

*The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.*

# **REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES**

Drawn up pursuant to Articles 123-*bis* Consolidated Financial Act and 89-*bis* Consob Issuer Regulation

Issuer: SAES® Getters S.p.A. – Viale Italia 77 – 20020 Lainate (MI)  
Web site: [www.saesgetters.com](http://www.saesgetters.com)

The financial year to which the Report refers: 2011  
Date of approval of the Report: 13 March 2012

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## CONTENTS

CONTENTS.....	2
GLOSSARY .....	4
<b>1. PROFILE .....</b>	<b>6</b>
<b>2. INFORMATION ON OWNERSHIP STRUCTURES .....</b>	<b>8</b>
2.1. <i>Share capital structure</i> .....	8
2.2. <i>Restrictions on the transfer of securities</i> .....	9
2.3. <i>Significant investments in capital</i> .....	9
2.4. <i>Securities with special rights</i> .....	10
2.5. <i>Shareholdings of employees: mechanisms for the exercise of voting rights</i> .....	10
2.6. <i>Restrictions on voting rights</i> .....	10
2.7. <i>Shareholder agreements</i> .....	10
2.8. <i>Change of control clauses and provisions established by the Articles of Association on public purchase offers</i> .....	10
2.9. <i>Authorisation to increase the share capital and authorisation to purchase treasury shares</i> .....	11
2.10. <i>Management and co-ordination activities</i> .....	12
<b>3. COMPLIANCE .....</b>	<b>13</b>
<b>4. BOARD OF DIRECTORS .....</b>	<b>13</b>
4.1. <i>Appointment and replacement of directors</i> .....	13
4.1.1. <i>Succession plans</i> .....	16
4.2. <i>Composition</i> .....	16
4.2.1. <i>Maximum amount of positions held in other companies</i> .....	24
4.3. <i>Role of the Board of Directors</i> .....	26
4.4. <i>Delegated Bodies</i> .....	30
4.4.1. <i>Managing Directors</i> .....	30
4.4.2. <i>Chairman of the Board of Directors</i> .....	32
4.4.3. <i>Reporting to the Board</i> .....	34
4.5. <i>Other Executive Directors</i> .....	34
4.6. <i>Independent Directors</i> .....	34
4.7. <i>Lead Independent Director</i> .....	37
<b>5. PROCESSING CORPORATE INFORMATION.....</b>	<b>38</b>
<b>6. INTERNAL BOARD COMMITTEES.....</b>	<b>39</b>
6.1. <i>Audit Committee</i> .....	40

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

6.2. Appointment Committee.....	40
6.3. Executive committee.....	40
6.4. Compensation committee.....	40
6.5. Related parties committee.....	40
7. APPOINTMENT COMMITTEE .....	40
8. COMPENSATION COMMITTEE .....	41
9. REPORT ON REMUNERATION .....	41
10. AUDIT COMMITTEE.....	41
10.1. Composition and operation of the Audit Committee.....	41
10.2. Functions assigned to the Audit Committee .....	42
11. INTERNAL CONTROL SYSTEM.....	43
11.1. Executive Director in charge of the internal control system.....	49
11.2. Internal Control Officer.....	50
11.3. Organisational Model pursuant to Italian ex Legislative Decree 231/2001.....	51
11.4. Supervisory Body .....	53
11.5. Auditing firm.....	54
11.6. Manager in charge of preparing corporate accounting documents.....	54
12. DIRECTORS' INTERESTS - RELATED-PARTY TRANSACTIONS .....	55
13. APPOINTMENT OF STATUTORY AUDITORS .....	56
14. STATUTORY AUDITORS.....	58
15. INVESTOR RELATIONS .....	62
16. SHAREHOLDERS' MEETINGS.....	64
16.1. Shareholders' Meeting Regulation.....	65
16.2. Special Shareholders' Meeting Savings.....	65
16.3. Significant changes in market capitalisation.....	66
16.4. Significant changes in the company structure.....	66
17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES.....	66
18. CHANGES AFTER THE REPORTING PERIOD.....	66

## ENCLOSURES

Table 1 Structure of the Board of Directors and Committees .....	69
Table 2 Structure of the Board of Statutory Auditors.....	72
Enclosure 1 OFFICES AS DIRECTOR OR AUDITOR HELD BY THE MEMBER IN OTHER COMPANIES .....	73
Enclosure 2 OTHER FORECASTS OF THE CORPORATE GOVERNANCE CODE .....	75

## GLOSSARY

**2006 Code / 2006 Corporate Governance Code:** The Corporate Governance Code for listed companies approved in March 2006 (and amended in March 2010) by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. Unless otherwise specified, references to Principles, Methods and Comments must be considered with regard to the 2006 Code.

**2011 Code / 2011 Corporate Governance Code:** The Code of Corporate Governance approved in December 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

**Code of Corporate Governance SAES Getters:** The Code of Corporate Governance adopted by the Board of Directors of SAES Getters S.p.A. on 21 December 2006 containing principles and methods of corporate governance of the Company whose contents are thoroughly dealt with in this Report.

**Board:** The Board of Directors of the Company.

**Financial year:** 2011 business year (01/01/2011-31/12/2011).

**Savings Law:** Italian law on protection of savings of 28 December 2005 no. 262.

**Model 231:** The Organisational, Management and Control Model Italian ex Legislative Decree no. 231 of 8 June 2001 approved by the Board of Directors of SAES Getters S.p.A. on 22 December 2004 as amended.

**Control Model:** Administrative and Accounting Control Model, adopted by the Board of Directors of SAES Getters S.p.A. on 14 May 2007 also in the light of the provisions introduced by Savings Law (as defined above).

**Issuers' Regulations:** The Regulation issued by Consob with resolution no. 11971 of 14 May 1999 (as amended and supplemented later) on issuers.

**Market Regulation:** The Regulation issued by Consob with resolution no. 16191 of 29 October 2007 (as amended and supplemented later) on markets.

**Report:** The report on corporate governance and corporate structures that companies are required to prepare pursuant to Article 123-*bis* Consolidated Financial Act and 89-*bis* Consob Issuer Regulation

**Company:** SAES Getters S.p.A.

**Bylaws:** The Company Bylaws, in the current version (recently amended by the Shareholders' Meeting of 20 April 2011).

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**Consolidated Financial Act:** The Italian Legislative Decree no. 58 of 24 February 1998.

## 1. PROFILE

A pioneer in the development of getter technology, the SAES® Getters Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions or ultra-pure gases are required.

In more than 70 years of activity, the Group's getter solutions have been supporting innovation in the information display and lamp industries, in sophisticated high vacuum systems and in vacuum thermal insulation, in technologies spanning from large vacuum power tubes to miniaturized silicon-based microelectronic and micromechanical devices. The Group also holds a leading position in ultra pure gas refinement for the semiconductor and other high-tech markets.

Starting in 2004, by leveraging the core competencies in special metallurgy and in the materials science, the SAES Getters Group has expanded its business into the advanced material markets, in particular the market of shape memory alloys, a family of advanced materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. These special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the realization of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector).

More recently, SAES has expanded its business by developing components whose getter functions, traditionally obtained from the exploitation of the special features of some metals, are instead generated by chemical processes. These new products are used in the OLED promising sectors (Organic Light Emitting Diode, both for displays and lighting) and in the photovoltaic one.

Thanks to these new developments, SAES is evolving, adding to its competencies in the field of special metallurgy also those of advanced chemicals.

A total production capacity distributed in ten facilities across 3 continents, a worldwide-based sales & service network and more than 1,000 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise.

SAES Getters is headquartered in the Milan area (Italy).

SAES Getters is listed on the Italian Stock Exchange Market, STAR segment, since 1986.

In compliance with the Articles of Association, the administration and control **model** adopted by the Company is the so-called **traditional** model focusing on the combination of Board of Directors-Board of Statutory Auditors; specifically, in this model the Governance of the Company is characterised by the presence of:

- a Board of Directors in charge of business management, which operates in accordance with the 1.P.1. principle of the Code;
- a Board of Statutory Auditors / Internal control and audit Committee called upon to supervise, among other matters laid down by current regulations, the compliance with the law and the Articles of Association, the financial reporting process, the effectiveness of the internal control, audit and risk management system; the external audit of the annual accounts and consolidated accounts; the independence of the external auditing firm, in particular as regards the provision of non-auditing services to the Company;

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- the Shareholders' Meeting, competent for deciding in accordance with the provisions of the law and of the Articles of Association, in ordinary and extraordinary session.

The external audit of the annual accounts and consolidated accounts is entrusted to an auditing firm registered in the register of external auditors and external auditing firms, set up pursuant to Article 2, subsection 1 of Italian Legislative Decree no. 39/2010.

## 2. INFORMATION ON OWNERSHIP STRUCTURES

The information reported below, unless otherwise indicated, refers to the date of approval of this Report, occurred on 13 March 2012.

### 2.1. SHARE CAPITAL STRUCTURE

The share capital of SAES Getters S.p.A. amounts to €12,220,000.00, fully paid up, and is divided in 22,049,969 shares, broken down as follows:

	No. of shares	% of share capital	listed/ unlisted	Rights and obligations
Ordinary shares	14,671,350	66.54	MTA STAR segment – Borsa Italiana S.p.A.	Article 5, 6, 11, 26, 29, 30 Bylaws
Shares with limited voting rights	0	0	-	-
Savings shares (without voting rights)	7,378,619	33.46	MTA STAR segment – Borsa Italiana S.p.A.	Article 5, 6, 11, 26, 29, 30 Bylaws

All shares are without par value and currently have a par value in accounting terms (defined as the ratio between the total amount of the share capital and the total number of issued shares), implied at being €0.554196 for each share.

Each ordinary share carries the right to vote without limitation. All administrative and economic rights and the obligations provided for by law and Company Bylaws are related to ordinary shares. Savings shares are without voting rights during ordinary and extraordinary meetings.

The rights belonging to different classes of shares are described in the Company Bylaws, in particular in Articles 5, 6, 11, 26, 29 and 30. The Company Bylaws are available on the Company's website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Corporate Governance/Company Bylaws).

The ordinary shares are registered shares; savings shares are bearer shares or registered shares according to the Shareholder's choice or the provision of the law; all shares are issued in dematerialised form.

Each share confers the right to a proportional portion of the profits allocated for distribution and shareholders' equity resulting from the liquidation, without prejudice to the rights established in favour of savings shares, referred to in Articles 26 and 30 of the Company Bylaws.

More precisely, the net profits of each financial year are distributed as follows:

- 5% to the legal reserve until this reaches one fifth of the share capital;
- the remaining part is distributed as follows:

- savings shares are entitled to a preferred dividend equal to 25% of the implied par value in accounting terms; when, during a financial year, savings shares are assigned a dividend lower than 25% of the implied par value in accounting terms, the difference will be added to the preferred dividend in the next two years;
- the residual profit that the Shareholders' Meeting decides to distribute, will be distributed among all the shares in such a way that, however, savings shares are entitled to a total dividend, increased compared to ordinary shares, equal to 3% of the implied par value in accounting terms.

In case of distribution of reserves, shares have the same rights regardless of the category they belong to.

In case of liquidation, savings shares have a priority in the repayment of capital of the implied par value in accounting terms.

To date, the Company does not hold treasury shares.

The share capital can be increased also by issuing shares with rights other than those of the shares already issued. In case of an increase in share capital, the holders of shares of each class are eligible to receive in option newly issued prorated shares of their class and, failing this or for the difference, shares of another class (or other classes).

Resolutions authorising the issue of new shares having the same characteristics as the outstanding shares do not require further approval by special shareholders' meetings.

If ordinary or savings shares are de-listed, the savings shares will be given the same rights to which they were previously entitled.

There are no other financial instruments that allow the holder to subscribe newly issued shares.

## **2.2. RESTRICTIONS ON THE TRANSFER OF SECURITIES**

There are no restrictions on the transfer of securities except for what is indicated in the following Article 2.8. and some restrictions applicable to Significant Persons for limited periods of time (the so-called black out periods) as identified in the Internal Dealing Code published on the Company's website [www.saesgetters.com](http://www.saesgetters.com) (for further information, reference is made to paragraph 5 *infra*).

## **2.3. SIGNIFICANT INVESTMENTS IN CAPITAL**

S.G.G. Holding S.p.A. is the Company's majority Shareholder currently holding 7,958,920 SAES Getters S.p.A. ordinary shares representing 54.25% of the ordinary capital, according to what has come to the Company's knowledge on the basis of the communications received ex Article 120 of the Consolidated Financial Act and ex Article 152-*sexies* and 152-*octies* of the Issuers' Regulation.

The subjects holding the right to vote in excess of 2% of the subscribed capital, represented by shares with voting rights, according to the results of the shareholders' register updated on 29 February 2012 integrated by the communications received by the Company so far and by other information are set below:

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<b>Declarer</b>	<b>Direct shareholder</b>	<b>% on ordinary capital (14,671,350 ordinary shares)</b>	<b>% on voting capital (14,671,350 ordinary shares)</b>
S.G.G.Holding S.p.A.	S.G.G.Holding S.p.A.	54.25	54.25
Giovanni Cagnoli	Carisma S.p.A.	5.80	5.80
The Tommaso Berger Trust	Berger Trust S.p.A.	2.73	2.73

## **2.4. SECURITIES WITH SPECIAL RIGHTS**

No securities have been issued that grant special controlling rights and there are no persons entrusted with special powers, according to disposition of laws and Company Bylaws in force.

## **2.5. SHAREHOLDINGS OF EMPLOYEES: VOTING RIGHTS MECHANISMS**

The Company has no share-based incentive plans (*stock option, stock grant, etc.*).

## **2.6. RESTRICTIONS ON VOTING RIGHTS**

There are no restrictions on voting rights.

## **2.7. SHAREHOLDER AGREEMENTS**

The Company is not acquainted with shareholder agreements entered into pursuant to Article 122 of the Consolidated Financial Act.

## **2.8. CHANGE OF CONTROL CLAUSES AND PROVISIONS ESTABLISHED BY THE ARTICLES OF ASSOCIATION ON PUBLIC PURCHASE OFFERS**

The Group companies, in the normal course of business, are party to supply contracts or collaboration agreements with customers, suppliers and industrial or financial partners that, as customary in international contracts, contemplate clauses that assign to the counterpart or to each party the right to rescind such contracts if there is a change in the control by the SAES Getters S.p.A. Parent Company or, more in general, by one of the parties. None of these agreements is significant.

Some companies of the Group are also parties to bank loan agreements, as well as credit lines: such agreements with credit institutions require, as customary in this type of contracts, the right of the credit institutions to require/claim early redemption of the loans and the obligation of the financed company to redeem in advance all the amounts used by it, if there is a change in the control of the financed company and/or of the parent company (SAES Getters S.p.A.). The debt exposure interested in the possible application of the clause of *change of control* is of approximately €33.4 million.

