

**Minutes of the 2018 Annual Meeting of Shareholders of
Spark New Zealand Limited ("Spark")**

Date:	2 November 2018
Time:	10.00am
Venue:	Spark City Conference Centre, Level 2, 167 Victoria Street West, Auckland, online via the Virtual Annual Meeting portal at virtualmeeting.co.nz/spark2018 and by telephone from New Zealand by dialling 0800 448 986 or Australia by dialling 1800 572 288
Number of shareholders in attendance:	Physical: 97 voting attendees, 117 total attendees Online: 2 voting attendees, 50 total attendees
Apologies:	None

Preliminary

The Chair, Ms Justine Smyth:

- thanked shareholders for their attendance and declared the meeting open;
- noted Spark's decision to return to the Spark premises for this year's Annual Meeting as last year's trial of moving to an external venue was more costly and did not improve attendance;
- noted spark's decision to again hold a hybrid physical and virtual Annual Meeting and the right of all shareholders to attend either in person, online or via telephone;
- outlined the meeting agenda;
- introduced Simon Moutter, the Managing Director ("**MD**"), the directors and the Chief Financial Officer and noted the presence of Spark's auditors and lawyers and its 'Future Director' Nagaja Sanatkumar;
- advised that the Company Secretary had confirmed the notice of meeting had been duly sent to all shareholders and other persons entitled to receive it;
- confirmed that the quorum required for the meeting (of at least two shareholders) was met;
- reported that proxies had been received in respect of approximately 1.2 billion shares, representing over 66% of the total number of shares, the highest number of proxies received to date;
- noted that the Chair and all other directors would vote proxies for which they had been given discretion, in favour of all four of the resolutions brought to the meeting; and
- noted that the financial statements for the 12 month period to 30 June 2018, together with the auditors' report, are set out in Spark's annual report, which was made available on Spark's website on 21 August 2018 and subsequently sent to shareholders who elected to receive a hard copy.

Chair's Address

On behalf of the Board, leadership and people of Spark, the Chair noted that it was her pleasure to report on Spark's progress over the year and to talk about the strategic direction over the next three years.

The Chair noted that it was her first Annual Meeting as Chair and stated her pride in holding the position. She recognised the importance of Spark products and services to all New Zealanders, the responsibility that this brings, and Spark's determination to live up to the expectations of its shareholders to do the right thing.

In her review of FY18, the Chair focused on two big trends affecting the business: the insatiable demand for Spark services; and customers expecting more for less, putting continuing pressure on margins. The Chair illustrated this by discussing the material increase to data consumption which resulted in only a 1% revenue increase and reminded shareholders about the decline in legacy businesses meaning Spark had to make up more than \$80 million of operating earnings before achieving any growth. With that context, the Chair noted that FY18 was a solid performance for Spark with Spark being the only mobile operator to grow mobile revenues, connections and ARPU in FY18.

The Chair reaffirmed the earnings and guidance for FY19.

The Chair discussed the move to Agile, the change from a hierarchical structure to smaller, self-managing teams and the 'minimum viable product' approach to bringing products to market. She then spoke to the three big reasons for the transformation. Firstly, the changes in the technology industry requiring faster delivery of products and services to market. With an Agile structure, Spark has already seen a marked improvement in delivery times. Secondly, success is being increasingly defined by the quality of the digital customer experience. With the Agile approach products come to market early and it is the customer's feedback that shapes any improvements, and finally, it has become clear that traditional management models need to evolve for the future. Agile teams work towards a central purpose allowing team members to clearly see how they are contributing to that purpose. These changes have already led to a nine-point increase in Spark's employee net promoter score since September 2017, despite the disruption caused by the Agile transformation itself.

The Chair introduced Spark's refreshed "Plan on a Page" and explained that the new purpose "to help all New Zealanders win big in a digital world" was carefully and deliberately chosen as no New Zealander should be left behind in the digital world. The Chair then discussed Spark's five three-year goals, and the strategies, foundations and values that underpin those goals. The Chair touched on how Spark's values drive the focus on diversity and inclusion and made a personal commitment to drive the normalisation of gender balance on New Zealand Boards.

The Chair ended by committing to the long-term growth of shareholder investment and to running a successful and sustainable business.

MD's Review

The MD welcomed shareholders, thanked the Chair and signalled that he would be speaking about two crucial enablers of Spark's future success: the opportunity offered by 5G; and the ground-breaking work Spark is doing in digitisation, automation and artificial intelligence.

