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## Notice of Annual Shareholders Meeting

ikeGPS Group Limited (*'the Company'*)

### Notice

We hereby invite you to join us for the annual shareholders meeting which will be held at The Cable Room Mac's Function Centre, Shed 22, Corner of Taranaki & Cable Street, Wellington, on Tuesday 4 September 2018, at 2pm (New Zealand Standard Time)

### Items of business

The business of the meeting will be:

**(a) The Chairman's introduction**

**(b) Address to shareholders**

**(c) Shareholder discussion**

**(d) Financial Statements**

To receive and consider the financial statements of the Company for the year ended 31 March 2018, together with the auditor's report on such financial statements, both as contained in the Company's 2018 Annual Report.

**(e) 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 Alex Knowles:** That Mr Alex Knowles is re-elected as a non-independent director of ikeGPS Group Limited.
3. **Election of Mr Bruce Harker:** That Mr Bruce Harker is re-elected as an independent director of ikeGPS Group Limited.
4. **Director and Employee Share Options:** That the Board of the Company (the **Board**) is authorised, pursuant to Listing Rule 7.3.1, to:
  - (a) issue up to 3,000,000 options to acquire 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 action, do all things and execute all documents and agreements necessary to considered by them to be expedient to give effect to the issue of the Options.

**Explanatory Notes**

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

**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 ikeGPS Group Limited Board

A handwritten signature in black ink, appearing to read 'Rick Christie', is written over a faint, light-colored rectangular stamp or watermark.**Rick Christie**

Chairman

20 August, 2018

## Explanatory notes

### Resolution 1: Approval of Board fixing remuneration of auditor

PricewaterhouseCoopers is automatically reappointed as ikeGPS'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 supports fixing the fees and expenses of the auditor.

### Resolutions 2 and 3: Re-election of directors

In accordance with NZSX Listing Rule 3.3.11 (subject to Listing Rule 3.3.12), and clause 25 of ikeGPS's Constitution, one third of the directors must retire by rotation each year. Accordingly, both Mr Alex Knowles and Mr Bruce Harker retire by rotation. Being eligible, both have offered themselves for re-election.

- **Mr. Alex Knowles** has investing and operating experience with international companies in the information technology and transportation industries. He was formerly Chief Operating Officer of the largest international freight forwarder and small parcel consolidator in the U.S.
- **Mr. Bruce Harker** is currently Director of H.R.L. Morrison & Co's Energy Group, and Chairman of ASX listed Tilt Renewables. He is the ex-Chairman of NZX listed Trust Power and Z-Energy.

The Board unanimously supports the re-election of both Messrs Knowles and Harker.

### Resolution 4: Issue of up to 3,000,000 options to directors and employees

#### Summary

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

Prior to the listing of the Company on the NZX Main Board on 23 June 2014, shareholders of the company approved the grant of 150,000 options to each of the non-executive directors of the Company. These options have now lapsed and were not exercised by the relevant directors. The Board seeks shareholder approval of a new pool of options which may be granted under the terms of the current Option Plan, with a portion of that pool reserved for directors of the Company (in particular, non-executive directors who may not otherwise be granted options under the Listing Rules without the prior approval of shareholders). This explanatory note explains why this resolution is being put before shareholders and describes the key terms on which employees and directors will be offered options.

The Company seeks shareholder approval under Listing Rule 7.3.1 to create a pool of 3,000,000 Options (the **Approved Option Pool**), which may be allocated amongst the employees and directors of the Company as the Board see fit subject to the maximum allocation amounts set out below. The Options must be issued and allocated within 12 months of obtaining shareholder approval.

#### Terms of Issue of the Options

The Options will be issued 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 acquire 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 1,000,000 Options to be granted to the non-executive directors of the Company (as detailed above), the exercise price will be \$0.54 per Option, and

- b. in respect of 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 expected to be 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 during a 10 to 20 business day period before the offer of Options is made).
- **Exercise date:** The Options, once granted, shall subsequently become exercisable as follows:
  - a. in respect of the 1,000,000 Options to be granted to the non-executive directors of the Company (as detailed above), the Options shall become exercisable in four equal quarterly tranches split over the first 12 months following the date the Options are granted, and
  - b. in respect of other Options granted from the Approved Option Pool, the Options will (generally) become exercisable in 11 quarterly tranches split over the first 3 years following the date the Options are granted (so, once the last tranche becomes exercisable, the holder will have 3 months to exercise such tranche before the Options expire).
- **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 3 years after the date the Options are granted.
- **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 they have been 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 receive 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.

<b>Number of Options in Approved Option Pool</b>	3,000,000 (representing 3.82% of all ordinary shares on issue in the company as at 20 August 2018)
<b>Maximum number of Options that may be allocated to directors from the Approved Option Pool</b>	1,499,999
<b>Maximum number of Options that may be allocated to employees (excluding executive directors) from the Approved Option Pool</b>	3,000,000
<b>Ratio</b>	Options may be exercised into ordinary shares on a 1 for 1 basis
<b>Exercise price</b>	<ul style="list-style-type: none"> <li>• In respect of 1,000,000 Options to be granted to non-executive directors, \$0.54, and</li> <li>• 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.</li> </ul>

***Anticipated immediate grant of Options to non-executive directors from Approved Option Pool***

Subject to the approval of this resolution, the Board intends to immediately grant each of the four non-executive directors of the Company (being Rick Christie, Alex Knowles, Bruce Harker and Fred Lax) 250,000 Options from the Approved Option Pool (being 1,000,000 Options in total). At the date of this Notice of Meeting, no non-executive director holds Options.

