
6.2 Statutory quorums

The Kudelski SA Articles of Incorporation do not provide for any statutory quorums.

6.3 Calling together of the General Meeting of Shareholders

The statutory rules on the convening of the General Meeting of Shareholders do not differ from applicable legal provisions. The General Meeting of Shareholders is convened at least 20 days before the date of the meeting. The convocation is published in the Swiss Official Gazette of Commerce.

6.4 Agenda

Items on the agenda are published in the convocation. Regarding rules for adding items to the agenda of the General Meeting of Shareholders, the Kudelski SA Articles of Incorporation do not contain provisions that differ from the Code of Obligations, namely Art. 699 CO, "Shareholders who represent shares totaling a nominal value of CHF one million (*) may require the addition of an item on the agenda. The convocation and the addition of an item on the agenda must be required in writing and indicate the topics for discussion and the propositions".

(*) This represents 0.2% of the capital of Kudelski SA.

6.5 Inscription into the share register

Kudelski SA shares that can be traded on the SWX Swiss Stock Exchange are bearer shares; therefore no share register exists.

7. Changes of control and defense measures

7.1 Duty to make an offer

Kudelski SA has no provision on opting out or opting up in its Articles of Incorporation. Thus the provisions regarding the threshold of 33 1/3% of the voting rights for making a public takeover offer set out in Article 32 of the Stock Exchange Act are applicable.

7.2 Clauses on changes of control

No such clauses exist.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

The auditors of Kudelski SA are PricewaterhouseCoopers SA. Some affiliated companies of the Group are audited by other auditors. The auditors were reappointed for a statutory period of one year by the General Meeting of Shareholders of Kudelski SA on May 2, 2006.

The mandate of PricewaterhouseCoopers SA began in 1985 and has been under the responsibility of Mr. Felix Roth since January 1, 2003.

8.2 Auditing fees

The Kudelski Group paid the sum of CHF 880 948 to PricewaterhouseCoopers for auditing services for the year 2006.

Auditing services are understood to mean the work required each year to examine the consolidated accounts of the Group and its subsidiaries and to prepare the reports required under the laws of each particular country, performed by PricewaterhouseCoopers. In addition, some audit assignments were placed with other auditors.

8.3 Additional fees

The Kudelski Group paid the sum of CHF 291 136 to PricewaterhouseCoopers for additional services for the year 2006.

Additional services mean in particular services such as the auditing of punctual transactions, the implementation of new or modified accounting methods and other services such as advice offered before mergers, acquisitions and sales of companies. They also include services relating to the monitoring of international laws on corporations as well as advice concerning tax and risk management.