

HELD AT \_\_\_\_\_

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**PROCEEDINGS OF THE TWENTY FIFTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ESAB INDIA LIMITED HELD ON WEDNESDAY, 2 MAY 2012, AT THE THYAGA BRAHMA GANA SABHA HALL, VANI MAHAL, 103, G N ROAD, T. NAGAR, CHENNAI 600 017 AT 3.00 P.M.**

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**PRESENT** Mr David J Egan, Director  
 Mr Jiri Kula, Managing Director  
 Mr K Vaidyanathan, Director  
 Mr V. Tandon, Director  
 Mr S Chand, Director  
 Mr Suresh N Talwar Director

115 Members in person representing 8578227 equity shares;

and

4 Members by proxies representing 113828 equity shares

Mr Brendan Colgan, Chairman of the Board, could not attend the general meeting. Mr Suresh Talwar, a member proposed the name of Mr David J Egan to occupy the Chair. Mr R Srinivasa Raghavan, a member, seconded the proposal. Mr David J Egan, Director, occupied the chair and conducted the proceedings of the general meeting

1. Chairman declared that the requisite quorum was present at the meeting and that the meeting was in order to commence the official business.
2. The notice convening the 25<sup>th</sup> Annual General Meeting together with the explanatory statement was taken as read with the unanimous consent of the members present.
3. Chairman requested Mr S Venkatakrisnan, the Company Secretary to read the Auditor's report. The Company Secretary read the Auditor's Report dated 28 February 2012 to the members. The annexure to the auditors' report was taken as read with the unanimous consent of the members present.
4. Thereafter the Chairman read out his statement to the Members, copies of which was distributed to the Members present at the Meeting.
5. Chairman then took up the business mentioned in the notice in seriatim.

CHAIRMAN'S  
INITIALS

*[Handwritten Signature]*



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**ORDINARY BUSINESS :****1. ADOPTION OF ACCOUNTS**

Mr R Srinivasa Raghavan, (DP & Client ID IN 301549 19588599) a member, proposed the following resolution as an ordinary resolution:

**RESOLVED THAT** the audited balance sheet as at 31 December 2011 and the Profit and Loss account of the company for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting be and the same are hereby approved and adopted.

Mr S Venkatakrishnan, (DP & Client ID IN300183 12195028) a member, seconded the resolution.

Chairman invited the members who desired additional information / clarification on the accounts and operations of the Company, to come forward with their questions. Thereafter, some members sought clarifications on the accounts and spoke on other related issues.

Mr David J Egan, Chairman and Mr K Vaidyanathan, Chairman of the Audit Committee answered the queries raised by the members.

The resolution was then put to vote on a show of hands. Mr S Padmanabhan ((DP & Client ID IN30177410308922), a member, voted against the resolution. The Chairman declared the resolution as passed nem con.

**2. RE-APPOINTMENT OF MR P MALLICK AS DIRECTOR**

Mr Narendran, (DP & Client ID IN 301151 23151431) a member, proposed the following resolution as an ordinary resolution:

**RESOLVED THAT** Mr P Mallick, who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a director of the company.

Mr Swapan Kumar Kundu (DP & Client ID IN IN300020 10854995) a member, seconded the same.

The resolution was then put to vote on a show of hands. The Chairman declared the resolution as passed nem con.

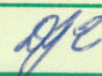
**3. RE-APPOINTMENT OF MR SURESH N TALWAR AS DIRECTOR**

Mr Venkatesh Parameswaran (DP & Client ID 300360 10670958) a member, proposed the following resolution as an ordinary resolution:

**RESOLVED THAT** Mr Suresh N Talwar, who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a director of the company.

Mr V Rangan (DP & Client ID IN 300441 10237300), a member, seconded the same.

The resolution was then put to vote on a show of hands. The Chairman declared the resolution as passed nem con.

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**4. RE-APPOINTMENT OF STATUTORY AUDITORS**

Mr S Venkatakrishnan representing Exelvia Group India BV, (DP & Client ID IN 301330 20202153) a member, proposed the following resolution as an ordinary resolution:

**RESOLVED THAT** the retiring auditors M/s. B S R & Co., Chartered Accountants, Chennai, be and are hereby re-appointed as auditors of this company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.

R Badrinath (DP & Client Id IN 300513 17069068), a member, seconded the same.

The resolution was then put to vote on a show of hands. The Chairman declared the resolution as passed nem con.

**5. APPOINTMENT OF MR K VAIDYANATHAN, AS A DIRECTOR**

Mr. Pinni Sreenivasulu (DP & Client ID IN 301549 14710889), a member, proposed, the following resolution as an ordinary resolution:

**RESOLVED THAT** Mr K Vaidyanathan, who was appointed as an additional director and holds office up to the date of this annual general meeting as per the provisions of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation.

