

Dividend Reinvestment Plan Offer Document

Rakon's Dividend Reinvestment Plan: Your opportunity to acquire more shares

The Rakon Dividend Reinvestment Plan (the Plan) provides eligible Shareholders with an opportunity to increase their investment in Rakon by reinvesting dividends paid on their ordinary shares in Rakon (Shares) into Additional Shares.

This Offer Document explains how the Plan works. If you wish to participate in the Plan, you will need to complete the Participation Form and return it to Rakon's Registrar, Computershare Investor Services, or you can make a Participation Election online at www.investorcentre.com/nz

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This is an important document. You should read the whole document before making any decisions. If you have any questions or are in any doubt as to what you should do, please contact your financial adviser. This document is not investment advice and does not take into account your personal investment objectives, financial situation or particular needs.

Key features of the Plan

The information provided in this section (pages 3-5) is a summary of the Plan only and should be read in conjunction with the Plan Terms and Conditions (see pages 6-18) of this Offer Document. In the event of a conflict between this summary and the Plan Terms and Conditions, the Plan Terms and Conditions will prevail.

ABOUT THE PLAN

The Plan provides an opportunity for eligible Shareholders to increase their investment in Rakon by reinvesting eligible dividends paid on their Shares in Additional Shares, instead of receiving those dividends in cash.

It provides eligible Shareholders with the benefit of being able to acquire Additional Shares without paying brokerage, commissions or other transaction costs.

In addition, Shares issued under the Plan may be issued at a discount to the then current trading price of the Shares on the NZX Main Board.

For the latest dividend information (including Rakon's Dividend Policy), refer to the Rakon's website: rakon.com/investors

ELIGIBILITY

The Plan is only available to Rakon Shareholders who have a New Zealand or Australian address registered on the Rakon share register. Rakon has elected not to offer participation under the Plan to Shareholders who are residents outside of New Zealand or Australia. This is to avoid the risk of breaking overseas laws and because most of Rakon's Shareholders are in New Zealand and Australia, it would be unduly onerous to ensure compliance with those laws.

HOW TO PARTICIPATE

Participation in the Plan is **optional**.

If you do not wish to participate in the Plan, you are not required to do anything. You will continue to automatically receive in cash any dividends paid on all of your Shares.

If you wish to participate in the Plan, you should read this Offer Document including the Plan Terms and Conditions carefully (see pages 6-18), and complete and return the Participation Form to Rakon's Registrar, Computershare Investor Services. Or you can make a Participation Election online at www.investorcentre.com/nz

If you have more than one shareholding in Rakon, you will need to complete and return a Participation Form, or make an online election, for each shareholding identified by a separate holder number or CSN.

Options for participation

If you wish to participate in the Plan, you may choose one of the following options for participation.

OPTION A: FULL PARTICIPATION

This means that all of your Shares will be treated as participating in the Plan for all future dividends to which the Plan applies (unless you vary your participation in the Plan in accordance with the Plan Terms and Conditions). This would include the Shares you currently hold, as well as any Shares acquired in the future, including where issued or transferred to you under the Plan. Dividends that are payable to you in respect of your Shares will be reinvested in additional Shares, instead of being paid in cash.

OPTION B: PARTIAL PARTICIPATION

This means that only the proportion of your Shares nominated by you (and the dividends paid on them) will participate in the Plan for all future dividends to which the Plan applies (unless you vary your participation in the Plan in accordance with the Plan Terms and Conditions). You will continue to receive in cash, in the usual way, any dividends paid on your Shares that are not participating in the Plan.

If the percentage of Shares nominated by you does not result in a whole number of participating Shares, the number of Shares which will participate in the Plan will be rounded (up or down, as applicable) to the nearest whole number – except that if the fraction is one half, then the number of participating Shares will be rounded up to the nearest whole number.

If you no longer wish to participate in the Plan, you may terminate your participation at any time by informing Rakon's Registrar either online or by completing and returning a Cancellation Form (available from the Registrar on request).

TIMING OF PARTICIPATION

To be effective in respect of a dividend, your properly completed Participation Form must be received by the Registrar, or your online election must be completed, on or before 5.00pm (New Zealand time) on the "Election Closing Date" for that dividend. Any Participation Form received, or online election completed, after 5.00pm (New Zealand time) on an "Election Closing Date" for a dividend will be effective only from the next following dividend. For further details in this respect, please refer to the Plan Terms and Conditions.

