

The present is the English translation of the Italian official report approved by the Board of Directors on March 24, 2005. For any difference between the two texts, the Italian text shall prevail.

SAES GETTERS S.p.A.

Directors' report on compliance with the recommendations of the Corporate Governance Code for Listed Companies

Issued pursuant to the Instructions on Regulations for Markets Organized and Managed by Borsa Italiana S.p.A., Section I.A.2.13.

Shareholders,

As required by the Instructions on Regulations for Markets organized and managed by Borsa Italiana S.p.A. SAES Getters S.p.A. provide the annual information on the Company's own corporate governance system and its compliance with the Corporate Governance Code for Listed Companies approved by Borsa Italiana S.p.A. in October 1999, as revised in July 2002 (hereinafter also the "Preda Code") by submitting a report which points out the level of adequacy to principles and recommendations incorporated in the Corporate Governance Code itself and in all international best practices.

The annual report is transmitted to Borsa Italiana S.p.A. which makes it available to the public. The report is also made available by SAES Getters S.p.A. on the Company's website.

During year 2004 the Company has continued to devote particular attention to its own corporate governance in order to identify any necessary or appropriate interventions, both in relation to the evolution and the scale of Company and Group activities, and the evolution of regulations, including in accordance with the requirements set by Borsa Italiana S.p.A. for entry into and continued membership of STAR (the High Requirement Securities Segment). No change or integration has been made to the Company's Corporate Governance Code compared to the last year.

The following report is intended to provide you with the required information.

Composition and role of the Board of Directors (Articles 1-5 of the Code)

The Board plays a central role in the Company's Corporate Governance system, being vested with the widest powers for ordinary and extraordinary management of the Company, with the tasks of setting and assessing strategic objectives, and having the power to take any action considered necessary for implementation and achievement of Company objectives, excluding those that the law strictly reserves to the Shareholders' Meeting.

By way of example, the Board, by consolidated company practice and in accordance with the Company Corporate Governance Code, examines and approves the strategic, industrial, and financial plans of the Company and of the Group, awards and revokes the mandates of Managing Directors, determines, after examining the proposals of the relevant committee and seeking the opinion of the Board of Statutory Auditors, the remuneration of Managing Directors and of directors who perform specific tasks, supervises the course of general management, periodically comparing forecasts with actual performance, and assesses the adequacy of the general organizational and administrative structure of the Company and of the Group. The Board retains exclusive competence for all decisions on significant transactions (in particular transactions with related parties), which are understood as transactions that have a strategic influence on Company performance or a substantial economic impact (greater than 10% of consolidated Shareholders' Equity).

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The By-laws (as revised by the Extraordinary Meeting on April 27, 2004) vests the Board of Directors with the following powers, subject to the limits of the law:

- Merger resolutions in cases pursuant to Articles 2505 and 2505 bis of the Civil Code, as referred to as to de-merger pursuant to Article 2506-ter, final paragraph of the Civil Code, where said regulations are applicable;
- the establishment and closure of secondary offices, branches;
- award of powers of representation to Directors;
- any reduction in capital in the event of withdrawal of a shareholder;
- amendment of the By-laws to make it compliant to law provisions;
- transfer of the registered offices within the national territory.

Meetings of the Board of Directors are called regularly to examine management performance, company results, and all substantial transactions. The By-laws provide for meetings to be held at least every quarter. During 2004, the Board met 10 times. For the current year, the Board is expected to hold at least eight meetings, six of which shall be called to approve interim results; the dates of such six meetings were notified to Borsa Italiana S.p.A. in December 2004 in the context of the calendar of company events. The dates are also available on the Company website. The Chairman shall ensure, where and whenever possible, that directors are provided within a reasonable period in advance of meetings with the documentation and information necessary to enable the Board to express itself knowledgeably on items submitted for deliberation. According to Article 19 of the By-laws in each meeting, and in all cases, at least once a quarter, the Board of Directors and the Board of Statutory Auditors shall be informed, even by Managing Directors, and even in respect of subsidiaries, on the activities undertaken, the general trends, their foreseeable development, and the most significant economic, financial and asset transactions in term of size or characteristics, including, where relevant, transactions in which Board members have a direct or third party interest.

The current Board of Directors was appointed by the Shareholders' Meeting on April 23, 2003 and its mandate will expire upon the approval of the financial statement for the year ended on December 31, 2005.

The Board comprises fourteen directors – as better detailed in Annex 1 – most of whom (ten) are non-executive, and three of whom define themselves as independent directors pursuant to Article 3 of the Corporate Governance Code and in the light of the Regulations for Markets organized and managed by Borsa Italiana S.p.A. and the relevant Instructions.

The Board of Directors assesses the independence of directors annually, taking account of information provided by the individuals concerned. In the meetings of February 13, 2004 and February 14, 2005 the Board verified the degree of independence of directors in the light of the provisions of Article 3 of the Corporate Governance Code, confirming the “independence” of directors Prof. Umberto Colombo, Prof. Adriano De Maio and Prof. Renato Ugo. The market was promptly notified of the positive outcome of these assessments.

The Board also records annually directorships or statutory auditor positions held by Board members or auditors in other financial, banking, insurance, or other major companies listed on regulated markets, including foreign markets. The Board recorded said posts held by Board members during the Meeting held on February 13, 2004 and published them in the Report of the Board of Directors to the financial statement for the year ended on December 31, 2003.

Annex 1 sets out the directorships or auditing posts held by each director in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or other major companies on December 31, 2004, as registered at the Board Meeting of February 14, 2005 and which shall be published in

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the report of the Board of Directors to the financial statement for the year ended on December 31, 2004.

Four of the current Board members are executive directors. The Board of Directors appointed by the Shareholders' Meeting on April 23, 2003 met promptly after the Shareholders' Meeting to designate official positions, award mandates and to appoint committees.

The Chairman and Managing Directors were severally entrusted with powers of ordinary and extraordinary administration, excluding those powers strictly reserved to the Board as a whole or those that are reserved to the Shareholders' Meeting by law. The director Giuseppe Rolando, in his capacity as Group Chief Financial Officer, was granted specific and more limited mandates relating to administration, finance and control, including at consolidated level, to be performed by individual signature. The Chairman and Managing Directors are required to systematically report on the performance of mandates to the Board and to the Board of Statutory Auditors, providing adequate information on actions taken and in particular on any uncommon, atypical or unusual transactions made in the exercise of the mandates. During 2004, however, all directors exercising mandates used the powers granted to them for the normal management of company activities, on which the Board was kept periodically updated, while substantial transactions were subjected to the scrutiny of the Board of Directors.

