

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING
HELD ON TUESDAY 7th AUGUST 2018 AT 2.00PM
AT THE RANGITOTO ROOM, LEVEL 2 OF THE
ANZ VIADUCT EVENTS CENTRE, 161 HALSEY STREET, AUCKLAND**

Present:

Mr. B Mogridge (BM)	Independent Chairman
Mr. B Irvine (BI)	Independent Director
Mr. K Oliver (KO)	Independent Director
Mr. B Robinson (BR)	CEO & Managing Director
Mr. YT Tseng (YTT)	Director
Ms. L Witten (LW)	Independent Director
Mr. R Yao (RY)	Alternate Director of Mr. YT Tseng

Apologies:

None

In Attendance

Mr. S Bosley Chief Financial Officer / Company Secretary

Introduction:

The Chairman of the meeting (BM) opened the meeting at 2:00pm, welcoming shareholders to the 13th annual meeting of the shareholders of Rakon Limited, noting that the meeting was properly convened, and that notice of the meeting had been duly given and that a quorum was present, then declaring the meeting open. BM thanked shareholders for their attendance and interest in Rakon as shareholders. BM then introduced the Directors and the CFO to the shareholders, noting that all directors were present. BM advised that the Notice of Meeting contained the business to be dealt with.

BM explained the voting process for shareholder and/or proxy holders, as well as advising shareholders that there will be opportunities to address the Board with questions during the meeting. BM confirmed that only shareholders and/or proxy holders are able to cast a vote and that voting on resolutions would be by a poll rather than by a show of hands.

Apologies:

BM requested a confirmation of any apologies. No apologies were noted.

Proxies:

BM advised that 179 shareholders holding 44,658,589 shares were represented by proxies.

Minutes of Previous Meeting:

BM noted that the minutes of the previous 2017 Annual Shareholders Meeting were confirmed as a true and correct record by the Board in a recent meeting. BM noted that a copy of these minutes were available for inspection by shareholders if required.

A. Chairperson's Address:

BM addressed the shareholders on Rakon's 2018 performance and outlook through his 2018 ASM Chairman's address. Refer to the NZX release statement – 'Chairperson's 2018 ASM address'.

B. Chief Executive's Review:

BM then invited the CEO & Managing Director (BR) to address shareholders. Refer to the NZX release statement – '2018 ASM Presentation'.

C. Shareholder Questions:

BM asked shareholders to raise any questions, including any on the 2018 Annual Report and financial statements.

Shareholder # 1:

Q: Why is inventory so high?

A: BR – the nature of the business is that component lead-time is longer than customer order time. Additionally this year there have been some shortages with key components such as capacitors and we have also increased inventory at the end of FY2018 to be ready for FY2019 growth.

Q: Why is debtors high?

A: BI – we finished FY2018 with very high sales in the March month resulting in higher than normal debtors at financial year-end. These debtors were all collected in the first quarter of the current year.

Shareholder # 2:

Q: 2018 contained a number of one-off's. After backing these out, is the business profitable and is the profit significant enough to support the asset base.

A: BM – after adjusting for the one-off's the business was still profitable. It's also important to note that there were also one-off costs as well as gains. We haven't yet provided earnings guidance for the current year, however we expect to perform a little better.

Shareholder # 3:

Q: Given the shortage in worldwide capacitor inventory that was referred to, have you considered buying a capacitor company.

A: BR – No. The capital investment is too significant, with current market participants being billion dollar companies.

Shareholder # 4:

Q: What are your thoughts on the current market price of RAK shares?

A: BM – having made improvements over the last 2 years, the company needs to continue to prove itself. With the company now having an opportunity to grow, and once in a position where a dividend is payable, the share price is likely to be better supported and move up as a result.

Shareholder # 5:

Q: With the trading revenue in USD, why can't you report the Annual Report in USD?

A: SB – the company has a functional currency, which it is required to report in. For Rakon the functional currency is NZD.

Shareholder # 6:

Q: Where you have invested in China, have you been able to protect IP.

A: BM – Yes, our IP is protected through a combination of agreements and in some situations patents.