With reference to provisions regarding public purchase offer on the shares, the Company Bylaws does not derogate to passivity rules provisions set out in Article 104, paragraph 1 and 2 of Consolidated Financial Act and does not refer to neutralization rules set out in Article 104-*bis* of Consolidated Financial Act.

## **2.9. AUTHORISATION TO INCREASE THE SHARE CAPITAL AND AUTHORISATION TO PURCHASE TREASURY SHARES**

The Extraordinary Shareholders' Meeting of 23 April 2008 granted the Board the power, pursuant to Article 2443 of the Italian Civil Code, to carry out a bonus issue and/or rights issue, in one or more times, within five years as from the date of the shareholders' resolution up to an amount of €15,600,000.00,

- through one or more bonus issues, (i) without issuing new shares (thus increasing the implied par value in accounting terms of all the already outstanding shares), or (ii) by allocating ordinary and savings shares, in proportion to the ordinary and savings shares held, in compliance with what is laid down by Article 2442 of the Italian Civil Code; the increase may take place – within the limit of the assigned amount – through allocation of available reserves recorded in the financial statements relevant to the financial year ended 31 December 2007 net of the distributions approved by the shareholders' meeting of 23 April 2008, without prejudice to the obligation to verify their existence and possibility of use at the time of capital increase, by the Board of Directors

and /or

- through one or more rights issues, by issuing ordinary and/or savings shares, having the same characteristics of the corresponding shares already outstanding, to be offered under option to those entitled, with the right of the administrative body to determine the issue price, including any share premium; it is established that the conversion shares for this increase may not be issued with an implied par value in accounting terms lower than the value of the outstanding shares at the time of the board resolution for the issuing.

The Extraordinary Shareholders' Meeting of 20 April 2011 authorised the purchase of treasury shares of the Company up to a maximum of 2,000,000 ordinary and/or savings shares for a period of 18 months from the authorisation date considering the shares already held in the portfolio by the Company itself, and in any case within the limits of the law, for a valuable consideration, including additional purchase charges, not more than 5% and not less than 5% compared to the official stock-exchange price recorded by the security at the close of the trading session before each transaction.

During the Financial Year, the Board did not start any purchase program of treasury shares, and therefore did not make use of the authorisation granted by the Shareholders' Meeting of 20 April 2011 (nor used, during the months before the Shareholders' Meeting, the authorisation previously granted by the Shareholders' Meeting of 27 April 2010).

As mentioned in the previous paragraph, to date, the Company does not hold treasury shares.

The revocation of the resolution for purchasing treasury shares and using them adopted by the Shareholders' Meeting of 20 April 2011 and the proposal to adopt a similar resolution is inserted in the agenda of the next Shareholders' Meeting, in ordinary session, on 24 and 26 April 2012 (in first and second call, respectively).

Reference is made to the special report of the Shareholders' Meeting prepared by the Board of Directors on the subject, pursuant to Article 73 of the Issuers' Regulation, which will be filed, within the terms contemplated by the laws and regulations in force (i.e. at least 21 days before the date of the Shareholders' Meeting) with the registered office, with Borsa Italiana S.p.A. as well as made available on the Company's website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Shareholders' Meeting section).

## **2.10. MANAGEMENT AND COORDINATION ACTIVITIES**

The Company is not subject to management or coordination in accordance with Article 2497 et seq. of the Italian Civil Code.

For the purposes of Article 37 subsection 2 of the Market Regulation, it is specified that, following the consideration of the Board, confirmed today, considering overcome the presumption set forth in Article 2497 of the Italian Civil Code, S.G.G. Holding S.p.A. does not manage or coordinate SAES Getters S.p.A. as regards the majority interest held by it. This, given the fact that S.G.G. Holding S.p.A., from the management, operating and industrial viewpoints, does not play any role in defining long-term strategic plans, the annual budget and investment choices, does not approve specific significant transactions undertaken by the Company and its subsidiaries (acquisitions, disposals, investments, etc.) and does not coordinate business initiatives and actions in the sectors in which the Company and its subsidiaries operate. S.G.G. Holding S.p.A. does not give instructions nor does it carry out service activities or technical, administrative and financial coordination in favour of the Company or its subsidiaries.

The Company is entirely independent in its organisation and decision-making and acts in an independent negotiating capacity in its dealings with customers and suppliers.

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It is specified that the information required by Article 123-bis, subsection one, letter i) (*“the agreements between the Company and the Directors (...) that provide for payments in the event of resignation or dismissal without just cause or if the employer-employee relationship is terminated following a public purchase offer”*) is contained in the remuneration report published pursuant to Article 123-ter of the Consolidated Financial Act.

Moreover, the information required by article 123-bis, first subsection, letter l) (*“applicable law for the appointment and replacement of directors (...) and for the amendment to the Articles of Association, if different from those laws and regulations additionally applicable”*) is included in the section of the Report related to the Board of Directors (Sec. 4).

### 3. COMPLIANCE

The Corporate Governance system of SAES Getters S.p.A. is mainly based on the implementation of the principles and recommendations contained in the 2006 Code of Corporate Governance, available on the website of Borsa Italiana S.p.A. [www.borsaitaliana.it](http://www.borsaitaliana.it), in the firm belief that the principles and provisions expressed therein contribute significantly to the achievement of a proper company and entrepreneurial management and to the value generation for Shareholders, by increasing the level of trust and interest of investors, foreign or otherwise.

On 23 February 2012, the Board of Directors decided to comply with the new recommendations contained in the 2011 Code of Corporate Governance and to gradually implement the recommendations contained therein during 2012.

The Company did not adopt or comply with the Code of Corporate Governance other than the one promoted by Borsa Italiana.

The Company on 21 December 2006 adopted its own Code of Corporate Governance (“SAES Getters Code of Corporate Governance”) containing principles and methods of corporate governance of the Company substantially in line with the provisions of the Code. This Report sets out in details the corporate governance practices contained in the SAES Getters Code of Corporate Governance that are superseded by the adoption by the Company of the Code 2006.

The following Report provided information on the corporate governance of SAES Getters S.p.A. and on the level of compliance of the Company to the 2006 and 2011 Code of Corporate Governance.

When writing out the Report, the Company mainly used the format circulated by Borsa Italiana S.p.A. on 9 February 2012, by applying the “*comply or explain*” principle and therefore, giving the reasons for the failure to comply with one or more provisions, as well as by indicating the corporate governance practices actually applied by the Company, beyond the obligations established by laws and regulations, pursuant to Article 123-*bis* of the Consolidated Financial Act and of Article 89-*bis* of the Issuer Regulation.

Neither the Company nor its subsidiaries are subject to non-Italian law provisions that affect the corporate governance structure of SAES Getters S.p.A.

### 4. BOARD OF DIRECTORS

#### 4.1. APPOINTMENT AND REPLACEMENT OF DIRECTORS

The Board of Directors is appointed by the Shareholders’ Meeting based on the lists presented by the Shareholders in accordance with the procedure provided by article 14 of the Articles of Association, except for different and further provisions provided by mandatory law regulations or depending on the compliance with or subsection of the Company to codes of conduct drafted by regulated market management companies or by trade associations.

As things stand, the Board considers that the appointment of the Directors is carried out with a transparent procedure, as described below.

As resolved by the Board of Directors on 23 February 2012, within the Shareholders' Meeting convened for the re-election of the Board of Directors on 24-26 April 2012, the Company will apply the principle 5.P.1., 6.P.3. and 7.P.4. and criteria 2.C.3. and 2.C.5. of the Code 2011 regarding the composition of the Board of Directors and its Committees.

Today, the Shareholders who, with regard to the shares that are registered in favour of the shareholder the day on which the lists are filed with the Company, on their own or together with other Shareholders presenters, own a participating share, in the share capital with voting rights, at least equal to the one indicated by article 144-*quarter* of the Issuers' Regulation, can present a list for the appointment of the Directors. At the date of this Report, the requested share is 2.5% of the share capital with voting rights.

The lists, signed by those who present them, accompanied by the information and documents required by law, are filed by the Shareholders with the registered office no later than the twenty fifth day before the date of the shareholders' meeting called to decide on the appointment of the members of the Board of Directors. The Company makes this list available to the public at the registered office, as well as to the management company of the market and on its website, within the terms and in the manner provided by law.

The lists include a number of candidates not exceeding fifteen, each coupled with a progressive number. Each list must contain and expressly indicate at least one Independent Director<sup>1</sup>, with a progressive number of no more than seven. If the list consists of more than seven candidates, it must contain and expressly indicate a second independent director.

A Shareholder cannot submit or vote more than one list, albeit by proxy or through a trust. Each candidate shall come up in one list under penalty of ineligibility.

At the end of the vote, the candidates of the two lists who obtained the highest number of votes are elected as follows: (i) a number of Directors equal to the total number of members of the Board, minus one, is taken from the list that obtained the majority of votes (hereinafter also "Majority List"), as previously established by the Shareholders' Meeting; within such number limits, the candidates are elected in the order in which they are listed in the list; (ii) a Director is drawn from the second list that obtained the highest number of votes and who is not connected directly or indirectly with the Shareholders who submitted or voted the Majority List pursuant to the applicable provisions (hereinafter also "Minority List"), in the person of the candidate indicated with the first number in the list itself; however, if not even one independent Director is elected within the Majority List, in case of a Board of not more than seven members, or only one Independent Director is elected, in case of a Board of more than seven members, the first Independent Director indicated in the Minority List will be elected, instead of the first on the Minority List.

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<sup>1</sup> Defined as Director possessing the requirements for independence provided under article 147-*ter*, subsection 4, Consolidated Financial Act as well as other independence requirements contemplated by the Corporate Governance Code.

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Lists are not taken into consideration unless they obtain a percentage of votes equal at least to half the percentage required for submitting the lists.

In the event that the lists obtain the same number of votes, the list submitted by Shareholders owning the largest stake when the list is submitted prevails, or, subordinately, the one submitted by the greatest number of Shareholders.

If only one list is submitted, the Shareholders' Meeting will vote on it and if it obtains the relative majority of voters, without taking account of abstentions, the candidates listed in progressive order will be elected Directors, up to the number established by the Shareholders' Meeting, without prejudice to the fact that, if the Board has more than seven members, the second Independent Director is also elected, in addition to the one necessarily placed with the first seven.

In the absence of lists, or if the number of Directors elected on the basis of the submitted lists is lower than the one determined by the Shareholders' Meeting, the members of the Board of Directors are appointed by the Shareholders' Meeting itself with the majorities provided by the law, without prejudice to the obligation to appoint, by the Shareholders' Meeting, the minimum number of Independent Directors required.

The Company is not subject to special field regulations on the composition of the Board of Directors.

The Shareholders' Meeting convened on 21 April 2009 resolved to fix in 11 (eleven) the number of members of the Board of Directors and appointed as Directors, the following persons still holding office: Stefano Baldi, Giulio Canale, Adriano De Maio, Giuseppe della Porta, Massimo della Porta, Andrea Dogliotti, Andrea Gilardoni, Pietro Alberico Mazzola, Roberto Orecchia, Andrea Sironi and Gianluca Spinola.

The Board holding office was elected, for the first time, through the list voting mechanism (introduced with the Extraordinary Shareholders' Meeting of 29 June 2007 to implement the amendments and supplements to the election procedures introduced in the meantime in the regulations in force), however, based on a single list, filed and published by the Majority Shareholder S.G.G. Holding S.p.A., in accordance with the procedures and terms prescribed by the regulations and articles of association. The list and the documents that came with it were also promptly published on the Company's website.

The three-year period mandate of the Board of Directors, appointed on 21 April 2009, expires with the approval of the financial statements relevant to the financial year ended 31 December 2011. The next Shareholders' Meeting will be therefore convened to decide on the appointment of the Board of Directors, subject to the determination of the number of Directors. Reference is made to the report prepared by the Directors on the points on the agenda of the Shareholders' Meeting, which will be filed with the registered office, at Borsa Italiana S.p.A. as well as made available on the Company's website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Shareholders' Meeting section), within the terms contemplated by the laws and regulations in force.

#### **4.1.1. SUCCESSION PLANS**

As things stand, the Board of Directors did not consider necessary to adopt a plan for the succession of the executive directors and, on 23 February 2012, decided to submit the relevant determination to the Appointment Committee, on whose establishment a proper resolution will be passed by the Shareholders' Meeting called to appoint the new Board of Directors on 24-26 April 2012.

#### **4.2. COMPOSITION**

The current Board of Directors of the Company was appointed by the Shareholders' Meeting on 24 April 2009 by list voting mechanism according to article 14 of the Company Bylaws. Only one list has been presented by the Majority List presented by S.G.G.Holding S.p.A.; such list obtained 100% of the voting capital.

The Company Bylaws in force allow the Shareholders' Meeting to determine the number of Directors from a minimum of three (3) to a maximum of fifteen (15). The high maximum number of Directors reflects the need to structure the Board in a manner more suited to the needs of the Company, also in relation to the number of subsidiaries and to the variety of business areas in which the Group operates. Moreover, it allows the Company to find professional skills of different extraction and integrate different skills and experiences to better meet current and future needs, maximising the value for Shareholders. The complexity and globality of the interests of the Company and of the Group imply an increasing need of different professional skills, experiences and competences within the administrative body. With a more complete composition, the Board is able to ensure a better internal communication and carry out effectively its functions, with the required powers and authority, responding promptly to the increasingly complex issues that the Company has to face.

The Board of Directors, on 31 December 2011, consists of eleven Directors:

No Directors in charge have been substituted or revoked as indicated by Table 2 enclosed with this Report.

Information concerning the personal and professional characteristics of each director is provided below:

**Stefano BALDI** - Born in Trieste on 26 May 1950

He graduated in 1975 from Università degli Studi of Trieste with a degree in law.

In 1977 he held the position of export manager at Acciaierie Waissenfels S.p.A. of Fusine (UD), leading company in the field of industrial and snow chains.

In 1978, he started working as product manager with Laboratori DON BAXTER S.p.A. of Trieste, a pharmaceutical company.

In 1983, he was employed by GEFIDI S.p.A. of Trieste, companies promoting financial products and Italian investment trusts, as associate marketing director and then as marketing manager.

From 1986 to 1988, he was employed by HAUSBRANDT S.p.A., company operating in the coffee sector, as marketing manager.

Subsequently, until 1990, he held the position of inspector in Friuli-Venezia Giulia for ASSICURAZIONI GENERALI S.p.A.

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He is Director of SAES Getters S.p.A. since 1987.