The Company has not appointed an Executive Committee.

Composition of Committees

The Compensation Committee and the Audit Committee have been established within the Board of Directors, their functions delineated by Articles 7.2 and 9.1 respectively of the Corporate Governance Code. Both committees are composed exclusively of non-executive directors (for further details please refer to the table under Annex 1); the Audit Committee, however, is mostly composed of independent directors, as required by the Preda Code.

The Company informs that in 2004 the Compensation Committee met twice and the Audit Committee met three times.

Appointment and remuneration (Articles 6 -7 of the Code)

The Board of Directors did not consider it necessary to establish an internal Committee in charge of proposing nominees to directorships, due to the composition of shareholding in the Company and the absence of difficulties reported by shareholders with the filing of such proposed appointments.

The By-laws do not establish specific procedures for the appointment to directorship or presentation of nominations of candidates to directorships. However, the Corporate Governance Code provides for the deposit, at the Company's registered offices, of nominations to directorships at least ten days before the Shareholders' Meeting, accompanied by an extensive report on the personal and professional characteristics of candidates and indicating whether they can be classified as independent directors.

With reference to Article 7 of the Preda Code, there is no provision for the appointment of directors by means of election lists.

The remuneration of directors is established by the Ordinary Shareholders' Meeting. The Shareholders' Meeting on April 23, 2003 established the remuneration of the directors pursuant to article 18 of the By-laws for the year 2003 and the following years, until otherwise resolved, in the yearly overall amount of € 92,962.20. The remuneration of directors vested with particular responsibilities is established by the Board of Directors, in the absence of the persons involved, on the proposal of the Compensation Committee, after seeking the advice of the Board of Statutory Auditors. For information on the compensations received by

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directors see the specific report included in the Notes to the Financial Statement. The remuneration of executive directors and top managers is significantly related to the company results attained or the achievement of individual objectives. The Company has not adopted stock option plans.

Internal Control and Audit Committee (Articles 8 - 9 of the Code)

The Company possesses a system of procedures capable of ensuring correct and efficient management and of preventing and managing risks of a financial and operational nature.

The Board of Directors is responsible for the internal control system, setting its guidelines and periodically verifying its suitability and functional effectiveness, ensuring that substantial corporate risks are identified and managed in a satisfactory manner.

The Board of Directors is assisted by the Audit Committee in the performance of its supervisory functions, according to the provisions of Article 9 of the Corporate Governance Code.

The Chairman and Managing Directors identify substantial corporate risks, referring them for assessment to the Board of Directors, and implementing the guidelines set by the Board through the design, management, and monitoring of the internal control system, for which they define the procedures and appoint one or more responsible persons, providing them with appropriate resources.

The Board of Directors considers that the internal control system adopted is suitable for efficiently protecting the typical risks of the main activities of the Company and its subsidiaries, and for monitoring the economic and financial situation of the Company and the Group.

Pursuant to Article 8 of the Corporate Governance Code, in July 2001 a Chief for Internal Control system was appointed as provided by Article 150, paragraph 3 of the Legislative Decree No. 58, February 24, 1998. The Chief for Internal Control does not hierarchically report to any of the heads of operating areas, reporting instead to the Managing Directors, the Audit Committee and the Board of Statutory Auditors.

The Company also possesses an internal auditing structure which has the task of ensuring compliance with internal procedures, in order to guarantee the effectiveness and efficiency of management and the protection of company assets.

By mean of the resolution adopted on December 22, 2004, the Board of Directors approved and adopted its own "Model of Organization, Management and Control" consistent with Legislative Decree No. 231/2001, and, on the same date, approved the "Code of Ethics and Business Conduct" which forms an integral part of the Model of Organization.

This decision, albeit not imposed by the stipulations of the above mentioned Decree, was taken in the belief that the adoption of an "organization, management and control model" (hereinafter "Model") may represent not only an effective way of raising the awareness of all those who work on behalf of SAES with regard to the correct and consistent behaviours that they must adopt in the performance of their duties, but also a necessary means of preventing the risk of the crimes specified in the Decree being committed.

At the same time as adopting the Model, the Board of Directors granted to an *ad hoc* committee, consisting of several members, the task of assuming the role of oversight body, called Oversight Committee, with the duties set forth by the Legislative Decree No. 231/2001, such as overseeing the operation, effectiveness, observance and updating of the Model and of preparing suitable operational procedures for guaranteeing the correct operation of the same Model.

The Company appointed the following Oversight Committee's members:

- Pierluigi Martinelli (as a member of the Board of the Statutory Auditors);

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- Giuseppe Rolando (as the Chief for Internal Control),
- Renato Ugo (as an independent director).

The Committee appointed Mr. Giuseppe Rolando as its Chairman.

Codes and Procedures (Article 10 of the Code)

In addition to the Model of Organization and the Code of Ethics above mentioned, the Company has so far adopted the following codes and/or procedures, the texts of which are all available on the Company website, at www.saesgetters.com:

- *Procedures for Internal Management and external Communication of Documents and Information regarding the Company, with particular reference to “Price Sensitive” information.* This document has been extensively circulated to all Group managers, executives and employees to whom the procedures are addressed, defining the conduct that these persons must pursue in relation to internal management and notification to the market of information on events that occur within the Company’s and subsidiaries’ sphere of activity, with particular reference to price sensitive information. The procedure also establishes the role of internal bodies involved in the definition and release to the market of so-called ‘price sensitive’ information.

