

RAKON LIMITED

Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of Rakon Limited (**Rakon**) will be held on Thursday 12 August 2021, commencing at 2.00pm in Guineas 1 Room, at Ellerslie Event Centre, Ellerslie Racecourse, 80 Ascot Avenue, Remuera, Auckland, New Zealand

Order of Business

- A. Chair's Welcome and Address
- B. Chief Executive's Review
- C. Shareholders' Questions
- D. Ordinary Resolutions

To consider and, if thought fit, to pass the following ordinary resolutions:

1. That Bruce Robertson Irvine, who retires by rotation and is eligible for re-election, be elected as a director of Rakon.
2. That the total annual pool for directors' fees be increased by \$100,000 from \$360,000 to \$460,000 with effect from 1 October 2021.
3. That the directors are authorised to fix the remuneration of Rakon's auditor, PricewaterhouseCoopers, for the following year.

Please read the Explanatory Notes in relation to Resolutions 1, 2 and 3 and the Procedural Notes that accompany this Notice of Meeting.

E. General Business

To consider such other business as may be lawfully raised at the meeting.

By Order of the Board



Maureen Shaddick
Company Secretary

15 July 2021



Explanatory Notes

Resolution 1: Re-election of director Bruce Robertson Irvine.

- NZX Listing Rule 2.7.1 provides that a director must not hold office (without re-election) past the third annual meeting following the director's appointment or three years, whichever is longer.
- Bruce Irvine was last elected at the Annual Meeting of Shareholders held on 7 August 2018.
- Bruce Irvine retires by rotation and being eligible for re-election now offers himself for election as a director of Rakon.
- The Board has determined that Bruce Irvine is an independent director for the purposes of the NZX Listing Rules.
- Bruce Irvine is currently a non-executive director of Rakon and will be a non-executive director of Rakon if re-elected.
- The Board recommends that you vote in favour of the re-election of Bruce Irvine as a director of Rakon.

Bruce Irvine is a professional director with extensive knowledge and experience across a wide range of industries. Bruce was Managing Director of Deloitte Christchurch from 1995 to 2007 when he left to focus on his directorships.

Bruce is currently the chair of Heartland Bank Limited, Market Gardeners Limited and Skope Industries Limited. He is also a director of Scenic Hotel Group Limited, House of Travel Holdings Limited and a number of other private companies. Bruce has been a director of Rakon since 2005 and Chair of the Board since 2018.

Bruce is a Chartered Fellow of the Institute of Directors, as well as an Accredited Fellow of Chartered Accountants Australia and New Zealand.

The Board values Bruce's broad business and governance experience and finance expertise. The Board believes these strengths and Bruce's deep understanding of the Rakon business are important for the governance of Rakon. The Board supports Bruce's re-election as Rakon positions its governance and management teams to sustain its improved performance, achieve its strategic goals and respond to new opportunities and risk.

Information including a photograph, about Bruce Irvine, may be found on the Rakon website at www.rakon.com/investors. Information is also available in Rakon's 2021 Annual Report and 2021 Review, both of which are available on the company's website and are available in hardcopy by request to the company or the company's share registrar Computershare.

Resolution 2: Increase in total annual pool for directors' fees.

In accordance with NZX Listing Rule 2.11.1 (a) it is proposed that the total annual pool for directors' fees be increased by \$100,000 from \$360,000 to \$460,000 with effect from 1 October 2021.

The proposed increase is the first since 2007 with the total amount paid in any year only changing over that period to reflect the number of non-executive directors. The Board believes directors' remuneration should be reviewed on a regular basis and it should propose increases for approval by shareholders when necessary to ensure the remuneration remains appropriate and competitive for the size and complexity of the organisation.



The Board engaged with remuneration consultants Strategic Pay for independent advice on Rakon's fees including a comparison to companies of a similar size and performance. The Board also referred to other director remuneration data including the Institute of Directors, Directors' Fees Report 2020/2021.

The Board believes that an appropriate level of fees and a fair and transparent payment structure are important factors for attracting and retaining the skills and experience required to govern the business and enhance the long term value of the company for its shareholders.

The table below indicates how the Board intends to implement the proposed change from the current level of fees. The Board believes that in addition to an increase in the base director fee and the fee for the Chair, there should be a fee for the chairs of the Board's two standing committees and an additional provision reserved to remunerate directors for significant extra work and attendances. The actual allocation of directors' fees in each financial year is reported in the company's Annual Report.

