

*The present is the English translation of the Italian official report approved by the Board of Directors on March 17, 2009. For any difference between the two texts, the Italian text shall prevail.*

## **SAES GETTERS S.p.A.**

### **Shareholders' Meeting of April 21, 2009 – April 22, 2009**

#### **Directors' Report on the agenda pursuant to Ministerial Decree no. 437/1998**

Dear Shareholders,

the Board of Directors invited you to attend the ordinary and extraordinary Shareholders' Meeting that will take place in Lainate, Viale Italia 77, on April 21<sup>st</sup>, 2009 at 10.30 a.m., at first call, and if necessary on April 22<sup>nd</sup>, 2009 at second call, at the same time and place, in order to discuss and vote upon the following

#### **Agenda:**

##### *Ordinary part*

1. Report of the Board of Directors on the year ended 31 December 2008; Financial Statements for the year ended 31 December 2008; inherent and consequent resolutions;
2. Resolutions according to articles 2357 and 2357-ter of the (Italian) Civil Code;
3. Appointment of the Board of Directors, upon prior definition of the number of its components; determination of remuneration for the Board of Directors, the Audit Committee and the Compensation Committee;
4. Appointment of the Board of Statutory Auditors and its Chairman; determination of the related remuneration;
5. Proposal of a special career reward for the founder Dr Ing. Paolo della Porta, even by mean of free assignment of treasury shares.

##### *Extraordinary part*

6. Proposal for the amendment of article 9 of the By-laws pursuant to article 154-ter of Legislative Decree no. 58/98.

The Department of Justice Decree No. 437 of 5 November 1998 stipulates that: “without prejudice to the obligations of disclosure set forth by law or regulatory provisions, directors [of companies with shares listed in regulated markets] should issue a public report, detailing the proposals concerning items on the agenda, to be available at the registered offices of the Company and at the offices of the stock market management company at least 15 days prior to the date scheduled for the shareholders' meeting”.

This report will therefore examine the third, fourth and fifth items of the agenda of the ordinary part, since the other items are covered by separate reports according to the instructions contained in specific regulations, to which reference can be made, and in particular:

- on the first item of the agenda – ordinary part – reference can be made to the separate Directors' Report on the year ended 31 December 2008;
- on the second item of the agenda – ordinary part – reference can be made to the separate Directors' Report issued pursuant to article 73 of Consob Regulation no. 11971 of 14/05/1999;
- on the fifth item of the agenda – ordinary part – reference can be made to the separate Directors' Report issued pursuant to article 114-bis of Legislative Decree no. 58 of 24 February 1998;

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- on the first and only item of the agenda – extraordinary part – reference can be made to the separate Directors' Report issued pursuant to article 72 of Consob Regulation no. 11971 of 14/05/1999.

**Directors' Report on the third item on the meeting agenda ("The appointment of the Board of Directors, upon definition of the number of its components; determination of remuneration for the Board of Directors, the Audit Committee and the Compensation Committee")**

Dear Shareholders,

we inform you that, upon the approval of the Financial Statements for the year ended 31 December 2008, the three-year mandate of the Board of Directors appointed by the Shareholders' Meeting on April 27, 2006 expires. We thank you for the trust placed in us and we invite you to proceed with the appointment of the new Board of Directors, upon prior definition of the number of its components (that pursuant to article 14 of the By-laws shall consist of no fewer than three and no more than fifteen members) and to determine the remuneration for the Board of Directors as per article 18 of the By-laws.

With regards to the appointment of the new Directors, it must be highlighted that pursuant to article 14 of the By-laws, as amended by the Extraordinary Shareholders' Meeting of 29 June 2007 to be in compliance with article 147-ter of Legislative Decree no. 58 of 24 February 1998 (hereinafter also the "Consolidated Finance Act") and in accordance with the provisions of the Regulations concerning issuers published by Consob in resolution no. 11971 of 14/05/1999 as subsequently amended and supplemented (hereinafter also the "Issuers Regulation"), the Board of Directors is appointed by the Shareholders' Meeting on the basis of slates submitted by Shareholders, pursuant to the procedure below described. The Directors so appointed, as per article 14 of the By-laws, will remain in office until the Shareholders' approval of the Financial Statements for the year ended 31 December 2011.

All the Directors shall satisfy the eligibility, experience and integrity requirements set forth by law or other applicable rules.

