



Notice of Annual Shareholders Meeting

ikeGPS Group Limited (*the Company*)

For Immediate Release
Date: September 9, 2020



1. Notice

Dear Shareholder

Due to the current Covid-19 situation, ikeGPS Group Limited (“IKE” or “the Company”) will hold its Annual Shareholders Meeting virtually. We invite you to join us for the virtual meeting.

Where: Link Market Services Virtual Meeting Platform at www.virtualmeeting.co.nz/ike20

When: Tuesday 29 September 2020 at 2pm (New Zealand time)

Shareholders attending the meeting online will be able to vote and ask questions at the meeting. Shareholders can also pre-submit questions either online at vote.linkmarketservices.com/IKE or using the Proxy Form. Questions will need to be submitted by 2pm (New Zealand time) on Sunday 27 September 2020.

If you cannot attend the virtual meeting, I encourage you to complete and lodge the Proxy Form in accordance with the instructions on that form so that it reaches Link Market Services by 2pm (New Zealand time) on Sunday 27 September 2020.

2. Items of business

The business of the meeting will be:

The Chairman’s introduction

Address to shareholders

Shareholder discussion

Financial Statements

- To receive and consider the financial statements of the Company for the year ended 31 March 2020, together with the auditor’s report on such financial statements, both as contained in the Company’s 2020 Annual Report.

Resolutions:

The shareholders of the Company are requested to consider and, if thought fit, to pass the following ordinary resolutions:

1. **Auditors Remuneration:** That the directors are authorised to fix the auditor’s remuneration.
2. **Election of Mr Mark Ratcliffe:** That Mr Mark Ratcliffe, appointed by the Board as a director effective 1 January 2020 and who retires and is eligible for election, is elected as a director of ikeGPS Group Limited.
3. **Re-election of Mr Fred Lax:** That Mr Fred Lax is re-elected as a director of ikeGPS Group Limited.

4. **Re-election of Mr Rick Christie:** That Mr Rick Christie is re-elected as a director of ikeGPS Group Limited.
5. **Director and Employee Share options:** That the Board of ikeGPS Group Limited (the **Board**) is authorised, pursuant to Listing Rule 4.2.1, to:
 - (a) issue up to 3,000,000 options to subscribe for ordinary shares in the Company (**Options**), to employees and directors of the Company on the terms set out in the Explanatory Notes accompanying this Notice of Meeting; and
 - (b) take all actions, do all things and execute all documents and agreements considered by the Board necessary to give effect to the issue of the Options.

3. Explanatory Notes

Each of the above resolutions is explained further in the explanatory notes set out in the following pages.

4. Further information

Please also refer to the “Important Information” section below which contains details regarding voting entitlements, voting in person and by proxy, and voting restrictions.

By order of the Board of ikeGPS Group Limited



Rick Christie
Chairman
9 September 2020

Explanatory notes

Resolution 1: Approval of Board fixing remuneration of auditor

PricewaterhouseCoopers is automatically re-appointed as IKE's auditor under section 207T of the Companies Act 1993. Section 207S of the Companies Act 1993 details the basis on how the fees and expenses of the auditor shall be set. In order to provide flexibility, your directors recommend that they be authorised to determine the fees and expenses of the auditors.

The Board unanimously recommends that shareholders vote in favour of Resolution 1.

Resolution 2: Approval of appointment of director

In accordance with NZX Listing Rule 2.7.1, any director appointed by the Board during the year must retire from office at the next annual meeting but is eligible for election at that meeting. Mr Mark Ratcliffe, being a director who was appointed by the Board during the year, retires from office. Being eligible, Mr Mark Ratcliffe has offered himself for election.

The Board considers that Mr Mark Ratcliffe will be an independent director for the purposes of the NZX Listing Rules if elected to the Board.

Mr. Mark Ratcliffe Mark joins IKE most recently from Chorus, where he was its Chief Executive Officer leading the deployment of fiber and other telecommunications infrastructure across New Zealand during which time it connected more than 600,000 homes & businesses to its fibre network and grew annualized revenue to \$970m.

Mark brings global business experience from positions across the telecommunications market and has extensive investor and capital market experience specific to network infrastructure businesses. Mark's past and current roles include:

- Chief Executive Officer of Chorus
- Chief Operating Officer Wholesale & Technology of Telecom New Zealand (now known as Spark)
- Chief Information Officer of Telecom New Zealand (now known as Spark)
- Interim Chief Executive at the New Zealand Transport Agency (finishing February 2020)

Mark also has considerable governance experience. Among other directorships he currently serves as a non-executive board member of 2Degrees Mobile, the highly successful new entrant into the New Zealand mobile market, and First Gas (a provider of Gas Transmission, Distribution and Storage and LPG Services).

