
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.

8.4 Monitoring and control instruments pertaining to the audit

The objective of the Audit Committee of the Board of Directors is to provide effective and regular supervision of the financial reporting processes of the company in order to ensure their integrity, transparency and quality. To this end, and under its terms of reference, it is responsible for monitoring the work of the external auditors.

Representatives from the Group's external audit firm, including the partner in charge of the Group's audit, are regularly invited to take part in the meetings of the Audit Committee as external participants.

For more information on the Audit Committee, please refer to points 3.5.2 and 3.5.3 of this report.

9. Information policy

The Kudelski Group keeps investors regularly informed of the following developments:

- progress of business, major new contracts;
- changes occurring in the management of the Group;
- acquisitions or sales of companies;
- half-yearly and annual financial results.

Press releases are issued in compliance with the rules in force on the Swiss Stock Exchange concerning factual publicity and are available on the Group's website simultaneously with their publication. Information and a link on the home page of the site allow direct access to news. The Group communicates as often as necessary in this manner. The press releases are generally published in French and in English. In certain specific cases a German version is likewise provided. They are available in these different languages on the website.

Persons who would like to receive the Kudelski Group press releases are invited to subscribe on-line to a mailing list, using a form published on the Kudelski website.

Information relating to each company of the Group is published independently by that company in accordance with the publishing regulations of the Swiss Stock Exchange. All press releases from the Kudelski Group sister companies are distributed to the Group corporate distribution list.

The financial results are presented to investors and financial analysts in a press conference held twice a year. The persons invited are also able to follow the conference by telephone.

The Group's website is a permanently updated source of information. The Investor Relations section contains in particular a list of the principal dates of the institutional calendar (publication of results, General Meeting and presence in the main tradeshow) as well as the main publications of the Group (annual report, half-year report).

Internet links

Kudelski corporate website
www.nagra.com

Investor Relations
www.nagra.com/investor.php

Key dates
www.nagra.com/investorCalendar.php

Financial documentation
www.nagra.com/investorDoc.php

Press releases
www.nagra.com/press.php

E-mail addresses

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Media relations
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