

KME Group S.p.A.  
Share capital: €250,009,677.85 fully paid-in  
Registered Office in Florence  
Registration No. in the Company Register of the Court of Florence  
and Tax I.D. No.: 00931330583

## **NOTICE OF ORDINARY SHAREHOLDERS' MEETING**

The shareholders of KME Group S.p.A. are called to an Ordinary Meeting that will be held in Florence, at 2 Via dei Barucci, at 11:30 AM

- on April 28, 2009 on the first calling, or
- on April 29, 2009 on the second calling;

to vote on the following

### **AGENDA**

- Statutory Financial Statements for the Year Ended December 31, 2008; Report of the Board of Directors on the Company's Financial Position and Results from Operations; Report of the Board of Statutory Auditors; related and required resolutions;
- Election of the Board of Directors for the years ending on December 31, 2009, 2010 and 2011, after determining the number of Directors sitting on the Board and the fixed annual fee referred to in Article 21 (Compensation) of the Bylaws;
- Election of the Board of Statutory Auditors and of its Chairman for the years ending on December 31, 2009, 2010 and 2011; determination of the annual compensation payable to the Statutory Auditors and the Chairman for the entire duration of their term of office;
- Pursuant to Articles 155 and following of Legislative Decree No. 58 of February 24, 1998, expansion of the audit assignment awarded to KPMG S.p.A. and, consequently, approval of the new fees payable for the abovementioned assignment for the years ending on December 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015; related and required resolutions.

### **Attendance at the Shareholders' Meeting**

Pursuant to law and in accordance with the provisions of Article 11 (Attendance and Representation at Shareholders' Meetings) of the Bylaws, in order to attend the Meeting, shareholders must file at the Company's registered office, at 2 Via dei Barucci, Florence, at least two days prior to the date of each Meeting, communications issued by authorized intermediaries attesting to their ownership of their shares. Applicable provisions of the proxy collection laws notwithstanding, shareholders may appoint a proxy (who need not be a shareholder) to represent them at the Meeting by means of a simple power of attorney affixed at the bottom of the abovementioned communication. If the abovementioned deadline falls on a holiday or

on a Saturday, it will be extended to the next business day. Each share conveys the right to cast one vote.

The Company does not require that access to the shares be frozen in order to allow shareholders to attend the Meeting. It merely requires that the shares be placed on deposit, which means instructing the intermediary who handles the necessary bookkeeping to provide the Company with the abovementioned communication at least two days prior to the date of the Meeting. This process does not prevent the subsequent withdrawal of the shares. However, if the shares are withdrawn, the previously made deposit ceases to be effective for Meeting attendance purposes.

Shareholders who individually or jointly represent at least one-fortieth of the share capital may request, within five days from the publication of this Notice, that the items on the Meeting's Agenda be amended, listing in their application the additional items that they are putting forth. Information about additions to the items on the Meeting's Agenda resulting from the abovementioned application must be communicated, with the same procedures as those required for Notices of Shareholders' Meetings, at least 10 days before the scheduled date of the Shareholders' Meeting. No amendment is allowed for items that are submitted to the Shareholders' Meeting for a vote, pursuant to law, based on a motion by the Board of Directors or a project or report prepared by the Board of Directors.

### **Documents**

The Reports of the Board of Directors and the Board of Statutory Auditors on the items on the Agenda, the corresponding motions and all other reports and documents pertaining to all of the items on the Meeting's Agenda that are required pursuant to law (including the document containing the statutory and consolidated financial statements at December 31, 2008 and the "Report of Corporate Governance, the Company's Ownership Structure and the Implementation of the Corporate Governance Code") will be on file at the Company's registered office, at 2 Via dei Barucci, Florence, and at the offices of Borsa Italiana S.p.A. within the statutory deadline. Shareholders may request free copies of these documents. These documents will also be available on the Company website: [www.kme.com](http://www.kme.com).

### **Filing of Slates of Candidates for Election to the Board of Directors and Applicable Procedure**

Consistent with the applicable regulations (see specifically Consob Resolution No. 16779 of January 27, 2009) and the procedures set forth in Article 17 (Election and Composition of the Board of Directors and Term of Office of Directors) of the Bylaws, slates may be filed only by shareholders who, alone or jointly with other shareholders, represent at least 2.5% of the Company's common share capital. The text of Article 4 (Share Capital), which shows an updated breakdown of the Company share capital, and Article 17 (Election and Composition of the Board of Directors and Term of Office of Directors) of the Bylaws is available at the Corporate Affairs Department (Ufficio Affari Societari), at the Company's registered office, 2 Via dei Barucci, Florence, and may be consulted online at [www.kme.com](http://www.kme.com) and at the offices of Borsa Italiana S.p.A.

The slates listing the names of the candidates for election to the Board of Directors, complete with the documents required pursuant to the abovementioned Article 17 of the Bylaws, must be filed with the Corporate Affairs Department (Ufficio Affari Societari) at

the Company's registered office, at 2 Via dei Barucci, Florence, at least 15 days before the date of the Meeting's first calling. If the abovementioned deadline falls on a holiday or on a Saturday, it will be extended to the next business day.

Only slates filed by shareholders who have filed the required documents within the required deadline will be valid. If the Shareholders' Meeting is adjourned to a second calling, timely document filings will be treated as valid.

