

This document contains a true translation in English of the report in Italian “VERBALE DI ASSEMBLEA ORDINARIA IN PRIMA CONVOCAZIONE DI TESMEC S.P.A. - MILANO, 26 APRILE 2012”.

However, for information about Tesmec S.p.A. reference should be made exclusively to the original report in Italian. The Italian version of the “VERBALE DI ASSEMBLEA ORDINARIA IN PRIMA CONVOCAZIONE DI TESMEC S.P.A. - MILANO, 26 APRILE 2012” shall prevail upon the English version.

**Tesmec S.p.A.**

Registered office in Milan, Piazza S. Ambrogio 16.

Subscribed and paid-up share capital Euro 10,708,400

Tax code and registration number at the Milan Register of companies 10227100152 REA 1360673

**MINUTES OF THE ORDINARY SHAREHOLDERS' MEETING**

Today, 26 April 2012 at 10.05 a.m., at Borsa Italiana S.p.A. in Palazzo Mezzanotte in Milan, Piazza Affari, 6, the ordinary shareholders' meeting of “TESMEC S.p.A.” met at first call, to deliberate on the following

**Agenda**

**Ordinary part**

1. Review and approval of the financial statements as at 31 December 2011 and relevant reports; allocation of profit or loss for the period; related and consequent resolutions.
2. Consultation on the first section of the report on remuneration pursuant to Article 123-ter paragraph 6 of Italian Legislative Decree no. 58/1998.

In compliance with Article 10 of the articles of association, Ambrogio Caccia Dominioni, Chairman of the Company, takes the chair and, with the consent of the persons attending, asks Manfredi Vianini Tolomei, who accepts, to act as secretary. The Chairman, with reference to his tasks determining whether the shareholders' meeting is duly formed and whether the shareholders are legitimised, ascertains that:

- a) the Shareholders' Meeting was regularly convened with the notice of call on 23 March 2012 on the Web site of the Company and with the other methods provided for by the regulations in force;
- b) no requests to add points to the agenda were received *ex* Article 126 of Italian Legislative Decree no. 58 of 24 February 1998 (“**Consolidated Law on Finance**”);
- c) the Company appointed Marco Cabisto as subject to whom a written proxy with voting instructions may be given *ex* Article 135-*undecies* Consolidated Law on Finance, as provided by the notice of call; it states that six proxies were assigned according to the law;

- d) with reference to today's Shareholders' Meeting, there was no request for proxies ex Article 136 Consolidated Law on Finance;
- e) one person having the right to attend the meeting used the right to ask questions before the shareholders' meeting *ex* Article 127 ter Consolidated Law on Finance;
- f) the lists of shareholders who voted against, abstained or left before voting with the relevant number of shares held will be communicated during today's meeting and reported in the minutes of the shareholders' meeting;
- g) the summary of the interventions (save the right to present a written text by the persons attending) by indicating the name of the persons attending, answers given and any comment will be reported in the minutes of the shareholders' meeting;
- h) apart from himself, the Directors Alfredo Brignoli, Gianluca Bolelli, Caterina Caccia Dominioni, Gioacchino Attanzio and Sergio Arnoldi are present for the Board of Directors, whereas the absence of the Directors Michele Milani, Luca Poggi, Guido Corbetta, Gianluca Vacchi and Leonardo Giuseppe Marseglia was justified;
- i) the Chairman Simone Cavalli and the Statutory Auditors Claudio Melegoni and Stefano Chirico are present for the Board of Auditors;
- k) the share capital subscribed and paid-up today is Euro 10,708,400.00 divided in 107,084,000 ordinary shares with a par value of Euro 0.10, and that the shares of the Company are admitted to trading on the Italian Electronic Stock Market, STAR segment, organised and managed by Borsa Italiana S.p.A.;
- j) 18 shareholders are present in person or by proxy legitimised to attend the meeting pursuant to Article 83-*sexies* of the Consolidated Law on Finance and representing 54,058,319 shares accounting for 50.48% of 107,084,000 shares representing the entire share capital;
- l) TESMEC holds 175,000 treasury shares;
- m) the list by name of the persons attending in person and/or by proxy set forth in the previous point l) complete with all data required under the regulations in force will be enclosed with these minutes *sub* A;
- n) according to the latest updated results of the shareholders' register, supplemented by the Consob communications, pursuant to Article 120 of Italian Legislative Decree no. 58 of 24 February 1998, and by other available information, the shareholders attending directly or indirectly more than 2% of the subscribed share capital represented by shares with voting rights are set below:
  - (i) TTC S.r.l., which holds:
    - directly 32,448,000 shares accounting for 30.301% of the share capital;
    - indirectly through Fi.Ind S.p.A. 13,432,400 shares accounting for 12.544% of the share capital;
  - (ii) Gianluca Vacchi who holds indirectly through 3T FINANZIARIA S.p.A. 7,973,600 shares accounting for 7.446% of the share capital;

