

Rakon Limited

Financial Product Trading Policy

1. General

This policy sets out the responsibilities of Rakon Persons (as defined below) for trading in Rakon Limited (**Rakon**) shares.

This policy applies to:

- all Directors and officers of Rakon and any of its subsidiaries (the **Rakon Group**); and
- all employees of the Rakon Group,

(together, **Rakon Persons**).

This policy also applies to any trading in Rakon shares in which you are involved or instrumental, whether or not the relevant shares are held or received in your own name or that of your spouse or partner, dependent children and/or trusts of which you are a trustee or any company which you control.

However, this policy does not apply to:

- acquisitions and disposals of Rakon shares by gift or inheritance; and
- transfers of Rakon shares where the trading results in no change to the beneficial interest in Rakon securities.

This policy is divided into three parts:

- Part 1 – rules for all Rakon Persons;
- Part 2 – additional rules for Restricted Persons (as defined below); and
- Part 3 - general provisions that apply to all trading.

In this policy:

- “**trade**” includes buying or selling listed securities or agreeing to do so, whether as principal or agent (and **trading** has a corresponding meaning); and
- “**Rakon Securities**” means:
 - ordinary shares of Rakon quoted on the NZX Main Board (**NZX**); and
 - any other listed securities of Rakon or any of its subsidiaries from time to time and any listed derivatives (including futures contracts listed on an authorised futures exchange) created in respect of any securities of Rakon from time to time.

2. Purpose

This document details Rakon’s policy on, and rules for dealing in Rakon Securities. The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and any other country where Rakon’s securities may be listed from time to time. This policy does not replace your legal obligations.

If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the Chief Financial Officer before dealing with the Rakon Securities. Any guidance sought from the Chief Financial Officer will not affect your individual responsibility to comply with the obligations under this policy.

PART 1 – RULES FOR ALL RAKON PERSONS

3. Fundamental Rule – Insider trading is prohibited at all times

If you possess “material information” (as defined in paragraph 5 below), then whether or not you are a Restricted Person (as defined in Part 2 of this policy below), you must not:

- trade Rakon Securities; or
- advise or encourage others to trade or hold Rakon Securities; or
- advise or encourage a person to advise or encourage another person to trade or hold Rakon Securities; or
- directly or indirectly disclose or pass on the material information to anyone else – including colleagues, partners, family or friends, as well as companies, trusts or nominees and other persons over whom you have investment control or influence – knowing (or where you ought reasonably to have known) that the other person will or is likely to use that information to trade in Rakon Securities, or advise or encourage someone else to trade, or hold, Rakon Securities.

This offence, called “insider trading”, can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or Rakon, for any loss suffered as a result of illegal trading. In these circumstances, you are likely to fall outside any company insurance or indemnity entitlements.

The prohibitions apply regardless of how you learn of the information or the reason for trading. Even if you leave the organisation the prohibitions will still apply to you as a matter of general law if you remain in possession of material information.

The prohibitions can also apply to trading (or doing any of the other actions above) in securities of another listed company, such as a company with which Rakon is negotiating the terms of a material transaction that would be material information for that other company.

4. What is “material information”?

“*Material information*” is information that:

- relates to the Rakon Securities, or to Rakon, rather than to securities or issuers generally;
- is not generally available to the market; and
- if it were generally available to the market, a reasonable person would expect it to have a material effect on the price or value of Rakon Securities.

Information is “*generally available*” to the market if:

- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in Rakon Securities and a reasonable period for it to be disseminated among those persons has passed;
- it has been released as an NZX announcement;

- the information is readily obtainable by investors that commonly invest in Rakon Securities (whether by observation, use of expertise, purchase or other means); or
- the information consists of deductions, conclusions or inferences made or drawn from the kinds of information referred to above.

It does not matter how you come to know the material information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in a lift, or at a social function).

Information includes rumours, matters of supposition, intentions of a person (including Rakon or any member of the Rakon Group) and information which is insufficiently definite to warrant disclosure to the public.

