share component. This is proposed to include an award up to 2,000,000 shares under the ELP and up to 3,000,000 PRs.

ELP

The ELP share award is proposed to include a limited recourse interest free loan to the ELP trustee of such an amount that up to 2,000,000 shares in the Company can be acquired pursuant to the ELP as an LTI for Mr Cohen.

The issue price of the shares will be the volume weighted average price of the 5 trading days preceding the issue.

The ELP shares will be held by the ELP trustee until the satisfaction of the vesting conditions.

Subject to satisfying the relevant performance and vesting conditions, Mr Cohen may direct that the trustee sell the ELP shares and, after applying the proceeds to repaying the loan, receive the net gains. Alternatively, after repaying the loan, Mr Cohen may direct that the shares be transferred to him. If Mr Cohen's employment with the Company is terminated, the loan is immediately repayable.

PRs

The PRs will be an award of up to 3,000,000 PRs.

A PR is an award of a set number of shares in the Company over a set period of time subject to

certain vesting hurdles. No exercise price needs to be paid by Mr Cohen. Mr Cohen will receive either shares or cash equivalent to the market value of the shares at the time of exercise, at the discretion of the Board of Directors. No loan is made by the Company to Mr Cohen in connection with the PR awards.

Vesting Conditions

Subject to Members' approval, Mr Cohen's LTI shares will be issued in the year ending 30 June 2010 and in any event no later than 12 months after the date of the Annual General Meeting.

The ELP and PR awards will be subject to vesting conditions, including a minimum service period. 50% will vest based on an absolute earnings per share (**EPS**) growth and 50% will vest based on a relative total shareholder return (**TSR**), each to be satisfied by 30 June 2012. The Remuneration Committee has set these vesting hurdles.

The awards will be divided into two equal portions with each portion being subject to a different 3 year vesting condition. One portion will have a vesting condition based on 3 year EPS growth of 15% growth per annum and the other portion will have a vesting condition based on 3 year TSR growth. The performance period is from 1 July 2009 to 30 June 2012.

The vesting of the EPS portion is absolute – either the 15% target is met or it is not and if it is not, then no shares will vest.

The following tables will be used to determine the percentage of shares that vest for the TSR LTI portion.

TSR Growth	
Share price growth at the following percentile of the companies in the basket	Percentage that vests
<50 th	0%
50 th (median)	25%
62.5 th	50%
75 th	75%
80 th	100%

The TSR growth is measured over the three year period against the TSR growth of at least 15 peer companies selected from a basket where market capitalisation ranges from approximately \$500 million to \$2,000 million.

Prior Year Issues

Since the approval by members of the issue of shares to Mr Cohen at the 2008 Annual General Meeting, Mr Cohen has received:

- 300,000 shares in the Company pursuant to the Employee Deferred Incentive Plan, all of these shares were issued at a price of \$0.5606.

No securities were issued to Mr Cohen under the EIP or ELP.

As set out in the Information for Members accompanying the Notice of Meeting, this approval is subject to a voting exclusion.

RESOLUTION 7

Approval of issue of shares and PRs to Mr Stephen John Garrington.

The Company partially remunerates its executive directors via the issue of shares under the ELP and PRs under the EIP. The issue of shares and PRs to Mr Garrington (a director of the Company) requires Member approval.

Mr Garrington's proposed annual remuneration arrangements include a LTI share component. This is proposed to include 500,000 shares under the ELP and 250,000 PRs under the EIP.

ELP

The ELP award is proposed to include a limited recourse interest free loan to the ELP trustee of such an amount that up to 500,000 shares in the Company can be acquired pursuant to the ELP as an LTI for Mr Garrington.

The issue price of these shares will be the volume weighted average price for the 5 trading days preceding the issue.

The issued LTI shares will be held by the ELP trustee until the satisfaction of the vesting conditions. Subject to satisfying the relevant performance and vesting conditions, Mr Garrington may direct that the trustee sell the shares and, after applying the proceeds to repaying the loan, receive the net gains. Alternatively, after repaying the loan, Mr Garrington may direct that the shares be transferred to him. If Mr Garrington's employment with the Company is terminated, the loan is immediately repayable.

PRs

The PRs will be an award of up to 250,000 PRs.

A PR is an award of a set number of shares in the Company over a set period of time subject to certain vesting hurdles. No exercise price needs to be paid by Mr Garrington. Mr Garrington will receive either shares or cash equivalent to the market value of the shares at the time of exercise, at the discretion of the Board of Directors. No loan is made by the Company to Mr Garrington in connection with the PR awards.

Vesting Conditions

Subject to Members' approval, Mr Garrington's LTI shares will be issued in the year ending 30 June 2010 and in any event no later than 12 months after the date of the Annual General Meeting

The ELP and PR awards will be subject to vesting conditions, including a minimum service period. 50% will vest based on an absolute earnings per share (**EPS**) growth and 50% will vest based on a relative total shareholder return (**TSR**), each to be satisfied by 30 June 2012. The Remuneration Committee has set these vesting hurdles.