- *the Code of Conduct for Internal Dealing*, drafted in accordance with the provisions of the Regulations for Markets organized and managed by Borsa Italiana S.p.A., is intended to regulate, for the purposes of transparency, the obligations to disclose transactions made on listed financial instruments issued by the Company by persons who possess relevant information due to their position within the Company, including the Company’s relevant obligations to notify the market. The code is characterized by the following qualifying features in line with the reference regulations issued by Borsa Italiana S.p.A.:

- flexibility in identifying the persons subject to the disclosure obligation, in order to take account of contingent situations of access to confidential information;
- an obligation on relevant persons to disclose all transactions on financial instruments on a quarterly basis, or immediately upon reaching predetermined limits (specifically, where a significant person makes a single transaction or a cumulative total of transactions exceeding € 225,000.00 during the three-month reference period; when this limit is exceeded, the relevant person is required to notify any further transaction on financial instruments for the remainder of the relevant period, irrespective of the relevant amount, by the day following that on which the transaction is made);
- provision for a “black-out period”, i.e. predetermined periods during which persons subject to the provisions of the Internal Dealing Code may not make transactions on financial instruments, with the Board of Directors having the power to regulate any further prohibitions or limitations on transactions made by relevant persons.

The report to the market is issued by the Company on a quarterly basis (where transactions exceeding € 50,000.00 per declarant have been made) or immediately in the case of substantial transactions of significant amounts (exceeding € 250,000.00 per declarant), according to the limits imposed and as provided by the regulations of Borsa Italiana S.p.A.

Relations with institutional investors and with other Shareholders (Article 11 of the Code)

Dialogue with institutional investors and shareholders in general is assigned to a specific department, named Investor Relations, which ensures a continuous and professional relationship together with correct, continuous and complete communication. To pursue this objective, particular attention is paid to the website, a section of which publishes, in Italian and English, Company press releases, periodic accounting documentation, the financial calendar for the current year, periodic and extraordinary information, and any other document of a corporate nature addressed to the market (codes, reports, presentations, etc.).

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The Company's admission to and continuing membership of the STAR (High Requirement Securities Segment) of Borsa Italiana S.p.A. is another indicator of the Company's ability to satisfy the high standards of disclosure that are an essential requirement for membership.

During 2004, the Company attended the institutional events organized by Borsa Italiana S.p.A. (Milan - February 2004, London - September 2004).

Shareholders' Meetings (Article 12 of the Code)

The experience gained in the orderly and functional progress of the Shareholders' Meetings held to date has led to the conclusion that there is no current need to prepare specific regulations for regulating meetings. Shareholders' Meetings have always been held with the utmost regularity, allowing all shareholders involved to intervene in order to formulate requests for clarification and to express their observations fully. Queries raised by shareholders are always fully responded to, and the compilation of the minutes of Shareholders' Meetings, including Ordinary Meetings, is assigned to a Notary.

During last year, on 27 April 2004, the Ordinary Shareholders' Meeting was convened for the approval of the financial statement for the year ended at December 31, 2003; for the adoption of resolutions pursuant to Articles 2357 and 2357-ter of the Civil Code as well as for the audit assignment to Reconta Ernst & Young S.p.A. for the period 2004-2006. On the same date, the Extraordinary Shareholders' Meeting was called to resolve on the proposal on revocation of the previously issued proxy and entrusting of a new proxy with the Board of Directors concerning the possibility to increase capital pursuant to Article 2443 of the Civil Code, in one or more times, free or upon payment, as well as on approval of amendments of the By-laws in order to comply with Legislative Decree No. 6/2003 and subsequent changes and integrations. More precisely, the Extraordinary Shareholders' Meeting on April 27, 2004 approved some amendments to the By-laws with the specific purpose to, on one hand, bring the By-laws in line with the new legal provisions, mandatory and not, introduced by the company law's reform and, on the other hand, introduce some new institutes that, even if not mandatory, have been deemed to be useful to perform and improve the functioning of the Company governance.

The Shareholders' Meeting was then convened on November 29, 2004 to approve the cancellation of the nominal value of ordinary and savings shares and subsequent requisite amendments to the By-laws. Moreover, the Shareholders' Meeting resolved upon granting to savings shares holders the option of exchanging their inconvertible savings shares into newly issued ordinary shares upon a conversion ratio of 20 ordinary shares every 31 savings shares submitted for the conversion, without the payment of any balance and with effects, as to the dividends perception, as from January 1, 2004. The process of the voluntary conversion of savings shares into ordinary shares took place from January 3, 2005 to January 14, 2005 inclusive and ended with the adhesion of no. 2,164,451 savings shares, equal to 22.49% of that class of shares. Consequently, no. 1,396,420 SAES Getters ordinary shares have been issued (upon Conversion).

The remaining no. 7,460,619 saving shares that have not been converted continue to be non-convertible.

Following the conversion, as of today, the capital structure of the Company (whose capital stock is equal to € 12,220,000.00) results to be of total no. 22,731,969 shares, whit no face value, so divided:

- No. 15,271,350 ordinary shares;
- No. 7,460,619 non convertible savings shares.

Shareholders

The Shareholders' Agreement entered by some Company's shareholders (including Carisma S.p.A., that entered the Shareholders' Agreement by purchasing on July 5, 2004 the 7.45% of the voting capital stock, 6.23% of which bounded to the Company's Shareholders' Agreement) was definitely and entirely terminated on July 28, 2004, earlier than its natural expiry. After the termination, the former participants to the

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Shareholders' Agreement sold no. 8,614,121 ordinary shares to S.G.G. Holding S.p.A., a company substantially owned by the participants themselves.

Consequently, S.G.G. Holding S.p.A. promoted a mandatory public offering to purchase no. 5,256,809 residual ordinary shares of SAES Getters S.p.A. pursuant to Articles 102 and 106, paragraph 1 of the Legislative Decree No. 58 dated February 24, 1998 and the associated Consob Regulation No. 11971 dated May 14, 1999, and subsequent changes and integrations, at a price of € 12.68 per share, determined pursuant to said Article 106. The public offering took place between September 13, 2004 and October 1, 2004 inclusive, and ended with the adhesion of no. 1,902 ordinary shares, equal to about 0.0137% of the ordinary Company's stock capital and about 0.0081% of the Company's stock capital.

Subsequently, S.G.G. Holding S.p.A. promoted a voluntary public offering to purchase no. 1,925,014 SAES Getters S.p.A. savings shares at price of € 9.2 per share, accounting for 20% of that class of share capital and 8.19% of Company's stock capital, pursuant to Article 102, paragraph 1, of the Legislative Decree No. 58 dated February 24, 1998 and the associated Consob Regulation No. 11971 dated May 14, 1999, and subsequent changes and integrations. The public offering took place between November 18, 2004 and December 10, 2004 inclusive, and ended with the adhesion of no. 10,300 savings shares equal to about 0.107% of the Company's savings shares class of capital and about 0.04% of the Company's stock capital.

