



Notification to the ASX

11 November 2005

**Reckon Limited
RKN**

Reckon Announces Reduction of Capital

Reckon has announced that it will seek shareholder approval to reduce its issued capital by \$5,567,086 consisting of 6,958,858 fully paid ordinary shares, being 5% of the present total issued share capital of the Company at 27 October 2005.

The reduction will be effected by:

- purchasing 5 fully paid ordinary shares out of every 100 fully paid ordinary shares held by each shareholder as at the record date;
- paying to each shareholder, registered as a shareholder as at the record date, A\$0.80 for each fully paid ordinary share so purchased; and
- then cancelling the 5 fully paid ordinary shares out of every 100 fully paid ordinary shares so purchased.

The record date for the purposes of the reduction of capital will be 7pm Sydney time on 29 December 2005.

The Chairman of Reckon, Mr John Thame, said: "The company is cash rich and we wanted to use this cash to pursue certain transactions during 2005. It was hoped that we could replicate the success of the acquisition of the APS group of companies. This has proved difficult to do and the board has decided instead to use the cash to reduce capital. For now we only seek approval for a 5% reduction as we want to retain some cash for possible acquisitions. We will review the position again after the finalization of the results for the year ending 31 December 2005."

A special general meeting has been called for 20 December 2005 at 10am at GFL, 35 Saunders Street Pyrmont for the purposes of obtaining the necessary shareholder approval.

At this meeting the company will also seek approval for the implementation of a long term incentive plan.

Full details of the proposed reduction of capital and long term incentive plan are in the attached notice of meeting and explanatory memorandum.

For further information, please contact:

Mr Clive Rabie
Reckon Limited
(02) 9577 5946
clive.rabie@quicken.com.au

Notice of Special General Meeting

Notice is hereby given that a Special General Meeting of Reckon Limited ("Company") will be held at the registered office of the Company at 35 Saunders Street, Pyrmont NSW 2009 on Tuesday 20 December 2005 at 10.00am.

Special Business

Reduction of capital

Resolution 1 – Reduction of capital

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

"That, for the purposes of section 256B and 256C of the Corporations Act 2001 (Cth), approval is given for the Company to reduce its share capital by \$5,567,086 consisting of 6,958,858 fully paid ordinary shares (being 5% of the present total issued share capital of the Company at 27 October 2005) and that such reduction be effected by:

- purchasing 5 (five) fully paid ordinary shares out of every 100 (one hundred) fully paid ordinary shares held by each shareholder as at the Record Date and any fractions resulting in such calculation shall be disregarded;
- paying to each shareholder, registered as a shareholder as at the Record Date, A\$0.80 for each fully paid ordinary share so purchased; and
- then cancelling the 5 (five) fully paid ordinary shares out of every 100 (one hundred) fully paid ordinary shares so purchased,

and the Record Date for the purposes of this resolution shall be 7.00pm Sydney time on 29 December 2005."

Employee Incentive Schemes

Resolution 2 – Approval of Long Term Incentive Plan

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

"That approval is given for the purposes of Exception 9 to ASX Listing Rule 7.1 and for all other purposes, including under the Corporations Act 2001 (Cth) and the ASX Listing Rules for:

- the establishment of the Long Term Incentive Plan (**Long Term Plan**), comprising the Executive Option Plan (**Option Plan**) and the Performance Share Plan (**Performance Plan**) which provides an equity based incentive to employees (including directors) of the Company and its subsidiaries (**Eligible Employees**);
- the issue of rights over, or interests in, options over fully paid shares in the Company to Eligible Employees under the Option Plan;
- the issue of conditional entitlements to fully paid shares in the Company to Eligible Employees under the Performance Plan; and
- the issue or transfer of fully paid shares in the Company, and the provision of benefits, to Eligible Employees under the Option Plan and Performance Plan,

in accordance with the Long Term Plan Rules (being the Option Plan Rules and Performance Share Plan Rules) as summarised in the Explanatory Notes to the notice convening this meeting."

The Company will disregard any votes cast on this resolution by a director of the Company or an associate of a director (other than a director who is ineligible to participate in any employee incentive scheme in relation to the Company). 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 Chairman of the 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.

Resolution 3 – Approval of Issue of Options and Shares to Clive Rabie

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

"That, for the purposes of ASX Listing Rule 10.14, approval is given for the Company to issue to Clive Rabie (being an executive director and the Chief Operating Officer) over the three years from the date of this meeting:

- conditional entitlements to acquire up to a maximum of 187,000 ordinary shares in the Company under the Performance Share Plan in accordance with the terms summarised in the Explanatory Notes to the notice convening this meeting; and
- up to a maximum of 1,500,000 options to acquire up to a maximum of 1,500,000 ordinary shares in the Company under the Executive Option Plan in accordance with the terms summarised in the Explanatory Notes to the notice convening this meeting."

The Company will disregard any votes cast on this resolution by a director of the Company or an associate of a director (other than a director who is ineligible to participate in any employee incentive scheme in relation to the Company). 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 Chairman of the 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.

Resolution 4 – Approval of Issue of Options and Shares to Greg Wilkinson

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

"That, for the purposes of ASX Listing Rule 10.14, approval is given for the Company to issue to Greg Wilkinson (being an executive director and the Chief Executive Officer) over the three years from the date of this meeting:

- conditional entitlements to acquire up to a maximum of 187,000 ordinary shares in the Company under the Performance Share Plan in accordance with the terms summarised in the Explanatory Notes to the notice convening this meeting; and
- up to a maximum of 1,500,000 options to acquire up to a maximum of 1,500,000 ordinary shares in the Company under the Executive Option Plan in accordance with the terms summarised in the Explanatory Notes to the notice convening this meeting."