Slates of candidates must be accompanied by the following information:

1. Data identifying the shareholders who are filing slates showing the total percentage interest held and a certification attesting that they own the corresponding shares;
2. An affidavit by shareholders who are not among those who individually or jointly own a controlling or relative majority interest in the Company stating that they are not parties to any of the linkage transactions referred to in the applicable provisions of the relevant statutes;
3. Detailed information about the personal and professional background of the candidates and an affidavit by the candidates accepting their nomination and attesting, under their responsibility, that there are no issues that would make them unelectable or incompatible, that they meet the requirements of the relevant provisions of current statutes and the Bylaw for election to the offices they seek and stating whether they meet the requirement to qualify as independent Directors in accordance with Article 148, Section III, of Legislative Decree No. 58/1998 and Article 3 C.1. of the "Corporate Governance Code" published by Borsa Italiana S.p.A., which the Company has agreed to comply with and a copy of which is available online at [www.borsaitaliana.it](http://www.borsaitaliana.it).

A shareholder may not file or vote for more than one slate either directly or through a representative or a nominee. Shareholders belonging to the same group and the shareholders who are parties to a shareholders' agreement involving the Company's shares may not file or vote for more than one slate either directly or through a representative or a nominee. A candidate's name may appear only on one slate, under penalty of becoming unelectable.

Candidates for election are also encouraged to authorize the publication of their curricula on the Company's website.

The shareholders are urged to keep in mind the recommendations set forth in Consob Resolution No. DEM/9017893 of February 26, 2009 concerning the "Election of Members of Corporate Governance Bodies."

### **Filing of Slates of Candidates for Election to the Board of Statutory Auditors and Applicable Procedure**

Consistent with the applicable regulations (see specifically Consob Resolution No. 16779 of January 27, 2009) and the procedures set forth in Article 22 (Board of Statutory Auditors) of the Bylaws, slates may be filed only by shareholders who, alone or jointly with other shareholders, represent at least 2.5% of the Company's common share capital. The text of Article 4 (Share Capital), which shows an updated breakdown of the Company share capital, and Article 22 (Board of Statutory Auditors) of the Bylaws is available at the Corporate Affairs Department (Ufficio Affari Societari), at the Company's registered

office, 2 Via dei Barucci, Florence, and may be consulted online at [www.kme.com](http://www.kme.com) and at the offices of Borsa Italiana S.p.A.

The slates with the names of the candidates for election to the post of Statutory Auditor or Alternate Auditor, in which the candidates must be identified numerically in sequence, complete with the documents required pursuant to the abovementioned Article 22 of the Bylaws, must be filed with the Corporate Affairs Department (Ufficio Affari Societari) at the Company's registered office, at 2 Via dei Barucci, Florence, at least 15 days before the date of the Meeting's first calling. If the abovementioned deadline falls on a holiday or on a Saturday, it will be extended to the next business day.

If, within the abovementioned filing deadline, only one slate is filed or if only slates submitted by shareholders who, as specified below, are linked with each other pursuant to the laws currently in force are filed, slates may be filed until the fifth day following the abovementioned deadline, it being understood that, if the abovementioned deadline falls on a holiday or on a Saturday, it will be extended to the next business day. The percentage required for such slates is halved.

Only slates filed by shareholders who have filed the required documents within the required deadline will be valid. If the Shareholders' Meeting is adjourned to a second calling, timely document filings will be treated as valid.

Slates of candidates must be accompanied by the following information:

1. Data identifying the shareholders who are filing slates showing the total percentage interest held and a certification attesting that they own the corresponding shares;
2. An affidavit by shareholders who are not among those who individually or jointly own a controlling or relative majority interest in the Company stating that they are not parties to any of the linkage transactions referred to in the applicable provisions of the relevant statutes;
3. Detailed information about the personal and professional background of the candidates, including a listing of management and control posts held by each candidate at other companies, and an affidavit by the candidates accepting their nomination and attesting, under their responsibility, that there are no issues that would make them unelectable or incompatible, that they meet the requirements of the relevant provisions of current statutes and the Bylaw for election to the offices they seek and stating whether they meet the requirement of Article 10 of the "Corporate Governance Code" published by Borsa Italiana S.p.A., which the Company has agreed to comply with and a copy of which is available online at [www.borsaitaliana.it](http://www.borsaitaliana.it).

A shareholder may not file or vote for more than one slate either directly or through a representative or a nominee. Shareholders belonging to the same group and the shareholders who are parties to a shareholders' agreement involving the Company's shares may not file or vote for more than one slate either directly or through a representative or a nominee. A candidate's name may appear only on one slate, under penalty of becoming unelectable.

If for any reasons it should become impossible to elect the Board of Statutory Auditors in accordance with the procedure outlined above, the Shareholders' Meeting shall proceed with the election pursuant to law.

Considering that Article 2400, Section IV, of the Italian Civil Code requires that, upon being nominated and before accepting their appointment, the Statutory Auditor disclose to the Shareholders' Meeting the management and control posts they hold at other companies and taking into account the provisions of Article 148-*bis* of Legislative Decree No. 58/1998, the candidates should include in their curricula a statement disclosing the abovementioned information, which must be updated as of the day the Shareholders' Meeting is held. Candidates for election are also encouraged to authorize the publication of their curricula on the Company's website.

The shareholders are urged to keep in mind the recommendations set forth in Consob Resolution No. DEM/9017893 of February 26, 2009 concerning the "Election of Members of Corporate Governance Bodies."

#### **Voting by Mail**

Votes may also be cast by mail. Ballots and voting instructions will be available at the Company's registered office, Ufficio Affari Societari, 2 Via dei Barucci, Florence, at least 15 days before the date of the Meeting's first calling. Ballots must be mailed to the following address: KME Group S.p.A., Ufficio Affari Societari, Via dei Barucci 2, (50127) Florence. Ballots must be received at least 48 hours prior to the Meeting's first calling, together with a copy of the communication required under current regulations governing attendance at Shareholders' Meetings.

Florence, March 25, 2009

The Board of Directors