The awards will be divided into two equal portions with each portion being subject to a different 3 year vesting condition. One portion will have a vesting condition based on 3 year EPS growth of 15% growth per annum and the other portion will have a vesting condition based on 3 year TSR growth. The performance period is from 1 July 2009 to 30 June 2012.

The vesting of the EPS portion is absolute – either the 15% target is met or it is not and if it is not, then no shares vests.

The following tables will be used to determine the percentage of shares that vest for the TSR growth portion.

TSR growth	
TSR growth at the following percentile of the companies in the basket	Percentage that vests
<50 th	0%
50 th (median)	25%
62.5 th	50%
75 th	75%
80 th	100%

The share price performance is measured over the three year period against the TSR growth of at least 15 peer companies selected from a basket where

market capitalisation ranges from approximately \$500 million to \$2,000 million.

Note: Vesting is interpolated between percentiles once median level performance is met. For the purposes of the performance hurdle, TSR CAGR shall be the Earn Rate as defined and published by Bloomberg (or similar) for the relevant period.

Prior Year issues

Since the approval by shareholders of the issue of shares to Mr Garrington at the 2008 Annual General Meeting, he has received:

- 48,652 shares in the Company pursuant to the ELP (none of these shares has vested):
 - 10,593 of these shares were issued at a price of \$0.5900;
 - 8,620 of these shares were issued at a price of \$0.7250;
 - 9,766 of these shares were issued at a price of \$0.6400;
 - 10,000 of these shares were issued at a price of \$0.6250;
 - 9,673 of these shares were issued at a price of \$0.6461; and
- 179,296 shares in the Company pursuant to the EDIP:
 - 10,593 of these shares were issued at a price of \$0.5900;
 - 8,620 of these shares were issued at a price of \$0.7250;
 - 130,775 of these shares were issued at a price of \$0.5606;
 - 9,766 of these shares were issued at a price of \$0.6400;
 - 10,000 of these shares were issued at a price of \$0.6250;
 - 9,542 of these shares were issued at a price of \$0.6550.

No securities were issued to Mr Garrington under the EIP.

As set out in the Information for Members accompanying the Notice of Meeting, this approval is subject to a voting exclusion.

NOTE: Other than the issue of securities to Mr Cohen (described in the explanation of Resolution

6) and the securities issued to Mr Garrington (described in the explanation of Resolution 7), no other persons referred to in ASX Listing Rule 10.14 has received securities under company share or option plans since the last approval and no other directors are permitted to participate in such plans.

RESOLUTION 8

Ratification of allotment and issue of securities

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company in the 12 months prior without requiring shareholder approval.

Resolution 8 is required to be approved in accordance with Listing Rule 7.4 to ratify previous issues of securities.

The Company made the following issues of its securities (Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory memorandum for that purpose):

Issue date	14/05/09	12/06/09
Number	1,804,893	13,134,134
Price	\$0.67 per share	\$0.55 per share
Terms	Fully paid ordinary shares which rank equally with shares already on issue.	
Allottees	Shareholders of Matrix Pty Limited	Issued to Oceania Healthcare Technology Investments notes
Use of funds	Consideration for purchase of Matrix Pty Limited. No funds were received from the issue.	Issued on conversion of convertible notes. No funds were received from the issue.

As set out in the Information for Members accompanying the Notice of Meeting, this approval is subject to a voting exclusion.

RESOLUTION 9

Amendment to terms of options

The Members of the Company approved and ratified the allotment and issue of 13,200,000 options through the iSOFT Employee Incentive Plan (the Plan) (for the purpose of Listing Rule 7.4 and all other purposes) at the Company's 2008 annual general meeting. Each option conferred a right to acquire a fully paid ordinary share in the Company, subject to the satisfaction of certain vesting conditions. The options were issued to selected eligible employees at an exercise price per option of \$0.7297.

In March 2009, the Company undertook an equity raising through an accelerated non-renounceable pro rata entitlement offer (Rights Issue) at an offer price of \$0.55 per share. Under the rules of the Plan, the option holders are not entitled to participate in a new issue of shares or other securities made by the Company to holders of its shares without exercising their options before the record date for the relevant issue.

Given the Options granted under the Plan had not vested, none of the option holders were able to participate in the rights issue. Further, the rules of the Plan do not provide for adjustment in the case of a pro-rata rights issue. In contrast, the holders of shares under the ELP (ie Australian employee participants in the Company's Long-term Incentive Program) were able to participate in the Rights Issue and suffered no disadvantage. This was not the intention of the Company. However, as a result, the option holders were unintentionally disadvantaged as a consequence of the Rights Issue.