**Giulio CANALE** - Born in Genoa on 16 March 1961

He graduated from Università degli Studi of Genoa with a degree in Economics and Commerce.

From 1984 to 1989, he started his first work experience at the premises of Milan of an important Advertising Company, IGAP S.p.A. At IGAP S.p.A., he held different positions, coming up to the position of Sales Manager.

In 1990, he became part of the SAES Getters Group as person representing special Group interests with SAES Getters Korea where he worked for four years. To date, he is the Chairman of SAES Getters Korea.

In 1994, he moved to the Tokyo premises of SAES Getters Japan, taking on the delicate role of Asian Markets Coordinator. In particular, he also acted as Chief Negotiator of the delegation of the SAES Getters Group that negotiated with a Chinese partner the setting-up of a Joint-Venture at Nanchino, PRC: this Joint-venture was opened in November 1997.

In 1997, he returned to SAES Getters S.p.A. of Lainate, Milan, since he was appointed co-Managing Director, and acted as SAES Group Subsidiaries Director.

In 2003, he was reconfirmed Managing Director and appointed Group Deputy Chief Executive Officer.

In 2006, he was confirmed Managing Director, Deputy Chief Executive Officer and appointed Group Chief Financial Officer.

In 2009, he was appointed Deputy Chairman and Managing Director and appointed Group Deputy Chief Executive Officer as well as Group Chief Financial Officer.

**Giuseppe DELLA PORTA** - Born in Milan on 2 April 1926

He graduated in 1950 from Università degli Studi of Milan with a degree in Medicine and Surgery.

In 1960, he qualified as a university teacher in Anatomy and Pathological Histology and in 1966 in Experimental Oncology.

From 1951 to 1955, he attended the Institute of Pathological Anatomy of the University of Milan.

From 1956 to 1960, he was a Research Associate at the Experimental Oncology Department of the Chicago Medical School (Chicago, USA).

From 1961 to 1970, he was Experimental Carcinogenesis Section Chief of the National Cancer Institute of Milan. From 1971 to 1991, he held the position of Manager of the Experimental Oncology Department of the National Cancer Institute of Milan. From 1985 to 1991, he was Deputy Chief Medical Officer of the National Cancer Institute of Milan.

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From 1992 to 2000, he was the Chief Medical Officer of the Italian Association for Cancer Research.

In 1994, he became Research Coordinator at the European Cancer Institute of Milan.

From 1966 to 1970, he was the Chairman of the Committee on Carcinogenesis of UICC

From 1979 to 1983, he was the Chairman of the European Association for Cancer Research.

From 1980 to 1982, he was the Chairman of the Cooperation Group in Immunology.

From 1980 to 1983, he was a member of the Scientific Council, International Agency for Research on Cancer of Lyon.

From June 2001 to December 2007, he was a member of the Board of Directors of the National Health Institute - Rome.

He is the author of over 180 papers on different aspects of experimental oncology including studies on chemical carcinogenesis, viral leukemogenesis, immunology and molecular biology of experimental and human cancers.

He is Director of SAES Getters S.p.A. since 1968.

**Massimo DELLA PORTA** - Born in Pontremoli (MS) on 8 September 1960

In 1989, he graduated from the Polytechnic University of Rome with a degree in Mechanical Engineering.

In April 1989, he began working at one of the companies of the SAES Getters Group, the SAES Metallurgia of Avezzano (AQ), as a researcher and with the specific task of creating an applied research laboratory at the SAES Metallurgia di Avezzano subsidiary.

In 1991, after working for about one year on a project for improving the production processes, he dealt with production management of SAES Metallurgia S.p.A.

In 1992, he took up the position of Technical Manager of the subsidiaries of Avezzano dealing with the coordination of the applied research activities and of the production operations of the two companies, SAES Metallurgia and SAES Engineering.

From 1993 to 1995, he personally followed the construction (and partially the planning) at Avezzano of a new factory, SAES Advanced Technologies and of the factory of Chinchon – South Korea.

In 1996, he moved to Milan to take on the role of Group Innovation Manager at the parent company SAES Getters S.p.A., while simultaneously maintaining previous responsibilities on the production sites of Avezzano.

In 1997, he took up the position of Deputy Chairman and Managing Director of SAES Getters S.p.A. In the same year, he was appointed Chief Technology Officer of Group and was in charge at Group level of the Information System.

In 2003, he was reconfirmed Deputy Chairman and Managing Director and appointed Group Deputy Chief Executive Officer. Officers confirmed in 2006.

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In 2009, he took up the position of Chairman of SAES Getters S.p.A. and was reconfirmed Group Chief Executive Officer.

Inventor or co-inventor of alloys and products for which patents have been obtained.

He is a member of EIRMA (Association for European industrial research).

**Adriano DE MAIO** - Born in Biella, on 29 March 1941, married, two children and a grandson.

1964 Degree in civil engineering from Polytechnic University of Milan

Polytechnic University of Milan:

1967-2002 Professor of innovation management (Associated lecturer, then Full professor from 1986)

1990-1994 Deputy Pro-Rector

1994-2002 Rector

2006-2011 Professor of Management of Complex Projects, Polytechnic University of Milan

Other positions:

1996-2010 Chairman of IReR (Istituto Regionale di Ricerca della Lombardia, Regional Research Institute of Lombardy)

1998-2002 Member of the Board of Directors of Ecole Centrale de Paris from which it obtained the diploma of “Docteur Honoris Causa” in 2003

2000-2002 Chairman of TIME (Associazione delle Università industriali in Europa, Association of technical universities in Europe) of which he is currently honorary chairman

2002-2005 Rector, University Luiss Guido Carli, Rome

2002-2005 Chairman of the Ministerial Commission for the University

2003-2004 Extraordinary Commissioner of the National Research Centre

2005-2008 Delegate for Higher Education, Research and Innovation - Lombardy Region

2007-2009 Chairman of the Board of Engineers and Architects of Milan

Author of several publications basically focused on business management and research and innovation management.

He is currently the Chairman of several institutions: European Foundation Centre for Nanomedicine; Investment Committee of the Venture Capital Next Fund; Alumni Association of the Collegio Ghislieri in Pavia; Green and High-Tech district of Monza and Brianza.

He is also the Director of Telecom Italia Media SpA, TxT e-solutions SpA, EEMS SpA; AGI – Agenzia per la diffusione delle tecnologie per l’innovazione (Agency for the dissemination of technologies for innovation) and ASI – Agenzia Spaziale Italiana (Italian Space Agency).

He is Director of SAES Getters S.p.A. since 2001.

**Andrea DOGLIOTTI** - Born in Genoa on 23 January 1950

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In February 1974, he graduated with a degree in Mechanical Engineering/Methods of conducting business in Genoa.

In 1974, he was employed by Italmimpianti and became manager in 1981; he worked in the formulation and evaluation of projects and investment plans, in Italy and abroad. He managed major projects of territorial and industrial logistics. He also dealt with industry strategies and organisational approach of the company and of the IRI Group.

In 1995, he became the "logistics development manager" of an important logistics and shipping company. He managed and developed Logistics planning, Project management, information systems, quality system.

In 2005, he became the chairman of Fos Progetti S.r.L, a consulting company based in Genoa.

Since 2010, freelance consultant in technologies, processes and strategies.

He is the author of several publications.

He is Director of SAES Getters S.p.A. since 2006.

**Andrea GILARDONI** - Born in Milan on 9 May 1955

He graduated from the Bocconi University of Milan with a degree in Economics and Commerce.

Full professor of Economics and Business Management at the Bocconi University of Milan.

Chartered Accountant at the Society of Chartered Accountants of Milan. Accounting auditor.

Consultant on business and finance strategy of major industrial, banking and finance companies. In particular, he developed expertise both nationally and internationally.

Manager since 2000 and professor of MEGeS, Master in Economics and Management of Public Utilities of the Bocconi University.

Currently, he holds the following courses at the Bocconi University: "Management of public utility companies" and "Strategies and Alliances in public utility companies." He also taught "Corporate Restructuring and Development" and "Management of Infrastructure and Utilities".

Since 2000, Member of the Specialisation Committee and professor of Mema, Master in Economics and Environmental Management at the Bocconi University.

Since 2000, manager of Space-Conai Observatory on the recycling industry.

He was the member of the scientific committee of the "Impresa-Ambiente" (Business-Environment) magazine of Sole-24 Ore, of the Agenzia Nazionale per l'Ambiente (ANPA) (National Agency for the Environment) and of Comico.

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Manager of the *Observatory on alliances and strategies of Utilities* in Italy supported by Banca Intesa Infrastrutture e Sviluppo, Accenture and Federutility and a dozen other sponsors.

Founder and Manager of the journal called *Management of Utilities*, a point of reference at national level in the field of infrastructure and public services.

Scientific Consultant of the EEC on Community policies for small/medium enterprises. Visiting Professor at Harvard University of Boston (USA).

He is the author of several publications.

He is Director of SAES Getters S.p.A. since 1994.

**Pietro MAZZOLA** – Born in Milan on 13 June 1960

- Full professor of “Business strategy and policy” at the IULM University of Milan;
- Professor on a contract basis of “Budget” at the Bocconi University of Milan;
- senior lecturer of the Strategy area of the Business Management School of the Bocconi University of Milan;
- co-author of the "listing guide" for the business plan prepared by Borsa Italiana S.p.A;
- co-promoter of the attention and interest group of AIDEA on the "Communication to financial markets"
- member of the examining board of the CONSOB competitive state examination, which took place in 2005, based on qualifications and examinations, for 10 positions of assistant on a trial basis in the operational career of permanent personnel, with professional profile graduated in economics;
- enrolled with the Register of Professional Accountants and Auditors and member of the European Accounting Association;
- member of the editorial board of the Family Business Review;
- member of the board of directors of the Italian society of professors of accounting and business administration;

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- founding member of Partners, management professional consultancy firm;
- technical consultant in several civil and criminal proceedings pending before the court or before arbitration boards;
- member of the research committee of the NED Association on the role of independent directors in family concerns;

author or co-author of several national and international publications.

He is Director of SAES Getters S.p.A. since 2008.

### **Roberto ORECCHIA - Born in Turin, on 19 September 1952**

In 1980, he graduated from the University of Turin in Medicine and Surgery.

He is Professor of Radiotherapy (Scientific Field MED/36 Diagnostic imaging and radiotherapy) at the Università degli Studi of Milan, Manager of the School of Specialisation in radiotherapy at the same University.

He is the Chairman of the degree course in Medical Radiology Techniques, as well as the Manager of the Radiotherapy Department of the European Cancer Institute of Milan, Scientific Manager of the CNAO Foundation (National Centre of Oncology Hadrontherapy) of Pavia and Scientific Manager of the European Centre for Nanomedicine in Milan.

He is Lecturer of:

- Course of diagnostic imaging and radiotherapy at the Polo Centrale;
- Course of Radiotherapy, Radiobiology and Radiation Protection at the San Paolo and San Donato centres;
- Course of Radiobiology at the Degree Course in Biotechnology
- Course of Radiobiology and Radiotherapy at the Degree Course in Medical Radiology Techniques.

Other activities:

- Former Chairman of AIRO (Italian Association of therapeutic radiation oncology)
- Former Member of the ESTRO Board (European Society of Therapeutic Radiation Oncology)
- Member of the managing committee of the University Centre of the LUVI Foundation for research in palliative care (in collaboration with the Floriani Foundation)
- Honorary Member of GLAC/RO (Latin American Group of Therapeutic Radiation Oncology) and Associate Professor at the University della Plata (Argentina).
- Deputy Chairman and Scientific Manager of the TERA Foundation.
- Chairman of the International Society of Intraoperative Radiation Therapy (ISIORT).

- Member of the EUSOMA Board (European Society of Oncological Mastology)

Since the beginning of its activity, in addition to his clinical and educational commitments, Prof. Orecchia carried out an intense scientific activity documented by over 300 publications in national and international journals (227 of which reviewed on Pub Med), chapters of books, and other educational material, which over the years have dealt with topical issues in clinical research: from integration between radiotherapy and medicines, to hyperthermia, to brachytherapy and, more recently, to precision radiotherapy techniques (3D Conformal radiotherapy, stereotaxic, intraoperative, intensity modulation).

He is Director of SAES Getters S.p.A. since 2009.

**Andrea SIRONI** - Born in Milan on 13 May 1964

He graduated from the Bocconi University with a degree in Political Economy with a major in "International Economy" in March 1989. Marks obtained: 110/110 cum laude.

1989-1990: financial analyst at the London-based subsidiary of the U.S. bank *The Chase Manhattan Bank*.

January - July 1993: *visiting scholar* at the *Salomon Brothers Centre for the Study of Financial Institutions* - Stern School of Business - New York University.

From 1 April 1995: Research worker of Economics of financial intermediaries at the Institute with the same name of the Università Commerciale L. Bocconi of Milan.

From 1 November 1998: Associate Lecturer of Economics of financial intermediaries at the Institute with the same name of the Università Commerciale L. Bocconi of Milan.

January-July 2000 – Visiting Professor, *Federal Reserve Board of Governors, Department of Research & Statistics, Monetary and Financial Studies Section*, Washington DC.

From 1 January 2001 – Manager of the Research Division of the School of Management of the Bocconi University.

From 1 September 2002: Temporary teacher of Economics of financial intermediaries at the Università Commerciale L. Bocconi of Milan.

1 November 2004 – 1 November 2005: Graduate Area Pro-rector, Bocconi University.

From 1 November 2005 – Full professor and Pro-rector for Internationalisation, Bocconi University.

From 1 October 2008, independent member of the Management Board of Banco Popolare.

From 1 May 2009, Deputy chairman of Banca Aletti.

In addition to the academic commitment, he is a Consultant and independent expert of leading national and international financial institutions (Banca d'Italia, Unicredito Italiano, Merrill Lynch International, Società Generale, Citigroup, etc.).

He is Director of SAES Getters S.p.A. since 2006.

**Gianluca SPINOLA** - Born in Turin on 6 February 1933

He obtained a diploma in accountancy.

In 1958, he started working with Société Fiduciaire de Gérance of Geneva (CH) as business assistant. In 1964, he coordinated the financial activities and after two years he became in charge of analysis and coordination of the same activities. From 1973 to 1980, he was in charge of external relations and financial activities.

From 1980 to 1993, he held the position of General Manager in General Beverage Management S.A. of Geneva (CH), of the General Beverage Corporation Group, Luxembourg.

He is currently Chairman of the Board of Directors of Diadora Holding S.p.A. (Italy).

He is Director of SAES Getters S.p.A. since 1994.

