

ADDENDUM TO NOTICE OF MEETING

RESOLUTIONS FOR CONSIDERATION AT THE ANNUAL MEETING OF SHAREHOLDERS 2025

7 August 2025

Dear Shareholder

Rakon Limited (**Rakon**) issued a Notice of Meeting and Proxy/Voting Form on 4 August 2025 for its 2025 Annual Meeting of Shareholders. This letter is an Addendum to, and forms part of, the Notice of Meeting.

Rakon has received notice of additional resolutions, put by a shareholder, Five Boys Limited (**Five Boys**), a holder of 16,700 shares in Rakon, on behalf of the NZ Shareholders' Association (**NZSA**) and as permitted by the Companies Act and Rakon's Constitution.

This has required Rakon to issue an amendment to the Notice of Meeting (this Addendum) and a new Proxy Form.

Any shareholders who have already submitted a Proxy Form (either on-line or otherwise) will need to submit a new Proxy Form.

Three additional resolutions (being Resolution 6, Resolution 7 and Resolution 8) are to be put to shareholders at the 2025 Annual Meeting of Shareholders. These resolutions are:

- **Resolution 6:** That the Board determine the constitutional settings required for Rakon Limited to include a **minority investor voting regime** within its Constitution, whereby a controlling shareholder or a group of shareholders acting in concert with greater than 30% of shares would not be able to vote on the election or re-election of independent directors.
- **Resolution 7:** That a revised Constitution, including any amendments determined by the Board under Resolution 6, is tabled for consideration by shareholders as a special resolution at the next Annual Shareholders' Meeting of Rakon Limited.
- **Resolution 8:** That **Brent Robinson** be removed as a Director of Rakon Limited.

The enclosed Explanatory Notes set out the resolutions and an explanation from NZSA in support of the proposal.

Also enclosed is a revised Proxy/Voting Form in relation to the ALL resolutions (i.e. resolutions 1 – 8). If you cannot attend in person or online, please complete and lodge the revised Proxy/Voting Form in accordance with the instructions on the reverse of the form **no later than 5.00pm (NZST) on Wednesday 20 August 2025**.

IMPORTANT: Any shareholder who has already submitted a Proxy/Voting Form will need to submit a new Proxy/Voting Form in the revised form.

All other details relating to the 2025 Annual Meeting of Shareholders remain the same. The meeting will be held at 10.30am on Friday 22 August 2025 in the Great Northern Room, Ellerslie Event Centre, Remuera, Auckland and online via <https://meetnow.global/nz>.

Resolutions 6 and 7: Minority investor voting regime and revised constitution

As indicated in the Letter from the Chair that accompanied the Notice of Meeting, the Board believes that strong representation by independent directors is in the best interests of Rakon and all its shareholders.

The Board (by a majority) supports Resolution 6 and Resolution 7.

Resolution 8: Removal of Brent Robinson as a Director

The Board notes that Resolution 8 is inconsistent with the indication given in the Notice of Meeting in relation to the Board's support for Resolution 4.

Proxies and corporate representatives

In addition to the Procedural Notes included in the Notice of Meeting, the following additional matters should be noted in relation to Resolutions 6, 7 and 8:

- The Chair and the other independent Directors intend to vote any discretionary proxies given to them in favour of Resolutions 6 and 7, and against Resolution 8.
- The non-independent Directors (Brent Robinson and Jung Meng Tseng) intend to vote any discretionary proxies given to them against Resolutions 6, 7 and 8.

For more information contact:

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Important Document Enclosed: Explanatory Notes and statement from the NZ Shareholders' Association in relation to the resolutions is provided on the following pages.



August 7, 2025

Explanatory notes supporting Ordinary Resolutions proposed by NZ Shareholders' Association for Rakon Limited 2025 Annual Shareholder Meeting

These explanatory notes support the three Ordinary Resolutions proposed by a Shareholder on behalf of NZ Shareholders' Association Limited for the 2025 Annual Shareholders Meeting of Rakon Limited.

