

— 2024 — Technology —
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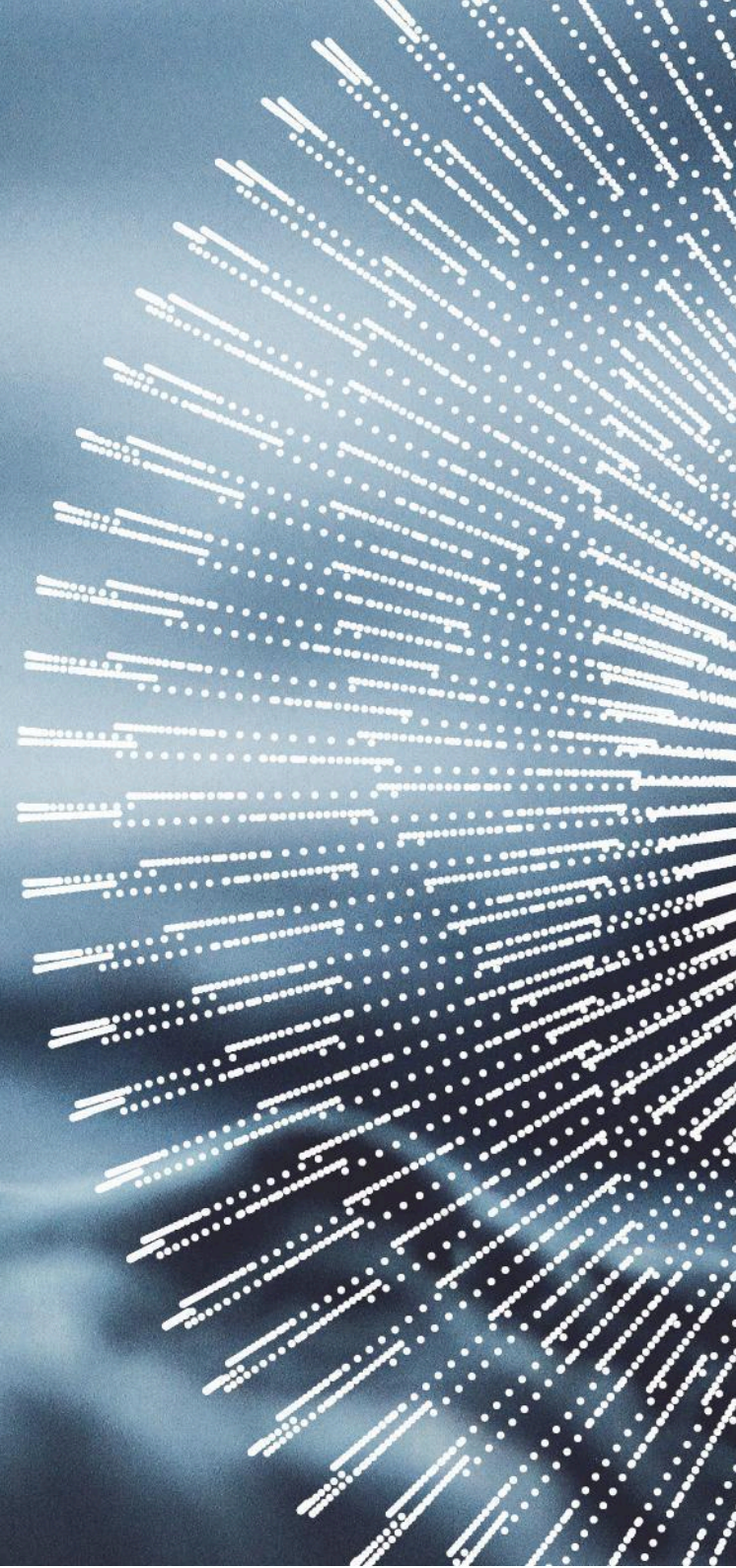


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Purpose The purpose of this Office of Preparedness Manual of the *(Locate)* is to assist the board of directors of the *(Board)* of *Locate Technologies, Inc.* (*Locate*), in the event an approach is received, the material contained in this Manual should be supplemented by advice from Locate's management and

There are two ways of implementing a takeover of a "code" company under the New Zealand Takeovers Code:

- a takeover offer made in accordance with the terms of the Takeovers Code; or
- a court-sanctioned scheme of arrangement under the Companies Act.

This Manual explores the key practical and procedural steps for each of these processes.

Questions arising out of this Manual should be referred to:



2. Immediate Steps

IMMEDIATE STEPS ON RECEIPT OF AN APPROACH

- 1 Confidentiality, however, this does not imply that the interested party typically does not have obligations (assuming the approach remains
2 **Notify directors, CEO and CFO** (Note: **10 October 2016**) Directors should consider whether they are **interested in the transaction**
3 Contact **external lawyers** and, if appropriate, financial/strategic advisers to provide advice on managing the response.
4 Financial/strategic **Board meeting**. Appoint a **subcommittee of the Board**, a working group (including management), legal and any
5 Review and **update draft announcements** which may be required in the event of a leak or receipt of a takeover notice.
6 Before engaging with the interested party, enter into a **confidentiality agreement**.
7 The Chairperson, or his or her nominee, should be the only **person authorised to speak publicly** in relation to the bid.
8 Ensure that any **internal valuation model** is refreshed, and that external company research is monitored.

