

**TESMEC S.P.A.**

**(Merging company)**

Registered office in Milan (MI), Piazza S. Ambrogio no. 16

Fully paid-up share capital Euro 10,708,400.00

Tax code and registration number 10227100152

REA No. MI - 1360673

**TESMEC SERVICE S.R.L.**

**(Merged company)**

Registered Office in Grassobbio (BG), Via Zanica 17/O

Fully paid-up share capital Euro 100,000.00

Tax code and registration number

Milan Register of Companies no. 00310570379

REA No. BG - 363051

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**MERGER PLAN BY INCORPORATION**

**OF “TESMEC SERVICE S.R.L.” IN THE FULLY PARENT COMPANY “TESMEC S.P.A.”**

**(pursuant to Articles 2501-ter and 2505 of the Italian Civil Code)**

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**1. Companies participating in the merger**

The companies participating in the merger are:

- “**Tesmec S.p.a.**” (merging company and fully parent company of the merged company Tesmec Service S.r.l.) with registered office in Milan (MI), Piazza Sant’Ambrogio, with Milan Register of Companies, tax code no. 10227100152, REA no. 1360673, fully paid-up share capital Euro 10,708,400.00, with duration until 31 December 2100, concerning: (a) the design, production and installation of machines and equipment, robotised or otherwise, for the unwinding, stringing and automatic rewinding of cables in general, for overhead, underground, power and contact lines of railways, for cableways and for any other ropeway, and for transformation cabins; of robotic systems for unstructured and dangerous environments; (b) the design and implementation of industrial plants in the mechanical sector according to order (with turnkey supplies and otherwise), as well as their transformation, modernisation and automation; (c) the mechanical engineering business in general, including the construction of vehicles and specific transport trailers; the production of light steel and aluminium alloy structural work and precision mechanics; (d) the design, construction, carrying out - directly and on behalf of third parties - of excavations and works, plants, systems and services concerning excavations and carrying out of building and industrial products, in particular for laying all sorts of cables and pipes, also in relation to the use of products or machinery supplied by the company; (e) the retail and wholesale trade, also for import and export as well as for commission, agency or representation relationship, with or without storage

of goods and materials of the principal companies, of machinery, equipment and materials in the mechanical engineering industry; (f) engaging, not with regard to the public, pursuant to and in accordance with the applicable rules and regulations, in the acquisition of equity investments in other companies and businesses, as well as instrumental and related activities; (g) engaging, not with regard to the public, pursuant to and in accordance with the applicable rules and regulations, in the lending of funds in any form, provision of payment services and foreign-exchange dealing, as well as instrumental and related activities.

The company may in any case carry out all acts and all the contractual, commercial, real estate and financial transactions that the directors will consider necessary in order to implement the corporate purpose, except financial activities with regard to the public. Pursuant to the applicable rules and regulations, engaging in the acquisition of equity investments, set forth in let. (f) of the previous paragraph, does not imply the requirement to register in the section set forth in Article 113 of Italian Legislative Decree 385/1993 (“tub”) the general list set forth in Article 106 tub, if none of the financial activities set forth in the next let. (g) are carried on.

- “**Tesmec Service S.r.l.**” (merged company) with registered office in Grassobbio (BG), Via Zanica n. 17/O, with Bergamo Register of Companies, tax code no. 00310570379, REA BG-363051, fully paid-up share capital Euro 100,000.00, with duration until 31 December 2050, concerning: the carrying-out of metal works and mechanical constructions in general, including the construction of complete machines on behalf of third parties; the design, construction and marketing of earthwork machines, for the industry of civil, industrial, road constructions and other public works, as well as other industries that require similar special machines; the production, marketing, repair of agricultural machines and equipment in general, as well as the construction, marketing and repair of prefabricated constructions and metal containers for civil and industrial use; the performance of research related to the prototyping, development, implementation, as well as the production of new works, new developed and customised products and services in the field of industrial engineering, civil engineering, computer science, technical, organisational and industrial management consultancy, also with regard to the rail sector; the design and the carrying-out directly and on behalf of third parties of construction, maintenance or restructuring works related to: - plants for the production, transformation and distribution of electrical power; - railway systems for electric traction and signalling and railway equipment; - telecommunication network and data transmission systems, telephone lines and systems in general; - internal electric and telephone installations, water supplies, heating and air-conditioning plants and technological plants for buildings in general, both in the electrical and thermofluid sector; - systems for suspended mobility in general; - earthworks, construction of civil and industrial buildings, water systems, gas pipelines and network

interventions in general to carry out the “integrated water service”; - roads, motorways and road paving, rails, bridges, viaducts and any other work necessary to enable the mobility on road, rail and air transport; the running of any industrial, commercial and service business in the sectors of energy transport, telecommunications, information technology, safety, applied electronics and electrotechnics, both with regard to hardware and software products, with the exclusion of the activity of television broadcaster; the business of purchasing, selling, marketing, renting in Italy and abroad of equipment and machinery in general related to excavation and overhead, sea and underground stringing, the provision of services including contracting and subcontracting related to the activities of excavation and stringing also with the possibility of organising the rental of these plants with or without resources and/or with or without the supply of spare parts; the purchase, sale and marketing of accessories related to the activity of excavation and stringing. The company may also carry out movable and real property financial operations of any kind, required or simply useful for the implementation and attainment of the corporate purpose including services and the technical, commercial, administrative and financial coordination of the company or entities falling within the “group” to which they belong. The company may also request, obtain, purchase, sell on its own behalf and/or manage patents, trademarks, copyrights, as well as receive or grant user licences and/or concessions for acquired rights; and also manage, exploit or transfer technologies, patents, trademarks, copyrights and know-how in all the countries of the world. The Company may also take on interests and shares - both directly and indirectly - in other companies and businesses with a similar or related business purpose and lease, grant, rent, on free loan basis and deposit machinery, equipment, plants, motor vehicles and owned assets, in general.

