

As requested by some shareholders who attended the Annual Meeting of Rakon Limited on 7 August 2020, set out below is the text of Ms Lorraine Witten's address in support of her re-election as a director of Rakon at the Annual Meeting, in which she reflects on her experience over the last three years and why she should be re-elected as a director of Rakon.

"Good afternoon, everyone. Thank you for considering me for re-appointment as an Independent Director on the Rakon Board. I have been on the Board for 3 years now, and I Chair the Board's Audit & Risk sub-committee.

I am a businessperson, and have over 20 years' Governance experience, on a variety of boards. My experience is largely in high growth and high change environments, and my skills are in Telecoms, technology, infrastructure, services and finance, where I also have 30 years' experience in senior management roles.

I consider myself to be a Governance professional and strive for best practice around the Board table and in our Management. I'm a Fellow of the Institute of Directors, have a Business Management degree and I'm a Chartered Accountant. I believe that an organisation is led from the top especially in terms of business strategy and culture. So, the Board must be robust leaders and collaborate well with Management.

Prior to me coming on the Board 3 years ago, Rakon had been through a period of poor financial performance and some disagreements with Shareholders, so taking on this role was a challenge that not everyone was up for. In the last 3 years I've learnt a lot about this business, and today I'm confident that Rakon is on a solid path. So, I wanted to use this short time to reflect for you on the progress I see, and where we still need to move the company in the future.

Rakon has a global brand and reputation and is highly respected at the most senior levels of this frequency control product and timing industry globally. It has a 50-year history of continual innovation, which is still very healthy, and at its core today. These are very difficult things to maintain, and what many companies aspire to, and we've got it in Rakon's DNA.

Some time ago the company got wrong the strategy of positioning for the consumer products market, such as mobile phones. In this part of the market, the margins turned out to be very thin, and this led to loss-making results. This was the underlying driver of the poor performance of 6 to 7 years ago. It has taken a few years, but the company has now successfully refocused its strategy and R&D effort away from consumer products towards the telecommunications infrastructure providers. As you have heard, Rakon is now designed into all the major infrastructure providers for 5G Telecoms networks. Another wave of innovation we are supporting is in data centres, that require increased speed and accuracy for data processing, and also the emerging low orbit satellite markets, or New Space, that are rapidly expanding.

Our strategy is to be market leaders, being first to market with new product and leading technology, so that we can position for better margin. Part of the R&D strategy is developing what's called XMEMS™ technology, which is Nanotechnology in our industry. This is a very exciting area to be in and again we intend to be leading the innovation with our imminent commercialisation.

I've always been a voice on the Board that we need to add another strong revenue stream to the business from a new industry, as I think we are heavily reliant on Telecoms at present. We are in a very good position with Telecoms but we need some more industry diversity, so that if Telecoms slows down, we don't stall.

A flow on of the change in strategy is earning a better gross margin, and you will have seen that Rakon has strong gross margins; some would say enviable. Even so it was disappointing to write off \$3m in inventory last year. The major driver of the write off is the long tail of products that we support, some are very profitable and some are not, so we're developing a more sophisticated approach in future, for these smaller volume products.

With respect to Manufacturing, in the last couple of years we have bought out our Manufacturing partner in India, so we own that manufacturing facility 100%, and we've partnered closely with Siward in Taiwan. These were important pieces of our Manufacturing strategy so that we have really efficient

manufacturing options, for high volume and lower cost manufacturing, and we can provide a full suite of products to our customers. We have more than quadrupled the output in India and it has proven to be a good investment. We maintain specialist manufacturing in New Zealand for more complex product, and to protect our IP. Looking forward we still have work to do to make our India operation as efficient as possible, and to better integrate processes. There are more cost savings that can be achieved, and these are in our business plan for the next couple of years.

With respect to skills to run the business, there is a really good depth of experience and talented, capable people in the company. There is a very diverse workforce of many cultures and experiences. I consider that our people have done a very good job of navigating the business through the pandemic, from both a business and wellbeing perspective.

But we are a global company operating in many markets, and there are inefficiencies with being spread across many countries. We have recently identified costs that we can reduce, and have a plan for simplification, to use more technology, and create centres of excellence, rather than replicate around the globe.

We also have some key senior roles, on which we are too reliant, and people who are spread too thinly across the business. We have a plan to improve our bench strength and succession planning for these key people. You will have seen that this year we appointed a COO, to work along-side Brent and Darren Robinson. The intention is to more effectively focus their specialist talents, and Mana, on their strategic industry relationships and deep technical knowledge for product development, which continue to be important to the company.

So, where we sit today I believe we have done a good job with gross margins and paying down debt in the last few years, we have repositioned the strategy well and have a refreshed strategy going forward, we have invested in fit for purpose manufacturing and we have started the strengthening and succession planning for our Executives. But on the other hand, we have identified that we still have work to do on the Operating Expenses so more flows to the bottom line. We also still need to grow and diversify our business more, into other and emerging industries. There is lots of opportunity for this.

These are our next big focuses in our Business Plans for the coming years.

As an experienced Director I am very clear that we Directors are responsible to you the Shareholders, and that our job is to deliver a strong business, and a good return on your investment. Like you I am not satisfied with our share price. We have now had 3 years of solid financial results, investment in the business and it's time to work on building back confidence with the investment community and telling our strategy story more widely.

Thank you again for considering me for re-election. "