The Board unanimously supports the election of Mr Ratcliffe.

Resolution 3 & 4: Re-election of directors

In accordance with NZX Listing Rule 2.7.1, a director must not hold office (without re-election) past the third annual meeting following that director's appointment or 3 years, whichever is longer. Accordingly, Mr Rick Christie and Mr Fred Lax are required to retire, but being eligible, both have offered themselves up for re-election.

The Board considers that both Mr Rick Christie and Mr Fred Lax will be independent directors for the purposes of the NZX Listing Rules.

Mr. Rick Christie Former Chairman of Ebos Group. Experience as a director on a number of other major boards, including TVNZ. Previously CEO of investment company Rangatira Ltd. 21 years' management experience in the international oil and gas industry.

Mr Fred Lax is an executive leader with extensive global experience in the telecommunications industry. He was formerly a director for 8 years of NASDAQ listed Ikanos Communications Inc. and former Chief Executive Officer and President of Tekelec Inc.

The Board unanimously supports the re-election of both Mr Rick Christie and Mr Fred Lax.

Resolution 5: Issue of up to 3,000,000 options to directors and employees

The Company currently has a share option plan (**Option Plan**), which enables selected directors and employees of the Company to acquire options to subscribe for ordinary shares in the Company (**Options**). The Option Plan is intended to incentivise those directors and employees to achieve long term shareholder returns, by providing a proportion of their remuneration in shares.

The Company is seeking shareholder approval under Listing Rule 4.2.1 to issue up to 3,000,000 Options (the **Approved Option Pool**), which may be allocated amongst the employees and directors of the Company as the Board sees fit subject to the terms of the Option Plan and maximum allocation amounts set out below. The Options must be issued and allocated within 12 months of obtaining shareholder approval. This explanatory note explains why Resolution 5 is being put before shareholders and describes the key terms of which directors and employees will be offered Options from the Approved Option Pool.

Terms of Issue of the Options

The Options will be issued for nil consideration on the terms set out below and, in all other respects, subject to the terms of the Option Plan. The principal terms of issue of the Options are as follows:

- **Ratio:** Each Option entitles the holder to subscribe for one ordinary share in the Company.
- **Exercise price:** the exercise price payable in respect of each Option granted under the Approved Option Pool will be as follows:
 - (a) in respect of the 300,000 Options to be granted from the Approved Option Pool to Mark Ratcliffe (**Non-Executive Director Options**), the exercise price will be \$0.90 per Option, and
 - (b) in respect of all other Options granted from the Approved Option Pool, the exercise price will be determined by the Board when the Options are granted (with such price is either the market price of the Company's shares at the relevant time the offer of Options is made, or the volume weighted average price of the Company's shares 10 business days before the offer of Options is made).

- **Exercise date:** The Options shall be exercisable as follows:
 - (a) the Non-Executive Director Options shall become exercisable in 12 equal quarterly tranches split over the first 3 years from 1 January 2020 (resulting in the initial 3 quarterly tranches being accelerated from the date Mark Ratcliffe became a director), and
 - (b) in respect of other Options granted from the Approved Option Pool, the Options will (generally) become exercisable in 12 quarterly tranches split over the first 3 years following the date the Options are granted.

Exercise period: Options may only be exercised in the period commencing on the date on which the Options become exercisable and ending on the date that is 5 years after the date the Options are granted. As such, the holder will have at least 2 years after all the options have become exercisable to exercise each tranche before the Options expire.

- **Lapse of Options:** Should the services of an employee or director cease to be retained by the Company, or a subsidiary of the Company, then:
 - (a) any Options held by such employee or director which are not exercisable shall immediately lapse; and
 - (b) any Options held by such employee or director which are exercisable shall lapse 1 month after the day such services cease to be retained by the Company, unless such Options are exercised or have otherwise expired prior to that date.
- **Settlement:** On exercise, the holder of Options being exercised may elect either 'full settlement' or 'net settlement'. Where full settlement is elected, the holder pays the exercise price for any Options exercised and receives one share for each option exercised. Where net settlement is elected, the holder receives a number of shares equal, in value, to the 'net settlement amount'. The net settlement amount equals the total market price of the shares to be issued under the exercised Options (if full settlement had been elected), less the total exercise price for those Options, and then multiplied by the number of Options exercised. The net settlement amount is then divided by the market price to determine the number of shares in the Company to be issued to that holder.
- **Rank:** All shares issued upon exercise of an Option (following payment of the exercise price) shall rank equally in all respects with the Company's other ordinary shares on issue at the relevant exercise date.
- **Transferability:** Options are non-transferable.
- **Voting and distribution rights:** Options will carry no voting rights and no right to dividends or other distributions declared by the Company.
- **Bonus, issues, consolidations or subdivisions:** On any bonus issue, consolidation, subdivision or other reconstruction of shares the number of shares over which each Option is exercisable will be adjusted in proportion to the reconstruction, and the exercise price will remain unchanged.