The Company will disregard any votes cast on this resolution by a director of the Company or an associate of a director (other than a director who is ineligible to participate in any employee incentive scheme in relation to the Company). 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 Chairman of the 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.

Resolution 5 – Approval of Reckon Tax Exempt Share Plan

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

“That approval is given for the purposes of Exception 9 to ASX Listing Rule 7.1 and for all other purposes, including under the Corporations Act 2001 (Cth) and the ASX Listing Rules for:

- (a) the establishment of the Reckon Tax Exempt Plan (**Tax Exempt Plan**), which provides an equity based incentive to employees of the Company and its subsidiaries (**Eligible Employees**); and
- (b) the issue or transfer of fully paid shares in the Company, and the provision of benefits, to Eligible Employees under the Tax Exempt Plan,

in accordance with the Tax Exempt Plan Rules as summarised in the Explanatory Notes to the notice convening this meeting.”

The Company will disregard any votes cast on this resolution by a director of the Company or an associate of a director (other than a director who is ineligible to participate in any employee incentive scheme in relation to the Company). 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 Chairman of the 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.

Resolution 6 – Approval of Share Appreciation Right Plan

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

“That approval is given for all purposes, including under the Corporations Act 2001 (Cth) and the ASX Listing Rules for:

- (a) the establishment of the Share Appreciation Right Plan (Share Appreciation Plan), which provides a cash based incentive to employees (including directors) of the Company and its subsidiaries (Eligible Employees); and
- (b) the issue of rights, and the provision of benefits, to Eligible Employees under the Share Appreciation Plan,

in accordance with the Share Appreciation Plan Rules, as summarised in the Explanatory Notes to the notice convening this meeting.”

By Order of the Board.



Myron Zlotnick

Company Secretary

11 November 2005

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 one vote may appoint one proxy. A member who is entitled to cast two or more votes may appoint one or two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints two 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 2001 (Cth), each proxy may exercise half of the votes for the appointing member. 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 care of Computershare Investor Services, GPO Box 4195, Sydney NSW 2001 or by fax to + 61 3 9473 2118.

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 relevant company's behalf, unless previously lodged with the Company.

Entitlement to Vote

In accordance with the Corporations Act 2001 (Cth) and the regulations made thereunder, the Board has determined that in relation to the Special 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 7.00pm (Sydney time) on Friday 16 December 2005. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Explanatory Notes

Business of the meeting

Resolution 1 – Reduction of Capital

Introduction

On 8 February 2005, the company announced an on-market buy back. As the Chairman pointed out at the Annual General Meeting on 24 May 2005 this was not acted upon because shortly after the time of the announcement, the company was considering potential acquisitions. Even though consideration of these acquisitions was at a very preliminary stage and not announceable under the ASX Listing Rules, the board considered that under these circumstances it would not be prudent to permit an exercise of the buy back. Furthermore, in light of the resolution proposed in this notice of meeting for the reduction of capital, the Company will not implement the buy back.

The mandate given to executive management by the Board in respect of any potential acquisitions was that they should attempt to be earnings per share accretive at least in the second year after acquisition. The acquisition of the APS group of companies completed in January 2004 provides a good example of the Company meeting this mandate imposed by the Board. The APS companies have contributed significantly to the growth of the business and the generation of cash within the business. Not surprisingly, it has not proved easy to replicate the success of the APS acquisition and finding another target company with the right fit has proved difficult.

In recent times the board has been compelled to look to alternative uses of capital. The company's performance in the last four years has shown an upward trend in the generation of cash.

Cash Balances as at:

30 June 2005	31 December 2004	31 December 2003	31 December 2002	31 December 2001
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
18,291	13,302*	15,372**	12,074	9,805

* \$3.9 million was paid as part of the purchase consideration for the APS group of companies in 2004. \$4.2 million was paid out by way of return of capital.

** \$1 million was paid as a deposit for the APS acquisition in 2003. \$1.9 million was paid out by way of return of capital.

The Board has now decided to implement a reduction of capital. It is proposed that the Company will effectively purchase the shares back from shareholders. The Company will then cancel the shares that it has purchased back. The detail of this capital management exercise is set out below.

It is proposed that during 2006, after finalization of the financial results for the year ending 31 December 2005, the board will again review the cash and financial position of the business and if appropriate, consider a further capital reduction.

The management of the company has further advised the board that organic growth and new products in the QuickBooks and Quicken side of the business is anticipated and also that the APS side of the business will have continued organic growth.

Details of the Proposal

Shareholder approval is sought for the company to reduce its issued capital by \$5,567,086 consisting of 6,958,858 fully paid ordinary shares (being 5% of the present total issued share capital of the Company at 27 October 2005).

It is proposed that the reduction of capital be effected by:

- purchasing 5 (five) fully paid ordinary shares out of every 100 (one hundred) fully paid ordinary shares held by each shareholder as at the Record Date and any fractions resulting in such calculation shall be disregarded;
- paying to each shareholder, registered as a shareholder as at the Record Date, A\$0.80 for each fully paid ordinary share so purchased; and
- then cancelling the 5 (five) fully paid ordinary shares out of every 100 (one hundred) fully paid ordinary shares so purchased.

The Record Date for the purposes of the resolution shall be 7.00pm Sydney time on 29 December 2005.

For example, a shareholder who holds 10,000 shares:

- will sell 500 shares to the Company;
- will receive a payment of \$400 from the Company;
- will be left with 9,500 shares.