Once you have made a valid election to participate in the Plan, your participation will continue for all future dividends to which the Plan applies unless:

- you terminate or vary your participation in the Plan in accordance with the Plan Terms and Conditions; or
- you cease to hold the Shares you have elected to participate in the Plan; or
- the Plan is suspended or terminated by the Board, in its sole discretion.

FLEXIBLE JOINING AND WITHDRAWAL ARRANGEMENTS

Rakon Shareholders can join, vary their participation, or withdraw from the Plan at any time by making a Participation Election or informing Rakon's Registrar of their withdrawal (as applicable) in accordance with the Plan Terms and Conditions.

Notice of joining, variation, or withdrawal from the Plan received by Rakon's Registrar after 5.00pm (New Zealand time) on an "Election Closing Date" for a dividend will only be effective for the following dividend.

ALLOCATION OF SHARES

Any additional Shares acquired under the Plan will be issued or transferred to Participating Shareholders on the date that the relevant dividend is paid in cash to non-participating Shareholders, and will rank equally in all respects with all other fully paid Shares on issue as at that date.

QUOTATION OF SHARES

Shares issued under the Plan will be quoted on the NZX Main Board upon completion of allotment procedures. Shares acquired under the Plan can be sold or transferred at any time.

KEEPING TRACK OF YOUR PARTICIPATION

A securities transaction statement will be sent to you after each Dividend Payment Date.

Terms and Conditions

1. INTRODUCTION

The Board of Rakon Limited ("**Rakon**") has approved the adoption of this Rakon Dividend Reinvestment Plan (the "**Plan**"). Under the Plan, holders of ordinary Shares in Rakon may elect to reinvest the net proceeds of eligible cash dividends paid on all or any of their ordinary Shares in Rakon in further fully paid ordinary Shares in Rakon ("**Additional Shares**").

This Offer Document sets out the terms and conditions of the Plan and is issued in compliance with the exclusion for dividend reinvestment plans contained in Schedule 1 to the Financial Markets Conduct Act 2013 and Schedule 8 to the Financial Markets Conduct Regulations 2014. Accordingly, no product disclosure statement is required in respect of the Plan.

This Offer Document has been prepared as at 23 June 2023. Capitalised terms used in these terms and conditions have the meanings set out in the Glossary to this Offer Document.

2. THE OFFER

2.1 Offer to Eligible Shareholders

Subject to clauses 2.4 to 2.6, Rakon offers to all Shareholders the right to elect to participate in the Plan.

2.2 Available options

Shareholders may elect to participate in the Plan by exercising one of the following options:

(a) Full Participation

If you elect full participation, participation in the Plan will apply to all of your Shares registered in your name from time to time.

(b) Partial Participation

If you elect partial participation, only the proportion of Shares nominated by you will participate in the Plan.

If the percentage of Shares nominated by you does not result in a whole number of Shares, the number of Shares which will participate in the Plan will be rounded (up or down, as applicable) to the nearest whole number except that if the fraction is one half, the number of Shares will be rounded up to the nearest whole number.

(c) Non-Participation

If you do not wish to participate in the Plan, you are not required to do anything. You will continue to automatically receive in cash any dividends paid on all of your Shares.

If a Participation Election does not indicate the level of participation or indicates a level of participation in excess of the number of Shares then held by that Shareholder, it will be deemed to be an application for full participation if the Participation Election is otherwise correctly completed and signed or submitted online (as applicable).

2.3 Information for Australian Shareholders

The offer of securities under the Plan does not need disclosure for the purposes of section 708 of the Corporations Act 2001 (Cth). Accordingly, this Offer Document will not be lodged with ASIC.

Australian resident Shareholders should note that Rakon is not licensed to provide financial product advice in relation to the securities offered under the Plan. There is no cooling-off regime that applies in respect of your acquisition of securities offered under the Plan. This Offer Document does not take into account your personal objectives, financial situation or needs. You should consider obtaining your own financial product advice in relation to the proposed offer from an independent person who is licensed by ASIC to give such advice.