Further details are set out in the Action Plan in section 3 of this Manual.

3. Action Plan

- This action plan sets out the key steps following receipt of an expression of interest or non-binding indicative offer. It is in the following parts:
- **Part 1: Initial Steps** – covers initial steps that will be relevant whether the transaction is structured as a takeover offer or scheme of arrangement.
 - **Part 2: Takeover offer** – covers additional steps for a takeover offer through to the despatch of takeover offer documents. There are
 - **Part 3: Scheme of arrangement** – covers additional steps for a scheme of arrangement through to final Court orders for the scheme.

PART 1: INITIAL STEPS

#	Timing	Action	Comments
1.	If an expression of interest is received	Locate the NZX listing rules to determine whether it must be disclosed	<p>NZX Listing Rules require disclosure of an expression of interest if it is a takeover offer or a scheme of arrangement. The disclosure must be made as soon as practicable after receipt of the expression of interest.</p> <p>How to disclose: The disclosure must be made in the form of a disclosure document (DD) and must include the following information:</p> <ul style="list-style-type: none"> (a) the name of the person making the offer (b) the nature of the offer (c) the terms of the offer <p>The DD must be filed with the NZX and a copy must be sent to the target company.</p>
2.	If the offer is a takeover offer	The target company must consider the offer and decide whether to accept it	<p>Media enquiries about the takeover offer may arise. The target company should prepare a media statement and a press release. The target company should also consider the impact of the offer on its share price and its relationship with its shareholders.</p> <p>How to respond: The target company should respond to the offer as soon as possible. It should consider the offer and decide whether to accept it. It should also consider the impact of the offer on its share price and its relationship with its shareholders.</p> <p>If no response is received, the offeror may make a second offer. The target company should be prepared to respond to this offer.</p> <p>It is important for the target company to have a clear understanding of its obligations under the NZX Listing Rules and the Companies Act 1993.</p>



#	Timing	Action	Comments
3.	Following receipt of	Notify directors (subject to any, CEO The Board should meet to decide how	See Appendix B for draft meeting agenda for the The meeting would include the following: <ul style="list-style-type: none"> Initial briefing Provide information on interested parties and draft Appointment of sub-committee – see further details Appointment of Board/management/adviser working Confirm appointment of legal counsel. and sign approval of strategic/financial adviser purposes of the takeover, independent approval
4.	Any time following	Board should appoint Board/management and	For confidentiality reasons, Board members and it is Members of the sub-committee should be: <ul style="list-style-type: none"> (a) not involved, or otherwise associated with an (b) not a director or otherwise associated with, who (c) not a director or otherwise associated with, who Local Board/management should be responsible for managing See Appendix B for draft meeting agenda for the <ul style="list-style-type: none"> Appointment of sub-committee and working group
5.	Following receipt of	Contact external lawyers and any	External lawyers can provide early input on the response. <ul style="list-style-type: none"> Appointment of sub-committee and working group
6.	Any time following	Committee should appoint an	An independent adviser (at the discretion of the Board) should be <ul style="list-style-type: none"> As a minimum, the adviser should be independent of the Board/management and any other persons involved in the takeover. See Appendix C for draft meeting agenda for the Appointment of sub-committee and working group Appointment of Board/management and working group

#	Timing	Action	Comments
7.	Before being registered with payee.	Enter in confidentially requested	This is the only way to ensure that the information provided is accurate and complete, and that the payee is not a minor or a person who is not legally competent to enter into a contract.
8.	If requested by payee.	Local should consider whether to disclose information to payee.	Local should consider whether to disclose information to payee, and if so, what information should be disclosed.
9.	If requested by payee.	Local should consider whether to disclose information to payee.	Local should consider whether to disclose information to payee, and if so, what information should be disclosed.
10.	Prior to proposing the proposed	Local should consider whether to disclose information to payee.	By the time of the proposed disclosure, the payee should be able to make an informed decision about whether to accept the proposed disclosure.

PART 2: TAKEOVER OFFER

#	Timing	Action	Comments
This Part 2 covers additional steps the interested party proceeds by giving an takeover offer under the Takeovers Code. If it is			
1.	Immediately upon takeover.	Make a copy of the takeover offer with	A draft initial announcement is provided in Appendix B
2.	Not later than 2 business days after takeover.	Local offer must send a class notice to the	The notice must be sent to all holders of the shares of the company.
3.	Must be completed if the offer is not accepted.	Preparation of Class Notice and Statement of Intent .	More detailed information is provided in the Class Notice and Statement of Intent .
4.	Not later than 10 business days after takeover.	Provide financial information if	The offeror must provide at least 10 business days of financial information to the company.
5.	Must be completed within 3 business days of takeover.	Offeror to send offer documents .	Describing the offer and the offeror's intentions.