#### **4.2.1. MAXIMUM AMOUNT OF POSITIONS HELD IN OTHER COMPANIES**

In compliance with the 1.P.2. principle of the 2006 Code, the Directors of the Company act and decide in full cognition of the facts and independently, pursuing the goal of creating value for shareholders in the medium to long term. In compliance with the 1.C.2. application criteria of the 2006 Code, the Directors accept the office when they believe they can devote the necessary time to the diligent performance of their duties, also allowing for the commitment related to their jobs, profession, number of offices as director or auditor held by them in other companies listed on controlled markets - including foreign markets - in holding, banking, insurance or big-sized companies

The Board reports and reveals, in the Corporate Governance report, the director or auditor offices held by the Directors in listed companies and in other companies indicated above. Table 1 enclosed with this report indicates the offices of director or auditor held on 31 December 2011 by each Director in other companies listed on controlled markets, including foreign markets, in holding, banking, insurance or big-sized companies, as disclosed during the board meeting of 23 February 2012.

The Board believes that an excessive plurality of offices in board of directors or board of statutory auditors of companies, whether listed or not, may compromise or risk the efficient performance of the office of Director in the Company.

The Board, in compliance with the 1.C.1. Application Principle of the 2006 Code, defined some general principles on the maximum number of administration and control offices in other companies that can be considered compatible with an efficient performance of the role of Director of the Company, allowing for the participation of the directors in the committees set-up within the Board itself.

In particular, the Board considered appropriate to assign a score to each office, other than the one of member of the Board of the Company, distinguishing this score according to the commitment related to the type of office (executive/non-executive director) also in relation to the type and size of the companies where the office is held, and set a maximum score beyond which it is reasonable to assume that the office of Director of the Company cannot be carried out efficiently. Exceeding the maximum threshold is a just cause for the removal of the Director from his/her office.

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The Board believes that 100 points is the maximum threshold beyond which the office of director of the Company cannot be carried out efficiently.

The Board of the Company reserves the right to amend and supplement the above general principles, allowing for changes in regulations, experience and *best practice* gained in this field.

The current composition of the Board complies with the above general principles.

The offices and equivalent scores are summarised in the following table:

<b>OFFICE</b>	<b>SCORE</b>
Executive director in listed issuer, banking, financial or insurance companies, whether listed or not	50
Chairman (without operational proxies) in listed issuer, banking, financial or insurance companies, whether listed or not	15
Participation in each listed issuer committee (Appointment Committee, Audit Committee, Remuneration Committee)	5
Non-executive director in listed issuer, banking, financial or insurance companies, whether listed or not	12
Executive director in a company subject to controls provided by the Consolidated Financial Act other than the subsidiaries of the Company	25
Non-executive director in a company subject to controls provided by the Consolidated Financial Act other than the subsidiaries of the Company	10
Executive director in subsidiaries of the Company	5
Non-executive director in subsidiaries of the Company	3
Executive director in non listed companies, subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity exceeding €100 million	20
Non-executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity exceeding €100 million	7
Executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity less than €100 million	18
Non-executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity less than €100 million	5
Member of the Board of Statutory Auditors in listed companies, banking, financial or insurance companies, whether listed or not	17
Member of the Board of Statutory Auditors in non-listed companies, and not controlled by the Company, subject to controls provided by the Consolidated Financial Act	13
Member of the Board of Statutory Auditors in subsidiaries of the Company	10
Member of the Board of Statutory Auditors in non-listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company	10

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Member of the Supervisory Board	5
Owner (or co-owner) of the management function in a trust	7

In compliance with the 2.C.2. Application Principle of the 2006 Code, the Directors are obliged to know the duties and responsibilities concerning their office. The Chairman of the Board makes sure that the Directors and auditors can take part, after the appointment and during their mandate, in initiatives to provide them with an adequate knowledge of the sector of activity in which the Issuer operates, of company trends and their development, as well as of the regulatory framework of reference.

### **4.3. ROLE OF THE BOARD OF DIRECTORS**

The Board is convened on a regular basis to examine the performance of management, business results, as well as all relevant transactions. The Articles of Association provides that the Board will be convened at least every three months.

During the Financial year, the Board met 10 times with an average attendance rate of 92.7% of the Directors, above the average for the 2010 financial year (about 89%). The presence of Executive Directors was 100% (as the 2010 financial year), the presence of Non-executive Directors was on average 91.1% (compared to 87.3% in 2010) and the presence of Independent Directors was on average 93.3% (in 2010 it was 81%).

The meetings lasted approximately 2,5 hours.

For the 2012 financial year, the Board is currently expected to meet at least eleven times, including four times for approving the periodic results; the relevant dates have already been communicated in December 2011 to Borsa Italiana S.p.A. during the publication of the calendar of company events, made available on the Company's website. In 2012, on the date of this Report, the Board met three times, on 13 January, 23 February and on the date of approval of this report.

The Chairman does its best to provide the Directors, on the occasion of the board meetings, in reasonable advance, where possible together with the notice of meeting (typically about ten days before the board meeting) with the documents and information necessary to enable the Board to express an informed opinion on matters under its consideration; as regards the financial reports, they are provided with at least two working days' notice, depending on the technical time of preparation of the documents. Exceptionally, in the light of the nature of the resolutions to be passed and confidentiality requirements, such as strategic plans, with the consent of the directors, the material may not be disclosed in advance to them or the documents can be made available to the Directors in a data room, which in this case is prepared and dedicated for that purpose at the registered office.

Each Director has the right to propose topics for discussion at subsequent meetings of the Board.

The Chairman, with the agreement of the persons attending, can invite subjects external to the Board to attend the meetings as listeners or with support functions. The Manager responsible for preparing the company's financial reports pursuant to Article 154-*bis* of the Consolidated Financial Act is invited to participate to all the meetings of the Board

of Directors concerning the approval of the interim report on operations, half-year financial statements, financial statements and consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions requiring the issuance of a certification by the Manager, and whenever deemed necessary by the Chairman of the Board of Directors, also upon a proposal by the Managing Director, given the presence on the agenda of the Board of Directors of topics which may have an impact on the accounting information of the Company or the Group.

The Group Legal General Counsel - that normally acts as Secretary of the Board - attends the meetings of the Board.

On the occasion of the board meetings, and at least once per quarter, pursuant to Article 19 of the Articles of Association, the Board of Directors and the Board of Statutory Auditors are informed, by the Chairman and by the Managing Director, also with regard to subsidiaries, on the business carried on, general business performance, the Company's business outlook and operations that, due to size or characteristics, acquire a greater economic and financial importance as well as, if necessary, on transactions in which Directors have their own or a third-party interest.

The Directors examine the information received from the Executive Directors, taking care, however, to require any explanation, deepening or integration deemed necessary or appropriate for a complete and correct assessment of the facts brought before the Board.

The Board plays a central role in the Corporate Governance system of the Company, being vested with the broadest powers for the routine and extraordinary administration of the Company, having the power to carry out all acts held to be necessary in order to implement and achieve the business purpose, with the sole exception of powers that are, by law and without exception, reserved to the Shareholders' Meeting.

Without prejudice to the exclusive jurisdiction in the fields referred to in Article 2381 of the Italian Civil Code and provisions established by the Articles of Association, the Board exclusively and in compliance with the application principles 1. C. 1. of the Code 2006

- a) defines, applies and updates corporate governance rules, in conscious accordance with the regulations in force; defines the guidelines of the corporate governance of the Company and of the Group it controls;
- b) examines and approves the strategic, industrial and financial plans of the Company and of the Group it controls;
- c) evaluates and approves the annual budget and the investment plan of the Company and of the Group it controls;
- d) evaluates and approves the regular report envisaged by the regulations in force;
- e) establishes and revokes the powers to the Board (and to the Executive Committee, if appointed) defining the limits, modes of operation and regularity, generally on a quarterly basis, with which the delegated bodies must report to the Board on the activity carried out exercising the given powers; reference is made to paragraph 4.4.1 for further information;

- f) determines, after examining the proposals of the Remuneration Committee and after hearing the Board of Statutory Auditors, the remuneration of the Executive Directors and of the other Directors holding special offices, as well as, if the meeting has not already seen to it, the division of the entire remuneration due to each Board member;
- g) monitors and evaluates the general performance, including any situation of conflict of interest, taking into account the information received by the Executive Directors, the Remuneration Committee and the Audit Committee, as well as periodically comparing the results achieved with those planned;
- h) examines and approves significant transactions and related party transactions; see paragraph 12 for more information
- i) evaluates the adequacy of organisational, administrative and accounting structure, as well as the structure of the Company and of its subsidiaries with strategic importance<sup>2</sup> are not considered companies “with strategic importance”, with a special reference to the Internal Control and risk management system; see paragraph 11 for further information;
- j) it carries out an evaluation on the size, composition and operation of the Board itself and its committees at least once a year, if necessary expressing guidelines on professionals whose presence in the Board is considered appropriate;
- k) reports to the Shareholders during the Meeting; provides disclosure, in the report on corporate governance and, in particular, on the number of meetings of the Board held during the financial year and on the relevant attendance percentage of each Director;
- l) prepares, at the end of each financial year, a calendar of company events for the following financial year; during the Financial Year, the 2012 calendar of company events was announced to the market on 6 December 2011;
- m) is ultimately responsible of the operation and efficiency of the Organisational, Management and Control Model ex Italian Legislative Decree 231/2001.

With reference to letter b) above, during the Financial Year, the Board carried out evaluations on the strategic plans during the meetings of 18 January, 14 March and 30 June.

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<sup>2</sup> Intended as a “significant” company in accounting terms (with assets greater than 2% the assets of the consolidated financial statements or the revenues greater than 5% the consolidated revenues) or more in general, in terms of market or business (therefore, even a newly set-up company will be considered “significant”). On the basis of the evaluations updated at the end of 2011, in compliance with the above parameters as well as together with business considerations, the following companies are considered significant: SAES Advanced Technologies S.p.A., SAES Getters USA, Inc., SAES Getters (Nanjing) Co. Ltd., SAES Getters Korea Corporation, SAES Smart Materials, Inc., Memry Corporation, SAES Pure Gas Inc., Spectra-Mat Inc and SAES Getters America Inc. Otherwise, albeit observing the above parameters, following business considerations, SAES Getters International Luxembourg S.A. and SAES Getters Export, Corp.

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With reference to letter c) above, during the Financial Year, the Board approved the budget of the Company and of the Group during the meetings of 18 January 2011; in 2012, on 23 February.

With reference to letter d) above, during the Financial Year, the Board met for this purpose on 14 March, 12 May, 29 July and 10 November; in 2012, on 13 March.

With reference to letter e) above, the Board did not set any limit of power, considering it adequate to reserve the significant transactions to the board of directors. Moreover, it should be noted that historically, as also during the Financial Year, Directors with proxies used the powers granted to them wisely, only for the normal management of the company business, on which the Board has been regularly and promptly updated. The Executive Directors are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and in particular on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers. See paragraph 4.1.1 for further information on this point.

With reference to letter f) above, on 18 January the Board resolved on this matter on the proposal of the Remuneration Committee convened on the same date.

With reference to letter i) above, the Board of Directors met for this purpose on 13 March 2012 and, on proposal of the Audit Committee, after hearing the favourable opinion of the Board of Statutory Auditors (convened together with the Auditing firm, Director in charge of the Internal Control and risk management system, the Manager in charge of preparing corporate accounting documents and the Group General Counsel), considered adequate the organisational, administrative and accounting structure, as well as the structure of the Company and of the subsidiaries with strategic importance, with a special reference to the Internal Control and risk management system.

With reference to letter j) above, in line with international best practices, the Board carried out, for the third consecutive year, the self-assessment on the composition and on the activities of the Board of Directors and Board Committees.

In November 2011, a series of answers to a questionnaire sent by the Company Secretary's office and aimed at the formalisation of the self-assessment by the Board were collected; after processing the answers, occurred in an aggregate and anonymous way, the Board carried out this assessment successfully during the meeting of 20 December 2011.

In particular, it was pointed out that the decision-making process within the board is powered by timely and effective information flows, supported by documents and complete and quality information that allow a good understanding of business processes and of the most important issues for the company. The Directors also expressed their appreciation for the regular and thorough update provided by the Managing Directors on the recent and perspective development of the industry, market and research and development initiatives.

The visit at the research laboratories of Lainate was particularly interesting, organised during the financial year by the Chairman and Managing Director of the company, during which the Corporate Research & Development Manager showed the directors some production lines and last generation products in the SAES portfolio.

The Directors also pointed out how further initiatives that could increase even more the knowledge and the comprehension by the Directors themselves of the management trends and business developments of the SAES Group could be in-depth thematic meetings on the organisation and management trend of subsidiaries of the parent company, as well as visits at the factories and the plants of the subsidiaries dedicated to the production of SAES products.

The Company Bylaws assign to the Board, without prejudice to the limits of the law, the authority to decide on the proposals concerning:

1. the merger resolution in the cases set forth in articles 2505 and 2505-*bis* of the Italian Civil Code, also as mentioned for the split-up by Article 2506-*ter* last subsection of the Italian Civil Code, in cases where such rules are applicable;
2. establishment and cancellation of sub-offices;
3. indication of the directors who have the legal representation of the company;
4. the reduction of share capital in case of the shareholder's withdrawal;
5. the adaptation of the Company Bylaws to regulatory provisions;
6. the relocation of the registered office in the national territory.

The Shareholders' Meeting is not expected to give any general or prior authorisation for an exception to the prohibition on competition provided under article 2390 of the Italian Civil Code

## **4.4. DELEGATED BODIES**

### **4.4.1. MANAGING DIRECTORS**

In compliance with the 2.C.1. application principles of the Code 2006, the following directors are considered Executive Directors of the Company:

– the Managing Directors of the Company or of a subsidiary company with strategic importance<sup>3</sup>, including the relevant Chairmen when they are vested with individual operational authorisation or when they have a specific role in the formation of company strategies;

– the Directors holding managerial offices in the Company or in a subsidiary company with strategic importance, or in the parent company when the office concerns also the Company;

The granting of vicarious powers or only in the cases of emergency to Directors not vested with operational authorisation is not sufficient to configure them as Executive Directors, unless such powers are, in fact, used with considerable frequency.

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<sup>3</sup> See Note 2

Two of the Directors holding office are Executive Directors. The Board appointed by the Shareholders' Meeting of 21 April 2009 met at the end of this meeting for assigning the company positions, the granting of powers, the appointment of Committees. As done in the past, the Board adopted a proxy model that provides for the granting of wide operational powers to the Chairman and to the Managing Director. Consequently, the powers for ordinary and extraordinary administration - except those that are exclusively reserved for the Board or those that the law reserves for the Shareholders' Meeting - were granted to the Chairman (appointed in the person of Massimo della Porta) and to the Managing Director as well as Group Chief Financial Officer (appointed in the person of Giulio Canale), acting severally.