If the resolution is passed, all the shares will be reduced on a pro rata basis as detailed above. Accordingly each shareholders percentage of shareholding in the company will not be affected by the reduction of capital and will remain the same.

Effect of the Proposed reduction of capital on the Company

As a result of the proposed reduction of capital, the share capital and cash reserves shall change as follows:

Contributed equity as at 30 September 2005:	\$23.3 million
Contributed equity after proposed reduction of capital:	\$17.7 million
Cash reserves as at 30 September 2005:	\$16.4 million
Cash reserves after proposed reduction of capital:	\$10.8 million

Corporations Act 2001 (Cth) requirement

The Corporations Act 2001 (Cth) permits a company to reduce its share capital, in this case in the form of a return of capital, if the reduction:

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

Each of these points will be considered separately as follows:

Proposal is fair and reasonable to the shareholders as a whole

The only class of shares issued by the Company are ordinary shares. As at the date of this notice, the total number of ordinary fully paid shares issued by the Company is 139,177,153. Under the proposed reduction of capital, the Company proposes to pay to each shareholder \$0.80 (eighty cents) for each share cancelled. The reduction of capital shall apply equally, on a pro rata basis, to each shareholders holding of ordinary shares in the Company so that 5 (five) fully paid ordinary shares shall be cancelled from every parcel of 100 (one hundred) fully paid ordinary shares held by each shareholder as at the Record Date and any fractions resulting in such calculation shall be disregarded. The Record Date shall be 7.00pm Sydney time on 29 December 2005.

Proposal does not materially prejudice the Company's ability to pay its creditors

At the end of September 2005, the cash in hand is about \$16.4 million.

The cash flow relating to operating activities (net of expenditure on capital items for the full year ending 31 December 2004 excluding acquisitions) is \$6.1 million. For the half year period ending 30 June 2005, the amount is \$4.9 million.

The Company will not be borrowing any funds for the purpose of the reduction of capital. The reduction of capital will be funded wholly 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.

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

Approval required by shareholders

This resolution is put to the shareholders for approval by special resolution at the general meeting. The Corporations Act 2001 (Cth) only requires that an equal capital reduction be approved by an ordinary resolution, however, clause 2.6 of the Company's Constitution requires that this resolution be passed as a special resolution.

Effect of the proposed reduction capital on holders of options and of any other securities

The only option plan currently in place is an employee option scheme. The rules of that scheme require that if there is a reconstruction of the issued capital of the Company, the number of outstanding options or the exercise price or both must be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on the optionholder which are not conferred on shareholders.

Further information

The Company is also implementing a minimum holding buy back. No shareholder approval is required for this. At 31 October 2005, there were 378 shareholders with parcels of shares totaling 153,426 shares with a value of \$500 or less (at \$0.78 per share). The Company will buy back these shares under a minimum holding buy back at \$0.80 per share for a total consideration of approximately \$123,000. This minimum holding buy back will take place following implementation of the proposed reduction of capital or no later than 31 January 2006.

Taxation Considerations for shareholders

The comments below are general in nature and should not be relied on as a substitute for professional advice. The views expressed herein are not intended as specific advice to shareholders. They do not represent a complete analysis of all potential tax implications associated with the reduction of capital. The company has not sought a class ruling from the ATO. Each shareholder is advised to consult their tax adviser for independent advice as to the consequences of the reduction of capital.

The Company understands the proposed capital reduction constitutes a disposal of shares for tax purposes. The taxation implications for each shareholder receiving the return of capital will vary depending on a number of factors, including how the shares are held, whether they are held personally, through a company, trust or superannuation fund, the cost base that each member has in the shares and the residency status of the taxpayer.

To the extent that an Australian tax resident shareholder holds the shares on capital account they are subject to the ordinary CGT rules

(including the discount CGT provisions where the relevant shareholder is an individual trust or superannuation fund).

The proposed capital reduction of capital by the Company is to be debited to the share capital account of the Company.

Determination of Entitlements

Entitlements to participate in the capital reduction will be based on the Company's share register as at the Record Date, which shall be 7.00pm Sydney time on 29 December 2005.

Payment Methods

The Company has endeavoured over the last two years to convert as many of its shareholders as possible to a direct credit system and slightly more than half of the shareholders have provided the Company with direct credit details. However, at present this is not sufficient to make it cost effective to use a direct credit system. Hence, cheques will be dispatched to shareholders in accordance with the timetable below.

Abstentions

The directors recommend that you vote in favour of the proposed resolution to reduce the share capital of the Company.

Those directors of the Company who are also shareholders will abstain from voting on this resolution.

The current shareholding of Directors' in the Company is as follows:

Directors	Shares beneficially held
Greg Wilkinson	11,000,000
Clive Rable	11,000,000
John Thame	20,000
Ian Ferrier	Nil

Timetable of events

Event	Date
Date of Special General Meeting	20 December 2005 at 10.00am
Lodge outcome of Special General Meeting with ASX	20 December 2005
If approved by shareholders, trading on an "ex return of capital" basis starts	21 December 2005
Record Date (ie, entitlement to participate in the capital reduction based on share register)	29 December 2005 at 7.00pm
Expected date of reduction of capital	5 January 2006
Last date for despatch of holding statements following reduction of capital	6 January 2006
Expected date of payment under reduction of capital	Not before 6 January 2006

Summary

The Directors consider that the proposed reduction of capital is a distribution of capital surplus to the needs of the Company at this time. The capital reduction will apply equally to all of the ordinary shareholders of the Company on a pro rata basis. The Directors consider that the reduction of capital is fair and reasonable to the Company's shareholders as a whole and will not materially prejudice the Company's ability to pay its creditors.