PART 3: SCHEME OF ARRANGEMENT

#	Timing	Action	Comments
This Panel will need to develop a plan for the transition process (Scheme of Arrangement) in the event that the proposed takeover is successful and the Panel is satisfied that the proposed takeover is in the best interests of the shareholders and the company.			
1.	Prior to the proposed takeover	Locate and identify the appropriate party should the takeover be successful	<ul style="list-style-type: none"> • The takeover should be completed by the proposed takeover company • The takeover should be completed by the proposed takeover company • The takeover should be completed by the proposed takeover company
2.	Prior to the proposed takeover	Locate and identify the appropriate party should the takeover be successful	<ul style="list-style-type: none"> • A scheme of arrangement should be completed by the proposed takeover company • A scheme of arrangement should be completed by the proposed takeover company • A scheme of arrangement should be completed by the proposed takeover company
3.	Following the completion of the takeover	Preparing final scheme booklet	The takeover should be completed by the proposed takeover company
4.	At least 14 days prior to the takeover	Send the Takeovers Panel presentation to the Takeovers Panel	The takeover should be completed by the proposed takeover company
5.	Following the completion of the takeover	Locate to seek initial Court orders.	The takeover should be completed by the proposed takeover company
6.	Following the completion of the takeover	Locate to seek final Court orders for the takeover	At least 14 days prior to the takeover, the takeover should be completed by the proposed takeover company
7.	Following the completion of the takeover	Locate to seek final Court orders for the takeover	The takeover should be completed by the proposed takeover company

4. Target Company Statement

If the takeover TCS is to provide all takeover offer holders with information relevant to a Target Company Statement (TCS) to its shareholders. The disclosure content that is required to be included in the TCS is specified in Schedule 2 of the Takeovers Code. Among other things, the TCS must:

- share and shareholder information;
- accepted information relating to a target's directors and senior officers (e.g. holdings of Locate shares, whether they have agreed to arrangements (if any) between the offeror and Locate (e.g. confidentiality arrangements concerning due diligence, break fees); and
- state information and notice of any material changes in the position or prospects of Locate since the date of its last annual report (or earlier annual report if the takeover is being undertaken in connection with a takeover of Locate).

It is important to note that the TCS is not a recommendation or endorsement of the takeover offer, and the Board will not be responsible for the accuracy and completeness of the TCS. The TCS is a statement of fact, and the Board will not be responsible for the accuracy and completeness of the TCS.

Where can I find out more?

The Takeovers Panel has published a guidance note on TCS, which is available from:

<http://www.takeovers.govt.nz/guidance/guidance-notes/target-company-statements/>

Examples of recent TCS can be found through the Takeovers Panel's database of recent transactions, available at:

<http://www.takeovers.govt.nz/transactions/>

5. Scheme Booklet

If the three vehicles are structured as a scheme Takeover arrangement, details will need to be prepared in a scheme booklet (Scheme Booklet). This will be issued to the shareholders of the target company. The purpose of the Scheme Booklet is to:

- The purpose of the Scheme Booklet is to:
- convene a meeting of shareholders to approve the scheme; and
 - provide a copy to the shareholders with the information that could reasonably be expected to be material to the making of a decision whether to approve the scheme.
- The Scheme Booklet details some of the substantial information that is being provided by Locate to the shareholders and the evidence provided and the reasons for doing so. The Scheme Booklet will contain a summary of the reasons to vote in favour and the reasons to vote against the scheme. It is anticipated that the Scheme Booklet as a whole will need to be approved by Locate's Board, with any dissenting directors named and their reasons for doing so.

Where can I find out more?

The Takeovers Panel has published a guidance note on Schemes of Arrangement, which is available from:

<https://www.takeovers.govt.nz/guidance/guidance-notes/schemes-of-arrangement/>

Examples of recent Scheme Booklets can be found through the Takeovers Panel's database of recent transactions, available at:

<http://www.takeovers.govt.nz/transactions/>

6. Independent Adviser's Report

Locate II. The total of the information and analysis of earnings multiples should be provided in the main text and not in the appendix and the manner in which the adviser's independent firm is presented, and in the figures of the other divisions should be the same as in the independent firm's reports of the company's efforts and more critical to the production of a timely report will be the provision of financial and other information by Locate to the independent adviser.

The process of selecting and of arranging to provide it will be in the best interests of the company and the independent adviser. The process of the takeover notice or the takeover notice of the company will be in the best interests of the company and the independent adviser. The process of the takeover notice or the takeover notice of the company will be in the best interests of the company and the independent adviser.

- the adviser would not be constrained by the methodology or views expressed in its earlier report; and
- the degree of familiarity (if any) between personnel at the adviser firm and personnel at Locate would not compromise the adviser's independence.

The independent adviser's independence will be in the best interests of the company and the independent adviser. The independent adviser's independence will be in the best interests of the company and the independent adviser.

Where can I find out more?

The Takeovers Panel has published a guidance note on independent advisers and template forms for approval of independent advisers, which are available from: <http://www.takeovers.govt.nz/guidance/guidance-notes/independent-advisers/>

Examples of recent IAR can be found through the Takeovers Panel's database of recent transactions, available at: <http://www.takeovers.govt.nz/transactions/>

7. Key Director Responsibilities and Considerations

The directors:

- do not have a legal duty to put Locate “into play” or to seek alternative bids for Locate;¹
- are under no obligation to engage with the offeror or provide due diligence access; and
- owe no duties to Locate’s employees or its creditors merely as a result of a takeover offer.