S.G.G. Holding S.p.A. is the Company's main shareholder holding today no. 8,672,910 ordinary shares equal to 56.79% of the voting capital.

In respect of the shareholding owned by S.G.G. Holding S.p.A., it has to be noted that the latter does not perform any direction and coordination activity towards SAES Getters S.p.A. pursuant to article 2497 of the Civil Code, taking into account the evaluations performed, which showed that S.G.G. Holding S.p.A. does not perform any role in the definition of the long term strategic plans and of the annual budget and in the investment choices, nor approve specific and significant transaction of the Company or of its controlled companies (asset or stock purchase or sale deals, investments, and so on); nor coordinates the initiatives and business actions in the fields where the Company and its controlled companies use to operate, and that SAES Getters S.p.A. has its own organizational and decisional autonomy.

Board of Statutory Auditors (Article 13 of the Code)

The Ordinary Shareholders' Meeting on April 23, 2003 elected the Board of Statutory Auditors, in accordance with Article 22 of the By-laws, reappointing the expired Board. The Board is composed of Pierluigi Martinelli, Chairman of the Board of Statutory Auditors, Vincenzo Donnataria and Antonio Rossetti De Scander, Statutory Auditors.

The appointment of the Board of Statutory Auditors is expressly governed by the By-laws, which, in accordance with the provisions of Legislative Decree No. 58 dated February 24, 1998, provides for an appointment procedure through a slate voting system in two parts: one for candidates to the post of statutory auditor and the other for candidates for the post of alternates, to be deposited at the registered offices of the Company ten days before the first call of the Shareholders' Meeting, accompanied by declarations of acceptance for the post and of the absence of any grounds for ineligibility of candidates. Pursuant to the Corporate Governance Code, proposals to the Shareholders' Meeting for appointments to the post of auditor are accompanied by an extensive report on the candidates' personal and professional features.

The Board annually assesses the continued validity of the professional and honour requirements that Auditors must possess pursuant to the Ministry of Justice Decree no. 162 of March 30, 2000.

The audit of the accounts is carried out by an audit firm appointed and performing its functions according to law.

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On April 27, 2004, the Shareholders' Meeting resolved to award the audit assignment for the years 2004, 2005, 2006 to the company Reconta Ernst & Young S.p.A.:

- for accounting audit of the Company financial statement and the consolidated financial statement of the SAES Getters Group pursuant to Article 159 of the Legislative Decree No. 58/1998;
- for periodic audits of proper bookkeeping and reporting of management activities in the account ledgers, pursuant to Article 155, paragraph 1 of the Legislative Decree 58/1998;
- for limited audit of the half year report also on consolidated basis.

Principles of Conduct for Transactions with Related Parties (Article 14 of the Code)

Transactions with related parties, including intra-group transactions, are subject to the prior approval of the Board of Directors, with the exception of typical or usual transactions or those concluded under standard conditions.

Typical or usual transactions are those that, by their purpose or nature, are not extraneous to the normal course of the Company's business and those that do not present particular elements of criticality due to characteristics or risks inherent in the nature of the counterparty or at the time of their conclusion. Standard transactions are those concluded under the same conditions as those applied by the Company to all parties.

Transactions with related parties that are not submitted for the approval of the Board of Directors, as they are typical or usual and/or concluded under standard conditions, must comply with criteria of substantial and procedural propriety, and directors vested with mandates or the managers responsible for concluding the transaction, without prejudice to the appropriate procedure ex Article 150, paragraph 1, of Legislative Decree No 58 of February 24, 1998, must collect and retain adequate information on the nature of the relationship, the method of executing the transaction, the conditions, including economic conditions, of its fulfilment, the evaluation procedure followed, the underlying interests and motives, and any risks arising for the Company.

In general, directors who have an interest, even if potential or indirect, in transactions submitted for the scrutiny of the Board of Directors:

- inform the Board promptly and thoroughly of the existence of the interest and its circumstances, in such a manner that other directors are fully aware of the extent of such interests, independently of the existence of a situation of conflict;
- leave the Board Meeting during discussion of the interest.

Where the nature, value, or other characteristics of the transaction so require, the Board of Directors, in order to avoid the transaction being concluded under conditions other than those that would have plausibly been negotiated between non-related parties, ensures that the transaction is concluded with the assistance of independent experts who assess the assets and provide financial, legal or technical consultancy. Experts will be selected from persons of recognized professionalism and competence in their fields of interest whose independence and absence of conflicts of interest will be scrupulously assessed.

During the year 2004 the Company did not entertain relationships with related parties, except for the ones pointed out in the Report of the Board of Directors to the financial statement for the year ended on December 31, 2004.

Conclusions

In the light of the above and the content of the Corporate Governance Code enclosed, the Company confirms that its Corporate Governance system is in line with the recommendations contained in the Corporate Governance Code for Listed Companies approved by Borsa Italiana S.p.A.

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Annexes:

- Table 1: Structure of the Board of Directors and Committees
- Table 2: Board of Statutory Auditors
- Table 3: Other assessments of the Corporate Governance Code
- Corporate Governance Code of SAES Getters S.p.A.

Lainate, March 24, 2005

for the Board of Directors

Dr. Paolo della Porta

Chairman

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TABLE 1: STRUCTURE OF THE BOARD OF DIRECTORS

Board of Directors								
Position	Members	Executive	Non-executive	Independent	Number of other positions ¹	Audit Committee**	Compensation Committee**	
Chairman	Paolo della Porta	X						
Vice Chairman - Managing Director	Massimo della Porta	X			2			
Managing Director	Giulio Canale	X			1			
Director with specific managerial powers	Giuseppe Rolando	X						
Director	Stefano Baldi		X		1		X	
Director	Roberto Berger		X			X		
Director	Guido Canale		X				X	
Director	Evelina Christillin		X					
Director	Umberto Colombo			X	1			
Director	Adriano de Maio			X	5	X		
Director	Giuseppe della Porta		X				X	
Director	Andrea Gilardoni		X					
Director	Gianluca Spinola		X		1			
Director	Renato Ugo			X	2	X		
Number of Meetings held during year of reference			Board of Directors: 10	Audit Committee: 3		Compensation Committee: 2		

¹ This column indicates the number of directorships or statutory auditor positions held by the person concerned in other financial, banking, insurance, or other major companies listed on regulated markets, including foreign markets (see table below for details).

