

ASX Announcement  
Reckon Limited  
(ACN 003 348 730)

**25 October 2022**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

The attached notice of meeting has been despatched to shareholders on 24 October 2022.

AUTHORISED FOR RELEASE TO THE ASX BY THE BOARD OF DIRECTORS

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

**Notice of Extraordinary General Meeting  
Reckon Limited ACN 003 348 730**

Notice is hereby given that an Extraordinary General Meeting ("EGM") of Reckon Limited ("Company") will be held **virtually** at <https://meetnow.global/MRMCFX5> on 25 November 2022 at 10:00am.

The virtual meeting platform will allow shareholders to watch the EGM live, and shareholders will also be able to vote, make comments and ask questions in real time.

Further information on how to attend online is set out below.

## **SPECIAL BUSINESS**

### **Resolution 1 – Special Incentive performance shares**

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

"That approval be given for the purposes of ASX Listing Rule 6.23.4, and for all other purposes, for the Special Incentive performance shares issued to Mr Samuel Allert, the Group CEO, under the Performance Share Plan to be treated in the manner set out in the Explanatory Notes."

The Explanatory Notes set out below form part of the Notice of EGM and provide important information regarding the item of business to be considered at the meeting. Please note voting exclusions apply to the resolution.

By order of the board.

Myron Zlotnick  
Company Secretary  
21 October 2022

## **HOW TO PARTICIPATE AND VOTE**

### **Attending the meeting**

Shareholders, proxyholders, attorneys and corporate representatives will be able to attend the meeting by logging into the online meeting platform at <https://meetnow.global/MRMCFX5> via a desktop device or mobile/table device with internet access.

The platform will allow Shareholders to view the meeting live, vote and submit questions (verbally and in writing) in real time.

To participate and vote online you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode.

Proxyholders will need their proxy number which can be obtained from Computershare Investor Services Pty Limited on +61 3 9415 4024 prior to the meeting.

Further information on how to participate online is set out at:

<http://www.computershare.com.au/virtualmeetingguide>.

### **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 EGM are those who are registered Shareholders at 19:00 (AEDST) on 23 November 2022.

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

The item of business set out in the Notice of EGM will be conducted by poll.

### **Proxies**

A Shareholder entitled to vote at the meeting has the right to appoint a proxy to attend and vote on their behalf. A proxy need not be a Shareholder of the Company. A Shareholder 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 Shareholder appoints 2 proxies and does not specify the proportion or number which each proxy is to exercise, then, in accordance with section 249X(3) of the Corporations Act, 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.

If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as your proxy sees fit, subject to any applicable voting exclusions.

### **Chairman of the meeting as proxy**

Where the Chairman of the meeting is appointed, or is taken to be appointed, as a Shareholder's proxy and that Shareholder has not specified the way in which they are to vote for any item of business, then by completing and submitting the proxy form the Shareholder is expressly authorising the Chairman of the meeting to exercise the proxy as they decide, notwithstanding that these items are connected with the remuneration of the Company's key management personnel.

The Chairman of the meeting intends to vote all undirected proxies in favour of the Resolution.

### **Voting Exclusions for Resolution 1**

The Company will disregard any votes cast on Resolution 1:

- in favour of the resolution by or on behalf of the Group CEO, or any of his associates, regardless of the capacity in which the vote is cast; or
- as proxy by a person who is a member of the Company's key management personnel on the date of the EGM or their closely related parties.

However, votes will not be disregarded if they are cast:

- as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the meeting as proxy for a person entitled to vote on the resolution, pursuant to an express authorisation in the proxy form to exercise the proxy as the Chairman of the meeting decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Lodging your Proxy Form**

A form for appointment of proxy is enclosed.

To be effective the document appointing the proxy (and where applicable, 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 (AEDST) on 23 November 2022.

The documents should be delivered to the Company at:

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

Or

Submitted online at [www.investorvote.com.au](http://www.investorvote.com.au) by following the instructions. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and Control Number, which is set out on the enclosed Proxy Form.

### **Corporate Representative**

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the meeting. The representative of a company attending the meeting must provide satisfactory evidence of his or her appointment prior to the start of the meeting unless this authority has been previously lodged with the Company.

### **Technical difficulties**

Technical difficulties may arise during the course of the EGM. The Chairman of the meeting has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairman of the meeting will have regard to the number of Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where considered appropriate, the Chairman of the meeting may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

For this reason, Shareholders are encouraged to lodge a directed proxy, even if they plan to attend online.

# Explanatory Notes

## BUSINESS OF THE MEETING

### ***Resolution 1: Treatment of Special Incentive performance shares under the Performance Share Plan***

#### **Overview**

The Company has a Performance Share Plan (“the PSP”) which acts as a long-term incentive to attract and retain talent and to reward participants for their contribution to the performance of the Company. Under the PSP, certain employees have a right to receive shares if performance criteria are met over a three-year performance period (“performance shares”).

On 1 September 2019, the Group CEO was granted 1,000,000 performance shares as an incentive at the time of his appointment as CEO (“Special Incentive”). The Special Incentive is subject to a share price target and a service condition. Further details about the Special Incentive are set out further below.

In light of the recent sale by the Company of the Accountant Practice Management Group (“Transaction”), the board of directors is of the view that the share price target applicable to the Group CEO’s Special Incentive should be waived for the reasons outlined below.