Resolution 2

Employee Incentive Schemes

Background

Resolutions 2, 5 and 6 seek shareholder approval for the introduction of three equity based employee incentive schemes and one cash based employee incentive scheme.

The remuneration policy of the Company is to remunerate the employees (including Directors) of the Company and its subsidiaries (**Eligible Employees**) consistent with market practice, but tailored to

the unique features and objectives of the Company, the competitive landscape, the scale of the Company's business, the responsibilities of the Eligible Employees and internal relativities. The board is conscious of the need to attract and retain talent and, for this reason, the remuneration policy seeks to strike a balance between short term and long term benefits and incentives for employees.

Independent advice obtained by the Company indicated that there was a notable absence of long term incentives for Eligible Employees. Indeed, no long term performance related incentive plan has been provided to Eligible Employees since the initial listing of the Company in July 1999 (other than those options granted by the Company which were disclosed in the Company's IPO prospectus dated 15 June 1999, all of which have lapsed, and options issued under an employee share option scheme (as disclosed in the Company's Annual Report for 31 December 2004), which has now been terminated).

The employee incentive schemes put forward for approval are intended to address this imbalance. It is intended that the employee incentive schemes (being the Long Term Incentive Plan (comprising the Executive Option Plan and Performance Share Plan), the Reckon Tax Exempt Plan and the Share Appreciation Right Plan) will achieve a preferred reward mix consistent with market practice, but suitable to the circumstances of the Company. The board approved the plans at its meeting on 26 October 2005.

The equity based employee incentive schemes have been designed within the Australian tax laws to take advantage of certain tax concessions those laws specifically afford.

Subject to shareholder approval of resolutions 2, 3 and 4, it is intended that the employee incentive schemes will be brought into operation in January 2006. However, the board reserves the right to accelerate or delay the implementation of one or all of the schemes or not proceed with the implementation of any one or all of the schemes.

It is estimated that the total cost in terms of impact on the profit and loss of the Company, if all the schemes are implemented (except for the Tax Exempt Share Plan) and assuming all applicable performance criteria (discussed below) are met, will not exceed \$433,000 (based on a share price of \$0.80) up to the fourth year of their operation. It should be emphasized that the estimated cost may increase or decrease if the assumptions underpinning the estimate prove to be incorrect, eg: if the level of participation in the schemes is higher or lower than currently projected or if the number of securities required to be issued under the schemes is higher or lower than currently projected.

Resolution 2 – Long Term Incentive Plan

Overview

The Long Term Incentive Plan comprises the Executive Option Plan (**Option Plan**) and the Performance Share Plan (**Performance Plan**).

To provide an incentive to Eligible Employees to drive continuing improvement in the Company's performance and provide a corresponding reward for improvement in performance:

- the Option Plan provides for Eligible Employees to be offered options over fully paid ordinary shares in the Company, such that the options may be exercised subject to any performance criteria (prescribed by the board) being met within a specified performance period; and
- the Performance Plan provides for Eligible Employees to be offered conditional entitlements to fully paid ordinary shares in the Company, such that the shares may be allocated to Eligible Employees subject to any performance criteria (prescribed by the board) being met within a specified performance period.

Summary of the Option Plan Rules

Participation

Selected full time or part-time employees of the Company or its subsidiaries (**Group**) may be invited by the board (in its discretion) to participate in the Option Plan (**Participants**). At this stage, it is intended to offer participation in the Option Plan to executives of the Group. However, the board may, in its discretion, extend participation in the Option Plan to other full-time or part-time employees of the Group.

Grant of Options

Upon agreeing to participate in the Option Plan, Participants will be granted a specified number of options (determined by the board) (**Options**) to subscribe for fully paid ordinary shares in the Company (**Shares**) subject to satisfaction of prescribed performance criteria.

Unless the board determines otherwise, Options will be granted for no consideration but Participants will be required to pay the exercise price on exercise of the Options (see below).

Options will not be transferable, will not be quoted on the ASX and will not confer on the Participant any entitlement to receive dividends or to participate in new issues of Shares except as set out below. However, quotation will be sought for Shares issued following the exercise of Options.

Performance Criteria

The board will, from time to time, determine the appropriate performance criteria to apply in respect of a grant of Options. The performance criteria prescribed by the board from time to time will seek to effectively align the interests of Participants with the interests of the Company's shareholders. It is intended that the initial performance criterion prescribed by the board under the Option Plan will be a 'total shareholder return' (**TSR**) target. A TSR is the return to shareholders over a prescribed period, being the growth in the Company's Share price plus reinvested dividends for that period. The Company's initial TSR target will be the Company achieving a median or higher ranking against the TSR position of individual companies within a 'comparator group' of companies (ie a group of comparable ASX listed companies pre-selected by the board) over the same period.

It is intended that the initial performance period for satisfaction of the initial performance criterion will be four years, vesting at the end of 2008.

Exercise of Options

Generally, Options will only become exercisable if the performance criteria (as determined by the board) set out in the offer to grant the Options are satisfied within the applicable performance period (as determined by the board). It is intended that, for the initial grant of Options under the Option Plan, only 50% of a Participant's Options will become exercisable if the initial performance criterion is satisfied. The extent to which the balance of a Participant's Options become exercisable will depend on the extent to which the initial performance criterion is exceeded (ie the extent to which the Company exceeds a median ranking against the TSR position of the comparator group of companies).