2.4 Ability to exclude overseas Shareholders from the Plan

The Board has elected not to offer participation under the Plan to Shareholders whose registered address is outside New Zealand or Australia. The Board has adopted that policy on the basis that to do so would risk breaching the laws of places outside of New Zealand and Australia and it would be unduly onerous to ensure that the laws of those places are complied with.

The Board may, in its absolute discretion, elect to amend this policy.

2.5 Overseas Shareholders

Any person residing outside New Zealand or Australia who holds Shares through a New Zealand or Australian resident nominee should not allow their nominee to participate in the Plan if participation in respect of their Shares would be contrary to the laws of their country of residence.

Any person residing outside of New Zealand or Australia who participates in the Plan through a New Zealand or Australian resident nominee will be deemed to represent and warrant to Rakon that they can lawfully participate in the Plan through their nominee.

Rakon accepts no responsibility for determining whether a Shareholder is able to participate in the Plan under laws applicable outside of New Zealand or Australia.

2.6 Exclusion where liens or charges over Shares

Any Shares over which Rakon has a lien or charge in accordance with the Constitution or other requirements of law will not be eligible to participate in the Plan.

3. METHOD OF PARTICIPATION

3.1 Participation Election

A Shareholder may elect to participate in the Plan at any time by making a Participation Election in one of the following ways:

(a) Online election

By visiting the website of Rakon's Registrar, Computershare Investor Services:

Log into www.investorcentre.com/nz and select 'My Profile'. Then select 'Reinvestment Plans' from the left-hand menu.

If you do not have an Investor Centre account, you will need your CSN/Investor Number and FIN to register. If you don't have this information available, you can email enquiry@computershare.co.nz or phone +64 9 488 8777.

(b) Participation Form

Complete the Participation Form in accordance with the instructions on that form and forward the completed Participation Form.

Scan and email to:
drp@computershare.co.nz

Mail:
Rakon Limited
C/- Computershare Investor Services Ltd
Private Bag 92119
Auckland 1142
New Zealand

or

such other person or address as Rakon may determine from time to time.

Participation Forms can be downloaded from the Rakon website or Shareholders can request a Participation Form from the Registrar at the address set out above.

3.2 Holder number and Common Shareholder Number ("CSN")

A separate Participation Election must be made by a Shareholder in respect of each holding of Shares identified by a separate holder number or CSN.

3.3 When participation becomes effective

Participation will be effective as to dividends payable from the first Record Date after receipt by the Registrar of a properly completed Participation Election, unless:

- (a) a properly completed Participation Election is received after a Record Date but before 5.00pm (New Zealand time) on an Election Closing Date, in which case participation will be effective as to dividends payable from the Record Date immediately preceding that Election Closing Date; or
- (b) the Board notifies Shareholders that Participation Elections will be effective if they are received by some later date.

Subject to the above, any notice received after 5.00pm (New Zealand time) on an Election Closing Date for a dividend will be effective only from the next following dividend.

Participation will continue for all future dividends to which the Plan applies in accordance with these terms and conditions (unless you vary or terminate your participation in the Plan in accordance with these terms and conditions).

4. ADDITIONAL SHARE ENTITLEMENT

4.1 General

Subject to clause 6, the number of Additional Shares to be acquired by a Shareholder who has elected to participate in the Plan will be:

- (a) based on the net cash proceeds of the dividend the Shareholder would otherwise have received; and
- (b) calculated on the basis that the issue price of the Additional Shares will be the market price of Shares less a discount (if any), as determined in accordance with the formula set out in clause 4.2.

4.2 Formula for calculation of Additional Shares

Subject to clause 6, the number of Additional Shares to be acquired by a Participating Shareholder will be calculated in accordance with the following formula:

$$AS = \frac{(S \times D) + B}{\text{Price} \times (1 - E)}$$

Where:

AS is the number of Additional Shares which the Participating Shareholder will receive.

S is the number of Participating Shares.

D is the net proceeds per Share from Rakon in New Zealand dollars (expressed in cents and fractions of cents, including any supplementary dividends in respect of Participating Shares payable to non-resident Shareholders but excluding any imputation credits and after deduction of any resident and non-resident withholding (or other) taxes, if any) of cash dividends payable or credited on that Share which would otherwise have been payable to a Shareholder in cash if the Shareholder had not elected to participate in the Plan.