It is the Company's general policy to try and maintain the economic status quo of all holders of securities in the Company (including option holders) in the event of reorganisations of capital generally.

The Company is therefore seeking to include a term in the existing options to allow the exercise price of the options to be reduced in accordance with the formula in ASX Listing Rule 6.22.2, which amendment will:

- allow the exercise price of the options to be adjusted to take account of the Rights Issue (and future pro-rata rights issues); and
- ensure that whenever iSOFT conducts a pro rata issue, the level of economic benefit available to an option holder is kept constant and is neither increased or reduced.

As the ASX does not allow a change which has the effect of reducing the exercise price of options, a waiver from listing rule 6.23.3 was sought from the ASX, and subsequently granted, subject to member approval at the Annual General Meeting.

Resolution 9 is therefore required to be approved in order to amend the terms of the Plan of the options to permit a reduction in the exercise price of the options in accordance with the formula in ASX Listing Rule 6.22.2.

The exercise price will be reduced from \$0.7297 to \$0.6911.

As set out in the Information for Members accompanying the Notice of Meeting, this approval is subject to a voting exclusion.

RESOLUTION 10

Approval of Mr Gary Michael Cohen's entitlements

Under an Employment Agreement between iSOFT and Mr Gary Cohen (**Employment Agreement**), Mr Cohen's remuneration package includes (among other things):

- Total Fixed Remuneration of \$665,000 per annum;
- an annual short term incentive (**STI**) payable in cash and/or shares in iSOFT; and
- a long term incentive (eg, an issue of shares under the EDIP).

Under the Employment Agreement:

- Mr Cohen may resign by giving 12 months' notice to iSOFT; and
- iSOFT may terminate Mr Cohen's employment (other than for cause) by giving 12 months' notice to Mr Cohen.

In either of these circumstances, iSOFT may elect to make a payment to Mr Cohen in lieu of notice. If iSOFT makes this election, the amount of the payment in lieu of notice will be determined by reference to Mr Cohen's Total Fixed Remuneration at the date of termination (**Payment in Lieu of Notice**). As such, the amount of any future Payment in Lieu of Notice is not presently ascertainable.

If Mr Cohen or iSOFT gives the other party notice of termination (except in the case of iSOFT giving notice for cause), and iSOFT elects to terminate Mr Cohen's employment immediately and make a Payment in Lieu of Notice, Mr Cohen will continue to participate in any short term incentive scheme for

the financial year in which the termination occurs (**Final Year**), subject to the original terms relating to his participation. However, any bonus for that year will be pro-rated to reflect only the period worked to termination. The amount of any STI payment made to Mr Cohen for the Final Year (**Continued STI Participation**) is not currently ascertainable and will be determined by the Board and will be affected by performance hurdles set by the Board and the minimum and maximum potential STI entitlement for the Final Year.

If iSOFT terminates Mr Cohen's employment (other than for cause), Mr Cohen will continue to participate in any long term incentive schemes and will continue to hold any shares or options (including all those previously awarded under the EDIP and ELP) in accordance with, and subject to, the original terms of the award or grant and the rules of the relevant plan (except to the extent the terms require him to remain an employee) (**Continued LTI Participation**). The monetary value of Mr Cohen's Continued LTI Participation is not currently ascertainable and will be affected by, among other things, the number of shares or options held, the value of the Company's shares and any applicable performance hurdles.

Section 200B of the Corporations Act has the effect that, unless an exemption applies, shareholder approval must be obtained under section 200E for iSOFT for the giving of a benefit to a person in connection with their ceasing to hold a board or managerial office in the company or a related body corporate. Mr Cohen will hold a board or managerial office in iSOFT by virtue of being a director of the Company and its related bodies corporate.

As the Payment in Lieu of Notice, the Continued STI Participation and the Continued LTI Participation may constitute or involve the giving of benefits to Mr Cohen by iSOFT in connection with him ceasing to hold a board or managerial office (within the meaning of section 200B), shareholders are being asked to approve the giving of those benefits for the purposes of sections 200B and 200E of the Corporations Act.

Board Comments

Mr Cohen's remuneration package has been designed by the Board to retain Mr Cohen's services and to provide performance based incentives which align the interests of Mr Cohen with those of shareholders to increase company performance.

The Board has obtained the advice of an external remuneration consultant, Mercer, in relation to the reasonableness of the proposed remuneration under section 211 of the Corporations Act.

Based on the advice received and its own consideration, the Board has concluded that Mr Cohen's remuneration package (including the provisions applying on termination of his employment) is reasonable in all the circumstances.

The Board, other than Mr Cohen, unanimously recommends that shareholders approve the resolution.

Mr Cohen has confirmed that he and his associates intend to refrain from voting on Resolution 10.

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