Options will also become exercisable (irrespective of whether the applicable performance criteria have been satisfied) if:

- a 'Capital Event' (ie a person acquires a relevant interest in 50% or more of the Shares through a takeover bid or scheme of arrangement or any other event determined by the board to be a capital event) occurs during the performance period; or
- a Participant ceases to be employed by a company within the Group for a 'Qualifying Reason' (eg death, permanent disability, redundancy or the employing company ceasing to be part of the Group) and the board determines that some or all of the Options are exercisable.

To exercise Options, Participants will need to, among other things, pay the exercise price in respect of each Option being exercised. Unless the board determines otherwise, the exercise price will be the volume weighted average price of the Shares traded on ASX over the one week period up to and including the date on which the Company offers to grant Options to the relevant Participant. If the Company makes a pro rata issue (except a bonus issue) to shareholders, the exercise price of each Option will be reduced in accordance with a formula specified in the Option Plan Rules

Lapse of Options

Generally, Options will lapse in the following circumstances:

- an Option that has not become exercisable will lapse when the preconditions to exercising the Option are no longer able to be satisfied;

- whether or not an Option has become exercisable, where the board determines that a Participant has acted fraudulently, or dishonestly or is in serious breach of duty or has brought a company within the Group into serious disrepute;
- in respect of an Option that has not become exercisable, where a Participant ceases to be employed by a company within the Group other than for a 'Qualifying Reason';
- in respect of an Option that has become exercisable but has not been exercised, on the earlier of:
 - five years after the grant of the Option;
 - six months after a Participant ceases to be employed by a company within the Group for any reason other than a 'Qualifying Reason';
 - twelve months after a Participant ceases to be employed by a company within the Group due to a 'Qualifying Reason'; and
 - twelve months after a 'Capital Event'.

Participation in Future Issues and Reorganisation

If the Company makes a 'bonus issue' of Shares to shareholders (other than an issue in lieu of dividends or by way of dividend reinvestment) the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised before the record date for the bonus issue.

If the share capital of the Company is reorganised, the number of shares the subject of each Option and/or the exercise price of each Option will be adjusted to the extent necessary to comply with the ASX Listing Rules.

Restriction on Number of Options

In accordance with ASIC Class Order 03/184 (which, among other things, provides disclosure relief in relation to offers to issue shares/options under certain employee incentive schemes), the board will not grant Options under the Option Plan if, immediately after the grant of the Options, the number of Shares the subject of Options together with the number of Shares which would be issued were each outstanding offer with respect to shares in the Company and options or rights to acquire unissued Shares under the Option Plan and all other employee share schemes established by the Company, would in any five year period exceed 5% of the issued Shares in the Company. It should be noted that, under the ASIC Class Order, certain issues of Shares or Options would not be counted toward the 5% limit, including issues made to senior managers or directors of the Company.

Administration of Option Plan

The board or its delegate will be responsible for administering the Option Plan. The Board will be entitled to amend any provision of the Option Plan Rules. If the amendment would prejudicially affect the rights of Participants, the amendment could only be made with their consent (unless it is necessary for compliance with the law, to correct a manifest error or to account for possible adverse tax implications). The board may terminate the Option Plan at any time provided it does not prejudice the existing rights of Participants.

Summary of the Performance Share Plan Rules

Participation

Selected full time or part-time employees of the Company or its subsidiaries (**Group**) may be invited by the board (in its discretion) to participate in the Performance Plan (**Participants**). At this stage, it is intended to offer participation in the Performance Plan to executives of the Group. However, the board may, in its discretion, extend participation in the Performance Plan to other full-time or part-time employees of the Group.

Grant of Entitlements

Upon agreeing to participate in the Performance Plan, Participants will be granted a specified number of conditional entitlements (determined by the board) (**Entitlements**) to acquire a specified number of fully paid ordinary shares in the Company (**Shares**) subject to satisfaction of prescribed performance criteria within a specified performance period. Unless the board determines otherwise, Entitlements will be granted for no consideration.

Entitlements will not be transferable (except to a legal personal representative of a deceased or incapacitated Participant), will not be quoted on the ASX and will not confer on the Participant an interest in any Shares or an entitlement to receive dividends. However, quotation will be sought for Shares the subject of Entitlements that are allocated to Participants in accordance with the Performance Plan Rules.

The number of Shares the subject of an Entitlement may, at the discretion of the board, be adjusted following any variation, adjustment or reorganisation of the share capital of the Company.

Performance Criteria

The board will, from time to time, determine the appropriate performance criteria to apply in respect of a grant of Entitlements. The performance criteria prescribed by the board from time to time will seek to effectively align the interests of Participants with the interests of the Company's shareholders. It is intended that the initial performance criterion prescribed by the board under the Performance Plan will be a 'total shareholder return' (TSR) target. A TSR is the return to shareholders over a prescribed period, being the growth in the Company's Share price plus reinvested dividends for that period. The Company's initial TSR target will be the Company achieving a median or higher ranking against the TSR position of individual companies within a 'comparator group' of companies (ie a group of comparable ASX listed companies pre-selected by the board) over the same period.

It is intended that the initial performance period for satisfaction of the initial performance criterion will be four years, vesting in 2008.

Allocation of Shares

If the performance criteria (as determined by the board) set out in the offer to grant the Entitlements are satisfied within the applicable performance period (as determined by the board), the Company will allocate to the eligible Participant Shares the subject of the crystallised Entitlement.

It is intended that, for the initial grant of Entitlements under the Performance Plan, only 50% of a Participant's Shares the subject of the relevant Entitlements will be allocated if the initial performance criterion is satisfied. The extent to which the balance of a Participant's Shares the subject of the relevant Entitlements are allocated will depend on the extent to which the initial performance criterion is exceeded (ie the extent to which the Company exceeds a median ranking against the TSR position of the comparator group of companies).