He spoke of the transformational nature of the move to 5G and how its deployment will be critical to ensuring that New Zealand's infrastructure and economy keeps up with the rest of the world.

He discussed Spark's planning for 5G, how Spark sees 5G as an evolution of the company's existing 4G and 4.5G services, and Spark's prediction that by 2020-21 it will be far more logical to invest in 5G, which will provide additional capacity at a lower cost, than further expanding the 4G networks.

The MD observed that Spark is already making decisions that are contingent on securing 5G spectrum in the absence of clear policy on what spectrum will be available, or in what bands. He encouraged the Government to make clear policy decisions on spectrum available for 5G services in New Zealand so that the country would not be left behind. He noted Minister Faafoi's recent comments that the allocation of spectrum being on track for 2020, but emphasised how important adhering to that timeline is.

The MD then discussed the lack of innovation in the fibre markets which is the result of poor policy setting and said that we could not afford to make the same policy mistakes for 5G. He said that wholesale prices for fibre are too high with poor retail margin, and warned that prices would continue to increase each year from now.

The MD went on to address some recent media discussion on New Zealand's stance towards Chinese technology companies such as Huawei when it comes to building 5G networks. The MD identified Huawei as a current Spark partner who provides technology for the business' mobile networks, in particular the Radio Access Network or RAN. The MD stated that Spark had found Huawei to be a very good RAN provider and based on their track record with the company, could see no reason why Spark would not consider inviting them into the 5G tendering process. In particular the MD expressed a desire that the New Zealand Government not preclude them from being considered without incontrovertible evidence that their technology presents security risks that the security management tools that Spark employs cannot mitigate.

The MD expressed confidence that our mobile networks are world class, but cautioned that any government decisions that restrict the ability of mobile operators to make their own technology choices may delay the delivery of 5G to New Zealanders. The MD moved on to discuss the way that like 5G, digitisation, automation and artificial intelligence will also allow Spark to transform customer experience.

The MD identified a programme of work that has analysed customer journeys and redesigned each journey for the digital channel. This redesign has reduced calls into the service centres, increased use of self-service channels and increased the Spark Net Promoter Scores. The MD also discussed the use of virtual assistants or chatbots to assist the business' customer service teams to answer more basic enquiries freeing up real people to deal with complex customer problems. The MD then introduced shareholders to some of the Spark 'bots' or artificial intelligence applications and discussed their success stories and the speed with which they have been deployed into the market.

The MD expressed pride that Spark is now a New Zealand leader in artificial intelligence and in the number of dedicated people that Spark has working in this space, but acknowledged that the rise of artificial intelligence does mean that some jobs will disappear from the New Zealand labour market. The MD acknowledged Spark's responsibility and that of other New Zealand organisations to give employees an opportunity to upskill (and provided two examples of Spark staff who have done just that) and to engage with Government and other large businesses to think about how this change is managed so that no New Zealanders are left behind.

The MD concluded his review by saying that after a big year of change, Spark is looking at how the business can use the competitive advantage it has from the Agile model and its world class technology to continue Spark's growth trajectory and build new technology to embrace the digital world and all it has to offer.

Resolutions

The Chair then moved to formal business. She explained the process for asking questions, from the floor, telephone and online platform. The Chair addressed each of the resolutions, declared that a poll on each resolution would be conducted at the end of formal business and explained the process for voting by using the voting cards, Mobile App, telephone and online platform. The Chair explained that all four resolutions were to be considered as ordinary resolutions.

Resolution 1: That the directors of Spark are authorised to fix the auditor's remuneration.

The Chair explained the procedure for reappointment of auditors and clarified the date of KPMG's first appointment and Spark's auditor rotation policy. She outlined the statutory audit fees for FY18 and confirmed Spark NZ's statutory audit fees for FY19.

The Chair put the resolution, that the directors of Spark be authorised to fix the auditors' remuneration, to the meeting. There were no matters for discussion or questions raised.

Resolution 2: That Ms Alison Barrass is re-elected as a director of Spark.

The Chair advised that Ms Alison Barrass was retiring by rotation and seeking re-election and that the Board unanimously supported the re-election of Ms Alison Barrass. The Chair invited Ms Alison Barrass to address the meeting.