5. What are some examples of material information?

The following list is illustrative only. Material information could include information which has not been released to the market concerning:

- Rakon's (forecast or expectation) financial performance;
- a possible change in Rakon's strategic direction;
- the introduction of an important new product or service;
- a possible acquisition or sale of any material assets or subsidiary or joint venture interest by Rakon;
- an undisclosed significant change in Rakon's market share;
- entry into or the likely entry into, or termination or likely termination, of material contracts or other business arrangements which are not publicly known;
- changes in Rakon's actual or anticipated financial condition or business performance;
- a possible change in Rakon's capital structure, including proposals to raise additional equity or borrowings;
- a change in historical practice regarding dividends;
- Board or senior management changes;
- a possible change in the regulatory environment affecting Rakon, a subsidiary of Rakon or any of its businesses;
- a material legal claim by or against Rakon; or
- any other unexpected material liability.

6. Short term trading discouraged

You should not engage in short term trading (the buying or selling of Rakon Securities within a six month period) unless there are exceptional circumstances discussed with and approved by the Chief Financial Officer.

Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis, in large amounts or around important events which affect the price of the securities. These events may not be expected or known by you, but if they do occur, your short term trading may be viewed adversely with the benefit of hindsight. Therefore, to reduce the risk of an allegation of insider trading, do not trade Rakon Securities on a short-term basis.

7. **If in doubt, don't trade**

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, don't trade.

PART 2 – RULES FOR RESTRICTED PERSONS

These rules are in addition to New Zealand legislative requirements and apply to Restricted Persons (defined below). These additional restrictions also apply to any spouse and dependant of a Restricted Person.

"**Restricted Persons**" are the following individuals who have additional trading restrictions:

- all Directors of Rakon;
- the Chief Executive Officer and all senior managers of the Rakon Group (being all those persons who report to the Chief Executive Officer);
- trusts and companies controlled by such persons; and
- anyone else notified by the Chief Financial Officer from time to time as being subject to these additional restrictions.

Employees and Directors will be considered responsible for the actions of trusts and companies controlled by them. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice.

The Chief Financial Officer will maintain a register of Restricted Persons which will be continuously updated to add or remove employees as appropriate. The Chief Financial Officer will notify Restricted Persons when they are added to or removed from the register.

Where the spouse or dependant of a Restricted Person wishes to trade in the securities, the Restricted Person must ensure that the requirements under the "Black-out period" rule (see below) are complied with, including the completion of the Request for Consent to Trade in Listed Securities form (attached at the back of this policy) on behalf of their spouse or dependant.

8. **Black-out period**

Restricted Persons are prohibited from trading in Rakon Securities during the following specific "black-out" periods:

- from Rakon's half-year balance date (30 September), until the first trading day after the release of half-year results to the NZX;
- from Rakon's year-end balance date (31 March), until the first trading day after the release of full-year results to the NZX; and
- such other period as determined by the Board.

Restricted Persons are not permitted to trade Rakon Securities during a black-out period unless the Board provides a specific exemption in exceptional circumstances (see below).

Outside the black-out periods specified above, Restricted Persons who do not possess material information may trade Rakon Securities subject to the notification and consent requirements set out below.

Exceptional circumstances

If you need to trade Rakon Securities during a black-out period due to exceptional circumstances, you may seek an exemption from either the Chair of the Board or the Chair of the Audit and Risk Committee. This exemption may be sought by either:

- completing, signing and submitting the Request for Consent to Trade in Listed Securities form attached to this policy; or
- sending an email containing information equivalent to that in the Request for Consent to Trade in Listed Securities form.

An application to trade Rakon Securities during a black-out period must set out the circumstances of the proposed trading, including an explanation of the exceptional circumstances as to why the exemption is requested.

An exemption will only be granted if the circumstances giving rise to the request are considered to be “exceptional” by the person from whom consent is required under this policy, or are considered to fall within a recognised category of exceptional circumstances (e.g., severe financial hardship where the person has a pressing financial commitment that cannot be satisfied otherwise than by selling Rakon Securities or compulsion by court order or court enforceable undertakings or other legal or regulatory requirements). The person from whom consent is required under this policy will determine such matters in his or her sole discretion.

If an exemption is granted to trade during a black-out period, you will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to trade in Rakon Securities will be two trading days from the date of notification. An exemption is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

Unless otherwise specified in the notice, any trading permitted during a black-out period must comply with the other sections of this policy (to the extent applicable).

9. Company consent required for all trades by Restricted Persons

Requirements before trading

If you are a Restricted Person, before you (or your spouse or dependent) trade in Rakon Securities at any time, you must, in writing:

- notify the Chief Financial Officer of your intention to Trade Securities and seek consent to do so (using the Request for Consent to Trade in Listed Securities form attached or by email containing the information set out in that form);
- confirm that you do not hold material information; and
- confirm that there is no known reason to prohibit trading in Rakon Securities,

and you must not trade until you have received written consent (including by email) to do so.

