

ASX Announcement

21 APRIL 2023



CHAIRMAN'S LETTER AND NOTICE OF ANNUAL GENERAL MEETING/PROXY FORM

The board of Reckon Limited (**Reckon**) is pleased to release the attached Notice of Annual General Meeting and Proxy Form together with a Chairman's letter to shareholders.

AUTHORISED FOR RELEASE TO THE ASX BY THE BOARD OF DIRECTORS

About Reckon

Reckon is an ASX listed and Australian owned company with over 30 years' experience delivering market leading solutions to small to medium sized businesses and legal professionals. Reckon's software services are designed to make accounting, payroll and practice management faster, easier and more productive. Find out more at www.reckon.com.

For further information, please contact:

Mr. Sam Allert
Group CEO
Reckon Limited
(02) 9134 3310

Mr. Chris Hagglund
Group CFO
Reckon Limited
(02) 9134 3360



Reckon®

21 April 2023

Dear Shareholder,

The items to be considered at this year's Annual General Meeting include, at Item 5, an incentive plan that your Board wishes to establish for Reckon's Chief Executive Officer and Chief Financial Officer. The Cash Distribution Incentive Plan seeks to align your interests with those of our most senior executives by incentivising them to deliver a significant "cash" return to you. The incentive plan utilises a variation to "total shareholder return" as the performance measure but ignores changes in share price. Instead, the incentive plan focuses solely on the value received by you as a shareholder in terms of dividends and distributions paid on your shares and the consideration you receive for your shares if Reckon itself is acquired, such as under a takeover.

The threshold for any award to be made is a significant stretch of approximately 3 times the current market capitalisation of Reckon. If 100% achieved, which would require a return to you of approximately 6 times the current market capitalization of Reckon, the award amounts equate in aggregate to 2.4% of the total return received by shareholders. If the minimum award threshold is achieved, the award equates to 0.67% of the total return received by shareholders.

The Explanatory Notes to the Notice of Meeting contain more detail on the proposed incentive plan and your Board encourages you to read them before making your decision.

Yours sincerely,

Clive Rabie
Chairman
Reckon Limited



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM or meeting) of Reckon Limited ACN 003 348 730 (Reckon or the Company) will be held at the registered office of the Company at **Level 2, 100 Pacific Highway, North Sydney, NSW, 2060** on **Wednesday 24 May 2023** at **10:00am (AEST)**.

This Notice of Meeting should be read in its entirety.

If it becomes necessary or appropriate to make alternative or supplementary arrangements for holding or conducting the meeting, shareholders will be given as much notice as possible. Information relating to alternate arrangements will be communicated to shareholders by way of an announcement on the ASX announcement platform and the Reckon Limited website.

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General Business

Item 1 - Consideration of Reports and Statements

To receive and consider the Annual Financial Report for the financial year ended 31 December 2022, the Directors' Report for that year and the Independent Audit Report.

Note: This item of ordinary business is for discussion only and is not a resolution.

Pursuant to the Corporations Act, Shareholders as a whole will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of this item.

Item 2 — Resolution for the re-election of Greg Wilkinson as a director

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

"That Greg Wilkinson be re-elected as a Director and hold office in accordance with the Company's Constitution and ASX Listing Rule 14.4."

Item 3 — Resolution for the re-election of Clive Rabie as a director

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

"That Clive Rabie be re-elected as a Director and hold office in accordance with the Company's Constitution and ASX Listing Rule 14.4."

Item 4 – Approval of benefits under section 200C of the Corporations Act in connection with potential future nQueue Zebraworks Inc transaction

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

"That, for the purposes of sections 200C and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the giving of benefits to any holder of a managerial or executive office in Reckon Limited or a related body corporate (as defined in section 200AA of the Corporations Act) in connection with a potential future value accretive transaction in nQueue Zebraworks Inc on the terms set out in the Explanatory Notes to the Notice of Annual General Meeting."

Item 5 – Approval of Cash Distribution Incentive Plan under sections 200B and 200C of the Corporations Act

"That, for the purposes of sections 200B, 200C and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the giving of benefits to any holder of a managerial or executive office in Reckon Limited or a related body corporate (as defined in section 200AA of the Corporations Act) in connection with the Cash Distribution Incentive Plan, on the terms set out in the Explanatory Notes to the Notice of Annual General Meeting."