Defensive Tactics

Shareholders of a company can, in certain circumstances, take action to frustrate a takeover offer. This can be done by the shareholders of a target company, which may take over a period of time before the takeover offer is made. This can be done by the shareholders of a target company, which may take over a period of time before the takeover offer is made.

- an offer being frustrated; or
 - shareholders being prevented from having the opportunity to decide on the merits of an offer.
- Secondly, target companies can take defensive measures to frustrate a takeover offer. This can be done by the shareholders of a target company, which may take over a period of time before the takeover offer is made.
- acquiring or disposing of a major asset;
 - existing contracts or liabilities that may be affected by a takeover; or
 - action or inaction designed to result in the non-satisfaction of an offer condition;
 - declaring an abnormally large or unusual dividend or other form of capital distribution;
 - undertaking material issues of new shares or repurchases of existing shares, or material issues of convertible securities;
 - entering into an agreement with a third party that confers material economic benefits on the target company which are available only to one party;
 - acquiring an asset that was not intended to be sold or disposed of as part of a takeover; or
 - any other action or inaction that is designed to frustrate a takeover offer.
- Thirdly, target companies can take defensive measures to frustrate a takeover offer. This can be done by the shareholders of a target company, which may take over a period of time before the takeover offer is made.
- attempting to negotiate a takeover offer on terms that are more favourable to the target company than the offeror’s terms;
 - having a takeover offer approved by an ordinary resolution of the target company’s shareholders (there are particular requirements for the notice of meeting in this case);
 - making a takeover offer conditional on the approval of the target company’s shareholders; or
 - are taken or permitted for reasons unrelated to the offer with the prior approval of the Takeovers Panel.

Where can I find out more?

The Takeovers Panel has published a guidance note on defensive tactics, which is available from:

<http://www.takeovers.govt.nz/guidance/guidance-notes/defensive-tactics/>

Truth in takeovers and schemes of arrangement

Rule 64 of the Takeovers Code prohibits a person (including the offeror, Locate, its directors, and any other person) from engaging in conduct that is misleading or deceptive or likely to mislead or deceive.

The prohibition on misleading or deceptive conduct extends to conduct that is incidental or preliminary to a takeover offer, even where an offer is not made. This includes the making of a takeover offer that is conditional on the approval of the target company’s shareholders.

Break fees

Break fees are payments made by a target company to an offeror in connection with a takeover offer. They are typically paid when a takeover offer is withdrawn or when a takeover offer is not successful.

Break fees are typically paid when a takeover offer is withdrawn or when a takeover offer is not successful. They are typically paid when a takeover offer is withdrawn or when a takeover offer is not successful.

Recovery of expenses

Shareholders of a company can, in certain circumstances, take action to frustrate a takeover offer. This can be done by the shareholders of a target company, which may take over a period of time before the takeover offer is made.

In broad terms, the Takeovers Panel has classified recoverable expenses into three categories:

- the target company’s expenses in connection with a takeover offer;

¹ However, if appropriate in the circumstances, doing so may assist with demonstrating that any exclusivity arrangements entered in to are not unduly restrictive.

- **Section 136** of the Companies Act 1993 provides that a liquidator may apply to the court for an order that the expenses properly incurred by the liquidator in the course of the liquidation be paid out of the assets of the company.
- **Section 137** of the Companies Act 1993 provides that a liquidator may apply to the court for an order that the expenses properly incurred by the liquidator in the course of the liquidation be paid out of the assets of the company.

Where can I find out more?

The Takeovers Panel has published guidance on the process for recovering expenses and as to the types of expenses that are recoverable, which is available from: <http://www.takeovers.govt.nz/guidance/guidance-notes/costs-recovery/>

Locate Takeover Preparedness Manual: Appendices

APPENDIX A:	TEMPLATE ANNOUNCEMENTS
APPENDIX B:	DRAFT MEETING AGENDAS
APPENDIX C:	DRAFT "INTERESTED DIRECTOR" PROTOCOL
APPENDIX D:	DRAFT CLASS NOTICE

Appendix A: Template Announcements

1. MEDIA RELEASE FOLLOWING PURCHASE OF SUBSTANTIAL STAKE

[insert date]

To NZX

NOTIFICATION OF [ACQUIRER] INTEREST

Locate Technologies Limited (*Locate*) (NZX: LOC) advises that it has been informed that [Acquirer] has purchased a [[insert]%/substantial shareholding] in Locate.

[Insert any other details known and relevant comments, if any.]

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

We have no further comment at this stage. Shareholders and media will be kept informed of all major developments.

2. MEDIA RELEASE FOLLOWING SURPRISE MARKET RAID

[insert date]

To NZX

CONFIRMATION OF [ACQUIRER] ACQUISITION OF SHAREHOLDING

The Board of Locate Technologies Limited (*Locate*) (NZX: LOC) has been informed that [Acquirer] has [this morning/overnight launched a surprise raid to acquire] / [been purchasing shares to accumulate] a stake in the company at a price of [\$price] per share. The Board of Locate regards the acquisition of shares by [Acquirer] as opportunistic and believes the price paid does not reflect the underlying value of the company [in the context of a change of control].