In line with the application criterion 1.C.3. of the Corporate Governance Code for Listed Companies, approved in March 2006 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., the Board, in SAES Getters S.p.A.'s Corporate Governance Code, has defined general criteria governing the maximum number of director or auditor posts in other companies which may be considered compatible with an effective performance of the role of Director in the Company. The Board recommends the Shareholders to consider and appoint candidates that hold a number of director or auditor posts not exceeding the limits set forth by SAES Getters S.p.A.'s Corporate Governance Code.

All candidates to the directorship are kindly invited to read SAES Getters S.p.A.'s Corporate Governance Code (available on the website [www.saesgetters.com](http://www.saesgetters.com), section "Investor Relations/Corporate Governance/Code of Conduct") and comply with the provisions thereunder.

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Pursuant to article 147-ter, paragraph 4, of the Consolidated Finance Act, at least one Director, or two if the Board is made up of more than seven members, must satisfy the independence requirements therein established and the additional requirements established in codes of conduct drawn up by management companies of regulated markets or by trade associations to which the Company adheres or is however subject (hereinafter "Independent Director"). In this respect, pursuant to article 3.4. of SAES Getters S.p.A.'s Corporate Governance Code and in compliance with section I.A.2.13.6. of the Instructions to the Regulations of Borsa Italiana S.p.A., the number of Independent Directors should be:

- at least two (2) Independent Directors in a Board comprising up to eight (8) members;
- at least three (3) Independent Directors in a Board comprising nine (9) to fourteen (14) members;
- at least four (4) Independent Directors in a Board comprising more than fourteen (14) members.

Only those Shareholders who, upon presentation of the list, alone or together with other submitting Shareholders, own voting shares representing at least 2.5% in the voting capital - as determined by Consob in its resolution no. 16779 dated January 27, 2009, according to article 147-ter, paragraph 1, of the Consolidated Finance Act and according to Issuers Regulation - are entitled to present lists for Directors appointment.

The lists, underwritten by the submitting Shareholders, are deposited at the Company registered offices at least fifteen days prior to the Shareholders' Meeting convened to appoint the Board of Directors. The Company makes the lists available to the public at the company offices, at the management company of regulated market and on its website, within the terms and in the ways established by relevant regulation.

Each list must contain a number of candidates not higher than fifteen and the candidates must be listed progressively. Each list must contain and expressly identify at least one Independent Director, with a progressive number not higher than seven. If the list has more than seven candidates, it must contain and expressly identify a second Independent Director.

The following documents must be filed with the registered office along with each list:

- a) indication of the identity of the Shareholders submitting the list and the percentage of voting rights owned, proved by a communication issued by the authorized brokers with whom the shares are deposited;
- b) comprehensive information on professional and personal characteristics of the candidates;
- c) statements by the candidates that they accept candidacy and declare that there are no causes of ineligibility or incompatibility and that they possess the requisites for holding the post prescribed by the applicable law and regulation, and indication of eligibility to qualify as Independent Director, if so;
- d) any other further declaration, information and/or document requested by applicable law and regulation.

With reference to Consob communication no. DEM/9017893 dated February 26, 2009, containing recommendations on disclosures to the public on presentation of lists for the election of management and control bodies of listed companies, the Board strongly recommends that Shareholders presenting a "minority list" for election of the Board of Directors, together with the list, file a declaration confirming the absence of direct or indirect relations as per article 147-ter, paragraph 3, of the Consolidated Finance Act and article 144-quinquies of Issuers Regulation, with Shareholders who, individually or jointly, possess a controlling or significant majority

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shareholding; such Shareholders are identifiable on the basis of filings on relevant shareholdings made pursuant to article 120 of the Consolidated Finance Act or disclosure on shareholders agreements made pursuant to article 122 of the Consolidated Finance Act (it is worth noting that for the time being the Company has no evidence of shareholders agreements being in place). This declaration should also indicate any specific relations, if significant, between the underwriting Shareholders and identified Shareholders who, individually or jointly, possess a controlling or significant majority shareholding according to the examples provided in said Consob communication, and the reasons why such relations are not considered relevant, or should indicate the absence of such relations.

All the Shareholders entitled to vote may submit and vote for only one list, even through intermediaries or trust companies. Each candidate may enroll in only one list; failure shall result in disqualification.