B is the amount (if any) held on behalf of a Participating Shareholder under the Plan in accordance with clause 4.3 below, as a result of rounding the number of Additional Shares to be acquired by the Participating Shareholder when the Plan last operated.

Price is the volume weighted average sale price in New Zealand dollars (expressed in cents and fractions of cents) for a Share calculated on all price setting trades of Shares which took place through the NZX Main Board over a period of five Business Days starting on the "Ex Date". If no sales of Shares occur during those five Business Days, then the volume weighted average sale price will be deemed to be the sale price for a Share on the first price setting trade of Shares which took place on the NZX Main Board after the "Ex Date".

Any volume weighted average sale price so determined may be reasonably adjusted by Rakon to allow for any bonus issue or dividend expectation. If, in the opinion of the Board in its sole discretion, any exceptional or unusual circumstances have artificially affected the volume weighted average sale price so determined, Rakon may make such adjustment to that sale price as it considers reasonable.

The determination of the price of the Additional Shares by the Board, or by some other person nominated by the Board, will be binding on all Shareholders with Participating Shares.

E is the percentage discount determined by the Board from time to time (if any).

The discount determined by the Board (if any) will be announced by Rakon to Shareholders (through the NZX) not later than 5 Business Days prior to the relevant Record Date.

4.3 Fractional Shares

Where the number of Additional Shares to be acquired by a Participating Shareholder calculated in accordance with clause 4.2 includes a fraction, the number of Additional Shares to be issued will be rounded down to the nearest whole number.

Any net proceeds per Share (being those described as "B" and "D" in clause 4.2) which are not applied to acquire an Additional Share because of the operation of this clause 4.3, will be held on behalf of the Participating Shareholder and applied under the Plan on the Participating Shareholder's behalf the next time the Plan operates. The Participating Shareholder will not accrue interest on any such amount held in accordance with this clause 4.3.

Should the Participating Shareholder:

4.3.1 terminate their participation in the Plan; or

4.3.2 cease to be a Shareholder of Rakon,

any amount of NZ\$2.00 or more which, at the time, is held on behalf of the Participating Shareholder under this clause 4.3 will be paid in cash to the Shareholder on the next Dividend Payment Date. Amounts not more than NZ\$2.00 which are held on behalf of the Shareholder will be forfeited.

4.4 Share price information publicly available

At each time the price for Additional Shares is set under clause 4.2, Rakon will ensure that it has no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Shares if the information were publicly available.

4.5 Compliance with laws, listing rules and Constitution

The Plan will not operate in relation to a dividend to the extent that the allotment, issue or transfer of Additional Shares under the Plan would breach any applicable law, the NZX Listing Rules or any provision of Rakon's Constitution.

If and to the extent that the Plan does not operate for such reason in respect of a Participating Shareholder's Participating Shares, the relevant dividend on the Participating Shares will, until such time as the issue is resolved, be paid or distributed in the same manner as to Shareholders not participating in the Plan.

5. OPERATION OF THE PLAN

5.1 Additional Shares

Rakon will, on the Dividend Payment Date, either issue or arrange the transfer of the Additional Shares to which the Participating Shareholder is entitled in accordance with clause 4.

5.2 Terms of issue and ranking of Additional Shares

Additional Shares acquired by Participating Shareholders under the Plan will be issued or transferred on the terms set out in the Plan and, subject to the rights of termination, suspension and modification set out in clause 8, will not be issued on any other terms and will all be subject to the same rights as each other.

The Additional Shares acquired by Participating Shareholders under the Plan will, from the date of issue or transfer, rank equally in all respects with each other and with all other Shares on issue as at that date.

6. SOURCE OF ADDITIONAL SHARES

Additional Shares to be acquired by Participating Shareholders under the Plan may, at the Board's discretion, be:

- (a) new Shares issued by Rakon;
- (b) existing Shares acquired by Rakon or a nominee or agent of Rakon; or
- (c) any combination of new Shares and existing Shares.