The company may give endorsements or other equivalent guarantees, only occasionally and limited to operations concerning the corporate purpose, only in favour of companies with which there is a relation of control or association pursuant to Article 2359 of the Italian Civil Code, or in any case belonging to the same group, and with the explicit exclusion of financial activities with regard to the public.

## **2. Articles of association of the merging company (Article 2501-ter, paragraph 1, no. 2, Italian Civil Code)**

The merger does not give rise to any amendment to the Articles of Association of the merging company “**Tesmec S.p.A.**”. In any case, the text of the Articles of Association of Tesmec is enclosed with this Merger Plan sub 1) as part and parcel thereof.

**3. Share exchange ratio and possible cash adjustment (Article 2501-ter, paragraph 1, no. 3, Italian Civil Code)**

Since the merged company is wholly owned by the merging company, the provisions set forth in Article 2501-ter, paragraph 1, numbers 3, 4, 5 and 2501-quinquies and 2501-sexies of the Italian Civil Code do not apply to the planned merger, pursuant to Article 2505, paragraph 1, of the Italian Civil Code.

Therefore, the Merger will not give rise to any increase in the share capital or determine any share exchange ratio, nor will there be any adjustments.

**4. Method of allocation of the shares of the merging company and date from which these shares participate in the profits (Article 2501-ter, paragraph 1, no. 4 and 5, Italian Civil Code)**

Since this is a merger of a wholly-owned company, there will be no allocation of new shares or changes in shares for the shareholders of the merging company. Therefore, it is not necessary to determine the date from which the shares participate in the profits.

Following the registration of the Merger Deed in the corresponding Register of Companies pursuant to Article 2504 of the Italian Civil Code, all the shares of the Merged Company will be cancelled.

**5. Effective date of the merger (Article 2501-ter, paragraph 1, no. 6, Italian Civil Code)**

The merger will be effective as regards the actual effects, pursuant to Article 2504-bis II paragraph of the Italian Civil Code, from the date of the last registration of the merger deed in the corresponding Register of Companies or the next different date established in the merger deed.

The accounting effects, set forth in Article 2501-ter no. 6, will be effective retroactively from the first day of the financial year of the Merging Company in which the merger will be effective pursuant to the above-mentioned Article 2504-bis of the Italian Civil Code.

For the purposes of direct taxes, in accordance with what is provided by Article 172, paragraph 9 of T.U.I.R. (Italian Consolidated Income Tax Law), the effects of the merger will be effective retroactively from the beginning of the tax period of the Merging Company in which the merger will be effective pursuant to the above-mentioned Article 2504-bis of the Italian Civil Code.

**6. Treatment reserved to special categories of shareholders or holders of securities other than shares (Article 2501-ter, paragraph 1, no. 7, Italian Civil Code)**

There are no special categories of shareholders or holders of securities other than shares to which a special treatment is reserved.

**7. Special advantages in favour of the directors of the companies taking part in the merger (Article 2501-ter, paragraph 1, no. 8, Italian Civil Code)**

There are no special advantages in favour of the directors of the companies taking part in the merger.

**8. Financial positions**

If the assumptions set forth in the second paragraph of Article 2501-quarter of the Italian Civil Code occur, the financial position of the Merging Company and of the Merged Company is replaced by the financial statements for the year ended 31 December 2014 and approved by their Shareholders' meetings on 30 April 2015 and on 14 April 2015.

Since this is a merger of a wholly-owned company, the simplifications envisaged by Article 2505 of the Italian Civil Code apply and in particular: (i) it will not be necessary to prepare the management report of the companies participating in the merger set forth in Article 2501-quinquies of the Italian Civil Code; (ii) it will not be necessary to prepare the report of the experts on the suitability of the share exchange ratio set forth in Article 2501-sexies of the Italian Civil Code; (iii) the merger will be decided as regards the merged Company by the shareholders' meeting and as regards Tesmec by the board of directors - as allowed by Article 19 of the Articles of Association - without prejudice to the right of the shareholders representing at least five per cent of the share capital to request that, pursuant to the third paragraph of Article 2505 of the Italian Civil Code, with request sent to the company no later than eight days from when this Merger Plan is filed with the Register of Companies of Bergamo and Milan, the decision on the merger be adopted by the extraordinary shareholders' meeting of the companies in accordance with paragraph 1 of Article 2502 of the Italian Civil Code.

**9. Other information**

- (i) The merged company is not subject to liquidation or bankruptcy proceedings.
- (ii) This Plan with the relevant enclosures and documents indicated in Article 2501-septies of the Italian Civil Code is filed today at the registered office.
- (iii) The companies participating in the merger did not issue convertible bonds.

**10. Reasons**

The merger is part of a wider process of corporate simplification and rationalization with the aim of greater functionality of the corporate structure in the economic, management and financial aspect in order to better catch the future growth opportunities.

Milan, 10 June 2015

For Tesmec S.p.A.

The Chairman of the Board of Directors

Ambrogio Caccia Dominioni

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For Tesmec Service S.r.l.

The Chairman of the Board of Directors

Ambrogio Caccia Dominioni

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