At the end of the voting, the candidates on the two lists that got the most of the votes, according to the following criteria: i) from the list that received the greatest number votes (hereinafter “Majority List”), all the members of the Board (in the number established by the Shareholders’ Meeting) less one are selected, based upon their order of priority on the list; ii) from the list that ranked second for number of votes, and that it is not connected even indirectly with the Shareholders that presented or voted the Majority List according to applicable regulations (hereinafter “Minority List”), one Director is selected, and more precisely the first candidate, as per priority order, on the Minority List; however, if by any chance no Independent Director is selected from the Majority List, if the Board is made up to seven members, or if by any chance only one Independent Director is selected from the Majority List, if the Board is made up of more than seven members, from the Minority List the first Independent Director shall be taken rather than the first candidate on the list.

Lists that do not get a percentage of votes at least equal to the one required to submit the same will not be taken into account.

If one or more lists receive the same number of votes, the one presented by Shareholders owning the highest shareholding upon their presentation or, secondly, the one presented by the highest number of Shareholders, shall prevail.

If one only list is presented, the Shareholders’ Meeting votes the same and if it gets the majority of the voting Shareholders, without taking into account Shareholders who refrain from voting, the Directors on their order of priority in said list are elected, until fulfillment of the number of Board members established by the Shareholders’ Meeting, saved for the fact that, however, if the Board is made up by more than seven members, also the second Independent Director is elected, in addition to the Independent Director necessarily listed among the first seven candidates.

If no list is presented, or if the number of Directors elected on the basis of the lists is lower than the ones established by the Shareholders’ Meeting, then the Directors are appointed by the Shareholders’ Meeting with the majority requested by law, including the required minimum number of Independent Directors.

The Independent Directors, as so qualified upon their appointment, must notify whether an event that can affect their independence requirements occur, with consequent forfeiture of office pursuant to laws.

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Please refer to article 14 of the By-laws for full details. The By-laws are available at the registered offices of the Company and on the website [www.saesgetters.com](http://www.saesgetters.com), section “Investor Relations/Corporate Governance/Company By-Laws”).

You are invited to resolve on the proposal to determine the remuneration for the Audit Committee that will be appointed within the Board of Directors during the first meeting after the Shareholders’ Meeting.

The Shareholders’ Meeting on April 27, 2006 established the annual remuneration of the Audit Committee’ members, for the year 2006 and the following years until the expiration of their offices and, any how, until otherwise resolved, in the amount of €9,000,00 (nine thousand euro), per each member. Moreover, the Shareholders’ Meeting established the annual remuneration of the Audit Committee’ Chairman to be increased of a further and additional amount of €7,000,00 (seven thousand euro).

We propose to maintain the same compensation and therefore to compensate each member with an annual remuneration of €9,000.00 (nine thousand euro), increased of a further amount of € 7,000.00 (seven thousand euro) for the Audit Committee’ Chairman. The remuneration will remain unchanged until otherwise resolved by the Shareholders’ Meeting.

You are also invited to resolve on the proposal to determine the remuneration for the Compensation Committee that will be appointed within the Board of Directors during the first meeting after the Shareholders’ Meeting. Up to now, no compensation has been established for such Committee.

However, in consideration of the activity that the Committee is called to render, we propose to compensate each member with an annual remuneration of €4,000.00 (four thousand euro), increased of a further amount of €3,000.00 (three thousand euro) for the Compensation Committee’ Chairman. The remuneration will remain unchanged until otherwise resolved by the Shareholders’ Meeting.

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**Directors' Report on the fourth item on the meeting agenda ("Appointment of the Board of Statutory Auditors and its Chairman. Determination of the related remuneration")**

Dear Shareholders,

we inform you that, upon the approval of the Financial Statements for the year ended 31 December 2008 the three-year mandate of the Board of Statutory Auditors appointed by the Shareholders' Meeting on April 23, 2006<sup>1</sup> expires. You are called to appoint three effective members and two alternate members for the three years 2009-2011 that will remain in office until the approval of the Financial Statements for the year ended 31 December 2011, and to determine their remuneration.

We remind that all the Auditors shall satisfy the requirements set forth by article 22 of the By-laws, the integrity and experience requirements set forth for the Statutory Auditors by article 148 paragraph 4 of Legislative Decree no. 58 of 24 February 1998 (hereinafter also the "Consolidated Finance Act") and in particular by the Ministerial Decree n. 162 dated March 30, 2000 ("Establishment of professionalism and respectability requirements for the Board of Statutory Auditors member of Listed Companies as per article 148 of Legislative Decree 24 February 1998, n.58").