[The accumulation of this stake by [Acquirer] may or may not lead to a takeover offer or other proposal for Locate.]

The Board of Locate will keep its shareholders informed of all significant developments as appropriate.

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

We have no further comment at this stage. Shareholders and media will be kept informed of all major developments.

3. ~~LOCATE TECHNOLOGIES LIMITED'S RESPONSE TO MARKET RUMOUR~~ THAT IS SPECULATIVE AND DOES NOT RESULT IN A MATERIAL

No issue of media release is required – we do not comment on market rumour

[insert date]

LOCATE TECHNOLOGIES LIMITED RESPONSE TO MARKET SPECULATION

Locate Technologies Limited (*Locate*) (NZX: LOC) is aware of market speculation concerning [a possible takeover of Locate]. Our policy is not to comment on market rumour or speculation. Locate remains in compliance with its continuous disclosure obligations.

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

We do not comment on market rumour

4. ~~CONFIDENTIAL~~ ~~PROPOSAL RECEIVED~~ – HOLDING STATEMENT IF DISCLOSURE PREFERRED BEFORE DECISION MADE ON

In most circumstances disclosure is not required where Locate receives a confidential, indicative approach from a company. The holding statement below could be used in the event of a leak or press speculation where a response is required or desired.

[insert date]

To NZX

[ACQUISITION] PROPOSAL RECEIVED

The Board of Directors of Locate Technologies Limited (*Locate*) (NZX: LOC) announces that it has received an approach that may or may not lead to an offer being made for Locate.

The Board of Locate will consider the proposal and advise shareholders of its views in due course. In the meantime, Locate shareholders do not need to take any action in response to the approach received.

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

We have no further comment at this stage. Shareholders and media will be kept informed of all major developments.

5. CONFIDENTIAL APPROACH RECEIVED & CONSIDERED – PROCEEDING WITH DUE DILIGENCE STATEMENT

[insert date]

To NZX

[ACQUISITION] PROPOSAL RECEIVED – DUE DILIGENCE TO BE GRANTED

The Board of Directors of Locate Technologies Limited (*Locate*) (NZX: LOC) announces that it has received an [unsolicited] indicative, non-binding and conditional proposal to acquire all of the shares of Locate at a price of [\$indicative price] per share [in the form of (cash/scrip)] [from [Offeror]] [by way of Scheme of Arrangement].

The Board of Locate, together with its advisers, undertook a careful review of the proposal put to it by [Offeror].

The Board of Locate has concluded that, subject to negotiation of an appropriate confidentiality agreement, the [Offeror] will be granted the opportunity to conduct due diligence. It is expected that this process will take several weeks.

The Board of Locate [continues to] recommend[s] that shareholders take no action. The due diligence process may or may not result in an offer for the company or a recommendation by the Board of Locate.

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

The Board of Locate and its advisers have concluded that the terms of the proposal warrant engaging with [Offeror] to grant due diligence. The Board of Locate believes that the proposal could be in shareholders' best interest but continues to recommend that shareholders take no action. If the due diligence process does not result in an offer, the Board of Locate believes that Locate has a very attractive independent future. Shareholders and media will be kept informed of all major developments.

6. CONFIDENTIAL PROPOSAL RECEIVED & CONSIDERED – REJECTION STATEMENT

[insert date]

To NZX

[OFFEROR] NON-BINDING INDICATIVE OFFER REJECTED

The Board of Directors of Locate Technologies Limited (*Locate*) (NZX: LOC) announces that it has received an [unsolicited] indicative, non-binding and conditional proposal to acquire all of the shares of Locate at a price of [\$price] per share [in the form of (cash/scrip)] [from ([Offeror])] [by way of Scheme of Arrangement].

The Board of Locate, together with its advisers, has reviewed the proposal in detail and believes that it does not reflect the fundamental value of the company in the context of a change of control. In addition, the high level of conditionality [insert key conditions] and other terms of the proposal are considered to reduce the [value and] certainty of the proposal.

The Board of Locate does not intend to take any further action in relation to the proposal at this time.

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

The Board of Locate and its advisers have carefully considered the offer and have no hesitation in unanimously concluding that the terms of the indicative, non-binding and conditional proposal significantly undervalue Locate profitability and long term potential. The Board of Locate believes shareholders will benefit more from the long term value of its identified growth opportunities than the current takeover offer by [Offeror]. This proposal will not be recommended to shareholders.

7. TAKEOVER NOTICE RECEIVED – HOLDING STATEMENT

[insert date]

To NZX

TAKEOVER NOTICE RECEIVED FROM [OFFEROR]

[Offeror] has announced that it intends to make a takeover offer for all the shares in Locate Technologies Limited (*Locate*) (NZX: LOC) at a price of [\$price] per share [in cash / in [Offeror] scrip].

At this stage Locate is not yet in a position to comment further. The Board of Locate will meet shortly to consider the offer in detail.