The exercise price for the 1,000,000 Options to be issued to non-executive directors is equal to the market price of the Company's shares at close of trading on 14 June 2018 (being 10 business days after the release to market of the Company's audited financial statements for the 2018 financial year), \$0.54. It represents a premium of 1.85% to the market price of the Company's shares (being \$0.53) prior to the opening of trading on the date of this Notice of Meeting.

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

***Why the Approved Option Pool is necessary***

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, 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 Option 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
225,000	30/04/2016	31/03/2019	\$0.63	Employees (excluding directors)
80,000	30/04/2016	30/09/2018	\$0.72	
100,000	30/04/2016	31/12/2018	\$0.70	
150,000	30/04/2016	31/03/2019	\$0.63	Glenn Milnes (CEO & Managing Director)
400,000	1/10/2017	31/03/2020	\$0.40	Employees (excluding directors)
200,000	1/10/2017	30/06/2020	\$0.29	Glenn Milnes (CEO & Managing Director)
1,100,000	1/04/2018	31/03/2021	\$0.54	Employees (excluding directors)
<b>2,255,000 (total)</b>				

**Why is shareholder approval needed?**

Listing Rule 7.3.1 prohibits the Company from issuing any equity securities without shareholder approval unless the issue is made in accordance with any of the Listing Rules 7.3.4 to 7.3.11.

Under Listing Rule 7.3.6, the Company may issue shares, or options to acquire shares, to employees of the Company (including executive directors) limited to 3% of the total shares on issue, calculated over a rolling 12-month period. However, non-executive directors are excluded from participating in such issuances.

This issue of Options to the non-executive directors of the Company does not come within any of the other express enabling provisions under Listing Rules 7.3.4 to 7.3.11. Accordingly, if the Company wishes to establish a pool of Option 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 3.82% of the total number of ordinary fully paid shares currently on issue in the Company as at 20 August 2018.

If shareholders do not approve the issue of the Approved Option Pool, the Remuneration Committee will consider other alternative forms of remuneration for the non-executive directors of the Company and seek shareholder approval 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 a growth company in a competitive market where options are an expected part of total director's remuneration.

## IMPORTANT INFORMATION

### Voting entitlements

Voting entitlements for the Annual Shareholders Meeting will be determined as at 5:00pm (New Zealand Standard Time) on Friday 31<sup>st</sup> August 2018. Registered ikeGPS shareholders at that time will be the only persons entitled to vote at the Annual Shareholders Meeting, and only the ikeGPS shares registered in those ikeGPS shareholders' names at that time may be voted at the Annual Meeting.

### Voting in person

If you are entitled to vote and wish to do so in person, you should attend the Annual Shareholders Meeting. Please bring your Proxy Form with you to the meeting.

A corporation may appoint a person to attend the meeting as its representative in the same manner in which it would appoint a proxy.

### Voting by proxy

An ikeGPS shareholder who is entitled to vote at the Annual Shareholders Meeting is entitled to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder.

If you appoint a proxy you may either direct your proxy how to vote for you or you may give the proxy discretion to vote as he or she sees fit. If you wish to give your proxy discretion then you should make the appropriate election, either online or on the Proxy Form, to grant your proxy that discretion. You will be deemed to have given your proxy discretion if you do not make an election in relation to any of resolutions 1 to 4.

The Chairman of the Meeting or any other director is willing to act as proxy for any shareholder who appoints him or her for that purpose. If, in appointing your proxy, you do not name a person as your proxy (either online or in the Proxy Form), or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy and may vote only in accordance with your express direction. Where the Chairman of the Meeting or any other director is appointed as a discretionary proxy, the Chairman and all other directors intend to vote in favour of all resolutions other than resolution 4. As the directors of the Company, including the Chairman, are disqualified from voting on resolution 4, they may not exercise discretionary proxies. Accordingly, if a director or Chairman is appointed as a proxy, it is necessary to give them voting instructions on the proxy form for resolution 4.

A Proxy Form accompanies this Notice of Annual Meeting.

If you do not propose to attend the Annual Meeting but wish to be represented by proxy, you can appoint a proxy **online** by going to <http://vote.linkmarketservices.com/IKE>

Alternatively, you can complete the Proxy Form and either:

- Scan and **Email** your proxy to [meetings@linkmarketservices.com](mailto:meetings@linkmarketservices.com);
- Return the Proxy Form by **mail** to Link Market Services, using the freepost envelope enclosed; or
- **Fax** the Proxy Form to +64 (9) 375-5990.

The online proxy appointments must be lodged with, and the completed Proxy Forms received by, Link Market Services Limited no later than 2pm (New Zealand Standard Time), Sunday 2<sup>nd</sup> September 2018.

Where a Proxy Form is completed for a company, it must be signed by a duly authorised officer or attorney. Persons who sign on behalf of a company must be acting with the company's express or implied authority.

Where a Proxy Form is signed by an attorney, a copy of the power of attorney under which it was signed, if not previously provided to Link Market Services Limited, together with a signed certificate of non-revocation of the power of attorney must accompany the Proxy Form.

**Voting Restrictions**

Resolution 4 cannot be voted on by any of the directors of the Company or any of their associated person (as defined in the Listing Rules), unless as a proxy with voting instructions.

**Ordinary 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 those holders of securities of the Company which carry votes, are entitled to vote and are voting on the resolutions in person or by proxy.

**Listing Rule References**

In this Notice of Meeting, all reference to the Listing Rules are reference to the NZX Main Board/Debt Market Listing Rules.

**Annual Report**

The 2018 Annual Report is available on the ikeGPS website.

Please go to: [https://ikegps.com/wp-content/uploads/2018/06/ikeGPS\\_2018\\_Annual\\_Report.pdf](https://ikegps.com/wp-content/uploads/2018/06/ikeGPS_2018_Annual_Report.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.