About NZSA

The NZ Shareholders' Association (NZSA) is a non-profit organisation that has been advocating for the interests of investors in New Zealand's capital markets since 2001.

We have your interests as shareholders at heart.

Context

NZSA has noted the commentary provided by Rakon in its Notice of Meeting and Chair's letter to shareholders, both issued on August 4th.

The Chair's letter outlined the process around her replacement and, as a consequence, the proposed intention of the two largest shareholders in the company, Brent Robinson, and Siward Crystal Technology Company Limited ('Siward'), advising they would be voting against the three recently appointed independent Directors.

This includes the new Chair-elect, Dr. Mark Bregman, Dr. Lisbeth Jacobs, and Jon Raby¹. The Chair's letter notes that Brent Robinson, a non-independent Director on the Rakon Board, had also expressed his interest in becoming the Chair of Rakon, however, chose not to participate in the selection process.

All three directors were appointed to the Board during 2024 and 2025, following the resignation of previous independent directors Keith Watson (February 2025), Keith Oliver (October 2024), Sinead Horgan (August 2024) and Steve Tucker (March 2024).

Lorraine Witten, the current Chair, has signalled her resignation following Rakon's upcoming shareholder's meeting.

Interests associated with Brent Robinson own approximately 19.67% of Rakon Limited, with Siward owning 12.19%.

NZSA Resolutions

The following resolutions have been proposed by Five Boys Limited², a holder of 16,700 Rakon Limited shares acting as a representative of NZSA. These are to be put to the upcoming Annual Shareholders Meeting of Rakon Limited:

1. That the Board determine the constitutional settings required for Rakon Limited to include a **minority investor voting regime** within its Constitution, whereby a controlling shareholder or a group of shareholders acting in concert with greater than 30% of shares would not be able to vote on the election or re-election of independent directors.
2. That a revised Constitution, including any amendments determined by the Board under Resolution (1), is tabled for consideration by shareholders as a special resolution at the next Annual Shareholders Meeting of Rakon Limited.
3. That **Brent Robinson** be removed as a Director of Rakon Limited.

NZSA Rationale for proposing these Resolutions.

¹ Mr Jon Raby is a Non-Executive Director of NZSA. Under NZSA's conflict of interest provisions, he has had no input into NZSA's discussions or decisions related to Rakon Limited.

² Address: c/- New Zealand Shareholders' Association, 4th Floor, Smith & Caughey Building, 253 Queen Street, Auckland, 1010.

Independent Governance

1. While NZSA would expect succession of directors over time, we are concerned at the scale of turnover of independent directors over the last twelve months. This, coupled with the stated intention of Brent Robinson to not support the recently appointed independent directors at this meeting, provides evidence that independent governance has encountered difficulties at Rakon Limited.

In the long-term, good governance supports good performance.

2. We note Brent Robinson's stated intention to become Chair of Rakon Limited. As a former Chief Executive and a large shareholder, his appointment as Chair would be on a non-independent basis, further reducing independent governance at Rakon Limited, to the detriment of independent shareholders.
3. We note that should all independent directors be removed from Rakon Limited, that the company would be in breach of NZX Listing Rules. This creates significant risk for independent shareholders of Rakon Limited.

Even if new directors are found following the shareholder meeting, NZSA would have concerns as to their underlying independence and ability to act with unfettered judgement, given that they serve at the pleasure of the controlling shareholder block.

Board capability

1. Brent Robinson has indicated to NZSA, and via the media, that he wants governance that has "*deep sector expertise, commercial acumen, and strategic alignment required to compete in fast-moving global markets. Governance that satisfies procedural checklists but lacks execution capability is not fit for purpose.*" We struggle to reconcile this statement with his stated intention to vote against the three independent directors.
2. NZSA notes the diverse biographies and capability of Dr. Lisbeth Jacobs, Dr. Mark Bregman (Chair elect) and Jon Raby. We also note the board skills matrix published by the company within its Annual Report.
3. NZSA contends that the current independent directors of Rakon Limited collectively offer strong and diverse skills to support the long-term development Rakon Limited.