Mr S Sreenivaasan (DP & Client ID IN 302679 31262883), a member, seconded the same.

The resolution was then put to vote on a show of hands. Mr Dinesh Amrutlal Kotecha ((DP & Client ID IN 1201890000000564), a member, voted against the resolution. The Chairman declared the resolution as passed nem con.

**6. APPOINTMENT OF MR JIRI KULA, AS A DIRECTOR**

Mr Narendran (DP & Client ID IN 301151 23151431), a member, proposed, the following resolution as an ordinary resolution:

**RESOLVED THAT** Mr Jiri Kula, who was appointed as an additional director and holds office up to the date of this annual general meeting as per the provisions of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation.

Mr R Srinivasa Raghavan (DP & Client ID IN 301549 19588599), a member, seconded the same.

The resolution was then put to vote on a show of hands. The Chairman declared the resolution as passed nem con.

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**7. APPOINTMENT OF MR JIRI KULA AS MANAGING DIRECTOR**

R Badrinath (DP & Client Id IN 300513 17069068), a member, proposed, the following resolution as an ordinary resolution:

RESOLVED that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and such other applicable provisions of the Companies Act, 1956, subject to such statutory approvals, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Jiri Kula as the Managing Director of the Company for a period of three years with effect from 1 September, 2011 on the following terms and conditions:

**Remuneration:**

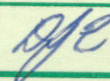
Mr. Jiri Kula shall be paid remuneration by way of salary, allowances, special allowances, perquisites and incentives / bonus hereinafter referred to as remuneration subject to a ceiling of Rs. 30,000,000 (Rupees three crores only) per year in accordance with Sections 198, 309, 349, Schedule XIII and other applicable provisions of the Companies Act, 1956, as set out hereunder and as may be approved by the Board of Directors of the Company, from time to time. Year, for this purpose shall be construed as commencing on 1<sup>st</sup> September of every year and ending with the 31<sup>st</sup> of August of the succeeding year.

**Commission/Bonus:**

Percentage of the net profits of the Company or such other quantum of the net profits of the Company as may be approved by the Board of Directors, at its absolute discretion, for each financial year computed in the manner provided under Sections 198, 309, 349 of the Companies Act, 1956 subject to a maximum of Rs.6,000,000 (Rupees Sixty Lakhs only) and subject to the overall ceiling of Rs.30,000,000 (Rupees Three Crores Only)

**Perquisites:**

- a. Provision of car for both business and personal use. In case, no car is provided, an equivalent car allowance will be provided. Reimbursement of chauffeur expenses, at actuals.
- b. The Managing Director and his family shall be entitled to the Company's insurance package for expatriates, which provides for first class medical and travel insurance coverage globally, at actuals. The Company shall also provide an accident insurance policy to provide appropriate coverage in case of accidental death or disability incurred during the course of ESAB group's business, at actuals.
- c. The Company shall reimburse reasonable international school fees and associated costs for Managing Director's son, at actuals.

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- d. Home leave: The Company shall bear the cost of the equivalent of one and a half return air tickets, Business class or at least two return air tickets Economy class for every twelve months of the Managing Director's term in India and in case of personal emergencies and natural disasters in Czech Republic, return air tickets, Business Class to the Managing Director, spouse and son to return to Czech Republic.
- e. Accommodation: The Company shall provide appropriate furnished accommodation for the Managing Director in a secured high standard expatriate area including gas, electricity and water utilities and other appropriate facilities/services commensurate with his position. The company may utilize the services of any Destination Services or Event Management Company in this regard to enable the Managing Director and his family to settle in India.
- f. Telephone: The Company shall provide a home telephone, mobile phone and a high speed internet connection for official use, at actuals.
- g. Dental Expenses: The Company shall reimburse expenses incurred by the Managing Director and family for routine dental treatment in a first class international dental clinic, at actuals.
- h. Vacation: The Managing Director shall be entitled for vacation entitlement as per the rules of the Company. Leave accumulated at the end of each year shall be encashable, subject to deduction of tax at source, as per the rules of the Company.
- i. Shipping and moving costs: The Company shall pay reasonable costs as agreed upon and approved by the Chairman of the Board of Directors, for moving the Managing Director, spouse and son and their personal and household effects to India subject to a maximum of 1500 lbs in weight as per the policy of the Company. At the termination of the said appointment, the Company shall also pay reasonable costs for moving the Managing Director, spouse and son and their personal and household effects to Czech Republic, provided they return to Czech Republic within thirty days of the termination of the said appointment. A lump sum moving hardship allowance of 3000 Euros will be paid to the Managing Director to cover sundry moving expenses.
- j. Club Membership: Payment of club fees for two clubs and all actual entertainment expenses at the club reasonably incurred in or about the business of the Company shall be reimbursed.
- k. The Company's contribution to provident fund not exceeding such percentage of the salary as may be fixed by the Central Government from time to time.
- l. The Managing Director shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling incurred by him in the course of the Company's business in line with the Company's Global/Domestic Travel Policy.
- m. The Company shall also provide at its own expense entrance and pay for an Indian Multicultural course for self and family, at actuals.