Ms Alison Barrass spoke about her experience in global FMCG companies, her focus on Net Promoter Scores as a key KPI for Spark, her ability to leverage her experience in running large scale operational businesses to drive Spark's health and safety strategy and the support she offers Spark management through her chairmanship of the HRCC.

The Chair put the resolution to the meeting.

Question from the floor

A shareholder asked about customer service for the aged members of the New Zealand population.

Resolution 3: That Mr Ido Leffler is re-elected as a director of Spark.

The Chair advised that Mr Ido Leffler was retiring by rotation and seeking re-election, and that the Board unanimously supported the re-election of Mr Ido Leffler. The Chair invited Mr Ido Leffler to address the meeting.

Mr Ido Leffler spoke about his personal telecommunications journey starting as an immigrant recording tapes for his grandparents on the other side of the world, to today, when his grandmother interacts with her great grandchildren by video call. He discussed the Spark rebranding, today's marketing campaigns and the awards the business has recently won.

The Chair put the resolution to the meeting. There were no matters for discussion or questions raised.

Resolution 4: That Ms Pip Greenwood is elected as a director of Spark.

The Chair advised that Ms Pip Greenwood, who has been appointed to the Board since the 2017 Annual Meeting, was retiring and seeking election, and that the Board unanimously supported the election of Ms Pip Greenwood. The Chair invited Ms Pip Greenwood to address the meeting.

Before Ms Pip Greenwood began her prepared speech, she addressed the first shareholder question. She noted that in her short time on the Board she had been very impressed with the Board's focus on customer service and identified innovations being rolled out which are designed to further enhance those services.

In her prepared speech Ms Pip Greenwood highlighted her governance experience and her general commercial and legal experience focusing in particular on her role advising Spark for over 10 years until her appointment to the Spark Board.

The Chair put the resolution to the meeting.

Question from the floor

A shareholder asked how the risk management functions at Spark address the challenges of moving into new business areas, such as streaming the Rugby World Cup.

Shareholder Discussion

The Chair invited general questions from shareholders. There were no questions from the online platform, one question from the phone and several questions/comments raised from the floor.

Matters raised by shareholders included:

- Sparks policy around the employment of foreign nationals.
- Live streaming of newly acquired sports content.
- Customer challenges with fixed networking services where there are typically three parties involved, the retailer, Spark and the wholesaler, being Chorus, Enable Fibre or Ultrafast Fibre.
- Availability of the Annual Meeting slide presentation online.
- Customer invoicing practices and the possibility of a discount for early payment rather than a penalty for late payment.
- Available broadband speed and the fibre contracts structured by Crown Infrastructure Partners.
- Spam emails and cyber security.
- Certain line items in the FY18 Financial Statements and upcoming changes to accounting standards.
- Pricing of broadband packages.
- Availability of a power pack for or battery back up for wireless home lines to address loss of connection during a power cut.
- Issues encountered with fibre network installation by wholesalers.
- Performance issues encountered with the move from copper to wireless.

Polls

The Chair thanked all for their attendance and announced that the results of the polls would be publicly available following the close of the meeting.

The meeting (except for the vote counting and scrutineering) finished at approximately 11.45am.

The results of the polls were announced to the Stock Exchanges later that day. All resolutions were passed.

Details of the total number of votes cast in person or by a proxy holder on a poll were:

Resolution	For	Against	Abstain
1. Fix auditor's remuneration	1,210,407,786 (99.61%)	4,792,215 (0.39%)	1,160,048
2. Re-election of Alison Barrass	1,213,314,061 (99.85%)	1,810,403 (0.15%)	1,235,585
3. Re-election of Ido Leffler	1,213,070,554 (99.84%)	1,912,555 (0.16%)	1,376,940
4. Election of Pip Greenwood	1,105,054,091 (90.95%)	109,959,663 (9.05%)	1,346,295

Details of the manner in which shareholders directed their proxies to vote at proxy close (and included above) were:

	For	Against	Discretionary proxies	Abstain
1. Fix auditor's remuneration	1,203,646,614	4,675,908	3,232,478	1,157,738
2. Re-election of Alison Barrass	1,206,539,878	1,681,058	3,256,217	1,235,585
3. Re-election of Ido Leffler	1,206,280,671	1,779,621	3,278,150	1,374,296
4. Election of Pip Greenwood	1,098,167,722	109,837,007	3,361,714	1,346,295

Confirmed as a correct record.



Ms J Smyth – Chair of the Meeting
Dated: 19 November 2018