** This column indicates with an "X" those Board members who are members of the Committee.

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Record of directorships or statutory auditor positions held by each Board member in other financial, banking, insurance, or other major companies listed on regulated markets, including foreign markets, at December 31, 2004.

NAME	POSITIONS	
	<i>Company</i>	<i>Position</i>
Stefano Baldi	S.G.G. Holding S.p.A.	Director
Roberto Berger	-	-
Giulio Canale	S.G.G. Holding S.p.A.	Director, Vice Chairman Director and Managing Director
Guido Canale	-	-
Evelina Christillin	-	-
Umberto Colombo	Novamont S.p.A.	Chairman
Adriano De Maio	Dike Aedifica S.p.A.	Chairman
	Impregilo S.p.A.	Director
	Telecom Italia Media S.p.A.	Director
	TxT e-solutions S.p.A.	Director
	Indesit Company S.p.A.	Director and Chairman of the Innovation Committee
Giuseppe della Porta	-	-
Massimo della Porta	S.G.G. Holding S.p.A.	Director, Vice Chairman Director and Managing Director
	Alto Partners SGR S.p.A.	Director
Paolo della Porta	-	-
Andrea Gilardoni	-	-
Gianluca Spinola	Invicta Holding S.p.A.	Chairman
Giuseppe Rolando	-	-
Renato Ugo	Isagro S.p.A.	Director and Audit Committee member
	SNIA S.p.A.	Director and Audit Committee member

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TABLE 2: BOARD OF STATUTORY AUDITORS

Position	Members	Percentage attendance at Board of Auditors meetings	Number of other positions*
Chairman	Pierluigi Martinelli	100 %	13
Statutory Auditor	Vincenzo Donnamaria	100 %	2
Statutory Auditor	Antonio Rossetti De Scander	100%	5
Replacement auditor	Alessandro Martinelli	0	0
Replacement auditor	Dr Piero Angelo Bottino	0	0
Number of meetings held during the solar year:	5		
Indication of the quorum required for the presentation of lists by minorities for the election of one or more permanent members (ex Art. 148 CLF): Shareholders listed in the Shareholders' Register at least thirty days before the date set for the first sitting of the Shareholders' meeting and who, alone or with other shareholders, represent at least 3% of the Registered Capital with voting rights at ordinary Shareholders' meetings have the right to present a list (comprising two sections: one for nomination of statutory Auditors and the other for alternates). Each shareholder may contribute to the presentation of one list only.			

* This column indicates the number of directorships or statutory auditor positions held by the person concerned in other financial, banking, insurance, or other substantial companies listed on regulated markets, including foreign markets at December 31, 2004.

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TABLE 3: OTHER ASSESSMENTS OF THE CORPORATE GOVERNANCE CODE

	YES	NO	Summary of reasons for any deviation from the recommendations of the Code
System of mandates and transactions with related parties			
Has the Board of Directors awarded mandates, defining:			
a) limits		X	
b) method of execution		X	
c) and frequency of reporting?		X	
Does the Board of Directors reserve to itself the examination and approval of transactions of particular economic, asset, and financial importance (including transactions with related parties)?	X		
Has the Board of Directors defined guidelines and identification criteria for “significant” transactions?	X		
Are the aforementioned guidelines and criteria described in the report?	X		
Has the Board of Directors defined appropriate procedures for examination and approval of transactions with related parties?	X		
Are the procedures for approval of transactions with related parties described in the report?	X		

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Procedure for the most recent appointment of directors and auditors			
Was the deposit of candidatures for directorship made with at least ten days notice?	X		
Were candidatures for directorships accompanied by an extensive report?	X		
Were candidatures for directorships accompanied by an indication of eligibility to be qualified as independent?	X		
Was the deposit of candidatures for the post of auditor made with at least ten days notice?	X		
Were candidatures for statutory auditor accompanied by an extensive report?	X		
Shareholders' Meetings			
Has the Company approved regulations for Shareholder's Meetings?		X	The experience gained in the orderly and functional progress of the Shareholders' Meetings held up to now has led to the conclusion that there is no current need to prepare specific regulations for regulating meetings. Shareholders' meetings have always been held with the utmost regularity, allowing all shareholders involved to intervene in order to formulate requests for clarification and to express their observations fully. Queries raised by shareholders are always fully responded to, and the compilation of the minutes of Shareholders' Meetings, including ordinary meetings, is assigned to a Notary.
Are the regulations attached to the report (or does it indicate where they can be obtained/downloaded)?		X	
Internal control			
Has the Company appointed supervisors of internal control system?	X		
Are the supervisor of internal control system hierarchically independent of heads of operating areas?	X		
Organizational unit in charge of internal control ex Article 9.3 of the Code	X		
Investor relations			

The present is the English translation of the Italian official report approved by the Board of Directors on March 24, 2005. For any difference between the two texts, the Italian text shall prevail.

Has the Company appointed an investor relations manager?	X		
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NOTE: The present text is the translation of the Italian official text approved by the Board of Directors on March 28, 2001, as last updated on March 19, 2003. For any difference between the two texts, the Italian text shall prevail.

CODE OF CONDUCT OF SAES Getters S.p.A.

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Issued by Board of Directors SAES Getters S.p.A. on March 28, 2001
Updated on March 19th, 2003

1. ROLE OF THE BOARD OF DIRECTORS

1.1. Role. The Company is governed by a Board of Directors that meets at regular intervals and that adopts an organisation and a modus operandi enabling it to guarantee effective and efficient performance of its own functions.