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- n. The Managing Director shall also be eligible for any other allowances / benefits / perquisites: as per the rules made applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.

The aggregate of salaries, allowances, incentives / bonus and perquisites as listed above and approved by the Board of Directors from time to time shall not exceed Rs.30,000,000 over a period of one year at any point of time. Year for this purpose shall be construed as the period commencing 1 September of every year and ending on the 31 of August in the succeeding year.

**Revision in remuneration:**

The Board of Directors of the Company may revise the remuneration payable to the Managing Director, in any financial year during the currency of the present tenure of office, in such manner as agreed to between the Board of Directors and the Managing Director subject to the condition that the remuneration by way of salary, perquisites, commission and other allowances, shall not exceed such percentage of net profits of the Company as prescribed under Schedule XIII of the Companies Act, 1956.

**Minimum remuneration:**

In the event of any loss or inadequacy of profits for any financial year, the Board of Directors shall revise the remuneration payable to the Managing Director, during such financial year, in such manner as agreed to between the Board of Directors and the Managing Director and within the limits prescribed in this behalf under Schedule XIII of the Companies Act, 1956.

**Other terms:**

- i. The Managing Director so long as he functions as such, shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- ii. The Company and the Managing Director shall have the right to terminate the said appointment at any time with four-month's prior notice before the employment period originally agreed upon is concluded.
- iii. The Managing Director shall carry out such duties as may be entrusted to him by the Board of Directors from time to time.
- iv. The Managing Director shall exercise such powers as envisaged in the Articles of Association, subject to the approvals from the Board of Directors and such other powers as may be delegated from time to time by the Board of Directors.
- v. In case, the Indian Rupee depreciates in comparison to Czech Crown (CZK) by more than 5% against the rate prevailing on the date hereof or on the date of last adjustment, the gross salary in Indian Rupee shall be adjusted, subject to the approval by the Board of Directors, to preserve the Czech value of the Managing Director's annual salary.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.

Mr S Ilangoan (Folio No. S08879), a member, seconded the same.

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The resolution was then put to vote on a show of hands. Mr S Padmanabhan ((DP & Client ID IN30177410308922), a member, voted against the resolution. The Chairman declared the resolution as passed nem con.

#### 8. AMENDMENT TO ARTICLES OF ASSOCIATION

Mr S Venkatakrisnan, representing Exelvia Group India BV (DP and Client ID IN 301330 20202153), a member, proposed the following resolution as a special resolution.

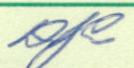
RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the existing Article 143 and Article 183 of the Articles of Association of the Company be deleted and substituted by the following new clauses:

#### **Meeting of Directors**

143. The Directors may meet together as a Board for the despatch of Business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. Any Director may also participate in the Board/ Committee Meetings through electronic mode using Video conference facility, provided they attend at least one meeting of the Board/ Committee in person in a financial year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

#### **Service of Documents or notice on Members by Company**

183. (1) A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India or outside India supplied by him to the Company or to his registered e-mail address, provided the member had registered his e-mail id with the Company and had opted for receiving the notices or documents by e-mail, for serving documents or notices on him.
- (2) Where a document or notice is sent by post or by e-mail, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice or in case of e-mail communication sending the document or notice to the registered e-mail id, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and had deposited with the Company a sum sufficient to defray the expenses of doing so; service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected in case of a Notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post. In the case of an e-mail communication, the service shall

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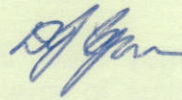
be deemed to have been effected at the time at which the e-mail was sent by the Company.

- (3) Notwithstanding anything stated in sub-clause (2) hereof, all notices and communications to be sent to foreign shareholders shall, in addition to posting or despatch by e-mail as aforesaid, at the discretion of the Directors, be despatched by telegram and/or telex.

Mr K Shankar (DP & Client ID IN 301637 41062162), a member, seconded the same.

The resolution was then put to vote on a show of hands. The Chairman declared the resolution as passed with requisite majority.

Mr David J Egan, Chairman of the meeting thanked the shareholders for their active participation in the annual general meeting and declared the meeting as closed.



CHAIRMAN OF THE MEETING

Chennai

2 May, 2012

CHAIRMAN'S  
INITIALS