The powers invested in the Chairman and the Managing Director are identical and do not differ in value or competence.

In particular, Massimo della Porta and Giulio Canale, acting severally and with separate signature, were vested with the following powers (by way of example but not by way of limitation):

- a) appointing attorneys for single acts or categories of acts determining their powers and fees, as well as removing them;
- b) representing the Company in any relation with third parties, with public administrations, public bodies, as well as with other companies of the group, by signing the relevant acts and contracts and making any kind of commitment;
- c) purchasing, exchanging and transferring assets when running the company business; drawing up, with all the appropriate clauses, amending and rescinding any kind of contract, agreement and convention without limitation as to the cause or matter; authorising purchases of raw materials, semi-finished goods, finished products and consumables; authorising offers also outside the current business conditions;
- d) requiring the fulfilment of third-party obligations or of obligations by third parties to the Company;
- e) opening current accounts and/or post office giro accounts, making payments, both by bank transfers and by cheques, making withdrawals from current accounts and post office giro accounts, carrying out debit and credit operations on the current accounts of the Company with banks and postal offices, uncovered or otherwise, always in the interest of the Company, as well as issuing and requesting the issue of cheques and bank drafts;
- f) negotiating and drawing up all the documents to obtain all kinds of bank credits and loans in favour of the Company and negotiating terms and conditions related in any way to the granting of credit facilities or loans; drawing up factoring agreements for the assignment of credits of the Company;
- g) carrying out operations towards the railway and customs administrations, concerning forwarding, clearance and collection of all kinds of goods;
- h) issuing certificates relevant for tax purposes, extracts of the payrolls concerning the personnel both for social-security, insurance and health institutions and for other Bodies and individuals and signing any declaration established by the tax

legislation;

- i) hiring and firing employees and personnel, of each category and grade, including managers, signing the relevant contracts and setting the conditions of engagement and the following economic improvements;
- j) representing the Company before all the Authorities of the Italian Republic and of foreign countries; representing the Company, whether it be a plaintiff or respondent in any civil, criminal or administrative court, and any instance and level of jurisdiction; appointing and revoking if necessary lawyers, warrant of attorneys and technical consultants, granting them full powers;
- k) representing the Company towards the Bank of Italy, Consob and management company of the market, handling and defining each procedure towards them;
- l) compromising and settling disputes of the Company with third parties, appointing arbitrators, also amicable conciliators, and signing the corresponding settlement deeds;
- m) representing the Company in insolvency proceedings to the charge of third parties with all the required powers.

The Board did not set any limit of power, considering it adequate to reserve the significant transactions to the board of statutory auditors and by pointing out that historically, as also during the Financial Year, the Directors with proxies used the powers granted to them wisely, only for the normal management of the company business, on which the Board has been regularly and promptly updated.

The Executive Directors are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and in particular on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers.

#### **4.4.2. CHAIRMAN OF THE BOARD OF DIRECTORS**

The Chairman, Massimo della Porta, coordinates and organises the activities of the Board, he is responsible for the orderly functioning, serves as a connection between Executive and Non-executive Directors, defines the agenda, leads the course of the relevant meetings.

The chairman does his best to provide the members of the Board, in reasonable advance, where possible together with the notice of meeting (typically about ten days before the board meeting), except in case of need or emergency, with the documents and information necessary to enable the Board to express an informed opinion on matters under its consideration and approval. As regards the financial reports, they are provided with at least two working days' notice, depending on the technical time of preparation of the documents. Exceptionally, in the light of the nature of the resolutions to be passed and confidentiality requirements, such as strategic plans, with the consent of the Directors, the material is not disclosed in advance to them or, the documents can be

made available to the Directors in a data room, which is prepared and dedicated at the registered office, if necessary.

The Chairman of the Board is also the *Chief Executive Officer*, but shares the responsibility for the management of the Company with the Managing Director, Giulio Canale. Both are the expression of a list of Directors submitted to the controlling Shareholder of the Company (S.G.G. Holding S.p.A.).

In accordance with the 2.P.5. principle of the 2006 Code, it should be specified that the Board considered to grant proxies to the Chairman equal to those granted to the Managing Director, in such a way that Massimo della Porta, former Managing Director in the 2006-2008 three-year period, could continue to act efficiently and carry out the role of strategic impulse always carried out as Managing Director in the previous board mandates (as from 29 April 1997). The granting of proxies and the concentration of offices in Massimo della Porta is considered to be consistent with the organisational structure of the Company.

In accordance with the 2.C.3. Application Principle of the 2006 Code, the Board considered the advisability to appoint an Independent Director as the lead independent director in order to strengthen the characteristics of impartiality and common sense required from the Chairman of the Board since he is the main person in charge of the management of the company and has operational proxies. Therefore, the Board of 21 April 2009 considered appropriate to appoint Adriano De Maio as lead independent director and informed the market, on the same date, according to what is provided by the Issuers' Regulation.

In compliance with the 2.C.2. Application Principle, during the Financial Year and during the meeting of 18 January 2011, within the presentation of the strategic plans of the Company and of the SAES Group, the Board thoroughly analysed, with a high degree of detail, and was updated, among other topics, on i) the business model of SAES, with characteristics, modus operandi, objectives and strategic choices strongly characterised by the “high tech B2B company” nature of the Company, (ii) on the road map - from 2003 to the date of presentation - of the technological products of SAES, with a special attention to the process of development and renewal of the technological core competences developed by the Company that allowed the increasing use of technical and commercial synergies among the different production lines and the constant diversification of the offer on the market; (iii) on the vision of the Group that consists in “becoming a multi-business Group by maintaining and repeating the technological and commercial leadership at a global level” and (iv) on the mission of the Group that tends to “strengthen the global leadership in *Getter & Dispenser* and in *Advanced Materials*, focusing on *Innovation & Business Development*”.

Always within the initiatives aimed at increasing the knowledge of the business reality of the Directors, in the board meeting of 30 June 2011 the Chairman invited the Directors and the Auditors to visit the research laboratory of Lainate with the support of the Corporate Research & Development Manager, which showed the different divisions of the laboratory, the technological instruments used for the prototyping and development of some SAES technologies, as well as the group of researchers engaged in the research.

During the board meeting of 28 September 2011, the Chairman invited the Chief Executive Officer of Memry Corp. and SMA Medical Business Unit Manager to take

part in the meeting, which provided an overview on Memry Corp., company acquired by the SAES Group in 2008, and on SMA Medical Business Unit of the SAES Group.

The Chairman and the Managing Director do their best to inform the Board on the main legislative and regulatory news concerning the Company and the company bodies.

Should the Directors require clarifications and information from the management of the Company, they forward the request to the Chairman, who sees to it, by collecting the required information or by putting the Directors in contact with the management concerned. The Directors can ask the Chairman and/or Managing Director that business representatives of the Company and the Group attend the board meetings to provide the necessary insights on the topics on the agenda.

The Manager responsible for preparing the company's financial reports pursuant to Article 154 *-bis* of the Consolidated Financial Act is invited to participate to all the meetings of the Board of Directors concerning the approval of the interim report on operations, half-year financial statements, financial statements and consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions requiring the issuance of a certification by the Manager, and whenever deemed necessary by the Chairman of the Board of Directors, also upon a proposal by the Managing Director, given the presence on the agenda of the Board of Directors of topics which may have an impact on the accounting information of the Company or the Group.

The Group Legal General Counsel - that normally acts as Secretary of the Board - attends the meetings of the Board.

#### **4.4.3. REPORTING TO THE BOARD**

The delegated bodies are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and, in particular, on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers.

#### **4.5. OTHER EXECUTIVE DIRECTORS**

As things stand, there are no other executive directors apart from the Chairman and the Managing Director.

#### **4.6. INDEPENDENT DIRECTORS**

The Board holding office, elected by the Shareholders' Meeting of 21 April 2009, consists of eleven (11) members, including two (2) Executive Directors and nine (9) non-executive directors, three (3) of which qualify as Independent Directors, who have no relations, nor did they recently have relations, either directly nor indirectly, with the Company or with subjects related to it, such as to influence their independence of judgement.

With reference to the 3.P.1. principle and the 3.C.3. Application Principle of the Code 2006, the Company believes that three (3) is the adequate number of non-executive Independent Directors to appoint.

It is already considered that with this composition, the number, competence, availability of time and authoritativeness of the non-executive Directors are such as to enrich the board discussion and guarantee the importance of their opinion when taking the board decisions.

Non-executive Directors contribute their specific competences to the board debates, helping to take sound decisions in compliance with the corporate interest and paying particular attention to areas where conflict of interest may occur.

In compliance with the 3.C.1. Application Principle of the Code 2006, the Board considers the independence of its non-executive members placing more emphasis on substance than on form. Moreover, in principle, within this consideration, the Board tends to consider a Director as not Independent, as a rule, in the following cases, albeit not mandatory:

a) if he/she owns, directly or indirectly, also through subsidiaries, trust companies or proxy, shares of entities such as to allow the Director to exercise control and significant influence over the Company, or takes part in shareholders' agreements through which one or more subjects may exercise control or significant influence over the Company;

b) if he/she is, or has been in the previous three financial years, a representative<sup>4</sup> of the Company, of a subsidiary company with strategic importance or a company under common control with the Company, or of a company or body that, also with others through a shareholders' agreement, controls the Company or is able to exercise a significant influence over it;

c) if, directly or indirectly (for example through subsidiary companies or companies in which he/she is a representative, or as a partner of an office or consulting firm), he/she has, or had in the prior financial year, a significant commercial, financial or professional relation<sup>5</sup>:

– with the Company, a subsidiary, the parent company, or with any of the relevant representatives;

– with a subject that, also with others through a shareholders' agreement, controls the Company, or with the relevant representatives;

or he/she is, or has been in the previous three financial years, an employee of one of the aforesaid subjects;

d) if he/she receives, or has received in the previous three financial years, from the Company or from a subsidiary or parent company, a significant additional remuneration compared to the “fixed” fee of the non-executive Director of the Company, and compared to the remuneration for participating in committees also as participation in

<sup>4</sup> In compliance with the 3.C.2. Application Principle of the 2006 Code, the “representatives” of the Company are the legal representative, the Chairman of the Board of Directors, the Executive Directors.

<sup>5</sup> The above relations are certainly important when: (i) trade or financial transactions exceed 5% of the turnover of the supplier or of the beneficiary company; or, (ii) the professional services exceed 5% of the income of the Director or €100,000”.

investment plans related to business performance , also share based;

e) if he/she was a Director of the Company for more than nine years in the last twelve years;

f) if he/she holds the office of Executive Director in another company in which an Executive Director of the Company holds the office of Director;

g) if he/she is a shareholder or Director of a company or of an entity belonging to the network of the external auditing company engaged to carry out the audit of the Company;

h) If he/she is a close relative of a person who is in one of the situations referred to in the previous paragraphs and in particular if he/she is a spouse not legally separated, common law spouses , relatives and in-laws within the fourth degree of kinship of a Director of the Company, of the subsidiaries, of the parent company/companies and those subject to joint control, or subjects who are in the situations indicated under the previous points.

The assumptions listed above are not mandatory. The Board in its evaluation must take into consideration all the circumstances that might seem appropriate to compromise the independence of the Director.

*Evaluation.* The Independent Directors undertake to immediately inform the Board if an event considered likely to alter their status of “independence” occurs.

The independence of the Directors and the relations that may be or appear likely to compromise the independent opinion of that Director is evaluated annually by the Board taking into account the information provided by the individuals concerned or available to the Company. The result of the evaluations of the Board is immediately announced to the market upon its appointment, as well as within the corporate governance report.

If the Board believes that there exists, in actual fact, the requirement of independence albeit in the presence of situations abstractly referable to non-independent cases, the Board will provide adequate information to the market on the result of the evaluation, without prejudice to the control of the Board of Statutory Auditors on the adequacy of the relevant motivation.

There is no prejudice to the predominance of more restrictive regulatory or provisions established by the Articles of Association that establish the termination of the office for the Director who loses some independence requirements.

In compliance with the 3.P.2. principle and with the 3.C.4. Application Principle of the 2006 Code, during the meeting of 23 February 2012, as every year, the Board reported the degree of independence of its Directors pursuant to the regulations in force (Article 147-ter of the Consolidated Financial Act), confirming, on the basis of the requirements set forth in Article 148, subsection 3, of the Consolidated Financial Act (mentioned in Article 147-ter, subsection 4, of the Consolidated Financial Act), the qualification of “Independent” to the Directors, Adriano De Maio, Roberto Orecchia and Andrea Sironi. The Board has not made use of additional or different criteria, not being in the presence of situations abstractly referable to the cases identified by the Code as indicative of lack of independence. Before the Shareholders' Meeting, the three Directors filed special declarations on the possession of the requirements of Independent Directors (as explained above). The Board, in the next meeting after the Shareholders' meeting,

accepted this qualification, communicating it to the market on the same date (21 April 2009).

Also for the purposes of the 3.C.5. Application Principle of the 2006 Code, the Board of Statutory Auditors verified the correct application of the criteria adopted by the Board for assessing the independence of its members, acknowledging the statements issued by each director concerned.

The Board and the Board of Statutory Auditors on 6 June 2011 issued a regular certification ex Article 2.2.3 subsection 3 letter K) of the Regulations of Markets Organised and Managed by Borsa Italiana S.p.A. (verification of the degree of independence and correct application of the criteria for evaluation).

*Meetings.* In compliance with the 3.C.6. Application Principle of the 2006 Code, the Independent Directors meet as a rule once a year in the absence of other Directors, where they consider it advisable (also in the light of the number of persons attending the meetings of the Board and of the various Committees). The meeting may be held informally through audio or video conferencing.

During the financial year, the Directors of the Independent Directors met in the absence of the other Directors on 24 November 2011, in order to discuss the assessment process of the Board, as well as the composition and operation of the Board, considering them adequate.

The Independent Directors did not consider it necessary to meet further in the absence of the other Directors, considering the quality of the informative reports received from the delegated bodies and their active participation in the Board and in the Committees, which allowed them to investigate adequately the issues of interest to them.

*Number.* Should the Shareholders' Meeting resolve to change the number of the members of the Board, it is desirable for the following proportions to be observed:

- Board consisting of up to eight (8) members: at least two (2) Independent Directors;
- Board consisting of up to nine (9) to fourteen (14) members: at least three (3) Independent Directors;
- Board consisting of fifteen (15) members: at least four (4) Independent Directors.