The Company may allocate those Shares by way of issue or transfer (whether from the trustee of a trust the Company may establish for the sole purpose of obtaining and holding shares in the Company for the benefit of Participants or from some other person). Shares the subject of Entitlements will also be allocated to Participants if:

- a 'Capital Event' (ie a person acquires a relevant interest in 50% or more of the Company's Shares through a takeover bid or scheme of arrangement or any other event determined by the board to be a capital event) occurs before the performance period for those Entitlements has expired; or
- a Participant ceases to be employed by a company within the Group due to a 'Qualifying Reason' (eg death, permanent disability, redundancy or the employing company ceasing to be part of the Group) prior to expiry of the performance period and the board determines that the Shares should be so allocated.

Shares the subject of Entitlements will be allocated to Participants for no consideration.

Lapsing of Entitlements

An Entitlement will lapse if:

- the performance criteria relating to a particular Entitlement are not satisfied within the prescribed performance period; or
- before expiry of the performance period, a Participant ceases to be employed by a company within the Group other than for a 'Qualifying Reason'.

Disposal Restriction on Allocated Shares

Shares allocated to a Participant under the Performance Plan will not be able to be sold or transferred until the earlier of:

- ten years after 1 July of the year in which the grant of the relevant Entitlement is made;
- the time when a Participant ceases to be an employee of a company within the Group (and is not immediately employed by another Group company);
- a 'Capital Event'; and
- the time when the Participant receives written consent from the board and the administrator of the Performance Plan to sell or transfer the relevant Shares.

The Company may impose a holding lock on Shares the subject of the above disposal restriction for the purposes of preventing the Shares from being transferred or sold.

Forfeiture of Allocated Shares or Entitlements

A Participant is liable to forfeit Entitlements or Shares allocated under the Performance Plan if a Participant is dismissed for cause, has acted fraudulently or dishonestly, is in serious breach of duty or has brought any company within the Group into serious disrepute.

Restriction on Number of Entitlements

In accordance with ASIC Class Order 03/184 (which, among other things, provides disclosure relief in relation to offers to issue shares/options under certain employee incentive schemes), the board will not issue Shares under the Performance Plan if, immediately after the issue of the Shares, the number of Shares the subject of options issued by the Company together with the number of Shares which would be issued were each outstanding offer with respect to Shares and options or rights to acquire unissued Shares under the Performance Plan and all other employee share schemes established by the Company, would in any five year period exceed 5% of the issued Shares in the Company. It should be noted that, under the ASIC Class Order, certain issues of Shares or Options would not be counted toward the 5% limit, including issues made to senior managers or directors of the Company.

Administration of Performance Plan

The board or its delegate will be responsible for administering the Performance Plan. The board will be entitled to amend any provision of the Performance Plan Rules. If the amendment would prejudicially affect the rights of Participants, the amendment could only be made with their consent (unless it is necessary for compliance with the law, to correct a manifest error or to account for possible adverse tax implications). The board may terminate the Performance Plan at any time provided it does not prejudice the existing rights of Participants.

Resolution 5 – Approval of Reckon Tax Exempt Share Plan

Overview

The Reckon Tax Exempt Share Plan (**Tax Exempt Plan**) is a share plan established to enable full-time, part-time or casual employees (including directors) (**Eligible Employees**) of the Company or its subsidiaries (**Group**) to acquire fully paid ordinary shares in the Company (**Shares**) up to the value of \$1,000 from time to time at the discretion of the board.

The Tax Exempt Plan has been designed within the Australian tax legislation so that the initial value of Shares issued under the Tax Exempt Plan will be exempt from income tax if the Eligible Employee who is participating in the Tax Exempt Plan makes the required tax election. Australian Eligible Employees will then only be liable for capital gains tax on disposal of their Shares based on any increase in their value. A 50% reduction in the taxable capital gain (after offsetting any capital losses from other asset disposals) is generally available if Shares are held for at least 12 months from their original acquisition. Importantly, capital gains tax would generally only be payable by Eligible Employees at some time in the future when they sell the Shares.

Summary of Reckon Tax Exempt Share Plan Rules

Participation

Selected Eligible Employees may be invited by the board (at its discretion) to participate in the Tax Exempt Plan (**Participants**). At this stage, it is intended to offer participation in the Tax Exempt Plan only to full time employees. However, the board may, in its discretion, extend participation in the Tax Exempt Plan to other Eligible Employees.

Issue of Shares

Shares will be issued or transferred to a Participant only if at both:

- the date that the Company offers the relevant Participant participation in the Tax Exempt Plan (**Offer**); and
- the date that Shares are intended to be acquired for the purposes of the Offer,

the Participant remains an Eligible Employee.

An Offer is personal to the relevant Participant and may only be accepted by, and Shares may be provided only to, that Participant.

Participation in the Tax Exempt Plan does not confer any right or title to, or interest in, any Share until Shares allocated under the Tax Exempt Plan are actually registered in the name of the relevant Participant.

Rights Attaching to Shares

A Participant will only be entitled to rights attaching to Shares allocated under the Tax Exempt Plan (eg dividends, voting rights) that are registered in the name of the Participant. Any Shares allocated under the Tax Exempt Plan will rank equally with all existing Shares.

Quotation will be sought for Shares on the ASX that are allocated to Participants in accordance with the Tax Exempt Plan Rules.