7. STATEMENT TO PARTICIPATING SHAREHOLDERS

Subject to clause 2, Rakon or its Registrar will send to each Participating Shareholder, as soon as practicable after each Dividend Payment Date, a statement detailing in respect of that Participating Shareholder:

- (a) the number of Participating Shares of the Participating Shareholder as at the relevant Record Date;
- (b) the amount of:
 - (i) the cash dividend reinvested in respect of Participating Shares; and
 - (ii) the dividend paid in cash on the Shares not nominated for participation in the Plan (if applicable);
- (c) the amount of any tax deduction or withholding made;
- (d) the number of Additional Shares acquired by the Participating Shareholder under the Plan on the relevant Dividend Payment Date and the issue price of those Additional Shares, including the discount (if any), determined by the Board under clause 4.2;
- (e) the amount held on behalf of the Participating Shareholder in accordance with clause 4.3 (if any);
- (f) advice as to the amount of any imputation or other taxation credits; and

- (g) such other matters as are required by law with respect to dividends and/or their reinvestment.

8. TERMINATION, SUSPENSION AND MODIFICATION

8.1 Termination or modification by Rakon

The Rakon Board may at any time in its sole discretion:

- (a) terminate, suspend or modify the Plan. If the Plan is modified, then a Participation Election will be deemed to be a Participation Election under the Plan as modified unless that Participation Election is varied or withdrawn by the Participating Shareholder in accordance with clause 8.4; or
- (b) suspend the operation of the Plan so that it will not apply in whole or part to any dividends; or
- (c) resolve that participation will not apply in whole or part to any dividend and that the balance of the dividend (as the case may be) will be paid in cash; or
- (d) resolve, in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of Shares, that a Participation Election will be deemed to be a Participation Election in respect of the Shares as subdivided, consolidated or reclassified unless such Participation Election is subsequently varied or withdrawn by the Participating Shareholder in accordance with clause 8.4; or
- (e) resolve that a Participation Election will cease to be of any effect; or
- (f) resolve that Additional Shares may be acquired at a discount to the market price of Shares in accordance with clause 4.2, adjust the level of any discount or determine that no such discount will apply; or
- (g) determine that Shareholders in specific jurisdictions outside New Zealand and Australia may participate in the Plan; or
- (h) determine that the Plan may be underwritten on such terms as agreed between Rakon and an underwriter.

8.2 Prior notice

Notice of any termination, suspension or modification of the Plan under clause 8.1 will be given to all Participating Shareholders by providing notification to Shareholders by way of announcement to NZX.

8.3 When no notice required

Notwithstanding clauses 8.1 and 8.2, Rakon may at any time, without the need of any notice:

- (a) modify the Plan to comply with the Constitution, the NZX Listing Rules or any law; and
- (b) make minor amendments to the Plan where such amendments are of an administrative or procedural nature.

8.4 Variation or termination by a Participating Shareholder

A Shareholder may, at any time:

- (a) increase or decrease the proportion of Participating Shares, by validly completing and sending a Participation Form to the Registrar or by completing the online election process; or
- (b) terminate their participation in the Plan by written notice to that effect to the Registrar online or by completing a Cancellation Form (available from the Registrar upon request).

Such variation or termination will take effect upon receipt by the Registrar of a properly completed Participation Form or Cancellation Form, or upon completion of the online variation or termination process (as applicable), provided that, if the Participation Form or Cancellation Form is not received by the Registrar, or the online variation or termination process is not completed, before 5.00pm (New Zealand time) on an Election Closing Date, the variation or termination will only be effective for the next following dividend.

8.5 Death of Participating Shareholder

If a Shareholder participating in the Plan dies, participation by that Shareholder will cease upon receipt by the Registrar of a notice of death in a form acceptable to Rakon. Death of one of two or more joint Shareholders will not automatically terminate participation.

9. REDUCTION OR TERMINATION OF PARTICIPATION WHERE NO NOTICE GIVEN

9.1 Dispositions where partial participation

Where a Shareholder participating in the Plan in respect of some but not all of its Shares disposes of some of its Shares then, unless the Participating Shareholder notifies the Registrar otherwise in writing, the number of Participating Shares held by that Participating Shareholder will be reduced proportionately.