As far as experience requirements are concerned, according to article 22 of the By-laws, activities related to the Company shall be deemed all the activities relating back to the business objectives set forth in article 7 of the By-laws<sup>2</sup> and the activities related to engineering sector, production and commercialization of equipment, products and materials mentioned in article 7 of the By-laws, and of scientific and industrial research. Matters related to commercial law and fiscal laws, economics and finance, are deemed to be associated activities as well.

Any individual who meets incompatibility causes established by law and other applicable provisions and any individual already holding positions in administration and control in excess of

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<sup>1</sup> It is to be noted that the Shareholders' Meeting of 9 May 2007 appointed Fabio Egidi as replacement for the Alternate Auditor Andrea Paternello (previously appointed by the Shareholders' Meeting in 2006) who tendered his resignations.

<sup>2</sup> "**Article 7 By-laws** – The purpose of the Company is the production of getters and other equipment for creating a high vacuum, materials, metals and uncommon alloys, sold as raw materials, intermediate products, finished products components of products for the industry. The Company may design, manufacture and sell machinery, machinery, plants and factories relating to its fields of specialization. The Company may carry out experimental research, provide technical and scientific consultancy, take on and transfer licences and agencies for all the types of products mentioned above. It may also carry out any activity considered by the Board of Directors as necessary or useful for achieving the business purpose, and it may assume directly and indirectly interests or holdings in other companies or enterprises. The Company may undertake any activity related or instrumental to the achievement of the Company purpose, undertaking any industrial, movable, immovable, financial or commercial operation, including taking on mortgages and financing in general and supplying endorsements, sureties, and securities, including collateral securities, with the explicit exclusion of collection of public saving, that it considers effective or opportune for the development and growth of the Company. The Company may provide technical-administrative, coordination, promotional, and marketing services for subsidiaries and affiliated companies."

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the limits laid down by Consob regulation may not be elected as Statutory Auditors and, if elected, shall forfeit the office.

The Board of Statutory Auditors is elected according to procedures stipulated by the article 22 of By-laws, to which reference should be made for details in full. The By-laws are available at the registered offices of the Company and on the website [www.saesgetters.com](http://www.saesgetters.com), section "Investor Relations/Corporate Governance/Company By-Laws". In this respect, we wish to remind that said article 22, which previously made provision for the Board of Auditors to be elected by the submission of slates, was amended by resolution of the Extraordinary Shareholders' Meeting of 29 June 2007 in order to accommodate the changes and additions to election procedures introduced in the meantime into legislation by article 147-ter of the Consolidated Finance Act and in accordance with the provisions of the Regulations concerning issuers published by Consob in resolution no. 11971 of 14/05/1999 as subsequently amended and supplemented (hereinafter also the "Issuers Regulation").

Minority Shareholders – that are not party of a relevant connection, even indirectly, as per article 148 second paragraph of the Consolidated Finance Act and article 144-quinquies of Issuers Regulation - are entitled to the appointment of one effective Member, who is the Chairman of the Board, and of one Alternate Member.

The election of the Auditors by minority Shareholders and the election of the other members of the Board of Statutory Auditors take place at once, save for replacement cases, which takes place according to what set forth in article 22 of the By-laws.

Only those Shareholders who alone or together with other submitting Shareholders, own voting shares representing at least 2.5% in the voting capital - as determined by Consob in its resolution 16779 dated January 27, 2009, according to article 147-ter, paragraph 1, of the Consolidated Finance Act and to Issuers Regulation - are entitled to present lists for statutory auditors appointment.

All the Shareholders entitled to vote may present and vote for only one list, even through intermediaries or trust companies. Shareholders which are part of the same group and Shareholders who entered a Shareholders agreement as to shares of the Company cannot vote for more than one list, even through intermediaries or trust companies. Each candidate may enroll in only one list; failure shall result in disqualification.

Lists, to be underwritten by all those that supported them, must be lodged at the registered offices of the Company at least fifteen days prior to the Meeting convened to resolve upon the appointment of the Statutory Auditors. The Company makes the lists available to the public at the company offices, at the management company of regulated market and on its website, within the terms and in the ways established by the relevant regulation.

