

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Reckon Limited ("the Company") will be held at the registered office of the Company at Level 2, 35 Saunders Street, Pyrmont NSW 2009 on Thursday 8 May 2003 at 10.00 am.

General Business

1 Consideration of Reports and Statements

To receive and consider the Directors' Report for the financial year ended 31 December 2002, the Annual Financial Report for that year, the Directors' Declaration and the Independent Audit Report.

2 Resolution 1 – Re-election of Philip Ross Hayman as a Director

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

"That Philip Ross Hayman be re-elected as a director of the Company."

3 Resolution 2 – Re-election of Fred Tinker as a Director

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

"That Fred Tinker be re-elected as a director of the Company."

Special Business

4 Resolution 3 – Return of Capital

To consider and, if thought fit, pass the following special resolution:

"That the following reduction of the Company's share capital be approved, namely reduction by the return to the registered holders of fully paid ordinary shares in the Company as at the completion of registration of transfers in accordance with the Securities Clearing House Business Rules on 15 May 2003 of paid up capital to the extent of \$0.01 (one cent) for each fully paid ordinary share held."

By Order of the Board.



Geoff Tomlinson
Chairman, Reckon Limited
13 March 2003

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, in accordance with Section 249X(3) of the Corporations Law, each proxy may exercise half of the votes for which the proxies are appointed.

A form for appointment of proxy is enclosed. To be effective, the document appointing the proxy (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. The documents should be delivered to the Company at Level 2, 35 Saunders Street, Pyrmont NSW 2009 or sent by facsimile to (02) 9692 8051 (international: +612 9692 8051).

No facility exists for receiving proxies by e-mail.

Please refer to other notes appearing on the enclosed Form of Proxy.

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.

Entitlement to Vote

In accordance with the Corporations Law and the regulations made thereunder, the Board has determined that in relation to the Annual General Meeting of the Company convened by this Notice of Meeting, shares will be taken to be held by the persons who are the registered holders at 5.00 pm (Sydney time) on Monday 5 May 2003. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Explanatory Notes

General Business

1 Annual Financial Reports

The Corporations Law requires the Reports of the Directors and of the Auditors and the Annual Financial Report, including the Financial Statements, to be laid before the Annual General Meeting.

Neither the Corporations Law nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such Reports or Statements. However, shareholders will be given ample opportunity to raise questions on the reports and statements at the meeting.

2 Resolution 1 – Re-election of Philip Ross Hayman as a director

Pursuant to Clause 6.1 of the Company's Constitution, Philip Ross Hayman retires by rotation as director of the Company. Being eligible, Philip Ross Hayman offers himself for re-election.

3 Resolution 2 – Re-election of Fred Tinker as a Director

Pursuant to Clause 6.1 of the Company's Constitution, Fred Tinker retires by rotation as director of the Company. Being eligible, Fred Tinker offers himself for re-election.

Special Business

4 Resolution 3 – Return of Capital

A return of capital is an efficient way of returning value to shareholders when the capital of a company is in excess of its commercial needs and the shareholders can share in that surplus.

If approved, the effect of the return of capital is that each shareholder will be paid a sum of money in proportion to their shareholding in the total share capital of the Company.

The return of capital for each share will not result in the cancellation of any shares.

As at 13 March 2003, the number of ordinary fully paid shares issued in the Company was 127,842,816.* If the return on capital is approved, the share capital account will be reduced by the amount of the return on capital, \$1.27 million.

In the opinion of the Directors the financial position of the Company will continue to be sound following the return of capital.

The Corporations Law permits a company to reduce its share capital, in this case in the form of a return of capital, if the reduction:

- 1 is fair and reasonable to the shareholders as a whole;
- 2 does not materially prejudice the Company's ability to pay its creditors; and
- 3 is approved by the shareholders.

As to Point 1:

The only class of shares issued by the Company are ordinary shares.

The Company proposes to pay to each shareholder a return of capital of \$0.01 (one cent) per share.

The reduction of capital applies equally to each shareholder in proportion to the number of shares they hold.

The terms of the reduction are the same for each holder of shares.

As to Point 2:

On the date of this notice the cash in hand is \$12,251,000. The average monthly cash flow relating to operating activities for the last 12 months is \$194,000 positive. No material additional capital costs are expected for the year going forward.

The Company will not be borrowing any funds for the purpose of the return on capital. The return on capital will be funded from existing cash balances.

In the circumstances the Board considers that there will be no material prejudice to the Company's ability to pay its creditors.

As to Point 3:

This resolution is put to the shareholders for approval by special resolution at the general meeting.

The Corporations Law only requires that an equal capital reduction be approved by an ordinary resolution, however, clause 2.6 of the Company's Constitution requires that the resolution be passed as a special resolution.

Further information:

The Company has no significant acquisitions currently planned.