Disposal Restriction

Consistently with the Australian tax law requirements to obtain the tax exemption referred to above, Shares allocated under the Tax Exempt Plan must be held in the Tax Exempt Plan for three years unless the Participant ceases to be employed by a company within the Group as a result of death or other special circumstances as determined by the board (or its delegate), in which case the Shares may be withdrawn from the Tax Exempt Plan and the Participant may sell them.

While Shares are held 'within' the Tax Exempt Plan, they will be the subject of a holding lock administered by the Company's share registry. The holding lock will prevent Participants from selling or transferring the Shares until it is removed, which will only occur on instruction from the Company.

If a Participant is still an employee after three years, the Shares are then released from the Tax Exempt Plan and the Participant may deal with them as they wish.

Restriction on Number of Shares

In accordance with ASIC Class Order 03/184 (which, among other things, provides disclosure relief in relation to offers to issue shares/options under certain employee incentive schemes), the number of Shares which can be issued by the Company under the Tax Exempt Plan in any five year period (when aggregated with the number of Shares which would be issued where each outstanding offer with respect to Shares and options to acquire unissued Shares under the Plan and all other employee share schemes established by the Company) cannot exceed 5% of issued Shares in the Company. It should be noted that, under the ASIC Class Order, certain issues of Shares or Options would not be counted toward the 5% limit, including issues made to senior managers or directors of the Company.

Administration of Tax Exempt Plan

The board or its delegate will be responsible for administering the Tax Exempt Plan. The Tax Exempt Plan will be administered in a manner that complies with the Company's constitution, all applicable securities laws and the ASX Listing Rules. The Tax Exempt Plan will also be operated so as to permit the application of section 139BA of the *Income Tax Assessment Act 1936* (Cth) to Participants.

The board will be entitled to amend any provision of the Tax Exempt Rules. The Company may terminate the Tax Exempt Plan at any time provided that in the case of termination the Trading Lock Period has expired in relation to all Shares held under the Tax Exempt Plan.

Resolution 6 – Approval of Share Appreciation Right Plan

Overview

To provide an incentive to employees of the Company and its subsidiaries (**Group**) to drive continuing improvement in the Company's performance, the Share Appreciation Right Plan (**Share Appreciation Plan**) provides for selected eligible employees to be invited by the board, subject to the terms and conditions of the Share Appreciation Plan Rules, to apply for a right (**Right**) to receive a cash payment from the Company equal to the amount (if any) by which the market price of the Company's shares at the date of exercise of the Right exceeds the market price of the Company's shares at the date of grant of the Right (**Cash Payment**).

Summary of the Share Appreciation Plan Rules

Participation

Any employee of the Group may be invited by the board to apply for a Right (**Participants**). At this stage, it is intended to offer participation in the Share Appreciation Plan to the Chief Executive Officer and the Chief Operating Officer. However, the board may in its discretion, extend participation in the Share Appreciation Plan to other employees of the Group.

Grant of Rights

Upon a Participant agreeing to be bound by the Share Appreciation Plan Rules, the Participant will be granted a specified number of Rights (determined by the board) to receive the Cash Payment, subject to the terms and conditions attached to each Right (as determined by the board). The Participant cannot sell, transfer, mortgage, charge or otherwise dispose of, deal with, grant any interest in or encumber any Rights.

Exercise of Right

The Right will only become exercisable if the performance criteria (as determined by the board) set out in the offer to apply for the Right are satisfied within the applicable performance period (as determined by the board). A Right that has become exercisable may be exercised at any time within five years from the date of grant of the Right. Subject to satisfaction by the board (in its discretion) that the Right is exercisable, the Company will pay the Participant the Cash Payment (less any applicable PAYG tax withholding) in respect of each Right.

Lapse of Rights

Generally, Rights will lapse in the following circumstances:

- a Right that has not become exercisable will lapse when the preconditions to exercising the Right are no longer able to be satisfied;
- where the board determines that a Participant has acted fraudulently, or dishonestly or is in serious breach of duty or has brought a company within the Group into serious disrepute;
- in respect of a Right that has not become exercisable, where a Participant ceases to be employed by a company within the Group other than for a 'Qualifying Reason' (eg death, permanent disability, redundancy or the employing company ceasing to be part of the Group or any other reason as determined by the board); and
- in respect of a Right that has become exercisable but has not been exercised, on the earlier of:
 - five years after the grant of the Right (or such other period as the board may in its discretion determine);
 - six months (or such other period as the board may in its discretion determine) after the Participant ceases to be employed by a company within the Group for any reason other than a 'Qualifying Reason';

- twelve months (or such other period as the board may in its discretion determine) after the Participant ceases to be employed by a company within the Group due to a 'Qualifying Reason'; and
- twelve months (or such other period as the board may in its discretion determine) after a 'Capital Event' (ie a person acquires a relevant interest in 50% or more the Company's ordinary shares through a takeover bid or scheme of arrangement or any other event determined by the board to be a capital event).

Administration of Share Appreciation Plan

The board will be entitled to amend any provision of the Share Appreciation Plan rules. If the amendment would prejudicially affect the rights of Participants, the amendment could only be made with their consent (unless it is necessary for compliance with law, to correct a manifest error or to account for possible adverse tax implications). The board may terminate the Share Appreciation Plan at any time provided it does not prejudice the existing rights of Participants.

Reasons for Seeking Shareholder Approval of Employee Incentive Schemes

Neither the ASX Listing Rules nor the Corporations Act 2001 (Cth) require the Company to obtain shareholder approval merely for the establishment of any employee incentive plan. However, the board considers that it is appropriate from a corporate governance perspective for the Long Term Incentive Plan, the Reckon Tax Exempt Plan and the Share Appreciation Right Plan to be submitted for shareholder approval prior to their implementation.