There is no cash consideration to be paid by the directors or employees in order for them to be issued the Options.

Number of Options in Approved Option Pool	3,000,000 (representing 2.29% of all ordinary shares on issue in the company as at 31 August 2020)
Maximum number of Options that may be allocated to directors from the Approved Option Pool	1,499,999
Maximum number of Options that may be allocated to employees (excluding executive directors) from the Approved Option Pool	3,000,000
Ratio	Options may be exercised into ordinary shares on a 1 for 1 basis
Exercise price	<ul style="list-style-type: none"> • In respect of the Non-Executive Director Options, \$0.90, and • In respect of other Options granted under the Approved Option Pool, the exercise price to be determined by the Board having regard to the relevant market price of the Company's shares at the relevant time.

Anticipated immediate grant of Non-Executive Director Options

Subject to the approval of this resolution, the Board intends to immediately grant Mark Ratcliffe 300,000 Options from the Approved Option Pool (being the Non-Executive Director Options described above).

The exercise price for each Non-Executive Director Option is \$0.90, being the market price of the Company's shares at close of trading on 31 December 2019 (the market price when Mark Ratcliffe became a director of IKE). It represents a discount of 7.2% to the market price of the Company's shares (being \$0.97) prior to the opening of trading on the date of this Notice of Meeting.

In all other respects, the Non-Executive Director Options will be issued under the same terms as Options are currently issued to employees and executive directors under the Option Plan. The key terms of the Option Plan are set out below.

What is the purpose of the Option Plan?

The Board considers it important to ensure that all directors and employees of the Company are given an opportunity to participate in any future grant of Options on the same terms, thereby ensuring that all directors (including non-executive directors) and employees have the ability to share the future success of the Company and are incentivised to achieve long term shareholder returns. Currently, in accordance with the Listing Rules non-executive directors cannot participate in such Option pool without shareholder approval (refer to the "Why is shareholder approval needed?" section below).

The issue of Options to both executive and non-executive directors is important in securing and retaining the services of suitably talented and qualified individuals to act as directors for a growth company such as the Company. It is anticipated that the issue of Options to non-executive directors, executive directors and employees will secure the long-term services of such individuals and align their interests with the creation of shareholder value.

How many unexpired Options have been granted to date?

The Options granted by the Company to date, which are yet to be exercised and have not expired as at the date of this Notice of Meeting, are set out below:

Number of Options	Grant date	Expiry date	Exercise price	Held by
725,000	1/07/2018	31/03/2021	\$0.54	Employees (excluding directors)
400,000	11/09/2018	31/03/2021	\$0.54	Glenn Milnes (CEO & Managing Director)
1,000,000	11/09/2018	31/03/2021	\$0.54	Non-Executive directors
25,000	1/10/2018	31/03/2021	\$0.54	Employees (excluding directors)
250,000	1/01/2019	31/12/2021	\$0.64	Bill Morrow (Non-executive director)
1,100,000	28/06/2019	31/03/2025	\$0.51	Employees (excluding directors)
75,001	21/08/2019	31/03/2025	\$0.51	Employees (excluding directors)
200,000	3/09/2019	31/03/2025	\$0.51	Employees (excluding directors)
249,999	3/09/2019	31/03/2025	\$0.51	Non-Executive directors
400,000	2/12/2019	31/03/2025	\$0.51	Glenn Milnes (CEO & Managing Director)
150,000	10/02/2020	30/09/2025	\$0.65	Employees (excluding directors)
4,575,000 (total)				

The options referred to in the table above represent 3.49% of all ordinary shares on issue in the company as at 31 August 2020.

Why is shareholder approval needed?

Listing Rule 4.1.1 prohibits the Company from issuing any equity securities without shareholder approval unless the issue is made in accordance with any of the Listing Rules 4.3 to 4.9. The issue of the Non-Executive Director Options does not fall within any of the enabling provisions under Listing Rules 4.3 to 4.9. Accordingly, if the Company wishes to establish a pool of Options in which all directors and employees of the Company may participate, such pool of Options must be approved by shareholders.

