

4 November 2019

Spark New Zealand Ltd (SPK)

The company will hold its Annual Shareholders Meeting **10.00am Thursday 7 November 2019**.

The location is the **Spark City Conference Centre, Level 2, 167 Victoria Street West, Auckland**.

You can also join the meeting at <https://virtualmeeting.co.nz/agm/spark2019/register>

Spark has morphed from a simple telecommunications company into a provider of a wide range of services and in 2019 added Spark Sport bringing the World Rugby Cup and a host of other sports to the full suite of devices. In October the company announced a deal with NZ Cricket to cover the game for 6 years from 2020.

It has 2.51 million mobile and 695,000 broad band connections.

Revenue for FY19 was flat at \$3.53 billion, EBITDAI was up 11.1% at \$1.09 billion and Net Earnings were up 12% at \$409 million. Dividend was unchanged at 25 cents per share and the share are trading at \$4.43 up 10.79% over the past year.

Board Composition.

The Board comprises an Independent Chair, 6 Independent Directors and the Managing Director, 4 females and 4 males. Two of the Directors have executive backgrounds in the industry whilst the others have a wide range of appropriate skill sets.

The Association does not favour the CEO also being a Director as this runs counter to the principle that the governance and management roles should be separate. The CEO should report to the Board not be a first amongst equals. We note that 76% of the NZX Top 50 companies do not appoint the CEO to the Board

We have discussed this situation with the company. They have assured us that their governance processes including the Board spending time without the CEO being present are appropriate to accommodate the situation.

Resolutions.

- 1. That the Board is authorised to fix the auditor's remuneration for the coming year.**

This is an administrative resolution.

We will vote undirected proxies **IN FAVOUR** of this resolution.

2. To re-elect Justine Smyth as an Independent Director.

Justine Smyth was appointed to the Board in December 2011 and appointed Chair in 2017. She was formerly a Partner with Deloitte and Group Finance Director at Lion Nathan. She is currently a director of Auckland International Airport Limited, Pushpay Holdings Limited and Chair of The Breast Cancer Foundation New Zealand. Former governance roles include being a board member of the Financial Markets Authority and Deputy Chair of New Zealand Post Limited. She has a Bachelor of Commerce from the University of Auckland and is a Fellow of Chartered Accountants Australia and New Zealand and a Chartered Fellow of the Institute of Directors.

We note that if she is re-elected, she will have served on the Board for 11 years at the end of that term. In some jurisdictions both an Independent Director and the Board are required to justify their independence after serving 9 years and this is subject to a separate vote. This is to ensure Board renewal and refreshment. We would expect the Board to have a succession plan in place prior to the expiry of her next 3-year term.

We will vote undirected proxies **IN FAVOUR** of this resolution.

3. To elect Warwick Bray as an Independent Director.

Warwick Bray was appointed to the Board in September 2019 and therefore required to offer himself for election. He was Chief Financial Officer at Telstra Australia until 2018, with previous roles at Telstra over a nine-year period including Group Managing Director Product, Executive Director Mobile and Head of Corporate Strategy. Earlier in his career, he was a managing director at JP Morgan (London) and Dresdner Kleinwort Wasserstein (London) in telecommunications equity research. He also worked at McKinsey in Europe, advising telecommunications companies on strategy, regulation and operational improvement, and as a network system engineer at Hewlett Packard. He has served on the GSMA strategy committee, the boards of Hong Kong mobile business CSL and Australian pay TV operator Foxtel and as Chairman of the Australian Mobile Telecommunications Association. He holds a Bachelor of Science (Hons) and a Master's in Business Administration from the University of Melbourne.

We will vote undirected proxies **IN FAVOUR** of this resolution.

4. To elect Jolie Hodson as a Non-Independent Executive Director.

Jolie Hodson was appointed Chief Executive Officer 1 July 2019 and appointed to the the Board in September 2019 so is therefore required to offer herself for election. Prior to being appointed CEO she was Spark's Customer Director. She joined Spark in 2013 as CFO before becoming CEO Spark Digital in October 2016. Prior to this, she worked for 12 years with the Lion Group and Deloitte in a range of senior finance roles. She has a Bachelor of Commerce from the University of Auckland.

We will vote undirected proxies **IN FAVOUR** of this resolution.

5. To amend the Constitution to comply with the new NZX Listing Rules.

The NZX Listing Rules were amended as at 1st January 2019. This resolution seeks shareholder approval to amend the current Constitution to comply with the new Rules. The details are set out in the Notice of Meeting.

We will vote undirected proxies **IN FAVOUR** of this resolution

Proxies

You can vote online or appoint a proxy at <http://vote.linkmarketservices.com/SPK/>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **10.00am Tuesday 5 November 2019**

Please note you can appoint the Association as your proxy. We will have a representative at the meeting.

STANDING PROXIES - AUTOMATICALLY APPOINT NZSA AS YOUR PROXY FOR SOME OR ALL OF YOUR HOLDINGS WITHOUT HAVING TO FILL IN NEW FORMS EVERY TIME. MAKE YOUR VOTE COUNT!

DETAILS ARE ON THE NZSA WEBSITE,

<http://www.nzshareholders.co.nz/shareholders-standing-proxies.cfm>

The Team at NZSA