

**TESMEC S.P.A.**  
ORDINARY SHAREHOLDERS' MEETING OF 26 APRIL AND 7 MAY 2012  
IN FIRST AND SECOND CALL, RESPECTIVELY  
REPORT OF THE BOARD OF DIRECTORS  
ON THE DRAFT RESOLUTIONS SUBMITTED TO THE MEETING

**Report of the Board of Directors of TESMEC S.p.A., drawn up pursuant to Articles 125-ter of Italian Legislative Decree no. 58 and 84-ter of 24 February 1998 (“Consolidated Law on Finance”), of the Regulation adopted with Consob Resolution no. 11971 of 14 May 1999, as amended and supplemented later (“Issuer Regulation”).**

Dear Shareholders,

This report illustrates the proposals that the Board of Directors of TESMEC S.p.A. (hereinafter “TESMEC” or the “Company”) intends to submit for your approval in relation to the following item on the agenda of the ordinary shareholders' meeting that will be held on 26 April 2012 (first call) or, if necessary, on 7 May 2012 (second call).

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

Dear Shareholders,

The Company, within the terms provided by article 154-ter of the Consolidated Law on Finance, must publish the annual consolidated financial statements including the draft financial statements, the consolidated financial statements, if prepared, the report on operations and the attestation pursuant to Article 154-bis, paragraph 5 of the Consolidated Law on Finance. Review reports prepared by the independent auditors and the reports referred to in Article 153 of the Consolidated Law on Finance are made fully available to the public together with the annual consolidated financial statements.

The draft financial statements were approved by the Board of Directors of the Company on 14 March 2012.

The report on operations will be made available to the public, together with the draft financial statements of TESMEC as at 31 December 2011, the consolidated financial statements of the TESMEC Group as at 31 December 2011, the attestation of the manager responsible for preparing the Company's financial statements, report of the Board of Statutory Auditors and the Independent Auditor's report, with the registered office and Borsa Italiana S.p.A., as well as on the website of the Company [www.tesmec.com](http://www.tesmec.com) within the terms contemplated by the laws and regulations in force (i.e. at least 22 days before the Shareholders' Meeting in first call).

For complete information on the subject matter, reference is made to the Report on operations of the Board of Directors and the additional documents made available to the public, within the timeframe set by the law, with the registered office and Borsa Italiana S.p.A., as well as on the website [www.tesmec.com](http://www.tesmec.com) in the Investors section.

You are invited to approve the financial statements as at 31 December 2011 of TESMEC S.p.A. that ended with a profit of Euro 7,513,621.

On the basis of the reported results, the Board of Directors proposes to resolve:

- the allocation of profits for the financial year of Euro 7,513,621 as follows:
  - Euro 375,681 to legal reserve, pursuant to Article 2430 of the Italian Civil Code;
  - assign a dividend of Euro 0.030 to each of the ordinary shares outstanding;
  - assign to the Extraordinary Reserve the amount of profit remaining after the allocation to the Legal Reserve and dividend;

- the payment of the 2011 dividend balance, with ex dividend date on 21 May 2012 and payment on 24 May 2012.
- 2. Consultation on the first section of the remuneration report pursuant to Article 123-ter, paragraph 6, Italian Legislative Decree 58/1998.**

Dear Shareholders,

In relation to point 3, the Board of Directors intends to submit to the Shareholders' Meeting the remuneration report of the members of the administrative bodies, general managers and of the other strategic executives, pursuant to Articles 123-ter of the Consolidated Law on Finance and 84-quater of the Issuer Regulation as well as Article 7 of the Self-regulatory Code of Conduct, in the version of March 2010.

The Remuneration Report was drawn up in compliance with Enclosure 3A, Table 7-bis, of the Issuer Regulation and comprises two sections. The first section of the Remuneration Report illustrates (i) the policy of the Company on the remuneration of the members of the administrative bodies, general managers and strategic executives with reference, at least, to the following financial period and (ii) the procedures used for adopting and implementing this policy. The second section of the Remuneration Report: (i) provides an adequate representation of each of the items that form the remuneration, including the pays contemplated in case of termination of office or employment, by pointing out the consistency with the policy of the Company on remuneration approved in the previous financial period; (ii) explains analytically the fees paid during the financial period under review.

Pursuant to Article 123-ter, paragraph 6, of the Consolidated Law on Finance, the Shareholders' Meeting is obliged to express itself, with a non-binding resolution, for or against the first section of the Remuneration Report.

In this regard, reference is made to what is shown in the report drawn up pursuant to Articles 123-ter of the Consolidated Law on Finance and 84-quater of the Issue Regulation as well as Article 7 of the Self-regulatory Code of Conduct, which will be filed, within the terms contemplated by the laws and regulations in force with the registered office Borsa Italiana S.p.A., as well as on the website of the Company [www.tesmec.com](http://www.tesmec.com).

23 March 2012

TESMEC S.p.A.

The Chairman of the Board of Directors  
Ambrogio Caccia Dominioni