ROLE	CURRENT FEES ¹	NEW FEES (from 1/10/2021)
Chair	\$120,000	\$140,000
Non-executive director (currently 4)	\$60,000 (x4 = \$240,000)	\$70,000 (x4= \$280,000)
Chair of Audit & Risk Committee	Nil	\$12,000
Chair of People Committee	Nil	\$8,000
Provision for additional work if required	Nil	\$20,000
TOTAL	\$360,000	\$460,000

¹ To review FY2021 Directors' Fees and Board and Committee meeting attendances refer to pages 45 and 50 of the 2021 Annual Report.

Voting restrictions apply to this resolution (See Procedural Notes for more details).

Resolution 3: Fixing remuneration of Auditor.

- PricewaterhouseCoopers (**PwC**) is automatically reappointed auditor for Rakon at the Annual Meeting pursuant to section 207T of the Companies Act 1993, unless the auditor gives notice that it does not wish to be reappointed. PwC has not given such notice.
- The resolution is proposed to authorise the directors of Rakon to fix the auditor's fees and expenses for the following year pursuant to section 207S of the Companies Act 1993.
- The Board unanimously recommends that you vote in favour of Resolution 3.

Procedural Notes

Voting

- Voting on all resolutions will be by way of poll, meaning that each Rakon shareholder has one vote for each ordinary share held in Rakon by that shareholder.
- Voting entitlements will be determined at the close of trading on Tuesday 10 August 2021. Registered shareholders at that time will be the only persons entitled to vote in person or by proxy at the Annual Meeting and only the shares registered in those shareholders' names at that time may be voted at the meeting.



- Resolutions 1, 2 and 3 are ordinary resolutions. To pass Resolutions 1, 2, and 3, each requires a simple majority of the votes of those shareholders who are entitled to vote and voting on the resolutions in person or by proxy.

Voting Restrictions

- In accordance with NZX Listing Rule 6.3.1 Rakon will disregard any votes cast in favour of Resolution 2 by the non-executive directors and their associated persons (as that term is defined in the NZX Listing Rules), other than where the votes are cast by the directors, or their associated persons, as proxy for shareholders who are entitled to vote and in accordance with their express directions on their Proxy/Voting Forms.

Proxies and Corporate Representatives

- A shareholder may attend the Annual Meeting and vote or may appoint a proxy (who need not be a shareholder), or in the case of a corporate shareholder an authorised officer or representative, to attend the meeting and vote in place of the shareholder.
A **Proxy/Voting Form** is enclosed with this Notice of Meeting.
- If you return a Proxy/Voting Form without directing the proxy how to vote on any particular matter, the proxy may vote as they think fit, or abstain from voting, provided the proxy is eligible to vote on that matter.
- As indicated in the enclosed Proxy/Voting Form, the Chair of the Annual Meeting or any other director of Rakon are willing to act as a proxy for any shareholders who wish to appoint them for that purpose.
- If, in appointing a proxy, a shareholder completes the Proxy/Voting Form in full but does not name a person as their proxy, or a shareholder's named proxy does not attend the meeting, a named person or office (e.g. Board Chair) will act as that shareholder's proxy and only vote in accordance with their express directions. In this situation the proxy would not vote, if expressly granted a discretion, on a resolution which is subject to a voting restriction under the NZX Listing Rules which applies to the named person or office.
- A shareholder wishing to appoint a proxy should complete the enclosed Proxy/Voting Form and return the form to Rakon's share registrar, Computershare Investor Services Limited, so as to be received no later than **2.00pm on Tuesday 10 August 2021**:
 - **online** at www.investorvote.co.nz,
 - **by mail** to Private Bag 92119, Auckland Mail Centre, Auckland 1142, New Zealand, or
 - **by fax** to +64 9 488 8787.

Quorum

- No business may be transacted at the Annual Meeting if a quorum is not present. A quorum will be present if five shareholders in person or their proxies or representatives are present.
- If you are attending the Annual Meeting in person, please bring the enclosed Proxy/Voting Form to the meeting to assist with your registration.