Under the terms of the PSP, the Board has discretion to waive the performance criteria applicable to performance shares. However, shareholder approval is being sought in the interests of good governance and transparency, and for the purposes of ASX Listing Rule 6.23.4, to the extent it is applicable.

#### **Transaction**

On 1 August 2022, the Company announced the completion of the Transaction, being the sale by the Company of the Accountant Practice Management Group to Access Software Australia Pty Ltd, Access Workspace NZ Limited and Access UK Ltd.

The Transaction unlocks significant value for the Company’s shareholders and allows the Company to focus on its two core operating divisions, its Business Group, which provides accounting and payroll software for small to large sized businesses and personal wealth management solutions, and its Legal Practice Management Group, which focuses on practice management and workflow solutions to law firms in the USA and globally.

The sale proceeds from the Transaction is \$100 million. As previously announced, the Company intends to deliver the majority of proceeds from the Transaction to shareholders via a partially franked special dividend.

The board of directors recognise the contribution that the employees have made to the successful completion of the Transaction and the proposed return to Shareholders that the special dividend represents.

#### **Impact of the Transaction on Special Incentive**

The board of directors intends to determine the special dividend before the end of 2022. Following this, the market price of the Company's shares may diminish in value by roughly the same amount as the amount of the special dividend. However, the diminution may impact the achievement of the share price target that applies to the Special Incentive. This means that the number of performance shares that ultimately vest may be reduced.

It is the opinion of the board of directors that this outcome undermines the objectives of the PSP. As such, the board has resolved, subject to Shareholder approval, to exercise its discretion under the PSP to waive the share price target that applies to the Special Incentive performance shares.

The board notes that as at the date of this notice the Reckon share has traded at prices above the share price target applicable for the vesting of the CEO's performance shares under the Special Incentive.

The board is not intending to accelerate the vesting of the performance shares if Shareholders approve this resolution. Instead, the performance shares will continue to remain on foot and will vest in the ordinary course following the end of the performance period, subject to the other terms of the offer (including that the service condition is met).

Under the PSP, holders of performance shares are not entitled to receive the special dividend. However, as the share price may diminish following payment of the special dividend, the board has determined to separately pay a bonus to the Group CEO in respect of his Special Incentive performance shares and employees who hold certain tranches of performance shares<sup>1</sup> to "keep them whole". The bonus will be approximately equal to the value of the special dividend the employee would have received had they been the owner of shares (as opposed to holders of performance shares) at the time the special dividend was paid. Details of any bonus amounts paid to the Group CEO or other members of the Company's key management personnel will be disclosed in the Company's FY22 Remuneration Report.

### **Requirements under the ASX Listing Rules**

Listing Rule 6.23.4 requires shareholder approval before the Company can change the terms of any existing grants of "options" (which includes performance shares). Whilst the PSP gives the board the power to waive the performance criteria, approval is sought under ASX Listing Rule 6.23.4 to the extent this waiver is considered to be a change of terms under the Listing Rules.

### **If Shareholder approval is obtained**

If Shareholder approval is obtained, the share price target applicable to the Group CEO's Special Incentive performance shares will be waived. The performance shares will remain on foot and will vest in the ordinary course following the end of the performance period, subject to the other terms of offer (including that the service condition is met).

If Shareholder approval is not obtained, the performance criteria applicable to the Group CEO's Special Incentive performance shares will remain unchanged. The board will test the

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<sup>1</sup> Being, Tranche 1 performance shares anticipated to vest on 31 December 2022, and Tranche 2 performance shares anticipated to vest on 31 December 2023.

share price target following the end of the performance period and the vesting outcome will be determined at that time.

### **Details of Special Incentive grant**

This was a one-off Special Incentive offer made to Mr Allert in light of his appointment to the role of Group CEO.

Shares Offered	1,000,000
Start Date	1 September 2019
Performance Period	3 years ending on 31 December 2022
Share Price Target	VWAP of the Reckon Share Price at Close on 31 December 2022, or last trading day for that year, to be \$1.00, subject to the Sliding Scale.
Sliding Scale	90% of Share Price Target shall equate to 90% vesting, to 110% of Share Price Target shall equate to 110% vesting, capped Below 90% of Share Price Target shall equate to 0% vesting
VWAP	The weighted average of the closing price of Reckon shares over the period of 30 days before the end of the Performance Period

### ***Board recommendation***

The board (with the CEO abstaining) recommends that Shareholders vote in favour of Resolutions 1.





**Reckon**<sup>®</sup>

ABN 14 003 348 730

## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

RKN

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



## Reckon Limited Extraordinary General Meeting

The Reckon Limited Extraordinary General Meeting will be held on Friday, 25 November 2022 at 10:00am (AEDT). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 10:00am (AEDT) Wednesday, 23 November 2022.



### ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit:  
<https://meetnow.global/MRMCFX5>

For instructions refer to the online user guide [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)

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.



**Reckon**

ABN 14 003 348 730



RKN

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

## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) on Wednesday, 23 November 2022.**

# 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](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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.

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

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 Extraordinary General Meeting of Reckon Limited to be held as a virtual meeting on Friday, 25 November 2022 at 10:00am (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 (except where I/we have indicated a different voting intention in step 2) even though Item 1 is 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 by marking the appropriate box in step 2.

### Step 2

### Item 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 1 Special Incentive performance shares	<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

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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

RKN

294456A



Computershare





# Reckon®

ABN 14 003 348 730

RKNRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Reckon Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

**Reckon Limited**