

Takeovers Code (Rakon Limited) Exemption Notice 2026

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel gives the following notice (to which is appended a statement of reasons of the Takeovers Panel).

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Notice

1 Title

This notice is the Takeovers Code (Rakon Limited) Exemption Notice 2026.

2 Application

This notice applies to acts or omissions occurring on or after 20 February 2026.

3 Revocation

This notice expires on the close of 7 May 2026.

4 Interpretation

(1) In this notice, unless the context otherwise requires,—

Act means the Takeovers Act 1993

Code means the Takeovers Code under the Act

non-senior manager means an employee of Rakon who is not a senior manager of Rakon

offer means the full takeover offer for all the equity securities in Rakon made by Bourns, Inc. on 9 February 2026

Rakon means Rakon Limited

Rakon ordinary shares means fully paid ordinary shares in Rakon

Rakon share rights means 2,910,613 unlisted employee share rights to acquire Rakon ordinary shares under Rakon's long term incentive plan

target company statement means the statement referred to in rule 46 of the Code prepared or to be prepared by Rakon in connection with the offer

(2) Any term or expression that is defined in the Act or the Code and used, but not defined, in this notice has the same meaning as in the Act or the Code.

5 Exemption from clause 5(1)(b) of Schedule 2 of the Code

Rakon is exempted from compliance with clause 5(1)(b) of Schedule 2 of the Code as it relates to the target company statement to the extent that:

- (a) such clause requires the disclosure of the number, designation, and the percentage of Rakon share rights held or controlled by a non-senior manager; and
- (b) the relevant non-senior manager does not hold or control 5% or more of the total number of Rakon share rights.

6 Conditions of exemption in clause 5

The exemption in clause 5 is subject to the conditions that:

- (a) Rakon's target company statement discloses the existence of this exemption, summarises its content and sets out a summary of the reasons for it alongside the disclosures required under clause 5(1)(b) of Schedule 2 to the Code; and
- (b) the statement referred to in clause 6(a) is in a form approved by the Panel.

Dated at Auckland this 19th day of February 2026.

[signed]

David Mark Goatley
Deputy Chair and Chair of the Division

Statement of Reasons

This notice applies to acts or omissions occurring on or after 20 February 2026.

Bourns, Inc. made a takeover offer for all of the equity securities in Rakon Limited (**Rakon**) on 9 February 2025 (the **Offer**).

Rakon is currently preparing a target company statement in relation to the Offer.

The Takeovers Panel has granted an exemption to Rakon, subject to conditions, from clause 5(1)(b) of Schedule 2 of the Takeovers Code (the **Code**) in so far as Rakon is required to disclose the number, designation, and the percentage of equity securities of any class of Rakon by any employee of Rakon who is not a senior manager (as defined in the Code) of Rakon (a **non-senior manager**) in the target company statement to the extent that:

- such clause requires the disclosure of the number, designation, and the percentage of Rakon share rights (the **Share Rights**) held or controlled by any non-senior manager; and
- the relevant non-senior manager does not hold or control 5% or more of the total number of Share Rights,

(the persons to whom the exemption applies being the **Non-executive Employees**).

The Takeovers Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemption because:

- The Share Rights have been fractured into multiple classes (five in total) largely by minor variations to their terms.
- Despite the existence of five classes of share rights, the price offered for each of the Share Rights was the same. In the rule 22 report prepared in relation to the Offer, Simmons Corporate Finance Limited:
 - stated that:

The terms of the 5 classes of Share Rights differ slightly depending on the year of issue (ie FY2025 or FY2026), whether the holder is a member of Rakon's executive team and whether the holder is party to separate retention arrangements under the Conditional Retention Letter.

While this results in there being 5 separate classes of Share Rights, their terms are sufficiently similar to justify them being treated together in this report.

- certified that:

In our opinion, the consideration and terms offered for the Share Rights are fair and reasonable in comparison with the consideration and terms... as between the 5 classes of Share Rights.

- The above factors indicated to the Panel that, at least in an economic sense, there were significant similarities between the five classes of Share Rights.
- The percentage of all Share Rights held by each of the Non-executive Employees was less than 5% (the greatest percentage of all of the Share Rights held by a Non-executive Employee being 1.4%).
- However, due to the fracturing of the Share Rights into multiple (and much smaller) classes, each of the Non-executive Employees held more than 5% of the relevant class. Accordingly, but for the exemption, details of the Non-executive Employees' Share Rights would have to be disclosed in the target company statement under clause 5(1)(b) of schedule 2 to the Code.
- None of the Non-executive Employees were senior managers, nor were any of them associates of any person which would result in a requirement to disclose their holdings of the Share Rights. It was only due to the Share Rights being fractured into multiple classes that disclosure of the Non-executive Employees' holdings would be required.
- The Code does not seek to require disclosure from employees other than senior managers by virtue of their employment.

- Accordingly, disclosure in relation to each of the five classes of Share Rights would likely be less meaningful to offerees than disclosure of the percentage of all Share Rights which the relevant person held. Rakon had confirmed that it would include this aggregate disclosure in its target company statement.
- Further, Rakon had submitted that disclosure of the relevant Non-executive Employees' holdings of Share Rights could adversely affect Rakon as Rakon was an employee centric business and, accordingly, disclosure of the relevant information could give rise to employee complaints or otherwise affect Rakon's relationship with its employees.
- Accordingly, in light of all of the relevant circumstances, the Panel concluded that granting an exemption would, in this instance, be the best approach in order to maintain a proper relationship between the costs of compliance with the Code and the benefits resulting from it.

Date of Notification in the *Gazette*: 23 February 2026