1.2. Competencies. Without affecting the exclusive competencies in the matters as to article 2381 of the Italian Civil Code, the Board of Directors:

- a) defines, applies and updates the Company's corporate governance rules, complying with the existing legislation; defines the guidelines of the corporate governance of the Company and of the SAES Group;
- b) examines and approves the strategic, operational and financial plans of the Company and of the SAES Group;
- c) evaluates and approves the annual budget of the Company and of the SAES Group;
- d) evaluates and approves the periodical reports required by the existing regulations;
- e) delegates and revokes powers to the Chairman and to the Managing Directors; it shall specify the limits to such delegated powers, the manner of exercising them and the frequency, as a general rule not less than once every quarter, with which such bodies must report to the Board on the activity performed in the exercise of the powers delegated to them;
- f) determines, after examining the proposal of the Compensation Committee and consulting the Board of Statutory Auditors, the remuneration of the Chairman and of the Managing Directors and of those directors who are appointed to particular positions within the Company and, whenever the Shareholders' Meeting has not already done so, allocates the total amount the members of the Board are entitled to;
- g) supervises the overall performance of the Company, with special reference to situations of conflicts of interest, taking into due consideration the information received from the Managing Directors and the Audit Committee and periodically comparing the results achieved with those planned;
- h) examines and approves transactions having a relevant impact on the Company's profitability, assets and liabilities or financial position, with special reference to related parties transactions, which shall be closed to market conditions and duly reported in the financial statements;
- i) checks the adequacy of the general organisational and administrative structure of the Company and of the Group as established by the Managing Directors;
- j) reports to the Shareholders at Shareholders' Meetings;
- k) upon the end of the year, lays down the corporate events' calendar for the following year which, as to the possible extent, shall be taken as reference.

In addition to the matters reserved to the Board by law or the bylaws, any decision about the most significant transactions (including, in particular, those with related parties), meaning any transactions that can have a impact of a strategic nature on the Company's business trend or affect it significantly (higher than the 10% of the consolidated shareholders equity) remains the exclusive responsibility of the Board of Directors should provide sufficiently detailed information on such

transactions at the Shareholders' Meeting, so as to allow a full understanding of their advantages and costs for the Company.

1.3. Directors. Directors shall act and decide autonomously, having full knowledge of the facts, and aiming at creating value for the Shareholders. Directors shall accept their appointment to the Board if they deem they can devote the necessary time to the diligent performance of their duties, Taking into account, among other things, the number of positions they hold on the boards of directors or auditors of other companies listed on regulated markets, including foreign markets, financial companies, banks, insurance companies and large companies.

Every year the Board shall collect data on the positions held by directors on the boards of directors or auditors of other listed companies and of companies of the other categories specified above and publish the results in the report on operations.

Directors shall know the duties and responsibilities associated with their position. Managing Directors shall take steps to keep the Board updated on the main statutory and regulatory innovations concerning the Company and the governing bodies.

The Chairman and the Managing Directors periodically report to the Board and to the Board of the Statutory Auditors on the activity performed in the exercise of the powers delegated to them, providing sufficient information on the acts performed and in particular on transactions which are atypical, unusual, if any.

1.4. Contacts with management. Whenever directors need clarifications and/or information from the management of the Company, they should send their request to the Chairman who will take care of collecting the required information/clarifications or getting the directors in contact with the concerned management.

1.5. Meetings. The Board of Directors meets at least four times a year and however every time the Chairman deems it useful.

Pursuant to the By-laws, the Board may be convened by the Chairman, the Vice Chairman or the eldest in age Managing Director or, upon written request sent to the Chairman, by one of the directors or by whoever is entitled to according to the law.

Each director is entitled to propose topics for the agenda of the following meeting(s) of the Board.

The Chairman, upon consent of the participating directors, may invite to the meeting(s), as listeners or with supporting tasks, individuals who are not members of the Board.

1.6. Committees. For a more effective performance of its tasks, the Board established the Audit Committee and the Compensation Committee.

For each Committee, the director who is eldest in age periodically reports to the Board on the activities of the Committee.

The Board shall do its best efforts so that an adequate rotation is guaranteed within each Committee, except that for any reason or cause when the Board deems appropriate to confirm one or more directors longer than the established terms.

2. COMPOSITION OF THE BOARD OF DIRECTORS

2.1. By-laws. The current By-laws states that the Shareholders at the Shareholders' Meeting may determine the number of directors between a minimum of three and a maximum of fifteen. The high number of directors set as upper limit reflects the need for a structure of the Board of Directors which better satisfies the Company's requests, also taking into consideration the relationships with the various companies so far controlled. In addition, this larger composition allows the Company to find expertise from different sources and to integrate assorted competencies and experiences to better comply with present and future needs, thus maximising the value for the Shareholders. The complexity and world-wide nature of both Company's and Group's interests implies a constantly growing need for different specialists, experiences and competencies within the governing body. Therefore, with a more complete composition the Board of Directors is able to effectively perform its own functions, with the required competence and authority, promptly interacting with the more and more complex issues the Company is called to face.

2.2. Composition. The Board of Directors is made up of a maximum of fifteen directors, out of which a maximum of six are executive directors (i.e. the Chairman, the Managing Directors, and those directors who perform management functions within the Company).

With this composition, it's deemed that the non-executive directors (meaning the directors not entrusted with proxies or management functions within the Company) in number and standing are such that their views can have significant weight on Board's decisions.

Non-executive directors shall bring their specific expertise to Board's discussions and contribute in taking decisions that are consistent with the Shareholders' interests.

When the Shareholders at the Shareholders' Meeting decide to reduce the members of the Board in number, it is advisable that the following proportions are maintained:

- Board made of up to seven members: a maximum of three executive directors
- Board made of from eight to eleven members: a maximum of four executive directors.

3. INDEPENDENT DIRECTORS

3.1. According to the criteria set forth by Borsa Italiana S.p.A. in its Instructions to the Market, considered that the Board of Directors is currently made up of fourteen directors, the Company deems that three is the proper number of independent non executive directors, meaning that:

1. they do not entertain and have not recently entertained (in the periods below specified), significant business relationships, i.e. of a significance able to influence their autonomous judgment, either directly or indirectly or on behalf of third parties, with the Company, its subsidiaries, the executive directors or the shareholder or group of shareholders who controls the Company.

Significant business relationships mean: a) commercial relationships entertained, in the current or previous year, including through controlled companies and/or in which the director holds executive positions; b) professional services rendered, in the current or previous year, even in

associated form; c) any employment relationship or a position of executive director held in the previous three years.

Relationships described in letters a) and b) above are not deemed relevant if closed pursuant to prevailing market conditions and if not able to influence the autonomous judgment of the concerned directors. This notwithstanding, such relationships are to be deemed relevant if they meet the criteria set forth by Borsa Italiana S.p.A. in its Instructions to the Market.