#### **4.7. LEAD INDEPENDENT DIRECTOR**

As shown in the above paragraph 4.4.2., since the Chairman of the Board has also operational proxies, holding the office of *Chief Executive Officer*, albeit he is not the sole responsible of the company management, in compliance with the 2.C.3. Application Principle of the 2006 Code, the Board of 21 April 2009 considered it appropriate to appoint the Independent Director, Adriano De Maio as *Lead Independent Director*. The non-executive Directors (in particular, the Independent Directors) refer to the Lead Independent Director for a better contribution to the activity and operation of the Board. The lead independent director collaborates (as he collaborated during the Financial Year) with the Chairman to ensure that the Directors receive complete and timely information flows. The *lead independent director*, among other things, is also entitled to convene, autonomously or at the request of other Directors, meetings of only

Independent Directors to discuss on the issues considered of interest with regard to the operation of the Board of Directors or company management.

Adriano De Maio is the Chairman of the two Committees set up within the Board: Audit Committee and Remuneration Committee.

## 5. PROCESSING CORPORATE INFORMATION

On 24 March 2006, the Board adapted to the new provisions of the Consolidated Financial Act, of the Issuer Regulation as supplemented by Consob Resolution no. 15232 of 29 November 2005, as well as of the Regulations of Markets Organised and Managed by Borsa Italiana S.p.A. and relevant Instructions, as amended following the Italian Savings Law, transposing the European directive on “market abuse”, introducing *ad hoc* internal procedures and updating those already existing on the matter.

More precisely, the Board adopted:

- the *Procedure for Managing Inside Information*, also for the purposes of the 1.C.1. Application Principle letter j) of the Code, defines the behaviour of Directors, Auditors, managers and employees in relation to the internal management and disclosure to the market of inside information, namely precise information, which has not been made public, concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments, information that would be likely to have a significant effect on the price of such financial instruments if it were made public.

The above procedure, available on the website of the Company [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Corporate Governance/Inside Information sector) is drawn up in order to ensure that the dissemination outside the company of information concerning the Company occurs in full compliance with the principles of correctness, clarity, transparency, timeliness, wide and homogeneous dissemination to ensure equal treatment, completeness, comprehensibility and continuity of information, in a complete and adequate manner and, however, through the institutional channels and according to the terms established by the Company, as well as to ensure that the internal management of the information occurs, in particular, in compliance with the duties of confidentiality and lawfulness;

- the *Insiders Register*: set-up effectively from 1 April 2006, identified the persons who, due to their work or profession or to the functions carried out, have access to the information indicated in Article 114, subsection 1 of the Consolidated Financial Act, pursuant to and for the purposes of Article 115-bis of the Consolidated Financial Act and of Articles 152-bis, 152-ter, 152-quarter, 152-quinquies of the Issuers' Regulation.

The Board also approved a *Code of Conduct for Internal Dealing* (hereinafter referred to also as “Internal Dealing Code”), which regulates the disclosure requirements that the Significant Persons and/or Persons Closely Associated with the Significant Persons, as identified in the Code itself, are obliged to observe in relation to the transactions carried out by them on financial instruments of the Company or other financial instruments related to them; moreover, the Internal Dealing Code regulates the obligations that the Company is bound to observe towards the market in relation to the transactions on financial instruments carried out by Significant Persons and by Closely Associated

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Persons. The Internal Dealing Code contemplates "black-out periods", i.e. predetermined periods (the 15 calendar days prior to the Board meetings for the approval of the accounting data for the period and the 24 hours after the dissemination of the issuance of the relevant press release) during which the persons subject to the provisions of the Code cannot carry out transactions on SAES Getters financial instruments or on financial instruments related to them.

The Board reserves the right to make, on the proposal of the Executive Directors, also by granting special proxies in this regard, all further changes or adjustment to the procedures deemed necessary, as a result of law and regulatory changes, or even only advisable.

During the Financial Year, the transactions carried out by Significant Persons were reported to the market and to the competent authorities. The relevant filing models as well as the Code of Conduct for Internal Dealing - as amended on 28 August 2008 and 23 February 2012 by the Board of Director to comply with new dispositions of law in force - are available on the company's website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Corporate Governance/Internal Dealing section).

The Directors and the Auditors are bound to keep confidential the documents and information acquired during the execution of their duties and to observe the procedures adopted for the internal management and for the disclosure of such documents and information.

The information to the outside must be uniform and transparent. The Company must be accurate and homogeneous in communicating with the media. Relations with the media are reserved exclusively to the Chairman and Managing Director, or to business functions in charge of this.

## **6. INTERNAL BOARD COMMITTEES**

For a more effective performance of their duties, the Board established the internal Audit Committee and the Remuneration Committee, with the functions described later.

The eldest Director of each Committee refers on a regular basis to the Board on the works of such Committee.

Both Committees comprise non-executive Directors, predominantly independent.

The Board does its best to ensure an adequate rotation within the Committees, except for any reason and cause it considers advisable to confirm one or more Directors beyond the fixed terms.

Except for the right of the Board to set up one or more internal Committees with proposing and advisory functions that will be defined in actual fact in the board resolution for the setting-up.

In relation to the 4.C.1. Application Principle let. e) of the Code 2006, it is specified that the existing Committees (Remuneration Committee and Audit Committee) are provided with annual expense budgets predetermined adequately for the carrying-out of their activities.

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### **6.1. Audit Committee**

For any information concerning the Audit Committee, reference is made to paragraph 10 (section Internal Control System).

### **6.2. Appointment Committee**

With reference to 2011, the Board of Directors on the basis of article 6 of the Code 2006 has deemed as not opportune to create an Appointment Committee. The Company will adopt the appropriate decisions on its setting-up within the Board that will be held after the Shareholders' Meeting on 24-26 April 2012.

### **6.3. Executive Committee**

The Board did not consider it appropriate to establish an internal Executive Committee, as already shown in paragraph 4.5.

### **6.4. Compensation Committee**

For any information concerning the Remuneration Committee, reference is made to the Remuneration report published by the Company, pursuant to Article 123-ter of the Consolidated Financial Act.

### **6.5. Related Parties Committee**

The Related Parties Committee is formed by 3 directors not related and in possession of the independence requirements. It is chaired by the Lead Independent Director.

The Related Parties Committee is convened whenever any decision on transactions with related parties shall be adopted after having received advice by the Committee, according to the Procedure regarding Related Parties Transactions available on the Company website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Corporate Governance/Related Party)

## **7. APPOINTMENT COMMITTEE**

With reference to 2011, the Board of Directors on the basis of article 6 of the Code 2006 has deemed as not opportune to create an Appointment Committee. The Company will adopt the appropriate decisions on its setting-up within the Board that will be held after the Shareholders' Meeting on 24-26 April 2012.

## **8. COMPENSATION COMMITTEE**

The Board of Directors has instituted, as part of the Board, since December 17, 1999, the “Compensation Committee” formed by 3 non-executive Directors, 2 are independent and one of them has an adequate experience in accounting and finance matters.

To date, the members of the Compensation Committee are the following: Prof. Adriano De Maio (Lead Independent Director), Prof. Andrea Sironi (Independent Director), and Mr. Stefano Baldi (Non-executive Director).

During the financial year, the Committee met 2 times with the attendance of all the members. The meetings lasted approximately one hour and half. The Group Legal General Counsel was invited to participate to all the meetings. For the current year, the Compensation Committee plans to meet three times. One meeting was already held on 2 March 2012. The meetings of the Committee are recorded.

The Executive Directors do not attend to the meetings of Compensation Committee. The Committee has the right to access the information and business functions required for carrying out the assigned functions, as well as to make use of external consultants, at the Company's expense (during 2011 it chose not to exercise the right to use external consultants).

In compliance with the 4.C.1. Application Criteria let. e) of the Code 2006 it is specified that Compensation Committee is provided with annual expense budgets predetermined adequately for the carrying-out of its activities.

For any information concerning the Remuneration committee, reference is made to the Remuneration report published by the Company, pursuant to Article 123-ter of Legislative Decree No. 58 of February 24, 1998.

## **9. REPORT ON REMUNERATION**

For any information concerning the remuneration of the directors, reference is made to the Remuneration report published by the Company, pursuant to Article 123-ter of the Consolidated Financial Act.

## **10. AUDIT COMMITTEE**

### **10.1. COMPOSITION AND OPERATION OF THE AUDIT COMMITTEE**

*Composition and Operation.* By virtue of the 8.P.4. principle of the 2006 Code, the Board set up an Audit Committee, which comprises three (3) non-executive Directors, the majority of whom are independent. On 21 April 2009, the Board appointed the Directors, Adriano De Maio, Andrea Sironi and Andrea Dogliotti, as members of the Audit Committee.

At least one member of the Committee has an adequate experience in accounting and finance matters. In the case in point, this member is Andrea Sironi.

The Audit Committee is chaired and meets on the initiative of the eldest member. The meetings of the Committee are recorded. The Chairman of the Board of Statutory Auditors or other Auditor appointed by the Chairman of the Board takes part in the works of the Committee. At the Committee's invitation, the Internal Audit Function manager attends all the meetings.

The Committee carries out its functions, listed under paragraph 10.2, in coordination with the Board of Statutory Auditors, with the Internal Audit Function of the Company, with the Internal Audit Function Manager/ Head of Internal Control and the Managing Director in charge of supervising the functionality of the internal control and risk management system).

The Audit Committee, when carrying out its tasks, has the right to access the information and business functions required for carrying out the assigned functions, as well as to make use of external consultants, at the Company's expense. During the Financial Year, the Audit Committee had access to the information and contacted the business functions made available by the Company, whereas it chose not to exercise the right to use external consultants.

The Committee can ask subjects who are not members to attend the meetings at the Committee's invitation, with reference to each point of the agenda. The eldest member of the Audit Committee refers on a regular basis to the Board on the works of the Committee. During the Financial Year, the Audit Committee carried out its activity also by means of appropriate contacts with the auditing firm, the Chairman of the Board of Statutory Auditors, Manager in charge of preparing corporate accounting documents, with the Internal Audit Function Manager and the Group General Counsel.

## **10.2. FUNCTIONS ASSIGNED TO THE AUDIT COMMITTEE**

During the Financial Year, the Audit Committee carried out its functions in compliance with the 8.P.1. and 8.P.2. principles of the 2006 Code, as shown more thoroughly in paragraph 11 below.

*Tasks of the Audit Committee.* The Audit Committee, which acts in substantial compliance with application criteria 5.C.1. and 8.C.1. of the 2006 Code:

- a) assists the Board in defining the guidelines for Internal Control System and in carrying out the periodical assessment of its adequacy and effectiveness;
- b) at the request of the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System), expresses opinions on specific aspects of the identification of the principal business risks as well as on the design, implementation and management of the Internal Control System;
- c) reviews the work plan prepared by the Internal Audit Department, as endorsed by the Internal Control Officer and their periodic reports;
- d) evaluates, together with the Accounting Officer and with the audit firm, whether accounting principles are being used correctly and consistently for the purposes of preparing the consolidated Financial Statements;

- e) evaluates any comments arising from the periodic reports submitted by the Internal Control Officer and from the notifications of the Board of Auditors and of its individual members;
- f) reports to the Board, on the activity carried out and the adequacy of the Internal Control System, at least once every six months, at the time of approving the annual accounts and half-yearly report;
- g) expresses opinions on certain related party transactions;
- h) performs any additional duties that might be assigned to it by the Board.

Following the coming into force of Legislative Decree no. 39/2010, the Audit Committee is even more focused on its preliminary activity to prepare the relevant issues to be submitted to the Board in order to allow the latter to take adequate resolution on internal control system issues.

The role of the Audit Committee as an investigation body and analysis and study centre of proposal preparatory to the decisions of the Board of Directors aimed at putting in place the necessary conditions to enable the administrative body to adopt appropriate choices and decisions on internal control and risk management system stands in perfect harmony with the new provisions on the external audit introduced in the system by Italian Legislative Decree 39/2010.

During the Financial Year, the Audit Committee met four times, on 17 February, 21 June, 29 July and 28 September. The members, the Chairman of Statutory Auditors and the Internal Control Officer attended all the meetings. The average duration of each meeting is of about one hour with an average attendance of 100%. For financial year 2012 five meetings are scheduled. Three meetings took already place on January 13, February 23 and March 8, 2012.

During the Financial Year, the Audit Committee:

- assisted the Board in determining the guidelines for the Internal Control System, in the periodic assessment of its adequacy and effective functioning;
- monitored the advancing of the audit plan as prepared by the Internal Audit Department and the implementation of the recommendations issued from time to time;
- evaluated together with the Accounting Officer and the audit firm whether accounting principles have been used correctly and consistently for the purposes of preparing the consolidated Financial Statements;
- reported to the Board (on February 18, 2011 and July 29, 2011) on the activities performed and the adequacy of the Internal Control System.

## **11. INTERNAL CONTROL SYSTEM**

In compliance with the 8.P.1. and 8.P.2. principles of the 2006 Code, the internal control system is defined as *a set of rules, procedures and organisational structures allowing, through an appropriate identification, measurement, management and monitoring process of the main risks, a safe and fair management of the company*

*The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.*

*consistent with the objectives.* An efficient Internal Control System helps to ensure the protection of company assets, the efficiency and effectiveness of the company operations, the reliability of the financial information, the observance of laws and regulations.

The Internal Control System is maintained by the following company subjects involved in various capacities and with different responsibilities in the governance and control system. Each have specific duties as described below:

- Board of Directors;
- Managing Director;
- Board of Statutory Auditors;
- Supervisory Body;
- Audit Committee;
- Head of Internal Control;
- Internal Audit Function.

In addition to the subjects mentioned above, other subjects are involved, in various capacities, and with different levels of responsibility in the management of the Internal Control System:

- Manager in charge of preparing corporate accounting documents pursuant to Italian Legislative Decree no. 262/05;
- Auditing firm;
- Other internal control functions (Quality, Safety, etc.);
- Other bodies contemplated by different regulations (ISO Certification Bodies).

The Board of Directors believes that the current division of the subjects involved in the governance and control and the interrelationship between supervisory bodies and control functions, is able to ensure a high level of reliance on the ability of the implemented internal control system to achieve its purposes.

The evaluation, in that referring to all the Internal Control System, is affected by its limits. Although well conceived and functioning, the internal control system can guarantee only with a reasonable probability the achievement of business goals.

The Board of Directors met on 13 March 2012 and, on proposal of the Audit Committee, after hearing the favourable opinion of the Board of Statutory Auditors (convened together with the Auditing firm, Director in charge of the Internal Control System and risk management, the Manager in charge of preparing corporate accounting documents and the Group General Counsel), considered adequate the Internal Control and risk management System;

The information relevant to the main characteristics of the existing internal control and risk management systems in relation to the financial reporting process, consolidated or otherwise, is set below.