Q: Does Rakon have an investment in Siward.

A: BM – No.

D. Ordinary Business and Resolutions:

BM moved to the next item of business being the Resolutions. BM confirmed that no notice of nomination to be a director for any other person has been received and that the re-election of Director's resolutions today were on the following basis:

- The Board has determined that, if re-elected, Bruce Robertson Irvine be an independent director for the purposes of the NZX Listing Rules.
- Listing Rule 3.3.11 provides that at least one third of the Directors (or the number nearest to one third), must retire at the Annual Shareholders' Meeting each year, but are eligible for re-election at that meeting. Directors appointed by the Board are excluded from the number of directors for the purposes of Rule 3.3.11. Those directors required to retire are those who have been longest in office since they were last elected or deemed elected. Accordingly, Bryan William Mogridge and Bruce Robertson Irvine are retiring from the office of director by rotation. Mr Mogridge has chosen not to offer himself for re-election.

Re-election of Bruce Robertson Irvine:

BM moved to the agenda item of BI's election, advising that the Board was holding 43,405,621 directed and discretionary proxies which will be voted in favour of this resolution and 1,252,968 proxies to be voted against. BM moved a motion that BI be elected as a director of Rakon and a shareholder from the floor seconded the motion. BM then offered the floor to BI who provided some comments supporting his election. BM then asked the audience if there were any questions relating to the election of BI. No questions were raised.

With no further discussion, BM put the motion to the meeting, by asking shareholders to mark their voting paper clearly indicating how they wish to vote.

Authorisation to Fix the Auditors Remuneration:

BM advised that pursuant to the Companies Act 1993, PWC are automatically reappointed as auditors for the ensuing year. The Chairman explained that the proposed ordinary resolution is required to authorise the Directors to fix the auditors' remuneration pursuant to section 207 of the Companies Act 1993.

BM advised the Board is holding 44,506,808 directed and discretionary proxies which will be voted in favour of this resolution, and 132,492 proxies against. BM moved a motion that the directors be authorised to fix the remuneration of the auditors for the year ending 31 March 2019. The motion was seconded by a shareholder. No questions were raised by the shareholders with respect to the

motion and the motion was put to the meeting by asking shareholders to mark their voting paper clearly indicating how they wish to vote.

General Business:

BM explained that we have a constitution that allows for any items of general business to be put forward and that this is a time to raise questions of a general nature.

Shareholder # 7:

Q: What protection do we have as a company to 5G?

A: BR – the best protection we can achieve is about being first to the market and where possible laying patents where we go.

Q: I don't think we should be paying a dividend should we?

A: BM – paying a dividend in the future will assist the share price to be re-rated.

Shareholder # 8:

Q: What components will be used in the future electric and autonomous automotive markets?

A: BR – we have tended to avoid these markets other than GPS we the company had past success, and is now commoditised. In the future these markets are expected to be of some value, as autonomous automotive as an example will need very precise timing, and the standards will lift higher which timing will become a critical part of.

Shareholder # 9:

Q: Nokia have recently won a big contract in NZ. Do we get orders from them?

A: BR – Yes, we have been working with Nokia and get business from them.

Shareholder # 10:

Q: Is it a good idea to continue to hold the Thinextra investment?

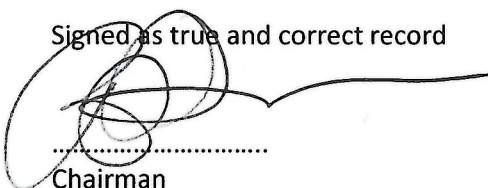
A: BM – It will be up to the future Board to determine whether to retain the investment. The current Board have to date decided not to invest further.

Results & Closure:

Prior to the closure of the meeting BM announced the results of the ordinary resolutions. Shareholders were referred to the forthcoming NZX announcement for the full details relating to the voting results. Shareholders were invited for drinks and afternoon tea that had been made available.

BM thanked the shareholders for their attention and attendance at the company's 13th Annual Shareholders Meeting as a publicly listed NZX company. BM then declared the meeting closed at 3:30pm.

Signed as true and correct record



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Chairman