2. they neither own, directly or indirectly or on behalf of third parties, a quantity of shares enabling them to control the Company or exercise a considerable influence over it nor participate in shareholders' agreements to control the Company.
3. they are not spouses, cohabitants, relatives or kinsmen, within the second degree, of an executive director of the Company or a shareholder controlling the Company or of persons in the situations referred to in points 1. or 2.

3.2. Independent directors undertake to promptly notify the Board of Directors when it occurs an event can affect their "independent" status as above defined.

3.3. Directors' independence shall be assessed by the Board of Directors annually on the basis of the information provided by each interested party. The results of such assessments shall be promptly communicated to the market.

3.4. If and when the Shareholders at the Shareholders' Meeting decide to vary the number the members of the Board in number, it is advisable that the following proportions are maintained:

- Board made of up to eight members: at least two independent directors,
- Board made of from nine to fourteen members: at least three independent directors,
- Board made of more than fourteen members: at least four independent directors.

4. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman shall co-ordinate the activities of the Board of Directors, call the meetings of the Board, define the agenda, chairs the meetings and shall take steps to ensure that the members of the Board are provided, reasonably in advance of the date of the meeting (except in cases of necessity and as a matter of urgency), with the documentation and information needed for the Board to properly express opinions on the matters it is required to examine and approve.

5. HONORARY CHAIRMAN

According to By-laws, the Board of Directors may elect, in addition to its members, a Honorary Chairman, who, if elected, shall last for the duration of the Board of Directors and may be re-elected.

The Honorary Chairman is invited to the meetings of the Board and to the Shareholders' Meetings. No power can be delegated to the Honorary Chairman by the Board.

6. APPOINTMENT OF DIRECTORS

It is advisable that proposals for appointments to the position of director, accompanied by detailed personal and professional information and qualifications of the candidates, with an indication where appropriate of their eligibility to qualify as independent directors as defined in Article 3, shall be deposited at the Company's registered office at least ten days before the date set for the Shareholders' Meeting at first call.

7. REMUNERATION OF DIRECTORS

7.1. Board of Directors' Role. The Shareholders at the Shareholders' Meeting resolve upon the annual compensation of the Board of Directors. Such compensation shall remain unchanged until a new resolution is taken by the Shareholders. The compensation payable to each director, pursuant to CONSOB regulations, is reported in the financial statements.

7.2. Compensation Committee. The Board of Directors has established a Committee for the remuneration and stock option or equity based remuneration plans, if any (Compensation Committee).

This Committee, made up of three (3) non-executive directors, submits proposals to the Board on the remuneration of the Chairman, of the Managing Directors and of those directors who are appointed to particular positions in the absence of the persons directly concerned. It is responsibility of the Chairman and of the Managing Directors to establish policies and levels of remuneration for the top management. The Compensation Committee also submits proposals to the Board as to the introduction of incentive scheme.

To this end the Compensation Committee may retain external consultants at the Company's expense.

The Compensation Committee is presided and convened by its eldest (in age) member who regularly reports to the Board of Directors. The eldest (in age) member convenes the meeting without formalities (even orally) and without prior notice.

7.3. Objectives. As a general rule, in determining the total compensation payable to the Chairman and to the Managing Directors, the Board of Directors shall establish that a part is subject to the Company's profitability and, possibly, to the achievement of specific objectives laid down in advance by the Board of Directors itself.

It is for the Board of Directors, acting on a proposal from the Compensation Committee, to decide whether to make extensive use of such systems of remuneration and set the objectives for Managing Directors.

8. INTERNAL CONTROL

The internal control system is the set of processes serving to monitor the efficiency of the Company's operations, the reliability of financial information, compliance with laws and regulations, and the safeguarding of the Company's assets.

The Board of Directors is responsible for the internal control system; it shall lay down the guidelines for the system, periodically check that it is adequate and working properly, and verify that the main risks the Company may face are identified and managed appropriately.

The Chairman and the Managing Directors shall identify the main risks the Company is exposed to and submit them to the Board of Directors for its examination; moreover they shall implement the guidelines laid down by the Board of Directors through the planning, operation and monitoring of the internal control system, of which they should set the relative procedures, and shall appoint one or more persons in charge of the internal control system, providing them with appropriate resources. The individuals appointed to run the internal control system shall not hierarchically report to a person responsible for operations and shall inform on their activity the Managing Directors and to the Audit Committee (see article 9 below) and to the members of the Board of Statutory Auditors.

An independent auditing function is operating within the internal control system in the Company. Said function is charged with the task of checking the efficacy of the operational and administrative internal procedures, of verifying that such procedures are followed, of guaranteeing the correctness and reliability of financial records, of identifying, forestalling and limiting, as far as possible, financial and operational risks and fraud at the Company's expense.

9. COMMITTEE FOR INTERNAL CONTROL AND CORPORATE GOVERNANCE

9.1. Audit Committee. The Board of Directors shall establish an internal control committee (Audit Committee) to support the Board in pursuing its supervising tasks, by giving advice and making proposals. The Audit Committee is made up of three non-executive directors, the majority of which shall be independent.

The Audit Committee is presided and convened by its eldest (in age) member who regularly reports to the Board of Directors. The eldest (in age) member convenes the meeting without formalities (even orally) and without prior notice.

The Audit Committee works in close cooperation with the Board of Statutory Auditors and the individuals appointed to run the internal control system.

The Chairman of the Board of Statutory Auditors or any other auditor appointed by the same participate to the Audit Committee's Meetings.

The Chairman of the Board of Directors, the Managing Directors and the individual(s) appointed to run the internal control system (as per preceding article 8) may be invited by the Audit Committee to attend some meetings.

9.2. Competencies. In particular the Audit Committee shall:

- a) assist the Board in performing the tasks referred to in Article 8;
- b) assess the work programme prepared by the individuals in charge of internal control and receive their periodic reports;

- c) assess, together with the heads of administration and the external auditors, the appropriateness of the accounting standards adopted and, in the case of groups, their uniformity with a view to the preparation of the consolidated accounts;
- d) assess remarks, if any, contained in the periodic reports issued by the individuals in charge of internal control, in the reports of the Board of Statutory Auditors or raised by one of them;
- e) report to the Board of Directors on its activity and the adequacy of the internal control system at least once every six months, when the annual and semi-annual statements are approved;
- f) assess the work done by the audit firm, also with reference to the independence of its judgement, the work programme set forth for the audit and the results thereof as set out in the auditors' report and their letter of suggestions;
- g) assess the proposals put forward by auditing firms to obtain the audit engagement;
- h) perform the other duties entrusted to it by the Board of Directors, particularly as regards relations with the auditing firms.