Effect on shareholders

If shareholders approve the issue of the Options, any new shares issued on exercise of those Options will have a dilutive effect on shareholders. In the event that all of the Options are issued, and all of those Options were exercised, the new shares to be issued on exercise of the Options would represent 2.29% of the total number of ordinary fully paid shares currently on issue in the Company as at 31 August 2020.

If shareholders do not approve the issue of the Approved Option Pool, the Remuneration Committee of the Board will likely consider other alternative forms of remuneration for the non-executive directors of the Company and seek shareholder approval for such other remuneration in due course. Additionally, if shareholders do not approve the issue of the Options, the Company may not be able to attract suitably talented and qualified individuals to act as directors for the Company, in a competitive market where options are an expected part of total director's remuneration.

IMPORTANT INFORMATION

Virtual Annual Meeting

Shareholders will only be able to attend and participate in this year's Annual Meeting virtually via an online platform provided by our share registrar, Link Market Services at www.virtualmeeting.co.nz/ike20.

Shareholders attending and participating in the virtual Annual Meeting will be able to vote and ask questions during the meeting. If you will attend the Meeting online, you will require your CSN/Holder Number for verification purposes.

More information regarding virtual attendance at the Annual Meeting (including how to vote and ask questions virtually during the meeting) is available in the 'Virtual Annual Meeting Online Portal Guide' available at <http://www.virtualmeeting.co.nz/help>.

Proxies

Any shareholder who is entitled to attend and vote at the Annual Meeting may appoint a proxy, who need not be a shareholder, to attend and vote instead of him/her by completing and returning the enclosed proxy form. If you appoint a proxy you may either direct your proxy how to vote for you or you may give your proxy discretion to vote as he/ she sees fit. If you wish to give your proxy discretion, then you must mark the appropriate boxes on the form to grant your proxy that discretion. If you do not tick any box for a particular resolution, your proxy may vote as they choose.

Shareholders can elect to vote their proxies online by visiting vote.linkmarketservices.com/IKE or by scanning the QR code on the Proxy Form with your smartphone.

If you do not name a person as your proxy, but otherwise complete the proxy form in full, or your named proxy does not attend the meeting, the Chairman will be appointed your proxy and may only vote in accordance with your express direction.

The Chairman of the meeting or any director is willing to act as proxy for any shareholder who appoints him/her for that purpose. If you tick the 'Proxy Discretion' box, you acknowledge that they may exercise your proxy even if they have an interest in the outcome of that resolution (subject to any restrictions contained in the NZX Listing Rules). The Chairman and directors intend to vote all discretionary proxies in favour of all resolutions other than resolution 5 (which they are unable to vote in favour of due to being a resolution under Rule 4.2.1). They may not exercise discretionary proxies. Accordingly, if a director or Chairman is appointed as proxy, it is necessary to give them voting instructions on the proxy form for resolution 5.

The completed proxy form must be received by the share registry no later than 2.00pm, Sunday 27 September 2020.

Shareholders can complete their proxy online at vote.linkmarketservices.com/IKE.

NZX Register holders:

You will need to enter your CSN/Holder Number and Authorisation Code (FIN) to securely complete your proxy appointment online.

ASX Register holders:

You will need to enter your Holder Number and postcode to securely complete your proxy appointment online.

If you wish to mail the proxy form then please send it to our share registry, Link Market Services Limited, using the freepost envelope incorporated into the form.

Alternatively, you can scan and email the completed proxy form to meetings@linkmarketservices.co.nz (please put the words IKE Proxy Form in the subject line for easy identification).

Voting

Voting entitlements for the Annual Meeting will be determined as at 5.00pm on Friday 25 September 2020. Registered shareholders at that time will be the only persons entitled to vote at the Annual Meeting and only the shares registered in those shareholders' names at that time may be voted at the Annual Meeting.

The Chair will require voting at the Annual Meeting to be conducted by poll, as required by the NZX Listing Rules.

No shareholder is restricted from voting on Resolutions 1 to 4 under the NZX Listing Rules. The directors of the Company and their Associated Persons (as defined in the NZX Listing Rules) are unable to vote in favour of Resolution 5 in accordance with the NZX Listing Rules.

Resolutions

All the resolutions set out in this Notice of Meeting are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of shareholders who are entitled to vote on the resolutions and who exercise their right to vote.

Listing Rule References

In this Notice of Meeting, all reference to the Listing Rules are reference to the NZX Listing Rules.

Annual Report

The 2020 Annual Report is available on IKE's website.

Please go to: <https://ike4.ikegps.com/wp-content/uploads/2020/08/IKE-ANNUAL-REPORT-2020.pdf>

Further Information

If you have any questions, or for more information, please contact our share registry, Link Market Services, on

+64 (9) 375-5998.