9.2 Partial dispositions where full participation

If a Shareholder with full participation disposes of part of its holding of Shares without giving the Registrar written notice terminating the Participating Shareholder's participation in the Plan in accordance with clause 8.4(b), the Participating Shareholder will be deemed to have terminated its participation in the Plan with respect to the Shares disposed of by it from the date Rakon registers a transfer of those Shares.

9.3 Dispositions of all Shares

If a Participating Shareholder disposes of all of its holding of Shares without giving the Registrar written notice terminating the Participating Shareholder's participation in the Plan in accordance with clause 8.4(b), the Participating Shareholder will be deemed to have terminated participation in the Plan from the date Rakon registers a transfer of those Shares.

10. TAXATION

The statements below are general in nature and reflect the relevant New Zealand and Australian tax law as at the date of this Offer Document. The statements below are subject to any change in New Zealand or Australian taxation laws. The taxation consequences for each Shareholder may differ depending upon their particular circumstances. Each Shareholder should consult their own tax adviser as to the taxation implications of the Plan. Rakon does not accept any responsibility for the financial or taxation effects of a Shareholder's participation or non-participation in the Plan.

10.1 New Zealand Shareholders

For New Zealand tax purposes, a Participating Shareholder should be treated in the same way as if they had not participated. This means that the Shareholder will derive a dividend of the same amount that they would have derived if they had not participated (ie, they will be treated as receiving a dividend from Rakon which is then applied to purchase or subscribe for Additional Shares).

Accordingly, unless the New Zealand Shareholder notifies Rakon that they have RWT-exempt status, the dividend (including any attached imputation credits) will be subject to resident withholding tax ("RWT") which is deducted at source by Rakon (and therefore reduces the amount applied to purchase or subscribe for Additional Shares). RWT will be deducted at the rate of 33% with an allowance for any attached imputation credits. For example, RWT will be deducted at the rate of 5% where a dividend is fully imputed (reflecting company tax paid at the 28% rate).

If the New Zealand Shareholder is required to report income information to the Inland Revenue Department, they will need to confirm that the dividend (including any attached imputation credits) is included as assessable income in their automatically generated tax assessment, which will be taxable to the New Zealand Shareholder at their personal marginal tax rate. Any attached imputation credits or RWT deducted will be creditable against New Zealand taxes payable.

10.2 Australian Shareholders

New Zealand Tax Consequences

For New Zealand tax purposes, an Australian Shareholder should be treated in the same way as if they had not participated. This means the Australian Shareholder will be treated as receiving a cash dividend from Rakon which is then applied to purchase or subscribe for Additional Shares.

The dividend will be subject to New Zealand non-resident withholding tax ("NRWT") which is deducted at source by Rakon (reducing the amount applied to purchase or subscribe for Additional Shares). NRWT will generally be deducted at the rate of 15%. However, where the dividend is fully imputed for New Zealand tax purposes, the impact of NRWT may effectively be negated by Rakon paying the Australian Shareholder a supplementary dividend in addition to the dividend paid to all Shareholders.

Australian Tax Consequences

For Australian tax purposes, an Australian Shareholder should be treated in the same way as if they had not participated. The gross dividend (including any withholding tax deducted in New Zealand) applied to acquire Additional Shares under the Plan will form part of an Australian resident Participating Shareholder's Australian taxable income and will be assessable at the Australian resident Participating Shareholder's marginal tax rate.

The Australian resident Participating Shareholder may be entitled to a foreign income tax offset for any NRWT in New Zealand.

Where Rakon maintains an Australian franking account balance and issues a dividend with franking credits attached, franking credits may be available and claimed as a tax offset in an Australian Shareholder's Australian income tax return.

The Australian and New Zealand tax consequences for Australian resident Shareholders holding greater than 10% of Rakon's share capital may differ.

For Australian capital gains tax purposes:

- the cost base of the Additional Shares includes the amount of the dividend applied to acquire the Additional Shares; and
- the Additional Shares should be treated as being acquired by the Australian resident Participating Shareholder on the date that they are issued or otherwise transferred to that Shareholder by Rakon.

Access to additional capital gains tax characteristics (eg, the capital gains discount and use of existing tax losses upon an

eventual sale of the Additional Shares) will be dependent on the individual tax profile of the Australian resident Participating Shareholder.