Item 6 — Non-binding vote to adopt Remuneration Report


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

"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 31 December 2022."

This resolution is advisory only and does not bind the Company or the directors.

Note: Votes must not be cast on this resolution by Key Management Personnel and Closely Related Parties in contravention of section 250R or 250BD of the Corporations Act 2001 (Cth). Restrictions apply to votes unless exceptions apply, which are detailed on page 5 of this Notice of Meeting.

By Order of the Board.



Tom Rowe
Company Secretary
21 April 2023

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HOW TO VOTE

Eligibility to attend & vote

In accordance with the *Corporations Act 2001* (Cth) (“Corporations Act”) and Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at **19.00 (AEST) on Monday, 22 May 2023**.

Accordingly, share transfers registered after that time will be disregarded in determining entitlements to vote at the meeting.

Proxies

A member entitled to vote at the meeting has the right to appoint a proxy to attend and vote instead of the member. A proxy need not be a member. 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 does not specify the proportion or number which each proxy is to exercise, then each proxy may exercise half of the votes for which the proxies are appointed.

If you appoint a proxy, you may still attend the meeting. However, your proxy’s right to speak and to vote are suspended while you are present.

Appointment of Proxy & Lodgment

If you receive this Notice of Meeting by mail, a Proxy Form is enclosed.

To be effective the Proxy Form (and the original, or a certified copy, of the power of attorney or other instrument under which the document appointing the proxy is signed or executed) must be received by the Company at least 48 hours before the meeting, i.e. by 10.00 (AEST) on Monday, 22 May 2022.

The documents should be delivered to the Company at:

Proxy voting by Key Management Personnel (KMP)

If you appoint a member of the Company’s KMP or one of their closely related parties as your proxy, they will not be able to cast your votes on Items 4, 5 or 6, unless you direct them how to vote, or the Chairman of the Meeting is your proxy.

If you wish to appoint the Chairman of the Meeting as your nominated proxy, please place a mark in the relevant box on the proxy form.

If the Chairman of the Meeting is appointed as your proxy or becomes your proxy by default, by completing and submitting the proxy form you acknowledge and give express instructions that the Chairman of the Meeting may exercise your proxy as the Chairman of the Meeting decides, even though Items 4 (section 200C approval in connection with potential future Zebraworks transaction), 5 (sections 200B and 200C approval for Cash Distribution Incentive Plan) & 6 (Remuneration Report) are connected directly or indirectly with the remuneration of Key Management Personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Computershare
 GPO Box 242
 Melbourne VIC 3001
 Fax: 61 3 9473 2555.

Or

If you receive this Notice of Meeting electronically, you can complete your form of appointment of proxy online at www.investorvote.com.au by following the instructions.

If you receive this Notice of Meeting by mail, you may also complete your form of appointment of proxy online at www.investorvote.com.au by following the instructions.

Voting Exclusions

| | |
|---|---|
| <p>Item 4 - Approval of benefits under section 200C of the Corporations Act in connection with potential future nQueue Zebraworks Inc. transaction</p> | <p>In accordance with the Corporations Act, the Company will disregard any votes cast on Item 4, as a proxy, by a person who is a member of the Company's Key Management Personnel at the date of the AGM or their Closely Related Parties, unless the vote is cast as proxy for a person entitled to vote:</p> <ul style="list-style-type: none"> • in accordance with a direction in the Proxy Form; or • by the Chairman of the Meeting, in accordance with an express authorisation in the Proxy Form to vote as the proxy decides, even though Item 4 is connected with the remuneration of the Company's Key Management Personnel. |
| <p>Item 5 – Approval of Cash Distribution Incentive Plan Approval under sections 200B and 200C of the Corporations Act</p> | <p>A participant in the Cash Distribution Incentive Plan and their associates must not vote on Item 5 if they wish to preserve their ability to receive benefits under the Cash Distribution Incentive Plan.</p> <p>Further, the Company will disregard any votes cast on Item 5, as proxy, by a person who is a member of the Company's Key Management Personnel at the date of the AGM or their Closely Related Parties, unless the vote is cast as proxy for a person entitled to vote (and who is not a participant in the Cash Distribution Incentive Plan):</p> <ul style="list-style-type: none"> • in accordance with a direction in the Proxy Form; or • by the Chairman of the Meeting, in accordance with an express authorisation in the Proxy Form to vote as the proxy decides, even though Item 5 is connected |