Growth is intended to be generated from product development and enhancements achieved through its relationship with Intuit Inc and organic growth in the market.

The capital requirements of the Company are not significant.

The Board of Directors does not intend to propose to the shareholders that there be further returns of capital as a regular occurrence.

The Company announced its intention on 11 November 2002 to conduct an on-market buy-back of up to 10% of its shares during the period 27 November 2002 to 31 December 2003. As at the date of this notice the Company had not bought back any of its shares. The proposed return of capital will reduce the Company's available cash in hand to conduct any on-market share buy-back, however, another factor influencing the extent of any intended buy-back is the market price of the Company's shares during this period. The maximum cash the Company is authorised to use in the buy back is \$825,000 which would still leave the Company with more than adequate working cash available.

Taxation Considerations

The taxation implications for each shareholder receiving a return of capital will vary depending on a number of factors, including how the shares are held, for example whether personally, through a company, trust or superannuation fund, the cost base that each member has in the shares and the shareholder's place of residence. It is recommended that each shareholder seek tax advice specific to their own circumstances as to the proposed capital return.

Determination of Entitlements

Entitlements to participate in the capital reduction will be based on the Company's share register as at completion of registration of transfers in accordance with the Securities Clearing House Business Rules on 15 May 2003 and any references to that date in the notice of meeting and these explanatory notes should be read accordingly.

Directors' interests in the Capital Reduction

Directors	Shares beneficially held
Greg Wilkinson	16,668,438
Phil Hayman	11,000,000
Geoff Tomlinson	400,000
John Thame	20,000
Fred Tinker	-

Other interests

Chief Operating Officer	Shares beneficially held
Clive Rable	10,818,437*

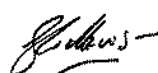
There is no further information known to the Company that is material to the decision on how to vote on the resolution.

Timetable of events:

Event	Date
Date of AGM	8 May 2003
Date of vote on special resolution	8 May 2003
Lodge outcome of AGM with ASX	8 May 2003
Assuming shareholder approval is given, trading on an "ex-return of capital" basis starts	Friday 9 May 2003
Record date <small>(The date on which the Company fixes the balance of shareholders to whom the return of capital will be paid.)</small>	Thursday 15 May 2003
Return of capital paid	Not before 5 June 2003

Summary

The Directors consider the return of capital is a distribution of capital surplus to the needs of the Company at this time. It will apply equally to all of the ordinary shareholders of the Company. The Directors believe it will not materially prejudice the Company's ability to pay its creditors. The Directors consider that the return of capital is fair and reasonable to the Company's shareholders as a whole.



Greg Wilkinson
CEO and Director

13 March 2003

* Includes 2,000,000 million shares issued in escrow on 12 March 2003.

Proxy Form



Reckon Ltd ABN 14 003 348 730



Return Proxy to:

The Company Secretary, Reckon Limited (AGM), Locked Bag 15, PO Broadway NSW 2007
Or by facsimile on (02) 9692 8051

Mark this box with an 'X' if you have made any changes to your name or address details

Appointment of Proxy

I/We being a member/s of Reckon Limited and entitled to attend and vote hereby appoint

The Chairman of the Meeting (mark with an 'X') **OR** Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Reckon Limited to be held at Level 2, 35 Saunders Street, Pyrmont NSW 2009 on Thursday 8 May 2008 at 10.00 am and at any adjournment thereof.

IMPORTANT

To ensure your proxy votes count, you should mark this box. By marking this box, when you have not directed your proxy how to vote below, you acknowledge that the Chairman of the Meeting (whether nominated or by default), acting as your proxy, may exercise your undirected proxy votes even if he has an interest in the outcome of each resolution which carries a voting exclusion and that votes cast by him, other than as a proxyholder, will be disregarded because of those interests. The Chairman of the Meeting intends to vote undirected proxies in favour of each such resolution. If you direct your proxy how to vote, it is not necessary to mark this box.

Voting directions to your proxy

please mark x to indicate your directions

	For	Against	Abstain*
Resolution 1: Re-elect Mr Philip Ross Hayman as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-elect Mr Fred Tinker as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Approval of return on capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or a poll, or if your voting entitlement cannot be voted by the Chairman of the Meeting, your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy

Mark with an 'X' if you wish to appoint a second proxy **AND** % **OR**

State the percentage of your voting rights or the number of securities for this Proxy Form.