Until the Board of Locate has given further guidance, shareholders are advised to take no action in relation to [Offeror's] takeover offer.

Locate has received a takeover notice from [Offeror]. The takeover notice is not a takeover offer. If [Offeror] proceeds to make a takeover offer, it must do so within the period that begins 10 working days and ends 20 working days after today. Shareholders should be aware that [Offeror] is not legally obliged to make an offer during that period and, if it does not do so, the [Offeror] takeover notice will lapse.

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

We have no further comment at this stage. Shareholders and media will be kept informed of all major developments.

8. TAKEOVER NOTICE RECEIVED – REJECTION STATEMENT

[insert date]

To NZX

[OFFEROR] TAKEOVER OFFER REJECTED

[Offeror] has announced that it intends to make an unsolicited [highly] conditional takeover offer for all the shares in Locate Technologies Limited (*Locate*) (NZX: LOC) at a price of [\$price] per share [in cash / in [Offeror] scrip].

The Board of Locate, together with its advisers, has carefully considered the proposed offer and intends to unanimously recommend shareholders reject the offer. The Board believes that the offer is opportunistic and significantly undervalues the company. Locate is fast growing and the Board believes shareholders will benefit from the long term value of the company's identified organic growth opportunities.

Locate has received a takeover notice from [Offeror]. The takeover notice is not a takeover offer. If [Offeror] proceeds to make a takeover offer, it must do so within the period that begins 10 working days and ends 20 working days after today. Shareholders should be aware that [Offeror] is not legally obliged to make an offer during that period and, if it does not do so, [Offeror] takeover notice will lapse.

Should [Offeror] proceed to make an offer, the Board of Locate will set out its detailed views in relation to the offer from [Offeror] in the target company statement which will be mailed to all shareholders. In the meantime, Locate shareholders are advised to take no action [and **IGNORE ALL DOCUMENTS AND COMMUNICATIONS FROM [OFFEROR]]** in relation to [Offeror's] takeover offer.

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

The Board of Locate and its advisers have carefully considered the proposed offer and have no hesitation in unanimously concluding that the terms of the unsolicited offer significantly undervalue Locate profitability and long term potential. This offer is wholly unwelcome and will not be recommended to shareholders.

9. LETTER TO SHAREHOLDERS AFTER TAKEOVER NOTICE RECEIVED – REJECTION STATEMENT

[insert date]

Dear shareholder,

[OFFEROR] TAKEOVER OFFER REJECTED

I am writing to you to advise that [Offeror] has announced that it intends to make an unsolicited [highly] conditional takeover offer for all the shares in Locate Technologies Limited (*Locate*) (NZX: LOC) at a price of [\$price] per share [in cash / in [Offeror] scrip].

Your Board, together with its advisers, has carefully considered the proposed offer and intends to unanimously recommend shareholders reject the offer. Your Board believes that the offer is opportunistic and significantly undervalues the company. Locate is fast growing and your Board believes that you will benefit from the long term value of the company's identified organic growth opportunities.

Locate has received a takeover notice from [Offeror]. The takeover notice is not a takeover offer. If [Offeror] proceeds to make a takeover offer, it must do so within the period that begins 10 working days and ends 20 working days after [date on which takeover notice was lodged]. Shareholders should be aware that [Offeror] is not legally obliged to make an offer during that period and, if it does not do so, [Offeror] takeover notice will lapse.

Should [Offeror] proceed to make an offer, your Board will set out its detailed views in relation to the proposed offer from [Offeror] in the target company statement which will be mailed to you. In the meantime, you are advised to take no action [and **IGNORE ALL DOCUMENTS AND COMMUNICATIONS FROM [OFFEROR]]** in relation to [Offeror's] takeover offer.

If you would like any further information or would like to talk about the proposed Offeror offer, please call the shareholder enquiry line on [insert].

Yours faithfully,

[insert]

Chair

10. MEDIA RELEASE AFTER RELEASE OF OFFER DOCUMENT – HOLDING STATEMENT

[insert date]

LOCATE RECEIVES TAKEOVER OFFER DOCUMENT

The Board of Locate Technologies Limited (*Locate*) (NZX: LOC) Limited advises that it has received the offer document relating to the takeover offer by [Offeror] for all the ordinary shares of Locate at a price of [\$price] per share [in cash / [Offeror] scrip]. The offer is conditional on [specify description of material conditions].

The Board of Locate will set out its views in relation to the offer from [Offeror] in a target company statement which will be mailed to shareholders [by [date]].

At this stage, shareholders are advised to take no action in response to the takeover offer.

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

We have no further comment at this stage. Shareholders and media will be kept informed of all major developments

11. MEDIA RELEASE AFTER RELEASE OF OFFER DOCUMENT – REJECTION STATEMENT

[insert date]

LOCATE RECEIVES TAKEOVER OFFER DOCUMENT AND REJECTS OFFER

The Board of Locate Technologies Limited (*Locate*) (NZX: LOC) advises that it has received the offer document relating to the unsolicited [highly] conditional takeover offer by [Offeror] for all the ordinary shares of Locate at a price of [\$price] per share [in cash / [Offeror] scrip]. The offer is conditional on [conditions].