9.3. Corporate Governance. the Audit Committee supervises the compliance and periodic updating of the Corporate Governance rules.

10. INFORMATION TREATMENT

10.1. Handling of confidential information. The Chairman and Managing Directors shall ensure the correct handling of confidential or proprietary information, as defined by article 180 of the Law Decree 58 dated February 24, 1998 (*“Testo unico delle disposizioni in materia di intermediazione finanziaria”*).

To this end they proposed to and the Board of Directors adopted the following on December 19, 2002:

- procedures for internal handling and disclosure to third parties of information concerning the Company, with special reference to price-sensitive information, as defined by article 114 of the aforementioned Law Decree.
- A Code of Conduct to rule the notification obligations as far as transactions on financial instruments carried out by individuals that, by virtue of the position held, have access to relevant information, pursuant to the applicable current regulation.

The Board reserves the right to modify or adjust, even entrusting specific powers to specific director, in this concern, the Code and the procedures, as deemed appropriate or necessary further to change in applicable regulation or law..

10.2. Confidentiality. All directors are required to treat documents and information they acquire in the performance of their duties as confidential and to comply with the adopted procedures for the disclosure to third parties of such documents and information.

10.3. Mass Media. The information disclosed to third parties shall be homogeneous and transparent. The Company shall present itself with accuracy and consistency in each communication with the mass media. The relationships with the mass media are reserved exclusively to the Chairman and to the Managing Directors, or to the delegated corporate functions.

11. RELATIONS WITH INSTITUTIONAL INVESTORS AND OTHER SHAREHOLDERS

11.1. Investors' relations. The Chairman of the Board of Directors and the Managing Directors shall, while complying with the procedure for the disclosure of documents and information concerning the Company, actively endeavour to develop a dialogue with shareholders, with institutional investors, and with the market as well, to grant the due disclosure of exhaustive and timely information about their activities.

The information to the investors, to the market and to the press is assured by press releases, periodical meetings with institutional investors and with the financial community. A specific corporate function (Investor Relations Manager) handles the relationships with investors and analysts.

11.2. Web-site. On the Company's web site both financial information (as annual, semi-annual, quarterly financial statements) and data or documents which may be of interest for the Shareholders (such as press releases), in Italian and English versions, are made available.

12. SHAREHOLDERS' MEETINGS

12.1. Shareholders' Meeting. The Chairman and Managing Directors shall encourage and facilitate the broadest possible participation of Shareholders in Shareholders' Meetings, as concrete occasion of dialogue and integration between Company and investors. As a general rule, all the directors shall attend Shareholders' Meetings.

Shareholders' Meetings shall also be an opportunity to provide Shareholders with information on the Company, while complying with the procedure concerning price-sensitive information.

12.2. Shareholders' Meeting Regulation. The Board of Directors, after evaluating the orderly and effective conduct of the Company's ordinary and extraordinary Shareholders' Meetings so far, pursuing the broadest possible participation of Shareholders in Shareholders' Meetings, does not deem it necessary for the time being to lay down any procedure ruling the participation of the Shareholders to the meeting. The Company reserves the right to lay down such regulation as soon as it realizes the lack of fair debate during the meetings.

13. MEMBERS OF THE BOARD OF STATUTORY AUDITORS

Pursuant to By-laws, proposals to be submitted to the Shareholders' Meeting for the appointment to the position of auditor, accompanied by detailed personal and professional information and qualifications of the candidates, shall be deposited at the Company's registered office at least ten days before the date fixed for the Shareholders' Meeting or at the time the related lists are deposited.

The members of the Board of Statutory Auditors shall act autonomously with respect to Shareholders, including those that elected them.

The members of the Board of Statutory Auditors are required to treat the documents and information they acquire in the performance of their duties as confidential and to comply with the procedure for the disclosure to third parties of such documents and information.

14. RELATED PARTIES TRANSACTIONS - GUIDELINES

14.1. Board of Directors' Role. The Board of Directors shall approve in advance the transactions with related parties, including intercompanies transactions, but for the typical or usual transactions or transactions to be concluded at standard conditions.

14.2. Definition. Typical or usual transactions are deemed to be those that, for the object or the nature are not extraneous to the normal business trend of the Company and those that do not have particular critical features due to their characteristics or risks inherent to the nature of counterpart, or timing scheduled for their execution. Standard conditions transactions are those concluded to the same conditions applied by the Company to any party.

14.3. Standard Conditions Operations. As far as related parties transactions are concerned, including intercompanies ones, which are not submitted to the Board of Directors, being typical or usual and/or at standard conditions, the executive directors or the officers in charge of their execution, save for compliance with the specific procedure set forth in article 150, first paragraph, T.U.F., collect and keep, even for type or group of transactions, adequate information on the nature of the relation, on the form of the execution, conditions, even economic, set for its performance, evaluation procedure followed, interests and reasons behind and potential risks for the Company.

14.4. Fairness criteria. Transactions with related parties shall comply with criteria of substantial and procedural fairness.

Substantial fairness means the fairness of the transaction from the economic point of view, as when, for example, the consideration for a good is in line with the market price.

Procedural fairness means compliance with the procedures that are intended to ensure the substantial fairness of transactions.

14.5. Information. The Board of Directors receives adequate information on the nature of the relation, on the form of the execution, conditions, even economic, set for its performance, evaluation procedure followed, interests and reasons behind and potential risks for the Company.

14.6. Conflicts of interest. Directors who have an interest, even if only potential or indirect, in a transaction with related parties shall:

- promptly inform the Board in detail of the existence of the interest and of the related circumstances, so that the other directors can be fully informed about the extent and importance of such interests, regardless of whether there is a conflict.
- abandon the Board Meeting when the issue is discussed.

14.7. Expert Assistance. Where the nature, value or other aspects of a transaction with related parties make it necessary, the Board, in order to avoid different conditions being agreed from those that would presumably have been agreed between unrelated parties, shall ensure that the transaction

is concluded with the assistance of independent experts for the evaluation of the assets and for the provision of financial, legal or technical advice. The Board will choose only acknowledged professional and competent experts in the matters of interest and should carefully assess their independence and absence of conflicts of interest.