- (iii) Leonardo Giuseppe Marseglia who holds indirectly through ITALIANA ALIMENTI S.p.A., 5,714,000 shares accounting for 5.336% of the share capital;
- (iv) Albemarle Asset Management Limited holding directly 2,250,359 shares accounting for 2,101% of the share capital;
- (v) Lazard Freres Gestion SAS holding directly 2,220,000 shares accounting for 2,073% of the share capital;
- o) the Company is not aware of the existence of shareholders' agreements provided for by Article 122 of the Consolidated Law on Finance;
- p) the compliance with the current laws and articles of association of the proxies held by the persons attending was checked and the proxies were acquired among the records of the company.

The Chairman also announces that:

- with regard to the agenda, the obligations – concerning disclosure or otherwise – provided for by the current laws and regulations in force were regularly carried out;
- the Company did not issue shares with special rights;
- the documents pertaining to the points on the agenda that will be the subject-matter of the discussion at today's shareholders' meeting are contained in the file at the disposal of the shareholders attending the meeting;
- some employees and collaborators of the Company were admitted to the shareholders' meeting to meet the technical and organisational requirements of the works;
- an audio recording system is active in the room for recording this meeting and invites the shareholders to concentrate any question at the end of the discussion, in order to better fulfil the requests for clarification. As regards the voting method, the Chairman announces that the voting will be carried out by show of hands.

Before moving on to the discussion of the agenda, the Chairman invites those present to indicate any lack of capacity to vote in accordance with the regulations in force and asks the Secretary to take note that none of the persons attending denounces impediments or states that he/she is not informed on the agenda.

The Chairman, after declaring that the meeting is regularly convened to decide, declares the session open.

On the **first point of the agenda** (*“Review and approval of the financial statements as at 31 December 2011 and relevant reports; allocation of profit or loss for the period; related and consequent resolutions.”*), the Chairman mentions that the financial statements of the Company as at 31 December 2011, together with the accompanying reports, was filed pursuant to the law with the registered office, the administrative office of Grassobio, Via Zanica n. 17 and Borsa Italiana S.p.A. 21 days before the Shareholders' meeting, at the disposal of the shareholders and that the said documents were sent to those who requested them. The

Chairman continues by mentioning that the independent auditors expressed a judgment containing no remarks and informs that the auditing of the financial statements as at 31 December 2011 (including quarterly audits) took a total of 800 hours whereas the auditing of the consolidated financial statements as at 31 December 2011 and a desk review of the financial statements of the subsidiary and associated companies took a total of 100 hours, by invoicing the Company, as established by the offer approved by the Shareholders' Meeting, a total amount of Euro 85,000 excluding VAT, expenses and Consob supervision fee. The Chairman continues by proposing to omit the full reading of the financial statements and of the related reports and offering to illustrate the most significant figures of the financial statements, and is authorised to that effect by the unanimous consent of those present.

The Chairman takes the floor again, covering the key financial and economic position data present in the annual financial statements, by underlining that the financial year just ended shows a strong increase in profitability of the group with moderate growth in revenues. The Chairman also mentions that the Company has grown within a highly instable European context. From the beginning of the year 2011, two specialised companies for the streamlining of the transmission of electrical power operating in the so-called “smart grid” sector were purchased. Today, Tesmec is able to offer services for the streamlining of the transmission of electrical power in addition to the stringing equipment. Continuing the explanation as regards the trencher segment, the Chairman reports to those present that the market is waiting for the investments to restart in the Arab countries with a subsequent positive effect on revenues in this area.