10.3 Other non-resident Shareholders

This section applies to Shareholders who are not tax residents of New Zealand or Australia for the purposes of New Zealand or Australian taxation law.

Where the dividend is paid to non-New Zealand resident Shareholders, it will be subject to NRWT which is deducted at source by Rakon (and therefore reduces the amount applied to purchase or subscribe for Additional Shares).

The rate at which NRWT is imposed will depend on the extent to which imputation credits are attached to a dividend and whether the Shareholder is tax resident in a country which has entered into a tax treaty with New Zealand. Generally, NRWT is deducted at the rate of:

- 15%, or 0% if the tax rate applicable after applying any relevant tax treaty would be less than 15%, to the extent that a dividend is fully imputed; or
- 30%, or the tax rate applicable after applying any relevant tax treaty, to the extent that a dividend is not fully imputed.

Depending on the extent to which a dividend is imputed, the impact of NRWT may effectively be mitigated by Rakon paying a supplementary dividend in addition to the dividend paid to all Shareholders.

11. COSTS

There are no charges for participation or withdrawal from the Plan or changing the proportion of Shares nominated by you which will participate in the Plan. Shares acquired under the Plan do not incur brokerage or commission costs.

12. STOCK EXCHANGE QUOTATION

Rakon will apply for quotation of the Additional Shares which may be issued under the Plan on the NZX Main Board. It is expected that such Additional Shares will be quoted on the NZX Main Board on the completion of allotment procedures. However, the NZX does not accept any responsibility for any statement in this Offer Document.

13. GOVERNING LAW

This Offer Document, the Plan, and its operation, will be governed by the laws of New Zealand.

14. OTHER INFORMATION

You may obtain free of charge Rakon's most recent annual report and financial statements complying with Part 7 of the Financial Markets Conduct Act 2013 by contacting Rakon at the address of the Registrar set out in the directory to this Offer Document, or you may download these reports from Rakon's website, www.rakon.com/investors.

Glossary

Additional Shares means the additional Shares to be issued or transferred to Participating Shareholders pursuant to the Plan.

ASIC means the Australian Securities and Investments Commission.

Board means the board of directors of Rakon.

Business Day means a day on which the NZX Main Board is open for trading.

Cancellation Form means the dividend reinvestment plan cancellation form available from the Registrar, which notifies Rakon that a Participating Shareholder wishes to terminate their participation in the Plan.

Constitution means the constitution of Rakon.

Dividend Payment Date means the date on which Rakon pays a dividend in respect of its Shares.

Election Closing Date means, in respect of a dividend, the Business Day immediately following the Record Date for that dividend.

Ex Date means the day on or after which a declared dividend belongs to the seller rather than the buyer if a share is traded.

NRWT means New Zealand non-resident withholding tax.

NZX means NZX Limited.

NZX Listing Rules means the listing rules of the NZX Main Board from time to time.

NZX Main Board means the main board equity security market operated by NZX.

Offer Document means this booklet which sets out the terms and conditions of the Plan.

Participating Shareholder means a Shareholder who has validly elected to participate in the Plan.

Participating Shares means the Shares in respect of which a Participation Election has been validly made (subject to any validly made variation or termination) by a Participating Shareholder prior to 5.00pm (New Zealand time) on the relevant Election Closing Date.

Participation Election means an election to participate in the Plan made by a Shareholder in accordance with clause 3.1.

Participation Form means the participation form accompanying this Offer Document or available from the Registrar or from Rakon's website.

Plan means Rakon's Dividend Reinvestment Plan established by the Board on the terms and conditions set out in this Offer Document, as amended from time to time.

Record Date means, in relation to a dividend, the date on which Rakon's register of Shareholders is closed in order to determine entitlement to the relevant dividend.

Rakon means Rakon Limited.

Registrar means Computershare Investor Services Limited.

Shareholder means a holder of Shares from time to time.

Shares means fully paid ordinary shares in Rakon.

Questions & Answers

1. What is the Rakon Dividend Reinvestment Plan?

The Plan enables Shareholders to reinvest all or part of any eligible dividend paid on their Shares in additional Rakon Shares instead of receiving that distribution in cash.