Performance under the Robinsons

1. Brent Robinson undoubtedly offers a long connection with the company founded by his father, Warren Robinson. Brent Robinson acted as Rakon's Chief Executive between 1986-2022.
2. NZSA questions, however, whether this long association resulted in significant benefit for shareholders during his tenure as CEO, as demonstrated by the 20-year share price history.
3. We note that recently, Rakon has benefitted from a boom in semiconductor prices (2022) and speculative takeover interest (2023). However, we also note that the share price appears to have stabilised at a "new" level (\$0.70-\$0.80) significantly above the level achieved in the early 2010's.
4. This indicates that Rakon shareholders have likely benefitted from independent governance and leadership of Rakon since 2022.

No rationale

1. Rakon has had its challenges through the post-Covid period, including the receipt of a non-binding indicative offer that would ultimately not proceed to a formal offer.
2. It has also experienced difficult market conditions in some of its key product segments since 2022, although there is some evidence that the market cycle is beginning to improve.
3. NZSA believes that outcomes would have been little different under any other governance arrangement or leadership.
4. On this basis, we do not believe that a return to the past represented by Robinson family control would support Rakon's long-term future.

We note the current composition of the RAK Board is an independent Chair, three independent Directors and two non-independent Directors. With the retirement of the current Chair Lorraine Witten and the election

of the three independent Directors including Dr Mark Bregman as Chair the new Board would comprise an independent Chair, two independent Directors and two non-independent Directors. This composition would accord with the NZX Code of Corporate Governance and NZSA policy.

NZSA is supportive of the three new independent Directors as their individual and collective skill sets bring much value to the RAK Board.

Questions and Answers

Why does 'independence' matter?

NZSA believes there are three key objectives of maintaining Director independence on a Board:

1. **Independent judgement:** Ensuring that Directors are able to apply an unfettered mind to make decisions that are in the best interests of the company.
2. **Conflicts of interest:** Conflicts between the interests of the company and individual Directors are identified and managed.

Conflicts between different shareholder interests, and the inherent risk that presents to minority shareholder, are identified and mitigated. *We believe this is a particularly important factor in examining the relationships between the two significant shareholders.*
3. **Market confidence:** Director independence instils confidence in investors.

What is a minority interests voting regime?

NZSA proposes a resolution binding the Board to determine the amendments required to Rakon Limited's Constitution to enable the introduction of a minority interests voting regime and to present a revised Constitution for consideration at the company's next Annual Shareholder Meeting.

A minority interests voting regime would protect the rights of minority shareholders when it comes to the election of independent directors, ensuring that their interests are fully represented.

Why does NZSA advocate for a minority interests' regime?

- Improved confidence of investors in NZ's capital markets. NZSA notes that 33% of NZX-listed companies have a controlling shareholder as defined by a 30% threshold ([see data](#)). A minority interests voting regime would be a fit-for-purpose policy that suits the nature of our local listed market.
- Improved perceptions by all shareholders that Directors are working in the best interests of the company, as required under the Companies Act.
- Improved valuation metrics for listed companies with a controlling shareholder – these are often subject to higher risk assessments by minority investors.

What does NZSA mean by a minority interest regime?

NZSA's proposal stipulates that where a company has 30% or more of its shares owned by a single shareholder (or shareholders acting in concert), that shareholder (or shareholders) is/are unable to vote on the election or re-election of independent directors.

What are the benefits of a minority interests voting regime?

NZSA believes that in practical terms, a minority interests voting regime is likely to result in greater collaboration between different shareholder groups to identify and nominate independent Directors consider appropriate by all shareholders.

Further, we believe that such a regime would improve the credibility of both independent and non-independent Directors.