It has to be noted that, pursuant to article 144-sexies, paragraph 5 of Issuers Regulation, if, as at the expiry date of the 15day deadline prior to the Shareholders' Meeting, only one list has been submitted for the appointment of the Board of Statutory Auditors, or lists have only been submitted by Shareholders who are affiliated to each other pursuant to law provisions, further lists may be submitted up to the fifth day after said date. In such event the 2.5% threshold required for the presentation of the list, as above indicated, shall be halved.

Lists must contain the names of one or more candidates to the post of effective Auditor and of the candidate to the post of Alternate. The names are marked with a progressive number

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under each section of the list (Effective Auditor section, Alternate Auditors section), up to the number of Auditors to be appointed. The following shall be enclosed to the lists:

- a) information the identity of the Shareholders submitting the list and the percentage of total voting rights owned, and a certification which should give evidence of the ownership of that shareholding;
- b) a declaration of the Shareholders that are not the ones that hold, even together, a control or majority shareholding, stating that there are none of the connection relationships with the latter as set forth in article 144-*quinquies* of the Issuers Regulation;
- c) comprehensive information on professional and personal characteristics of the candidates, together with the lists of posts as to administration and control held in other companies;
- d) statements by the candidates that there are no causes of ineligibility or incompatibility and that they possess the requisites for holding the post prescribed by the applicable law and regulation, and their acceptance of the office;
- e) any other further declaration, information and/or document requested by applicable law and regulation.

We underline the importance of attaching to the information required under letter c) above, the list of posts in administration and control already held in other companies by the candidate Auditors, to be kept updated until the date of the Shareholders' Meeting, to facilitate the communication required under article 2400 last paragraph of (Italian) Civil Code upon appointment by the Shareholders' Meeting and acceptance of the office.

Candidates are invited to point out in the documentation enclosed to the list, their suitability, if applicable, to be qualified as independent pursuant to article 3.1. of SAES Getters S.p.A.'s Corporate Governance Code (available on the website [www.saesgetters.com](http://www.saesgetters.com), section "Investor Relations/Corporate Governance/Code of Conduct").

Without prejudice to the obligation to file the declaration required under letter b) of the above list, with reference to Consob communication no. DEM/9017893 dated February 26, 2009, containing recommendations on disclosures to the public on presentation of lists for the election of management and control bodies of listed companies, in order to ensure higher transparency on the relationships between the Shareholders who present a Minority List and the controlling or relevant Shareholders, the Board strongly recommends that Shareholders presenting a "minority list" for election of the Board of Statutory Auditors, together with the list, provide the following information:

- description of any relationship – if significant – existing with Shareholders who, individually or jointly, possess a controlling or significant majority shareholding, as identifiable on the basis of filings on relevant shareholdings pursuant to article 120 of the Consolidated Finance Act or disclosure on Shareholders agreements pursuant to article 122 of the Consolidated Finance Act (it is worth noting that for the time being the Company has no evidence of Shareholders agreements being in place); alternately, the absence of such relations should be specified;
- reasons why such relations are not considered relevant for the existence of the "link" relationships referred to in article 148, paragraph 2 of the Consolidated Finance Act and in article 144-*quinquies* of Issuers Regulation.

The appointment of the Statutory Auditors takes place as follows: i) from the list that received the greatest number votes (hereinafter "Majority List"), two effective Auditors and one Alternate are selected, on the basis of their order of priority on the list; ii) from the list that ranked second for number of votes, and that it is not connected even indirectly with the



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Shareholders that presented or voted the Majority List according to applicable regulations (hereinafter “Minority List”), an effective Auditor (“Minority Effective Auditor”) and one Alternate (“Minority Alternate”) are selected, on the basis of their order of priority on the list, on the Minority List; the Minority Effective Auditor shall become the Chairman of the Board of Statutory Auditors.

If more lists receive the same number of votes, the one presented by Shareholders owning the highest shareholding upon their presentation or, secondly, the one presented by the highest number of Shareholders, shall prevail.

If one only list is presented, the Shareholders’ Meeting votes the same and if it gets the majority of the voting Shareholders, without taking into account Shareholders who refrain from voting, all the candidates indicated on list shall be appointed Effective Auditors and Alternates. In this case, the first candidate on the list to the post of Effective Auditor shall be appointed as Chairman of the Board.

If no list is presented, then the Board of Statutory Auditors and its Chairman are appointed by the Shareholders’ Meeting with the ordinary majority requested by law.

Lainate, March 17, 2009

for the Board of Directors

Dr Ing. Massimo della Porta  
Vice-President & Managing Director