The Board of Locate, together with its advisers, has carefully considered the offer and unanimously recommends that shareholders reject the offer. The Board of Locate will set out its views in relation to the offer from [Offeror] in a target company statement which will be mailed to shareholders [by [date]].

The Board of Locate maintains that the takeover offer is opportunistic and significantly undervalues the company [potential additional comments about conditionality]. Locate is fast growing and the Board of Locate believes shareholders will benefit from the long term value of its identified growth opportunities.

Shareholders are advised to reject the takeover offer [and **IGNORE ALL DOCUMENTS AND COMMUNICATIONS FROM [OFFEROR]**].

- **Analysts' contact:** [insert]
- **Media contact:** [insert]
- **Web site:** [insert]

Guidelines for media enquiry:

We have no further comment at this stage. Shareholders and media will be kept informed of all major developments

12. LETTER TO SHAREHOLDERS AFTER RELEASE OF OFFER DOCUMENT – HOLDING STATEMENT

[insert date]

Dear shareholder,

[OFFEROR] TAKEOVER OFFER REJECTED

You will recall that I wrote to you on [date] to advise you that [Offeror] had announced on [date] that it intended to make a takeover offer for your shares in Locate.

[Offeror] has now made its takeover offer.

The Board of Locate has a responsibility to make a recommendation to you as shareholders about how to respond to the offer and to make sure that you are provided with the information necessary to form your own view about the offer. We are diligently working with our advisers on reviewing the offer document in conjunction with preparing a target company statement to formally respond [by [date]].

[Expand on what are the informational gaps in the offer document, if applicable].

Locate is fast growing and the Board of Locate believes shareholders will benefit from the long term value of the company's identified growth opportunities.

If you would like any further information or would like to talk about the proposed Offeror offer, please call the shareholder enquiry line on [insert].

Yours faithfully,

[insert]

Chair

[Attach, if appropriate, a list of deficiencies in the offer document]

13. LETTER TO SHAREHOLDERS AFTER RELEASE OF OFFER DOCUMENT – REJECTION STATEMENT

[insert date]

Dear shareholder,

LOCATE BOARD RECOMMENDS IGNORING [OFFEROR] TAKEOVER OFFER

You will by now have received a copy of the unsolicited offer for your Locate shares by [Offeror]. Your Directors unanimously recommend that you **REJECT** the offer.

[Potential comments about value and conditionality.]

Your Directors' views of this inadequate offer will be fully set out in their formal response to the offer (target company statement) which will be sent to you [specify period]. In the meantime, Directors urge that you **IGNORE ALL DOCUMENTS AND COMMUNICATIONS FROM [OFFEROR]**.

[An independent expert, [insert name of independent adviser], has valued Locate to help shareholders decide on how to respond to the offer. They have concluded that the value of your Locate shares is between \$[low] and \$[high]. This is between [low]% and [high]% more than the [Offeror]'s offer. [Insert name of independent adviser] concluded that the [Offeror]'s offer is [not reasonable].]

[The [Offeror] offer will not close before [date] [and may be extended up to [60 working days from date of the offer]. In the absence of a superior offer which properly reflects Locate's fundamental strengths and excellent future growth prospects, your Directors recommend that you reject [Offeror's] offer.]

Your Directors will keep you informed of any developments. In the meantime, if you have any questions, please call [insert].

Yours faithfully,

[insert]

Chair

[Attach, if appropriate, a list of deficiencies in the offer document]

Appendix B: Draft Meeting Agendas

1. Agenda for first full Board meeting

Locate Technologies Limited Board meeting

Date of meeting: *[insert date]*

Attendees (by video conference): *[list]*

1. **Conflicts and interested directors**
Consider conflicts of interest, if any, and adopt interested directors protocol
2. **The approach**
Note receipt of a *[takeover notice]* OR *[proposal]*
3. **Directors' duties**
Note directors' duties, including in particular:
 - (a) the prohibition on defensive tactics
 - (b) Rule 64 (no misleading and deceptive conduct) obligations
4. **Delegation of powers**
Delegate authority to a Board sub-committee to act on behalf of the Board in respect of the *[takeover notice]* OR *[proposal]*
5. **Appointment of advisers**
 - (a) Approve appointment of financial adviser and legal counsel
 - (b) Approve / consider appointment of independent adviser
 - (c) Approve formation of takeover working group

2. Agenda for takeover working group

Takeover working group meeting

Date of meeting: [insert date]

Attendees: [•], (Chapman Tripp) (Cybertec Technologies Limited)

1. Details of the [takeover notice] OR [proposal]

- (a) Identity of the offeror
- (b) Nature of the [offer] OR [proposal]
- (c) Key terms of the [offer] OR [proposal] – including conditions and any unusual terms
- (d) Whether due diligence or other access to information has been requested and, if so, the relevant timetable
- (e) Has exclusivity and/or a break fee been requested?

