



**MINUTES OF THE SPECIAL SHAREHOLDERS MEETING
HELD ON FRIDAY 6 SEPTEMBER 2013 AT 4.00PM
AT THE GUINEAS ROOM 1, 3RD FLOOR OF THE ELLERSLIE STAND
ELLERSLIE EVENT CENTRE, REMUERA, AUCKLAND**

Present:

Mr. B Mogridge	Independent Chairman
Mr. H Hunt	Independent Director
Mr. B Irvine	Independent Director
Sir P Maire	Director
Mr. B Robinson	CEO & Managing Director
Mr. D Robinson	Director
Mr. W Robinson	Director
Mr. P Springford	Independent Director

Apologies:

None

In Attendance

Mr. S Bosley	Chief Financial Officer
--------------	-------------------------

Introduction:

The Chairman opened the meeting at 4:00pm, welcoming shareholders, noting that the meeting was properly convened, and that notice of the meeting had been duly given and that a quorum was present. The Chairman advised that the Notice of Meeting contained the business to be dealt with in the meeting and that would be the agenda to be followed. The Chairman explained the voting process for shareholder and/or proxy holders, as well as advising shareholders that there will be opportunities to address the Board with questions during the meeting. Further, the Chairman confirmed that voting on resolutions would be by a poll rather than by a show of hands and that the auditors (PricewaterhouseCoopers) were on hand to audit the counting of votes.

ECEC Transaction - Equity Sale of Rakon Crystal Chengdu:

The Chairman advised that there was one item on the agenda and put forward the business as being to consider and vote on the ECEC transaction. The Chairman confirmed that the Notice of Meeting was sent out to all shareholders on 21 August 2013 and comprises of Schedule 1 (the resolution to be considered) and Schedule 2 (the Explanatory Memorandum - details of, and the rationale for, the ECEC Transaction. An Independent Report from Grant Samuel on the merits of the ECEC Transaction is set out as the appendix to the Explanatory Memorandum).

The Chairman commented that the independent report as prepared by Grant Samuel provides a clear evaluation on the proposed transaction which shareholders would be voting on today. The Chairman also noted that the report highlighted the advantages and disadvantages of the transaction and that it should be taken as read.

➤ ECEC Transaction

To approve, for the purposes of NZSX Listing Rule 9.1.1, the sale, by Rakon HK Limited (a subsidiary of Rakon Limited), of an 80% equity interest in the registered capital of Rakon Crystal (Chengdu) Company Limited (the ECEC Transaction), as more particularly described in the Notice of Special Shareholders Meeting, and that the directors of Rakon Limited be authorised to take all actions, do all things and execute all necessary documents and agreements necessary or considered by them to be expedient to give effect to the ECEC Transaction

➤ Proxies

The Chairman advised that 476 shareholders holding 77,095,872 shares were represented by proxies.

➤ Ordinary Resolution

The Chairman advised that voting is to be undertaken by a poll. Voting papers will be collected before the end of the meeting. The Chairman moved a motion that the ECEC Transaction be considered and voted on. A shareholder from the floor seconded the motion. The Chairman asked that before the voting took place as to whether there were any questions relating to the ECEC Transaction.

Shareholder # 1:

Shareholder 1 raised the question, as to why Rakon had sought an NZX waiver on the proposed transaction, which the NZX had later declined. The Chairman confirmed that as the transaction represented greater than 50% of Rakon's market capitalization, under the NZX Listing rules, approval is required by an ordinary resolution of shareholders. The Chairman noted that the transaction is not considered a major transaction as defined for the purposes of the Companies Act and that the Board had sought a waiver as it thought delays could compromise the deal being completed due to its complexity. When applying for the waiver it was also uncertain as to whether a Special Shareholders meeting could be convened at such short notice, given the preparation time including the requirement for an independent report.

Shareholder # 2 (Mr Craig Priscott from the Shareholders Association):

Mr Priscott confirmed that the Shareholders Association would be voting in favour of the resolution.

With no further discussion, the Chairman put the motion to the meeting, by asking shareholders to mark their voting paper clearly indicating how they wish to vote.

Closure:

Prior to the closing of the meeting The Chairman confirmed the results of the voting on the resolution put forward. Refer to the NZX announcement ('Rakon 2013 Special Shareholders Meeting Voting Results') for the full details relating to the voting results. The Chairman then declared the special shareholders meeting closed at 4:25pm.

Signed as true and correct record

.....
Chairman