The Chairman then reads the following draft resolution:

*The Ordinary Shareholders' Meeting,*

- *after examining the financial statements of the Company as at 31 December 2011 and the report of the Board of Directors on operations;*
- *considering the Report of the Board of Statutory Auditors to the Shareholders' Meeting set forth in Article 153 of Italian Legislative Decree no. 58 of 24 February 1998;*
- *considering the Independent Auditor's Report related to the draft financial statements as at 31 December 2011;*

***decides***

- *to approve the financial statements of the Company as at 31 December 2011 as well as the Report of the Board of Directors on operations;*
- *to assign the net profit of Euro 7,513,621 for the period as follows:*
  - *allocate Euro 375,681 to legal reserve, pursuant to Article 2430 of the Italian Civil Code;*
  - *assign a dividend of Euro 0.030 to each outstanding ordinary share;*
  - *assign to the Extraordinary Reserve the amount of profit remaining after the allocation to the Legal reserve and dividend;*
- *to pay the 2011 final dividend with ex dividend date 21 May 2012 and payment on 24 May 2012.”*

Therefore, the Chairman, before giving the floor to the shareholders present, reads out the written requests received before the meeting pursuant to Article 127 of the Consolidated Law on Finance, sent by e-mail by the shareholder, Carlo Fabris, which are transcribed below:

*First of all, Chairman, who prepared the notice of call of the Shareholders' Meeting, did we make use of external consultants? The reason I bring this up is that the notice reads - thank goodness it is not mandatory but an invitation - about the right to ask questions: "In order to facilitate the proper course of the Shareholder' Meeting and its preparation, the Shareholders are asked to submit the questions no later than the second day of the open market before the date fixed for the Shareholders' meeting in first call (i.e. no later than 24 April 2012)." Does this mean that the shareholders who attend the meeting and make questions do not facilitate the proper course of the Shareholders' Meeting?*

*It is also previously asked whether there have been requests, contacts and so on, including informal contacts with Consob and Borsa of which we shareholders are not informed and if so, of what kind and what did they cover?*

*Moreover, whether the Company was subject to any fine inflicted by Consob, Borsa Italiana SpA and/or other institutions.*

*Subject in charge of the collection of proxies, what is the cost of that service?*

*Going into the details of the Agenda*

*1. Review and approval of the financial statements as at 31 December 2011 and relevant reports; allocation of profit or loss for the period; related and consequent resolutions.*

*Cost of the shareholders' meeting both as direct and indirect costs.*

*An update of litigations involving counterclaims, if any, is called for i.e. lawsuits taken out against the Company and the amounts concerned regardless of the considerations of the BoD.*

*What is the tax year defined? Is there a fiscal dispute?*

*Who among the directors, if any, is also an employee of the Company or employee of the Group companies?*

*There are fringe benefits for the directors.*

*I ask to record the questions with their answers in the minutes and, to this end, I enclose, in order to avoid inserting the text manually, the file in word format in such a way as to allow the minute taker to copy & paste. Moreover, the minutes must be sent by e-mail as soon as they are ready."*

The Chairman replies that the notice of call was prepared directly by the Company with the help of the Chiomenti firm for the purely legal part and that the Company considers valuable the contribution of shareholders wherever it occurs, by noting that the invitation mentioned by the Shareholder is merely used for facilitating the collection of the written questions. The Chairman reports that no formal or informal contact occurred with Consob and Borsa Italiana except for the disclosure of regulated information and that the Company is not currently aware of any fine coming from any Supervisory Authority. The Chairman continued to answer by specifying that the function of representative appointed by the Company pursuant to

Article 135-undecies Consolidated Law on Finance, to which the shareholders can grant the proxy votes, is carried out by an employee of the Company and there is no specific remuneration for this position. With regard to the questions concerning the first point on the agenda, the Chairman reports that i) the direct and indirect costs of this shareholders' meeting amount to about Euro 20,000; ii) there are no lawsuits taken out against the company and the lawsuits the company has filed against someone are mainly determined by brand aggression on foreign markets; iii) the last tax year is 2006; iv) there is a single fiscal dispute for a small amount already decided favourably to the company in first instance; v) there are no directors who are also employees of the Company or of Group Companies; vi) as described in detail on page 13 of the report on remuneration, the Chairman and Chief Executive Officer are assigned, as “fringe benefit”, a company car suitable for carrying out the proxies assigned to him.