Live Stream

- If you are unable to attend the meeting and would like to follow proceedings, register for a live stream of the meeting with presentation slides at this link:

https://us02web.zoom.us/webinar/register/WN_NJxuDDXVQPiRApys7oLW-g



Health and Safety

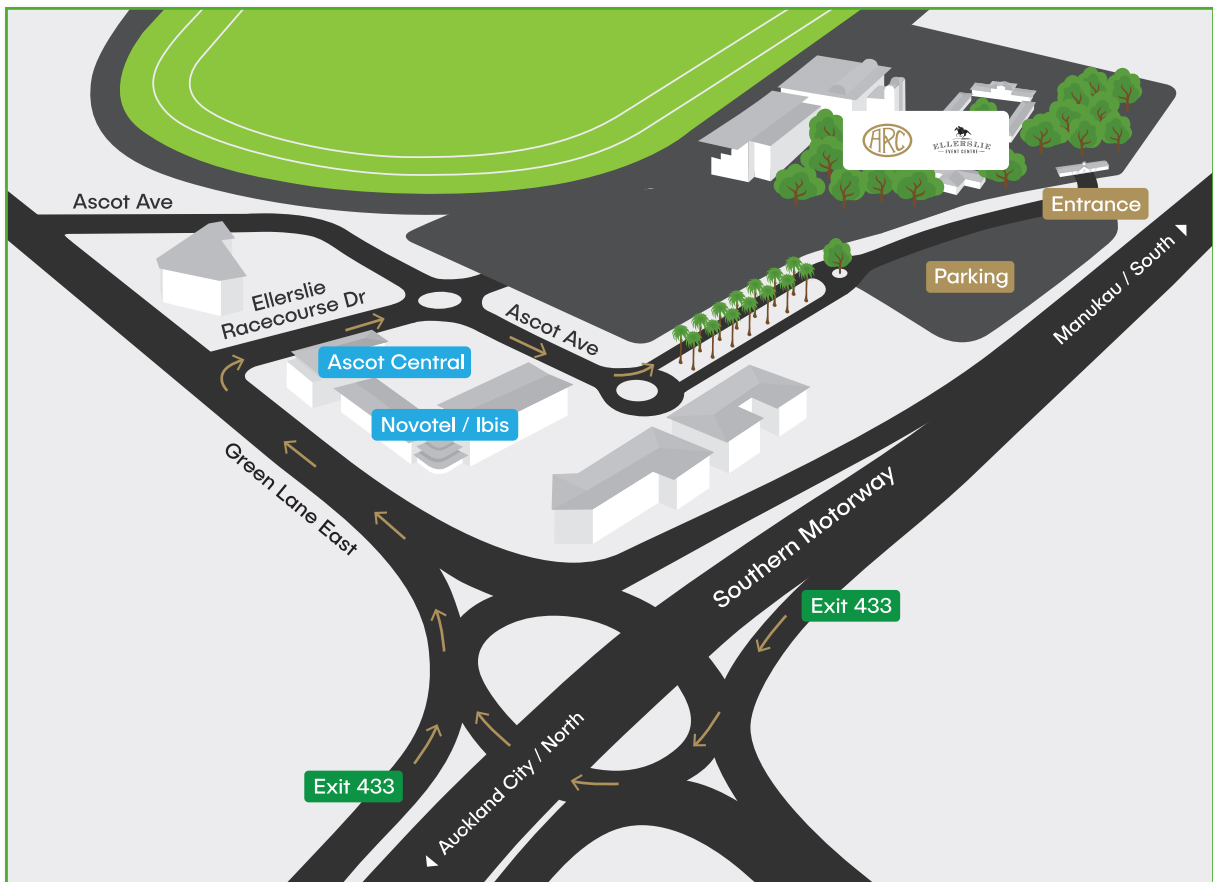
- For the health and safety of everyone, we ask that if you have a cough, a high temperature of 38 degrees or more, shortness of breath, sore throat, sneezing and runny nose or temporary loss of smell that you stay at home.

Questions

- Shareholders entitled to vote and attend the Annual Meeting may email questions before the day of the Annual Meeting to Rakon's Company Secretary, Maureen Shaddick at: maureen.shaddick@rakon.com. Note: Rakon may aggregate questions on a similar theme and reserves the right not to address questions that, in the opinion of the Chair of the Annual Meeting, are not reasonable in the context of an annual meeting of shareholders.

Getting to Ellerslie Event Centre

- Access to Guineas 1 Room at Ellerslie Event Centre, Ellerslie Racecourse will be available from 1.30 pm on 12 August 2021.
- See map below or link: <https://www.eventcentre.co.nz/getting-to-ellerslie-event-centre>





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