In the case of a proposed trade in Rakon Securities by a Director or the Chief Executive Officer, the Request for Consent Form must be signed or approved by the Chairperson of the Board or, in her or his absence, or in the case of proposed trading by the Chairperson of the Board, by the Chairperson of the Audit and Risk Committee.

A consent is only valid for a period of ten trading days after notification. A consent may be given or declined without providing any reasons for doing so. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

You may never trade in Rakon Securities if you have material information – there are no “safe” periods.

Requirements after trading

You must advise the Chief Financial Officer promptly following completion of any trade in Rakon Securities. You must also comply with any disclosure obligations that you have at law, including under the Rakon Continuous Disclosure Policy and under the Financial Markets Conduct Act 2013.

10. **Takeover**

For the avoidance of doubt, nothing in this policy will apply to the trading of securities in respect of a takeover made under the Takeovers Code Approval Order 2000.

PART 3 – GENERAL PROVISIONS THAT APPLY TO ALL TRADING

11. **Confidential information**

In addition to the above, you also have a duty of confidentiality to Rakon (or any member of the Rakon Group) which may employ you or to whom you provide services. You must not:

- reveal any confidential information concerning Rakon to a third party (unless that third party has signed a confidentiality agreement with Rakon and you have been authorised to disclose the confidential information);
- use confidential information in any way which may injure or cause loss to Rakon; or
- use confidential information to gain yourself personal advantage.

You should ensure that external advisers keep Rakon’s information confidential.

If confidentiality is breached, this may result in Rakon being required to disclose sensitive information about Rakon or the Rakon Group. In some circumstances, a breach of the duty of confidentiality could result in Rakon breaching the NZX Listing Rules.

12. **Monitoring of trading**

Rakon may monitor the trading of Directors, employees and advisers as part of the administration of this policy.

13. **Disclosure of substantial shareholders’ interests**

Under New Zealand law, additional notification obligations may apply in respect of any changes in security holdings of persons who hold five per cent or more of Rakon’s voting shares. Any person requiring assistance in this regard should contact the Chief Financial Officer.

14. **Breaches of policy**

Potentially serious civil and criminal liability arises for breaches of insider trading laws. These laws also apply to individuals outside Rakon, such as family, should they become aware of material information. This may result in large fines, terms of imprisonment or liability in relation to any loss suffered by any person (including Rakon). Strict compliance with this policy is a condition of employment and engagement of advisers. Breaches of this policy will be subject to disciplinary action, which may include termination of employment or a contract for services.

15. **Application of policy**

The Directors have approved this policy. The Directors may approve updates, amendments to and exemptions from, this policy from time to time, which may be implemented by written notice to you.

16. **Review**

This policy will be reviewed by the Board annually, or more frequently as needed.

Adopted by the Board on:	23 March 2018
Date of last review:	23 March 2018

RAKON LIMITED

REQUEST FOR CONSENT TO TRADE IN LISTED SECURITIES

To: The Chief Financial Officer, Rakon Limited

In accordance with Rakon Limited's Financial Product Dealing Policy, I request Rakon Limited's consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within ten trading days of approval being given. I acknowledge Rakon Limited is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

Name:

Name of registered holder transacting (if different):

Address:

Position:

Description and number of securities:

Type of proposed transaction: Purchase/sale/other (specify)

To be transacted: On NZX/off-market trade/other (specify)

Likely date of transaction (on or about):

Reason for proposed transaction (if transaction is to occur outside of an 'open period'):

I declare that I do not hold information which:

- relates to the securities in Rakon Limited, or to Rakon Limited;
- is not generally available to the market; and
- would have a material effect on the price or value of Rakon Limited's listed securities if it were generally available to the market.

I know of no reason to prohibit me from trading in Rakon Limited's listed securities and certify that the details given above are complete, true and correct.

Signature

Date

Rakon Limited hereby **consents / does not consent** to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 10 trading days of the date of this consent, and in compliance with Rakon Limited's Financial Product Dealing policy. Such consent is deemed to be immediately revoked if any of the confirmations you have provided above ceases to be true.

Name:

Date

on behalf of Rakon Limited.