| | |
|--|---|
| | with the remuneration of the Company's Key Management Personnel. |
| <p>Item 6 – Non-binding vote to adopt Remuneration Report</p> | <p>In accordance with the Corporations Act, the Company will disregard any votes cast on Item 6:</p> <ul style="list-style-type: none"> • by or on behalf of a member of the Company's Key Management Personnel (including the Directors), named in the Remuneration Report, or any of their Closely Related Parties regardless of the capacity in which the vote is cast; or • as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their Closely Related Parties. <p>However, the Company need not disregard a vote on Item 6 if it is cast as proxy for a person entitled to vote on Item 6:</p> <ul style="list-style-type: none"> (a) in accordance with a direction in the Proxy Form; or (b) by the Chairman of the Meeting pursuant to an express authorisation in the Proxy Form to vote as the proxy decides, even though Item 6 is connected with the remuneration of the Company's Key Management Personnel. |

Corporate Representative

A representative of a company attending the meeting must present at the meeting satisfactory evidence of his or her appointment to attend on the company's behalf, unless previously lodged with the Company.

EXPLANATORY NOTES

These Explanatory Notes provide additional information on matters to be considered at the AGM. The Explanatory Notes and How to Vote section above form part of this Notice of Meeting.

General Business

Item 1 Annual Financial Report

The *Corporations Act 2001* (Cth) (“Corporations Act”) requires the Annual Financial Report and the Reports of the Directors and of the Auditors to be laid before the Annual General Meeting.

Shareholders may view the Company Annual Financial Report on the Company’s website at <https://www.reckon.com/au/investors>.

Neither the Corporations Act nor the Company’s Constitution requires a vote of shareholders at the Annual General Meeting on such Reports or Statements. However, shareholders as a whole will be given a reasonable opportunity at the meeting to raise questions on the reports and statements, and also, to make comments on the management and performance of the Company.

The Company’s auditors will also be present to answer any questions. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor’s Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

If you would like to submit a written question about the content of the Auditor’s Report or the conduct of the audit of the Annual Financial Report of the Company’s auditor, please send your question to the Company Secretary at cosec@reckon.com.

Please note that all written questions to the Auditor must be received at least five business days before the Meeting, which is Wednesday, 17 May 2023.

Please note that individual responses will not be sent to shareholders.

Item 2: Resolution for the re-election of Greg Wilkinson as a director

Pursuant to Clause 13.2 of the Company’s Constitution, Greg Wilkinson retires by rotation as Director of the Company. Being eligible, Greg Wilkinson offers himself for re-election.

Greg Wilkinson has over 30 years’ experience in the computer software industry. Greg entered the industry in the early 1980s in London where he managed Caxton Software, which became one of the UK’s leading software publishers. Greg co-founded Reckon in 1987, became a member of the board of the listed entity on 19 July 1999 and was the Chief Executive Officer until February 2006. He was appointed to the position of Deputy Chairman in February 2006. He was appointed to the Audit & Risk Committee in February 2010 and Remuneration Committee in December 2011. Greg was appointed as Chairman on 1 July 2018 and served until 31 December 2022. Greg was last re-elected to the Board at the AGM on 27 May 2020.

Despite being a substantial shareholder of the Company, Greg is considered by the Board to be independent.

Greg’s personal skills, his engagement in other IT businesses (including cloud SAAS companies), his experience with start-up businesses as a mentor and investor, his depth of knowledge of the products and services of the company, his insights into relevant contemporary markets and his overall experience give depth to his contributions to board discussions and decision making.

Greg thus remains a valuable member of the board and has contributed to the success of the Company.

The Directors (excluding Mr Wilkinson) unanimously recommend that shareholders vote in favour of Item 2.

Item 3: Resolution for the re-election of Clive Rabie as a director

Pursuant to Clause 13.2 of the Company's Constitution, Clive Rabie retires by rotation as Director of the Company. Being eligible, Clive Rabie offers himself for re-election.

Clive was Chief Operating Officer of Reckon from 2001 until February 2006 and in that time played a pivotal role in its turn-around.