2. Analysis of the [offer] OR [proposal]

- (a) Initial views on the [offer] OR [proposal] and response strategy
- (b) Comparison to approximate valuation
- (c) Analysis of share register
- (d) Likelihood of obtaining any required regulatory approvals
- (e) Extent of pre-existing stake (if any)
- (f) Whether any lock-ups have been obtained
- (g) Offeror funding
- (h) Other issues

3. Analysis of the offeror

- (a) Activities
- (b) Financial position
- (c) Strengths and weaknesses
- (d) Historical bidding strategy

4. Market reaction (if relevant)

- (a) Sharemarket
- (b) Media

5. Timetable

- (a) Prescribed by Takeovers Code (if relevant)
- (b) OIO and other regulatory timing implications (if relevant)

6. Bid response

- (a) Overall objective
- (b) Media strategy (if relevant)
- (c) Shareholder strategy (if relevant)
- (d) Alternative offeror strategy
- (e) Market strategy (if relevant)

(f) Other alternatives

7. Initiate contact with offeror and its advisers

8. Next steps

- (a) [Update business plan]
- (b) Update valuation model
- (c) Make recommendation to the Board sub-committee
- (d) Prepare draft response to offeror
- (e) [Other – e.g. drafting confidentiality agreement, regulatory analysis]

3. Agenda for first Board sub-committee meeting

Board of Directors

Date of meeting: *[insert date]*

Attendees: [●], [●], [●], [●], [●] (Directors)

1. Process

Process
Review makeup, responsibilities and operation of the various response workstreams

2. The approach

- The approach**
- (a) Report on initial conversation with offeror and any further contact
 - (b) Report on **[bid]** OR **[proposal]** terms
 - (c) Report on any other background information

3. Consider the approach

Consider the approach
Receive initial report from takeover working group on:

- (a) commercial logic/fit/synergies
- (b) strengths and weaknesses of offeror
- (c) offeror's ability to finance an offer/financial impact on offeror
- (d) likely reaction of shareholders

4. Other considerations

- Other considerations**
- (a) Consider takeover/scheme timetable
 - (b) Consider whether investigations should be made into alternatives (e.g. potential white knights/joint ventures/acquisitions)
 - (c) **[Report on OIO position and any other regulatory issues]**

5. Response

Response
Consider recommendations of takeover working group in relation to response strategy

6. Communication

- Communication**
- (a) Report on communications, lobbying and management of the press
 - (b) Note text of press releases and announcements (if relevant)
 - (c) Approve press releases and announcements (if relevant)

7. Next steps

- Next Steps**
- (a) Issue the press releases and announcements (if relevant)
 - (b) Appoint independent adviser
 - (c) Seek Takeovers Panel's approval of independent adviser
 - (d) Communication with market/shareholder/regulatory bodies (if relevant).

Appendix C: Draft “Interested Director” Protocol

This memorandum is with respect to the proposed protocol for the board of directors of Locate (the “Board”) to address potential conflicts of interest in connection with the proposed acquisition of Locate by the Offeror (the “Offer”). The Board has various obligations (including both disclosure and confidentiality obligations) under the Companies Act and the NZX Main Board Listing Rules.

Proposed approaches

1. The Board will consider the proposed protocol in light of the Board’s obligations under the Companies Act and the NZX Main Board Listing Rules, and the potential for conflicts of interest.
2. The Board will consider the proposed protocol in light of the Board’s obligations under the Companies Act and the NZX Main Board Listing Rules, and the potential for conflicts of interest.
3. The non-interested directors, after consulting Locate’s legal adviser (if required), will:
 - 3.1 confirm whether that director should be regarded as interested, and
 - 3.2 take such steps as they shall deem reasonable to prevent (or minimise) any prejudice to Locate and its shareholders.
4. Any interested director shall be obliged to disclose the nature of the interest to the Board as soon as practicable.
5. Any interested director will be prohibited from participating in the decision-making process in relation to the proposed acquisition.
6. The Board will consider the proposed protocol in light of the Board’s obligations under the Companies Act and the NZX Main Board Listing Rules, and the potential for conflicts of interest.
7. The Board will consider the proposed protocol in light of the Board’s obligations under the Companies Act and the NZX Main Board Listing Rules, and the potential for conflicts of interest.

Are Locate directors with significant shareholdings interested directors?

The following circumstances could, however, lead to a conflict:

- the director (or a shareholder he or she represents) negotiating or entering into a pre-bid agreement with an offeror; or
- the director entering into a transaction with the offeror in capacity with the offeror (such as an agreement that the particular

Board of Directors of Locate is not to be bound by the terms of the proposed acquisition. The Board of Directors of Locate is not to be bound by the terms of the proposed acquisition. The Board of Directors of Locate is not to be bound by the terms of the proposed acquisition.

RULE 12A CLASS NOTICE

- Preferred shares (the Shares) which have the rights and restrictions set out in Locate's constitution (a copy of which can be [found on our corporate governance page](#));
- Plain listed performance share rights/options (Rights/Options) which are subject to Locate's current [Employee Share Option

Appendix A Performance Rights/Options] NZX Limited, New Zealand Exchange

Rights/Options are the following [Right attached] under the Employee Share Option Plan] (Scheme). The material terms of the

[illegible]