Authorised signature/s

This section **must** be signed in accordance with the instruction overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Individual/Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____ / ____ / ____

Level 2 Building B Citywest Office Park 35 Saunders Street Pyrmont NSW 2009 T: +61 2 9577 5000 F: +61 2 9577 5555 E: quicken@quicken.com.au

www.quicken.com.au

Yes... I would like to purchase Quicken Personal Plus for \$145.95 (p/h inc)

Please find attached my payment for the above amount: cheque money order credit card details

Charge my: VISA MasterCard Bankcard AMEX

Cardholder's name: _____ Expiry Date: ____ / ____

Cardholder's Signature: _____

How to order

Fax
02 9577 5555

Call 1300 QUICKEN
(1300 784 253)

Mail
Quicken Locked Bag 15
PO Broadway NSW 2007

Complete any applicable section of this form and return it to Reckon Limited (AGM), Locked Bag 15, PO Broadway NSW 2007. Or return by fax to 02 9692 8051.

Personal Details

You can check the personal details on file with the share registry at www.computershare.com.au. Simply click on the Investors section and follow the instructions. You will be able to update your details directly from this site.

First Name	<input type="text"/>	Last Name	<input type="text"/>
Address	<input type="text"/>		
City	<input type="text"/>	State	<input type="text"/>
		Postcode	<input type="text"/>
Holder Number	<input type="text"/>		

Annual Report

Reckon is required to mail all shareholders a physical copy of the Annual Report unless requested otherwise. The Annual Report is also available for viewing and or printing from our website

By marking this box I elect **NOT** to receive a physical Annual Report. (You will still receive all other notices sent to securityholders)

<input type="checkbox"/>	I DO NOT WISH TO RECEIVE AN ANNUAL REPORT	Signature of Securityholder	<input type="text"/>
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TFN

Please provide your Tax File Number and indicate if an appropriate exemption is applicable. You will need to provide the exemption code. A Company, Partnership, Trust, Super Fund or an Individual can provide either their TFN, or where securities are held for business purpose, their ABN.

INDIVIDUALS or JOINT HOLDERS:

TFN of Individual (Securityholder 1)	<input type="text"/>	TFN of Jointholder (Securityholder 2 or Securityholder 3)	<input type="text"/>
Name 1	<input type="text"/>	Name 2	<input type="text"/>
Mark this box if an exemption applies	<input type="text"/>	Type of exemption	<input type="text"/>

OTHER ENTITIES

TFN of Company, Partnership, Trust, Super Fund	<input type="text"/>	ABN of Company, Partnership, Trust, Super Fund or Individual	<input type="text"/>	
<input type="checkbox"/> Company	<input type="checkbox"/> Partnership	<input type="checkbox"/> Trust	<input type="checkbox"/> Super	<input type="checkbox"/> Other
Signature of Securityholder <input type="text"/>				

Direct Credit Request

Would you like any dividends or other payments that may be issued*, to be paid directly to your nominated account?

Account number	<input type="text"/>	BSB Number	<input type="text"/>
Name in which account is held	<input type="text"/>	Name of Australian bank or financial institution	<input type="text"/>
Name of branch or suburb or town	<input type="text"/>	Type of account	<input type="text"/>

- I/We authorise you to act in accordance with my/our instructions set out above
- I/We acknowledge that these instructions supercede and have priority over previous instructions, if any, relating to payment of dividends to which
- I/We may be entitled to payment in cash. I understand that this Form is not a statement of the dividend policy of the Company.

This section must be signed for your instructions to be valid.

AUTHORISED SIGNATURE/S^

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Individual/Sole Director/Sole Company Secretary	Director	Director/Company Secretary

* This is applicable only in respect of the specific holding identified by the SRN and name on the front of this form. There is no statement made here of Reckon Limited's Dividend Policy

^ When signed under a power of attorney, the attorney states that they have not received a notice of revocation. The Company must have sight of a certified copy of the power of attorney. If a power of attorney has not been lodged with the Company or Share Registry, this must be done before signing as a power of attorney, or a certified copy must be attached to this form. In the case of joint holders, all security holders must sign. Except in cases where there is a sole director and/or sole company secretary, this form must be signed by a director jointly with either another director or the company secretary. Unless this form is filled out correctly, any dividends will continue to be paid by cheque. The Company and its Share Registry do not accept responsibility for delays in payments as a result of transactions procedures or errors of any financial institutions.

How to complete the Proxy Form

1 Your Name and Address

This is your name and address as it appears on the share register of Reckon Limited. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of the securities using this form.

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy and vote on your behalf. A proxy need not be a securityholder of Reckon Limited

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy will vote as he or she chooses. If you mark more than one box on an item, your vote on that item will be invalid.

4 Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Reckon Limited on (02) 9577 5000 or you may copy this form.

To appoint a second proxy, you must:

- indicate that you wish to appoint a second proxy by marking the box;
- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form; and
- return both forms together in the same envelope or in the same facsimile transmission.

5 Authorised Signature(s)

You must sign this form in the spaces provided:

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

Power of Attorney: If signed under Power of Attorney, you must already have lodged it with the share registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: A Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. A sole Director of a corporation without a Company Secretary can sign, pursuant to 204A of the Corporations Act 2001. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.