In February 2006 Clive was appointed to the position of Group Chief Executive Officer and in July 2018 was appointed Managing Director. He has extensive management and operational experience in the IT and retail sectors as both an owner and director of companies. He is also a director of GetBusy PLC.

Clive is not considered to be an independent Director due to his former management role and substantial holding.

From July 2018 until April 2022, Clive served as Managing Director and so was not required to stand for election. Since April 2022, Clive has acted as a non-executive director and will now stand for re-election in accordance with the Company's Constitution and the ASX Listing Rules.

The Directors (excluding Mr Rabie) unanimously recommend that shareholders vote in favour of Item 3.

Item 4: Approval of benefits under section 200C of the Corporations Act in connection with potential future NQ ZebraWorks Inc transaction

Reckon seeks approval under Item 4 to transfer a proportion of its securities in nQueue ZebraWorks Inc (**nQ ZebraWorks**), a majority owned subsidiary of the Company, to certain members of management of nQ ZebraWorks or a related body corporate and their

associated entities in the future if nQ ZebraWorks, or its assets, are sold for more than US\$70M.

Background

In March 2023, Reckon agreed to provide approximately USD \$3.5M in growth capital over 24 months to nQ ZebraWorks via subscription for additional securities in nQ ZebraWorks. The subscription was a part of a total capital raising of USD \$4M. Following the issue of the securities and the acquisition of some additional securities from existing shareholders of nQ ZebraWorks, Reckon's percentage holding in nQ ZebraWorks increased from approximately 70% to approximately 76% of the issued capital of nQ ZebraWorks.

The shareholders of nQ ZebraWorks includes four management personnel of nQ ZebraWorks (**Management Co-Investors**), three of whom did not participate in the March 2023 capital raising in nQ ZebraWorks. Accordingly, the majority of the Management Co-Investors have had their shareholding in nQ ZebraWorks diluted as a result of the issue of nQ ZebraWorks securities to Reckon.

As an incentive to the Management Co-Investors to realise a high sale price, Reckon intends, in the event of a sale of nQ ZebraWorks for more than US\$70M, to transfer to the Management Co-Investors some of its own nQ ZebraWorks securities.

The number of nQ ZebraWorks securities that will be transferred will depend up the sale price for nQ ZebraWorks.

Why is approval being sought?

Under section 200C of the Corporations Act, no person may pay a benefit to a person who:

- holds, or has at any previous time held, a managerial or executive office in the Company or a related body corporate; or

- For personal use only
- is the spouse, relative, or associate of a person who holds or has held a managerial or executive office in the Company or a related body corporate,

in connection with the transfer of any part of the undertaking or property of the Company, unless the giving of the benefit is approved by shareholders under section 200E.

Reckon is seeking shareholder approval under Item 4 to give benefits to the Management Co-Investors who are or have been managerial or executive officers of nQ Zebraworks or its related bodies corporate, being related bodies corporate of Reckon. The Management Co-Investors are not management, executives or directors of Reckon.

What is the benefit?

The benefit comprises two components:

1. Reckon proposes to offer the Management Co-Investors who did not participate in the March 2023 capital raising:
 - “top-up” securities in nQ Zebraworks if nQ Zebraworks, or its business, is sold for more than USD \$70M and up to USD \$100M.
 - The number of “top up” securities to be offered will be determined on a sliding scale depending upon the sale price for nQ Zebraworks, or its assets. At a USD \$100M sale price the Management Co-Investors are made “whole” as if they had participated to their full entitlement under the March 2023 capital raise.
 - The maximum number of “top up” securities that will be offered is 274,790 securities. This equates to approximately 2.85% of Reckon’s nQ Zebraworks securities and USD \$2.17M of the sale proceeds that Reckon would otherwise have received if not for the transfer of the “top up” securities.

2. If the sale price is greater than USD \$100M, Reckon will offer to all Management Co-Investors additional securities in nQ Zebraworks which are held by Reckon:

- On a sliding scale determined by the sale price between USD \$100M and USD \$200M.
- The maximum number of securities that will be offered is 475,690 (4.93% of Reckon’s interest in nQ Zebraworks) and would equate to approximately USD \$3.75M of the sale proceeds at a USD \$200M sale price.
- There is no further benefit to be provided by Reckon at a sale price above USD \$200M

The maximum number of nQ Zebraworks securities that may be offered by Reckon to Management Co-Investors is 750,480 or approximately 7.78% of Reckon’s nQ Zebraworks securities (USD \$5.92M at a USD \$200M sale price).

