

**RAKON LIMITED**  
**MINUTES OF THE ANNUAL MEETING**  
**HELD ON FRIDAY 1 SEPTEMBER, 2006 AT 2 PM**  
**AT ELLERSLIE EVENTS CENTRE,**  
**80-100 ASCOT ROAD, GREEN LANE, AUCKLAND**

**1. PRESENT:**

Mr. B Mogridge (BM) Chairman  
Mr. B Irvine (BI) Director  
Mr. W Robinson (WR) Director  
Mr. B Robinson (BR) Managing Director  
Mr. D Robinson (DR) Director  
Mr. P Maire (PM) Director

**IN ATTENDANCE:**

Mr. G Leaming (GL) CFO, Company Secretary

**2. INTRODUCTION:**

The Chairman opened the meeting, welcoming shareholders, noting that the meeting was properly convened, notice of meeting duly given and that a quorum was present.

The Chairman introduced the Directors and CFO/ Company Secretary to the shareholders, then invited each of the Directors to address the meeting. Each of the directors duly gave a brief speech on their background and the nature of their role with Rakon.

The Chairman called for apologies – none were received.

**3. MINUTES OF PREVIOUS MEETING:**

The Chairman noted that the minutes of the previous Annual Meeting were confirmed and signed as a true and correct record at the Directors Meeting that followed the Annual Meeting. The Chairman noted a copy of these minutes was available for inspection by shareholders if required.

**4. ANNUAL REPORT & FINANCIAL STATEMENTS**

The Chairman confirmed the Annual Report was mailed to shareholders on 29 June and noted it would be taken as read.

The Chairman addressed the Meeting, commenting in the financial results for the March 2006 year and reviewing the results of trading for the first 5 months of the March 2007 year. The Chairman noted YTD demand was strong and the exchange rate favourable but cautioned reading too much into the upcoming Mid-Year result as it is too early to ascertain demand for the second half of the March 2007 year. He also noted the Board

---

expected full year March 2007 EBIT to exceed Prospectus Forecast by almost NZ\$3million due to the impact of a favourable FX position secured by the company.

The Chairman provided further background on the Company's products, markets, personnel and quality. The Chairman concluded his address by noting the contribution to the company of the founder, Warren Robinson and the founder's sons, Brent & Darren Robinson and his wife Marjorie Robinson.

A brief video presentation explaining the workings of GPS and Rakon's manufacturing process was shown.

The Managing Director addressed the Meeting, also commenting in the financial results for the March 2006 year attributing the improvement over the prior year to higher sales volume, material cost reductions and improved manufacturing performance. The Managing Director noted that demand for the March 2007 YTD was strong, pricing was at expected levels and forecast reductions in material cost were on track. He also noted the strong working capital position of the Company and that capital investment programs were on track, with consideration being given to acceleration in some areas.

The Managing Director commented on the strengthened market position of the Company via newly established office in Taiwan and the UK and the attractive growth predictions for GPS products. He noted the development of Rakon's GPS RF Receiver and development of smaller TCXOs to capitalise on the market growth predicted. He further noted the importance Rakon's innovation, specifications and testing equipment play in delivering high quality products.

The Managing Director highlighted the excellent relationships with high quality off shore sub contract assemblers and that the Board was exploring opportunities to further balance manufacturing capability in NZ and offshore. The Managing Director concluded his address by noting the growth the company has achieved as measured by personnel and the quality and size of the engineering and marketing teams at Rakon.

## **5. ELECTION OF DIRECTORS:**

The Chairman confirmed that no notice of nomination of any other person for the position of director had been received and that in accordance with the NZX Listing Rules Warren Robinson and Darren Robinson retired by rotation but being eligible offered themselves for re-election.

The Chairman advised 79,753,965 directed and discretionary proxies would be voted in favour of the re-election of Warren Robinson and 1,000 proxies against.

The Chairman moved that Warren Robinson be re-elected as a director of Rakon. A shareholder from the floor seconded the motion. No questions were received from shareholders with respect to the motion.

The Chairman called for a show of hands. There were no dissenting

---

shareholders. The Chairman declared the motion to re-elect Warren Robinson carried.

The Chairman advised 79,753,965 directed and discretionary proxies would be voted in favour of the re-election of Darren Robinson and 1,000 proxies against.

The Chairman moved that Darren Robinson be re-elected as a director of Rakon. A shareholder from the floor seconded the motion. No questions were received from shareholders with respect to the motion.

The Chairman called for a show of hands. There were no dissenting shareholders. The Chairman declared the motion to re-elect Darren Robinson carried.

#### **6. APPOINTMENT OF AUDITORS:**

The Chairman noted that pursuant to section 200 of the Companies Act 1993, PricewaterhouseCoopers were automatically reappointed as auditors for the ensuing year. The Chairman explained that the proposed resolution was required to authorise the Directors to fix the auditors remuneration pursuant to section 197(a) of the Companies Act 1993.

The Chairman advised 79,713,965 directed and discretionary proxies would be voted in favour of the resolution and 3,000 proxies against.

The Chairman moved that the Directors be authorised to fix the auditors remuneration pursuant to section 197(a) of the Companies Act 1993. A shareholder from the floor seconded the motion. No questions were received from shareholders with respect to the motion.

The Chairman called for a show of hands. There were no dissenting shareholders. The Chairman declared the motion carried.

#### **7. GENERAL BUSINESS:**

The Chairman called for shareholders to raise any other matters. None were raised.

#### **8. CLOSURE:**

There being no further business the meeting closed at 2.40 pm.

Signed as true & correct record.



.....  
Chairman