There being no further requests for the floor, the Chairman declares the discussion closed and opens the voting, by informing that the number of shareholders has remained unchanged and by inviting the Shareholders' Meeting to vote by show of hands.

At the end of the voting procedures, the Chairman declares approved - by a majority of the persons attending - the draft resolution that was read, stating that, net of the treasury shares held by the Company,

- 54,045,419 shares voted in favour;
- 2,900 shares voted against;
- 10,000 shares abstained.

On the **second point of the agenda** (*“Consultation on the first section of report on remuneration pursuant to art. 123-ter paragraph 6 of Italian Legislative Decree no. 58/1998.”*), the Chairman reminds those present that the specified Article 123-ter of the Consolidated Law on Finance, implemented with Consob resolution no. 18049 of 23 December 2011, established that the listed companies must make available to the public, at least twenty-one days before the meeting convened to approve the financial statements, a report on remuneration.

The Chairman continues by specifying that this report must be divided into two sections and must be broken down as follows. The first section must show: (a) the policy adopted by the Company on remuneration of members of the board of directors, general managers and executives with strategic responsibilities (if existing) with reference at least to the following financial year; (b) the procedure used for the adoption and implementation of this policy. The second section, by name for the members of the board of directors and board of control and as a whole for executives with strategic responsibilities (if existing), must (i) provide an adequate representation of each item forming the remuneration, including the salaries contemplated in case of cessation of the office or termination of the employer-employee relationship, by pointing out the consistency with the policy of the company on the remuneration approved in the previous financial year; and (ii) analytically explain the fees paid during the financial period under review in any way and in any form by the Company and by subsidiary or associated companies, reporting any component of the aforesaid fees that are attributable to activities carried out in financial years prior to the financial period under review and by

pointing out also the fees to be paid in one or more subsequent financial periods in connection with the activity carried out during the financial period under review.

The Chairman also mentions that this report has been approved by the Board of Directors on 14 March 2012 and was made available to the public at the registered office, Borsa Italiana S.p.A., as well as made available on the Company's Web site within twenty-one days prior to today's meeting.

The Chairman continued by proposing to omit the full reading of the report and, after being authorised to such effect by the unanimous consent of those present, reads the following draft resolution:

*“The Ordinary Shareholders' Meeting,*

- *after examining and discussing the section of the report on remuneration provided for by Article 123-ter, paragraph 3, of Italian Legislative Decree no. 58 of 24 February 1998, prepared by the Board of Directors on proposal of the Remuneration Committee, containing the explanation of the policy of the Company on the remuneration of the members of the board of directors and executives with strategic responsibilities as well as the procedures used for the adoption and implementation of this policy, and put at the disposal of the public within the terms provided by the laws and regulations in force;*
- *considering that the aforesaid section of the report on remuneration and the policy described in it are not in compliance with what is provided by the applicable regulations on the remuneration of the members of the board of directors and executives with strategic responsibilities*

***decides***

*favourably on the first section of the report on remuneration set forth in the aforesaid Article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998, adopted by the Board of Directors on 14 March 2012 and containing the explanation of the policy of the Company on the remuneration of the boards of directors and executives with strategic responsibilities, as well as the procedures used for the adoption and implementation of this policy.”*

There being no further requests for the floor, the Chairman declares the discussion closed and opens the voting by indicating that the number of shareholders has remained unchanged and by inviting the Shareholders' Meeting to vote by show of hands.

At the end of the voting procedures, the Chairman declares approved - by a majority of the persons attending

- the draft resolution that was read, stating that, net of the treasury shares held by the Company,
  - 53,044,519 shares voted in favour;
  - 1,013,800 shares voted against;
  - 0 shares abstained.

Having completed the discussion of the topics on the agenda of this Shareholders' Meeting, the Chairman thanks the persons attending and declares the meeting closed at 10.50 a.m.

Chairman

The Secretary

Ambrogio Caccia Dominioni

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Manfredi Vianini Tolomei

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