2. Am I eligible to participate?

As at the date of this Offer Document, the Plan is only available to holders of Shares who have a New Zealand or Australian address on the Rakon share register. Rakon has elected not to offer participation under the Plan to Shareholders who are resident outside of New Zealand or Australia. This is to avoid the risk of breaking overseas laws and because of the costs and requirements of ensuring compliance with those laws. However, the Board may amend this policy at any time, in its sole discretion.

3. Is there a minimum number of Shares that I need to own before I can participate?

No.

4. How do I participate in the Plan?

It is recommended that you read this Offer Document carefully before deciding whether to participate. You can elect to participate at any time by completing and returning a Participation Form to Rakon's Registrar, Computershare Investor Services, or by making an election online.

Visit www.investorcentre.com/nz

You will require your CSN/Holder Number and Authorisation Code (FIN) to complete the investor validation process.

5. What options do I have regarding participating in the Plan?

Participation in the Plan is optional. You may elect:

(a) Full participation

Where all of your Shares (including all Shares held both now and any Shares acquired in the future, including where issued or transferred to you under the Plan) will be treated as participating in the Plan for all future dividends to which the Plan applies (unless you vary your participation in the Plan in accordance with the terms and conditions of the Plan).

(b) Partial participation

Where only the proportion of Shares nominated by you (and the dividends paid on them) will participate in the Plan for all

future dividends to which the Plan applies (unless you vary your participation in the Plan in accordance with the terms and conditions of the Plan).

(c) Not to participate

You will continue to receive in cash any dividend on any of your Shares which do not participate in the Plan. If you do not wish to participate in the Plan, you are not required to do anything. You will continue to receive in cash any dividends paid on all of your Shares.

6. What if I change my mind?

You can join the Plan or vary your participation at any time by either contacting Rakon's Registrar, Computershare Investor Services, online at www.investorcentre.com/nz or by forwarding a completed Participation Form to the Registrar. Participation Forms can be downloaded from Rakon's website or Shareholders can request a Participation Form from the Registrar.

If you choose to participate in the Plan and then change your mind, you can opt out by informing the Registrar either online or by completing a Cancellation Form (available from the Registrar upon request).

Such variation or termination will be effective upon receipt by the Registrar of a properly completed Participation Form or Cancellation Form, or upon completion of the online variation or termination process (as applicable), provided that, if the Participation Form or Cancellation Form is not received by the Registrar, or the online variation or termination process is not completed, before 5.00pm (New Zealand time) on an Election Closing Date, the variation or termination will only be effective for the next following dividend.

7. How much does it cost?

There are no charges for participating or withdrawing from the Plan or changing the proportion of Shares nominated by you which will participate in the Plan.

8. What price will Shareholders pay?

The price of Additional Shares is based upon the volume weighted average sale price of Rakon's Shares sold on the NZX Main Board over a period of five Business Days starting on the "Ex Date".

The price of Additional Shares may be subject to a discount set by the Board from time to time. The discount, if any, will be announced by Rakon to Shareholders (through the NZX) not later than 5 Business Days prior to the relevant Record Date.

9. Can the Plan be changed in the future?

Yes. The Rakon Board may change, suspend or terminate the Plan at its sole discretion. If that occurs, notice will be given through the NZX as required by the terms and conditions of the Plan.

10. Can I sell the Shares?

Yes. Shares acquired under the Plan can be sold at any time.

11. Are there any tax implications?

For New Zealand and Australian income tax purposes, dividends reinvested in Shares under a dividend reinvestment plan are generally treated in the same manner as a cash dividend. Rakon will provide details of the amount of the dividend, taxes withheld and credits available so Shareholders can comply with their tax filing obligations. It is recommended that each Shareholder contact their professional tax adviser for more information about their specific circumstances. Refer to clause 10 of the terms and conditions of the Plan.

12. Where can I find information on the Rakon dividend policy?

You can find a copy of the Rakon dividend policy by going to www.rakon.com/investors.

13. How do I find out how many shares I have received?

Shortly after the allotment of Shares under the Plan, Computershare Investor Services will send all Participating Shareholders an updated securities transaction statement, along with a dividend remittance advice.

Directory

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