Resolutions 2 and 5 – Approval under Exception 9 to ASX Listing Rule 7.1

Under ASX Listing Rule 7.1, the Company may not issue shares or options over unissued shares in respect of more than 15% of its issued share capital in any 12 month period. However, an issue of securities under an employee incentive scheme is an exception to Listing Rule 7.1 if, within three years before the date of issue, shareholders have approved the issue of securities under the employee incentive plan as an exception to Listing Rule 7.1. Accordingly, shareholder approval is sought for the issue of options under the Executive Option Plan and shares under the Performance Share Plan and the Reckon Tax Exempt Plan. The terms of each plan are summarised above.

Resolutions 3 and 4 - Approval of Issue of Options and Shares to Clive Rabie, (executive director and Chief Operating Officer) and Greg Wilkinson (executive director and Chief Executive Officer)

Shareholder approval is also being sought for the purposes of ASX Listing Rule 10.14. Listing Rule 10.14 states that an entity must not permit a director or an associate of a director or such other person designated by ASX who has a relationship with either of those persons (**Relevant Person**) to acquire securities under an employee incentive scheme without shareholder approval. Listing Rules 10.14 and 10.15A require the following information to be set out in this notice of meeting to enable shareholders to consider Resolutions 3 and 4:

- Greg Wilkinson, the Chief Executive Officer and an executive director of the Company, and Clive Rabie, the Chief Operating Officer and an executive director of the Company, are eligible to, and may, participate in one or both of the Performance Share Plan and the Executive Option Plan;
- as each of the Executive Option Plan and Performance Share Plan are new employee incentive schemes, no shares, options or rights (as the case may be) have yet been issued or granted under any of these schemes to Greg Wilkinson or Clive Rabie (or any other persons);
- in the event that Clive Rabie participates in the Performance Share Plan, the Company will, over the three years from the date of the meeting convened by this notice, only issue conditional entitlements to Clive Rabie to acquire up to a maximum of 187,000 ordinary shares in the Company under the Performance Share Plan; or

- in the event that Clive Rabie participates in the Executive Option Plan, the Company will, over the three years from the date of the meeting convened by this notice, only issue to Clive Rabie up to a maximum of 1,500,000 options to acquire a maximum of 1,500,000 ordinary shares in the Company under the Executive Option Plan;
- in the event that Greg Wilkinson participates in the Performance Share Plan, the Company will, over the three years from the date of the meeting convened by this notice, only issue conditional entitlements to Greg Wilkinson to acquire up to a maximum of 187,000 ordinary shares in the Company under the Performance Share Plan; or
- in the event that Greg Wilkinson participates in the Executive Option Plan, the Company will, over the three years from the date of the meeting convened by this notice, only issue to Greg Wilkinson up to a maximum of 1,500,000 options to acquire a maximum of 1,500,000 ordinary shares in the Company under the Executive Option Plan;
- under the Performance Share Plan, no consideration would be payable by Greg Wilkinson or Clive Rabie for the grant of entitlements under that plan or for the issue of fully paid ordinary shares in the Company under that plan;
- under the Executive Option Plan, no consideration would be payable by Greg Wilkinson or Clive Rabie for the grant of options under that plan. The exercise price of options issued under the Executive Option Plan to Greg Wilkinson or Clive Rabie shall be the volume weighted average market price of the Company's ordinary shares traded on ASX over the one week period up to an including the date of the offer to issue the relevant option;
- no loans have or will be provided for any acquisition of securities by Greg Wilkinson or Clive Rabie under the Executive Option Plan or the Performance Share Plan;
- details of any shares, options or rights issued under any of the Executive Option Plan or Performance Share Plan to Greg Wilkinson or Clive Rabie will be published in each annual report of the Company relating to a period in which such shares, options or rights have been issued together with a statement that approval for the issue of such shares, options or rights was obtained under Listing Rule 10.14;
- any additional Relevant Person not named above who becomes entitled to participate in any of the Executive Option Plan or Performance Share Plan will not participate in any of those plans until approval is obtained under Listing Rule 10.14 in respect of that person;
- no shares, options or rights (as the case may be) will be issued to Greg Wilkinson or Clive Rabie under the Executive Option Plan or the Performance Share Plan later than 3 years after the date of the meeting convened by this notice (unless fresh approval under Listing Rule 10.14 is obtained).

Proxy Form

Return Proxy to:

Computershare Investor Services, GPO Box 4195, Sydney, NSW 2001
Or by facsimile on 03 9473 2118

Reckon Ltd ABN 14 003 348 730

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 Special General Meeting of Reckon Limited to be held at GFL, 36 Saunders Street, Pyrmont NSW 2009 on 20 December 2005 at 10:00am and at any adjournment thereof.

IMPORTANT

If the Chairman of the Meeting is appointed as your proxy, or is appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the 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 proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxyholder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution set out below. If you direct your proxy how to vote, it is not necessary to mark this box.

Voting directions to your proxy

For Against Abstain*

please mark x to indicate your directions

Resolution 1: Reduction of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Approval of Issue of Securities to Clive Rabie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Approval of Issue of Securities to Greg Wilkinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Reckon Tax Exempt Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6: Share Appreciation Right Plan	<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

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

Individual/Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ___/___/___

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 notify Computershare in writing of these changes. 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 Computershare on 1300 855 080 or you may copy this form.

To appoint a second proxy, you must:

- a) indicate that you wish to appoint a second proxy by marking the box;
- b) 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
- c) 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. This form must be signed under the seal of the appointing body corporate.

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.