## **THE INTERNAL CONTROL SYSTEM FOR THE PURPOSES OF THE FINANCIAL REPORTING PROCESS**

### *Introduction*

The regulatory changes in recent years has covered different aspects of the Internal Control System, and the resulting proliferation of control models and different bodies referred to in various capacities to provide a level of reliability on these models. The Administrative and Accounting Control Model (hereinafter referred to also as “Control Model”) is defined within this context as document describing the Internal Control System with reference to the financial reporting process.

The Internal Control System related to the financial reporting process arises in connection with the more general system of control and risk management: both are integral parts of the Internal Control System of the SAES Group, and contribute to ensure the achievement of the objectives described above.

More specifically, for the purposes of the financial reporting process, the System is aimed at ensuring:

- the reliability of the informative report, its correctness and compliance with the accounting standards and legal requirements;
- the accuracy of the informative report, its neutrality and precision;
- the reliability of the informative report, which must be clear and complete such as to lead to investment decisions by the investors characterised by awareness;
- the timeliness of the informative report, with a special reference to the observance of the deadlines for its publication according to the laws and regulations applied.

The task of monitoring the implementation of the above Control Model was assigned, by the Board of Directors, to the Manager in charge of preparing corporate accounting documents (hereinafter referred to also as “Manager in charge”), and to the Managing Director.

The guidelines taken as a reference in the planning, implementation, monitoring and updating of the Control Model, even if not explicitly indicated, are the guidelines established in the CoSo Report<sup>6</sup>. Reference is made to the following paragraphs 6.2. and 6.9. for the specificities of the Control Model and tasks assigned to the Manager in charge.

Also in order to ensure the integration of the Internal Control System for the purposes of the financial reporting process with the more general Control System of business risks, the Manager in Charge collaborates closely with the Internal Audit Function, and orders the regular independent control activities aimed at verifying compliance with administrative and accounting procedures.

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<sup>6</sup> Report of the Treadway Commission of the Committee of Sponsoring Organisations (CoSO) of 1992, considered as best practice of reference for the architecture of the Internal Control Systems and of the Enterprise Risk Management Framework, published in September 2004.

These controls, by selecting specific processes among those considered important following the risk assessment process described later, are also always included in the more general verification of the missions of the Internal Audit Function with the subsidiary companies of the SAES Group.

## **ADMINISTRATIVE AND ACCOUNTING CONTROL MODEL**

On 14 May 2007, the Board of Directors approved the Control Model, adopted also in the light of the provisions introduced by the Savings Law, with a special reference to the obligations concerning the drafting of corporate accounting documents and all documents and communications of a financial nature intended for the market.

This Control Model represents a system of company rules and procedures in order to identify and manage the principal risks associated with the preparation and dissemination of financial information and thereby to achieve the Company's objectives in the areas of the truthfulness and accuracy of such information.

### ***Components of the Control Model***

The Control Model consists of the following elements:

- the general control environment;
- administrative an accounting *risk assessment*;
- administrative an accounting manuals and procedures;

closely related together and subject-matter of an ongoing process of updating and regular evaluation.

*The control environment* is the basis of an effective Internal Control System. The documents formalising its essential characteristics are: the Code of Ethics and Conduct, the set of governance rules contained in the Report on Corporate Governance and ownership structures, the organisation chart and the organisational provisions, the system of proxies.

The administrative and accounting risk assessment is the identification and assessment process of the risks related to the accounting and financial reporting, both with regard to unintentional errors and possible risks of fraud. The risk assessment is carried out at an entity level and a single process level. When determining the materiality threshold, the methods established by Italian Legislative Decree no. 61/2001 are followed.

This process is repeated and updated every year by the Manager in Charge with the support of the Internal Audit Function, and later on shared with the Managing Director, and requires:

- the identification, using quantitative (size) and qualitative (importance) criteria, of the balance-sheet items/financial information with high volatility or implying risks of error, with reference to the financial statements of the Company, the consolidated financial statements and the financial statements of the subsidiaries;
- the identification, for each important balance-sheet item/financial information, of the relevant feeding accounting processes/flows and relevant controls of the identified risks;

- the communication to the involved functions of the intervention areas with regard to which it is necessary to monitor the efficiency and operation of the controls.

If, in relation to the risk areas selected as a result of the regular risk assessment activity, the control activities are not properly documented or formalised, the Process or accounting flow Manager will be in charge of preparing, with the support of the Person in Charge and, if necessary, of the Internal Audit, appropriate documentary evidence in order to allow the evaluation of the controls existing in the analysed area.

The body of the administrative and accounting *manuals and procedures* of SAES Getters mainly consists of the following documents:

- “Group Accounting Principles”): document aimed at promoting the development and application of uniform criteria within the SAES Getters Group for what concerns the recognition, classification and measurement of the affairs of the company;
- “IAS” (“International Accounting Standard”) operational procedures enclosed with the Accounting Manual that regulate the most important issues, for the SAES Getters Group, in terms of application of the international accounting standards;
- Procedures of the administrative and accounting controls, which define the responsibilities and control rules to be followed in the administrative and accounting management, with a special reference to the periodic closing of accounts;
- Counterfoils of administrative and accounting controls, which describe the control activities implemented in each administrative and accounting process to meet the remarks on financial statements; the controls described in them represent the application of the controlling principles (by process) outlined inside the administrative and accounting control procedures;
- Closing activities calendar: document, updated and disseminated every month, aimed at defining the processing time of the process of closing accounts and the drafting of the Financial statements, of the Reporting Package and of the consolidated financial statements;
- Operational procedures of SAES Getters, which define responsibilities, management activities and methods, in terms of authorisation, execution, control, formalisation and accounting record, with reference to areas considered important.

### ***Evaluations on the adequacy and effectiveness of the Model***

The Function Managers and the managers of subsidiaries involved in the formation and management process of the accounting and financial reporting are responsible for the proper operation and updating of the Administrative and accounting Internal Control System with reference to all the pertaining accounting processes/flows, and must verify continuously the proper application of the administrative-accounting procedures, their adequacy to the existing processes, and the updating of the relevant counterfoils of the controls.

Moreover, the Administrative and accounting Internal Control System is subject to independent testing, carried out by the Internal Audit Function, and aimed at evaluating the adequacy of the project and the actual effectiveness of the existing controls. The

testing activity must be carried out based on the general audit plan prepared by the competent function, confirmed by the Head of Internal Control and approved by the Audit Committee.

On a regular basis, the Manager in Charge must monitor the adequacy and effectiveness of the Administrative and accounting Internal Control System based on the informative reports received by the Function Managers and subsidiaries and of the reports on the Internal Audit activity.

Finally, the Manager in Charge must inform the Managing Director, the Board of Directors and the other control bodies, in addition to the company in charge of the audit, on the results of the control activity and monitoring of the implementation of the Internal Control System. To this end, first of all he/she must report to the Managing Director any defects that can compromise the joint declaration of the regular official financial reporting.

Finally, the Manager in Charge produces regular reports to the Board of Directors on the control activities carried out and the relevant results, and on the development of the Control Model: these reports also form the reference for the quality descriptions enclosed with the official declarations of the consolidated half-year condensed financial statements, of the financial statements and of the consolidated financial statements.

All the documents relating to the control activities carried out and to the relevant results are made available to the company in charge of the audit for the appropriate verifications in terms of certification.

## **THE ADMINISTRATIVE AND ACCOUNTING INTERNAL CONTROL SYSTEM OF THE SUBSIDIARY COMPANIES OF SAES GETTERS S.P.A.**

The Persons in charge of the management and preparation of accounting and financial reporting for the subsidiaries, namely Administrative directors and/or local Controllers, together with their general managers, have the responsibility to:

- make sure that the activities and controls existing in the feeding process of the accounting reporting are in accordance with the principles and objectives defined at Group level;
- carry out a continuous monitoring of the identified pertaining controls, in order to ensure their effectiveness and efficacy;
- evaluate every six months the state of the Administrative and Accounting Internal Control System, also through:
  - financial audit reports issued by the Internal Audit Function of the Group,
  - any internal declaration issued by business functions;
- communicate immediately and, however, on a regular basis, to the Managing Director or to the Manager in Charge:
  - important changes relevant to the Internal Control System in order to identify the specific control activities to be implemented,

- any defect or objection that can generate significant errors in the accounting reporting.

Considering the small size of the control structures of most of the subsidiaries, the Company decided not to issue specific procedures relevant to processes that affect the feeding of the accounting informative report of these companies, and detailed control counterfoils were prepared, for the processes selected as a result of the risk assessment, which are verified by Administrative directors and/or Controllers of each subsidiary.

The Manager in Charge, with the support of the Internal Audit, based on the reports of the Administrative directors and/or Controllers of subsidiaries, ensures the ongoing updating of the counterfoils, which must always be the basis for verifying the adequacy and the application of the Administrative and Accounting Internal Control System with the subsidiaries of SAES Getters.

The counterfoils of the controls of the subsidiaries form the basis for the issuance of the internal “attestation” that is sent every six months by the General Manager together with the Administrative Director / Controller of each subsidiary to the Manager in Charge.

### **11.1. EXECUTIVE DIRECTOR IN CHARGE OF THE INTERNAL CONTROL SYSTEM**

The Board of 21 April 2009 identified in the Managing Director, Giulio Canale, the Director in charge of supervising the functionality of the internal control system that in particular, in compliance with the 8.C.5. Application Principle of the 2006 Code:

- a) sees to the identification of the main business risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and submits them on a regular basis to the Board;
- b) implements the guidelines defined by the Board of Directors, by designing, implementing and managing the Internal Control System, constantly verifying its overall adequacy, effectiveness and efficiency; he sees also to the adaptation of this system to the trend of operating conditions and legislative and regulatory outline;
- c) propose to the Board the appointment, removal and remuneration of one or several persons in charge of internal control.

The Managing Director, with the support of the Internal Audit Function continuously verifies the actual effectiveness of the implemented Internal Control System. It is also acknowledged that, in relation to the 8.C.5. Application Principle of the 2006 Code, the Managing Director in charge of supervising the functionality of the internal control system, verified constantly the overall adequacy, effectiveness and efficiency of the Internal Control System, keeping under control the identification of the main business risks. The Board of Directors, during the meeting of 13 March 2012, made a positive evaluation on the subject.

A description of the business risks is entered in the report on operations contained in the financial statement documents relevant to the financial year.

## **11.2. INTERNAL CONTROL OFFICER**

The Internal Control Officer is appointed by the Board, upon proposal of the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System) and after consulting with the Audit Committee.

The Board, in its meeting of April 21, 2009, upon proposal of Giulio Canale, having obtained the favorable opinion of the Audit Committee, taking into account the application criterion 8.C.7. of 2006 Code, appointed Claudio Vitacca, who is the Head of the Internal Audit Department, in the position of Internal Control Officer.

It is specified that the figure of the Head of Internal Control was held for the 2011 Financial Year by Claudio Vitacca, Internal Audit Manager until 14 October 2011. During the period of vacancy, the office was held *ad interim* by Pietro Minaudo, Group General Counsel of the Company.

With reference to application criterion 8.C.1. of 2006 Code, the Board of Directors did not deem necessary to define an additional compensation for Claudio Vitacca for this particular office, on the top of the compensation he already receives as employee and Head of the Internal Audit Department. This compensation is in line with the corporate HR policies normally applied.

The Internal Control Officer is not responsible for any operational division and does not report hierarchically to any head of operational divisions (including the administration and finance division).

The Officer acts in substantial compliance of application criterion 8.C.6. of 2006 Code.

He is responsible for ensuring that the Internal Control System is always adequate, fully operating and effective.

The Officer has direct access (and had access during the Financial Year) to all relevant information for the performance of his duties and has adequate means at his disposal to carry out the duties assigned to him.

The Officer reports on his work to the Managing Director responsible for supervising the functionality of the Internal Control System as well as to the Audit Committee and to the Board of Auditors.

In particular, the Officer reports (as he did in the Financial Year) about the procedures according to which risk management is performed, as well as about compliance with the plans defined to minimize risks and express his opinion on the suitability of the Internal Control System in achieving an acceptable overall risk profile.

Individuals from outside the Company can be appointed to the role of Internal Control Officer, provided, however, that they adequately meet the requirements of professionalism and independence. In this case, the adoption of such an organisational choice, with a satisfactory explanation of the relevant reasons, is disclosed to the Shareholders and to the market in the Corporate Governance Report.

During the Financial Year, the Internal Control Officer, as head of the Internal Audit Department, implemented the audit plan as approved by the Audit Committee, performing, among other things, general audit review activities at the US companies of the Group, at some departments of the Company and of SAES Advanced Technologies S.p.A. Moreover, he monitored the implementation level of the recommendations

contained in any previous audit report aiming at reinforcing the Internal Control System. The Officer also periodically reported to the Audit Committee, to the Managing Director on the capability of the Internal Control System of meeting an acceptable risk profile.

The annual budget allocated for the Internal Control Officer is of about EUR 10,000.00. This budget can be increased upon recurring specific needs.

### **11.3. ORGANISATIONAL MODEL PURSUANT TO ITALIAN EX LEGISLATIVE DECREE 231/2001**

The Italian Legislative Decree no. 231 of 8 June 2001 concerning the "*Rules on the administrative liability of legal entities, companies and associations, also deprived of legal status*", introduced, in the Italian legal system, an administrative liability system of companies for offences committed in the interest or to the advantage of the companies themselves, by directors, managers or employees.

The Board, with resolution of 22 December 2004, approved and adopted its "Organisational, Management and Control Model" pursuant to and for the purposes of Italian Legislative Decree no. 231/2001 ("Model 231") and at the same time the "Code of Ethics and Conduct", which is an integral part of the Model. The General Part of the Model and the Code of Ethics are available on the website of the Company [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Corporate Governance section).

The Board with resolution of 13 February 2007, approved the updating of the 231 Model in the light of the coming into force of the rules for the implementation of the Community regulation on preventing market abuse, as well as within the regular verification pursuant to Article 7, subsection 4, let. a) of Italian Legislative Decree no. 231/2001.

With resolutions of 18 March 2008 and 23 April 2008, the Board then approved the updating of the 231 Model also in order to adapt it to regulatory changes occurred during 2007 designed to expand the number of offences protected ex Italian Legislative Decree no. 231/2001. Specifically, the following offences have been introduced:

- receiving, laundering and using money, goods or benefits of unlawful origin (*Article 25-octies* of Italian Legislative Decree no. 231/2001, introduced by Italian Legislative Decree of 16 November 2007 implementing the third anti-money laundering 2005/60/EC Directive.
- Article 9 of Italian Law no. 123 of 3 August 2007, introduced Article 25-*septies* in Italian Legislative Decree no. 231/2001, relevant to offences related to the violation of accident-prevention regulations. Reference is made to the crime case of culpable homicide and serious or very serious negligent personal injury, committed in violation of accident-prevention regulations and occupational health and safety protection.