As the offer of securities in nQ Zebraworks to the Management Co-Investors is a benefit given to persons who hold or have held managerial or executive office in a related body corporate of Reckon, shareholder approval is required under section 200C of the Corporations Act.

Note: There is currently no guarantee that this potential value accretive transaction will occur, but approval is sought to enable the nQ Zebraworks securities to be given to the Management Co-Investors in the event a transaction occurs in the future.

Board recommendation

The Board recommends that shareholders vote in favour of Item 4.

Item 5: Cash Distribution Incentive Plan

Reckon seeks approval under Item 5 to provide benefits under sections 200B and 200C of the Corporations Act in connection with a new Cash Distribution Incentive

Plan (**Plan**) to persons who hold a managerial or executive office in Reckon or a related body corporate.

Reckon intends to establish the Cash Distribution Incentive Plan to incentivise its Managing Director & Chief Executive Officer, Mr Samuel Allert (**CEO**), and the Chief Financial Officer, Mr Christer Hagglund (**CFO**) to pursue value accretive transactions, including the potential sale or disposal of assets or companies within the Reckon Group, or Reckon itself, which have benefits for and will result in distributions to shareholders.

Why is approval being sought?

Under section 200B of the Corporations Act, a company must not give a person a benefit in connection with the person's retirement from an office, or position of employment, in a company or a related body corporate if:

- the person is retiring from a managerial or executive office; or
- the person has, at any time during the last 3 years before his or her retirement, held a managerial or executive office in the Company or a related body corporate

unless there is member approval under section 200E for the benefit (or an exception applies).

Additionally, under section 200C of the Corporations Act, no person may pay a benefit to a person who:

- holds, or has at any previous time held, a managerial or executive office in the Company or a related body corporate; or
- is the spouse, relative, or associate of a person who holds or has held a managerial or executive office in the Company or a related body corporate,

in connection with the transfer of any part of the undertaking or property of the Company, unless the

giving of the benefit is approved by shareholders under section 200E.

Reckon is seeking shareholder approval under Item 5 to make offers under the Plan to the CEO and CFO. As cash payments under the Plan may be given to persons who hold managerial or executive offices in Reckon, in circumstances covered by sections 200B and 200C of the Corporations Act, shareholder approval is required.

Terms of the Plan

The payment of cash under the Plan is contingent on the following Payment Conditions:

- the participant being an employee of Reckon; at 31 December 2029; and,
- the cumulative total of the following payments in respect to Reckon shares paid or received by Reckon shareholders from 24 May 2023 to 31 December 2029 (**Shareholder Return**) being at least \$150,000,000:
 - dividends;
 - distributions; and
 - if there is a change of control transaction occurring whereby 100% of the issued capital of Reckon Limited is acquired by a third party (**Control Transaction**), the consideration received by Reckon shareholders under the Control Transaction.

If the Shareholder Return includes shares or securities in another entity unrelated to Reckon, whether in addition to or instead of cash, the Board may determine the value of the shares or securities (if any) that will be factored into the calculation of the Shareholder Return, in its discretion.

The Shareholder Return will not be reduced for any tax payable by shareholders and will be adjusted upwards for the effect of franking credits.

If the Payment Conditions are met, the amount of the cash payment (**Cash Distribution**) will be calculated by the Board based on the following Distribution Schedule. Within each Shareholder Return Band, the Cash Distribution will be paid pro rata in proportion to where the Shareholder Return sits within the relevant Shareholder Return Band.

Distribution schedule:

| Shareholder Return Bands | Cash Distribution – CEO | Cash Distribution - CFO |
|---------------------------------------|---|---|
| Under \$150,000,000 | No cash distribution (Award is forfeited) | No cash distribution (Award is forfeited) |
| \$150,000,000 and up to \$200,000,000 | \$820,000 | \$180,000 |
| \$200,000,000 and up to \$250,000,000 | \$1,400,000 | \$300,000 |
| \$250,000,000 and up to \$300,000,000 | \$2,800,000 | \$600,000 |
| \$300,000,000 or more | \$6,000,000 | \$1,200,000 |

Any cash award will be paid to participants as soon as possible following the end of the assessment period or any early testing.

Note: there is currently no expectation that a transaction will occur that could result in the achievement of any Shareholder Return. Approval is sought to enable Reckon to make cash payments under The Plan in the event that such value-accretive events occur in the future.

Variation to Shareholder Return Bands and Cash Distribution

The Board may, in its discretion, amend the Shareholder Return Bands and Cash Distribution amounts as is reasonably necessary to maintain the alignment of the incentive created by the Plan with the value received by Reckon shareholders, including by:

- Reducing the Cash Distribution for a participant by any amount paid to the participant under a Reckon long term incentive plan between the date of shareholder approval of this Item 5 and 31 December 2029.
- Making changes to the Shareholder Return Bands and/or the Cash Distribution amount to take into account any capital raising activities of Reckon.
- Reducing the thresholds under the Shareholder Return Bands in the event of early testing, as discussed below.
- Increasing the Cash Distribution amount if the highest Shareholder Return Band is materially exceeded.

Cessation of employment treatment

Unless the Board determines (in its absolute discretion) otherwise, if a participant's employment is terminated for cause or they resign (or give notice of their resignation) prior to the assessment date, all of their award will lapse.

If a participant ceases employment in other circumstances prior to the assessment date, unless the Board determines otherwise, the Board will test the award and determine the amount of the Cash Distribution (if any) based on the Shareholder Return up to the date of cessation and pay any award to the participant following testing. The Board may, in its discretion, also factor the participant's contribution towards potential value accretive transactions that have not yet completed.

Change of control

If, prior to 31 December 2029, there is a takeover bid or other event or circumstances arise which the Board considers should be treated in a similar way (**Change of Control Event**), the Board has the discretion to early test the award and to calculate the Shareholder Return and determine the Cash Distribution to be paid.

When determining the Cash Distribution to be paid where there is a Change of Control Event, the Board may make such adjustments to the Cash Distribution or the Shareholder Return Bands as it deems reasonable in the circumstances.

If a Control Transaction occurs but the Board has not exercised the discretion referred to above before this time, the award will be tested up to the date of the Control Transaction based on Shareholder Return up to that date and the participants will receive an award based on this assessment.

Board recommendation

The Board recommends that shareholders vote in favour of Item 5.

Item 6: Non-binding vote to adopt Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. However, the board will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the Company.

The Remuneration Report is set out on pages 14 to 38 of the Annual Financial Report which is also available on Reckon's website.

The Remuneration Report sets out the policies for the remuneration of directors and Key Management Personnel. It also sets out required disclosures relating to the types and amounts of remuneration paid to directors and senior executives. An opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting.

As Item 6 relates to matters including the remuneration of the directors, the board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, make no recommendation regarding this resolution.

GLOSSARY

Annual Financial Report means the 2022 Annual Report to Shareholders for the period ended 31 December 2022 as lodged by the Company with ASX on 30 March 2023.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of BDO Audit Pty Ltd dated 30 March 2023 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Reckon Limited ACN 003 348 730.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or "\$" means Australian dollars.

Explanatory Notes means the explanatory notes accompanying and forming part of this Notice of Meeting.

Key Management Personnel or **KMP** means the key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated 21 April 2023 including the Explanatory Notes.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

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Shareholder means a holder of a Share.

Share Registry means Computershare Investor Services Pty Limited.



Reckon®

ABN 14 003 348 730

Need assistance?



Phone:

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST) on Monday, 22 May 2023.**

Proxy Form

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

XX

I/We being a member/s of Reckon 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 Reckon Limited to be held at Level 2, 100 Pacific Highway, North Sydney, Sydney, NSW 2060 on Wednesday, 24 May 2023 at 10:00am (AEST) 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 Resolutions 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 4, 5 and 6 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 Resolutions 4, 5 and 6 by marking the appropriate box in step 2.

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 |
|--|--------------------------|--------------------------|--------------------------|
| Item 2 To re-elect Greg Wilkinson as a director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3 To re-elect Clive Rabie as a director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4 To approve benefits under section 200C of the Corporations Act in connection with any potential future nQueue ZebraWorks Inc. transaction | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 5 To approve the Cash Distribution Incentive Plan under sections 200B and 200C of the Corporations Act | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 6 To adopt the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