On 8 May 2008, the Board updated the Code of Ethics and Conduct of the Company.

The Company, during the last quarter of the 2009 financial year, started the project for reviewing and adjusting the Model to the Italian Legislative Decree no. 231/2001 as a result of the inclusion in the list of relevant offences of the following:

- (Article 24-ter) organised crime offences - Italian Law no. 94 of 15 July 2009,
- (Article 25-bis) crimes against the industry and trade - Italian Law no. 99 of 23 July 2009,
- (Article 25-novies) offences relating to violation of copyright - Italian Law no. 99 of 23 July 2009,

in addition to the offence of induction not to make statements or to make false statements to the judicial authorities - Italian Law no. 116 of 3 August 2009.

To this end, the activities carried out by each business function were mapped to verify in particular the existence of any relevant business activity for the purposes of Italian Legislative Decree no. 231/2001, as updated, as well as the adequacy of the supervision facilities implemented for the prevention of crime.

The Model was submitted to and approved by the Board of Directors during the meeting held on 27 April 2010.

During this verification, it was considered appropriate to prepare a new procedure on patents, the *“Procedure for the management of the new company IP assets”*.

The purpose of this procedure is to illustrate the operating methods that SAES must follow when managing the relations with Patent Firms, Patent Offices, Courts, Third Parties and Supervisory Authorities relating to the requirements prescribed for the protection of industrial property rights, in compliance with the reference legislation, principles of maximum transparency, timeliness and collaboration as well as asset traceability.

This procedure is drawn up in accordance with the principles confirmed by the Model and with those specifically identified in the Special Part A - “Offences against the Public Administration” and F - “Crimes against public faith, industry and commerce, and relating to infringement of copyright”.

On 17 February 2011, the Procedure was submitted to and approved by the Board of Directors of the Company and subsequently disseminated to all the company personnel also by virtue of trainee course organized by the company with the support of external advisors.

Finally, the Model was updated by the Board of Directors on 20 December 2011 to implement the introduction of environmental offences among the cases of predicate offence set forth in Italian Legislative Decree 231/2001. The updating implied the introduction of a new Special Part G – “Environmental offences”.

The 231 Model was adopted by the Board in the firm belief that the establishment of a “organisational, management and control model” may be a valid awareness-raising tool towards all the employees of the Company so that they follow, when carrying on their activities, correct and consistent behaviours and an absolutely necessary tool to prevent the risk of committing the crimes contemplated by Italian Legislative Decree no. 231/2001. With the adoption and effective implementation of the Model, the Company aspires to take advantage of the so-called justification in the unlikely event of involvement for the relevant types of offences.

The Document describing the Model is divided in a *“General Part”*, which, after a brief description of the essential contents of Italian Legislative Decree no. 231/2001,

describes the activity carried out for defining the 231 Model of the Company and illustrates its components and in “*Special Parts*” prepared for the different types of offence contemplated by Italian Legislative Decree no. 231/2001 (if relevant for the company), which form an integral part of the Model.

The Board also considered important to adopt the Code of Ethics and conduct in order to clearly define the set of values that the SAES Getters Group acknowledges, accepts and shares, as well as the set of rules of conduct and the principles of legality, transparency and correctness to be applied when performing their activities and in different relations with third parties.

#### **11.4. SUPERVISORY BODY**

The Company has a supervisory body whose tasks are identified by Italian legislative Decree 231/2001 as specified in the 231 Model formalised by the Company, such as supervising the functioning, effectiveness, compliance and updating of the Model, as well as preparing the operational procedures to ensure its proper functioning.

On 21 April 2009, after the Shareholders' Meeting for the appointment of the Board holding office, the latter appointed, as members of the Supervisory Body, the following subjects:

- Vincenzo Donnataria (as member of the Board of Statutory Auditors);
- Claudio Vitacca (as Head of Internal Control) until 14 October 2011, date on which he was replaced by Pietro Minaudo, Group General Counsel of the Company;
- Roberto Orecchia (as Independent Director).

The Board also established an annual fee of €16,000.00 for each member of the Body.

The Body has its own Regulations and also elected internally its Chairman, in the person of Vincenzo Donnataria.

The Body will hold office until the approval of the financial statements relevant to the 2011 financial year.

The Body met four times during the Financial Year (with an average attendance rate of 83% of its members at all the meetings).

The Company on 16 May 2011 issued a regular certification ex Article I.A.2.10.2 of the Instructions accompanying the regulations of Borsa Italiana S.p.A. (adequacy 231 Model and its compliance and composition of the Supervisory Body).

The Board of Directors, also considering the activities of the Supervisory Body, assigns it an annual expense budget for carrying out the activity, in full economic and managerial autonomy. The said budget is updated each time in accordance with the specific requirements that will be determined by the Supervisory Body. Any budget overrun determined by specific needs will be communicated by the Supervisory Body to the Board of Directors.

## **11.5. AUDITING FIRM**

The auditing is carried out by an auditing firm appointed and operating pursuant to the law. On 9 May 2007, the Shareholders Meeting - after taking note of the proposal of Reconta Ernst & Young S.p.A. of 19 December 2006, of the Directors' Report and of the proposal of the Board of Statutory Auditors - decided to entrust Reconta Ernst & Young S.p.A., by extending it:

- with the task set forth in Article 159 of the Consolidated Financial Act for auditing the financial statements of the Company, of the consolidated financial statements of the SAES Getters Group,
- with the task relating to the verification of the regular bookkeeping and correct recognition of the management facts in the accounting records set forth in article 155 subsection 1 of the Consolidated Financial Act,
- with the task of the limited audit of the half-yearly report of the Company also on a consolidated basis,

for the 2007-2012 financial years, pursuant to and in compliance with Article 159 of the Consolidated Financial Act.

The Shareholders' Meeting approved the remuneration payable to Reconta Ernst & Young S.p.A. for the carrying-out of the above activities, for each of the above financial years in the overall amount of €77,000.00, in addition to the expenses and updating in accordance with the changes in ISTAT indexes, conditions contained in the proposal formulated by the auditing firm enclosed with the minutes of the shareholders' meeting available on the website of the Company [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Corporate Documentation).

Within the auditing task of the consolidated financial statements, the auditing firm prepared an audit plan for the Italian and foreign subsidiaries entrusting audit firms belonging to the same network with auditing tasks.

## **11.6. MANAGER IN CHARGE OF PREPARING CORPORATE ACCOUNTING DOCUMENTS**

On 21 April 2009, the Board appointed Michele Di Marco, Administration, Finance & Control Manager, by confirming him as Manager in charge of preparing corporate accounting documents, after obtaining the opinion of the Board of Statutory Auditors, pursuant to and for the purposes of the new article 154-*bis* of the Consolidated Financial Act, introduced by the Italian Savings Law.

Pursuant to Article 24 of the Articles of Association, introduced by resolution of the Extraordinary Shareholders' Meeting of 29 June 2007, the Manager in charge of preparing corporate accounting documents must be in possession of the professional requirements characterised by a qualified experience of at least three years in the performance of administrative, accounting and/or auditing tasks, or carrying out managerial or advisory functions on finance, administration, accounting and/or control, within listed companies and/or relevant groups of companies, or companies, bodies and enterprises of significant size and relevance, also in relation to the function of drafting and control of corporate accounting documents.

The office of the Manager in Charge expires at the end of the mandate of the Board that appointed him (approval of the financial statements relevant to the 2011 financial year). He is eligible for re-election Di Marco was appointed Manager in Charge on 29 June 2007.

The Manager in Charge has autonomous spending and signature powers. The Board ensures that Di Marco is provided with adequate powers and means for the fulfilment of the duties assigned to him pursuant to the same Article 154-*bis* of the Consolidated Financial Act, of those assigned by the Board upon his appointment as well as on the actual observance of the administrative and accounting procedures.

On 14 May 2007, the Board approved a document describing the Control Model, described in paragraph 6.2., adopted by the Company in order to better ensure the reliability of the financial reporting disclosed to the market and the effectiveness of the Manager in Charge. In particular, the document:

- describes the components of the Control Model;
- indicates the responsibility, means and powers of the Manager in Charge;
- regulates the rules of behaviour, the roles and responsibilities of the company organisational structures involved in various capacities;
- defines the (formal and internal) certification process on financial reporting.

## **12. DIRECTORS' INTERESTS AND RELATED PARTIES TRANSACTIONS**

On 21 December 2010, the Board of Directors adopted, after hearing the favourable opinion of the Committee of Independent Directors, the Procedures for related-party transactions (the "Procedures") in compliance with what is provided by Consob Regulation no. 17221 of 12 March 2010 (hereinafter "Regulation") and with the Consob Communication of 24 September 2010 (hereinafter "Communication"), in order to ensure the transparency and the substantial and procedural correctness of the related party transactions, identified pursuant to the international accounting standard IAS 24. The Procedures define the transactions of "greatest importance" that must be previously approved by the Board, with the reasoned and binding opinion of the Committee of Related Parties.

The other transactions, unless they are part of the residual category of small amount transactions - transactions of less than €250,000 - are defined as "of minor importance" and can be carried out subject to the reasoned and non-binding opinion of the aforesaid Committee. Moreover, the Procedures identify cases of exemption from their application, including, in particular, the ordinary transactions concluded under conditions equivalent to those of the market or standard, transactions with or between subsidiaries and those with associates, provided that there are no significant interests in them of other related parties of the Company, and small amount transactions.

The Procedures came into force on 1 January 2011 and are published on the website of the Company [www.saesgetters.com](http://www.saesgetters.com)

### **13. APPOINTMENT OF STATUTORY AUDITORS**

The appointment of the Board of Statutory Auditors is explicitly managed by the Bylaws, which provides for an appointment procedure through a list voting system, except for different and further provisions provided by mandatory law or regulations.

The Board considers that the appointment of the Directors, in the same way as the Directors, is also carried out with a transparent procedure, as described below.

Article 22 of the current Company Bylaws, which already provided for the election of the Board of Statutory Auditors by presenting lists, was amended by the resolution of the Extraordinary Shareholders' meeting of 29 June 2007 to implement the amendments and supplements to the election procedures introduced in the meantime in the regulations in force.

In particular, the amendments were introduced in compliance with the provisions of Article 148, subsections 2 and 2-bis as well as of Article 148-bis of the Consolidated Financial Act, as amended by Italian Legislative Decree no. 303 of 29 December 2006, and of Article 144-sexies of the Issuer Regulation as amended by Consob resolution no. 15915 of 3 May 2007, which establishes that an active member of the Board of Statutory Auditors must be elected by the minority Shareholders who are not directly or indirectly related to the Shareholders who presented or voted the list that obtained the most votes, with reference to the definition of relations between current Shareholders and minority Shareholders contained in the Issuers' Regulations; that the Chairman of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting from among the Auditors appointed by the minority shareholders; that the Bylaws may require that the Shareholder or the Shareholders who present the list own, when the list is presented, a stake not greater than the one determined pursuant to Article 147-ter, subsection 1 of the Consolidated Financial Act; that the lists must be filed with the registered office, accompanied by a series of documents specified by the regulations, at least 15 days before the one contemplated by the Shareholders' meeting called to decide on the appointment of the Auditors; that the list must be made available to the public at the registered office, the management company of the market and on the website of the issuing companies within the terms and methods contemplated by the regulations; that the articles of association can establish the criteria to identify the candidate to be elected, lists being equal.

The current Article 22 of the Bylaws requires that the minority - which is not an associate or a subsidiary, relevant pursuant to Article 148 subsection 2 of the Consolidated Financial Act and relevant regulations - is reserved the right to elect a Regular auditor as Chairman of the Board, and an Alternate Auditor.

The minority Auditors are elected at the same time of the other members of the supervisory board (except for cases of replacement).

Today, the Shareholders who, with regard to the shares that are registered in favour of the shareholder the day on which the lists are filed with the Company, on their own or together with other Shareholders presenters, own a stake in the share capital with voting rights, at least equal to the one determined by Consob pursuant to Article 148, subsection 2, of the Consolidated Financial Act and in compliance with what is

provided by the Issuers' Regulation, can present a list for the appointment of the members of the Board of Statutory Auditors. At the date of this Report, the requested share is 2.5% of the share capital with voting rights.

A Shareholder cannot present or vote more than one list, albeit by proxy or through a trust.

The Shareholders belonging to the same group and the Shareholders that join a shareholders' agreement that concerned shares of the Company cannot present or vote more than one list, albeit by proxy or through a trust. Each candidate shall come up in one list under penalty of ineligibility.

The lists, signed by those who present them, must be filed with the registered office no later than the twenty fifth day before the date of the shareholders' meeting called to decide on the appointment of the members of the Board of Statutory Auditors. The Company makes this list available to the public at the registered office, at the premises of the management company of the market and on its website, within the terms and in the manner provided by law.

The lists must contain the names of one or more candidates for the position of Regular Auditor and of one or more candidates for the position of Alternate Auditor. The name of the candidates are marked in each section (Regular Auditor section, Alternate Auditor section) by a progressive number and in numbers not exceeding the members to be elected.

The lists also contain, as an enclosure:

- a) the information relevant to the identity of the Shareholders who presented them by indicating the percentage of overall shareholding; this possession must be supported by appropriate certification issued by an intermediary to be presented also after filing the list, provided by the deadline for the publication of the lists by the issuer;
- b) a declaration of the Shareholders other than those holding, also jointly, a controlling interest or a relative majority interest, certifying the absence of any associate or subsidiary relation contemplated by Article 144-*quinquies* of the Issuers' Regulation with the latter;
- c) an exhaustive document regarding the personal and professional characteristics of candidates, accompanied by the list of management and control positions held in other companies;
- d) a declaration of the candidates certifying the non-existence of the reasons to exclude their eligibility, as well as the possession of the requirements provided by law and by temporary regulatory provisions in force, and their acceptance of the candidature;
- e) any additional or different privacy declaration, informative report and/or document provided for by law and by applicable regulations.

In the event in which, on the deadline for the presentation of the lists, only one list has been presented or only lists presented by Shareholders related to one another on the basis of the applicable regulations, lists may be presented up until the fifth day following said date. In this case, the thresholds provided above for presenting lists are

reduced by half. The failure to present minority lists, the new deadline for the presentation of the lists and the reduction of the thresholds are reported within the terms and in the manner provided by applicable regulations.

Members of the Board of Statutory Auditors are elected as follows: (i) two Regular auditors and an Alternate auditor are drawn from the list that obtained the highest number of shareholder votes ("Majority List"), in the sequential order in which they appear on the list; (ii) a Regular Auditor, who must act as Chairman of the Board of Statutory Auditors ("Minority Auditor") and an Alternate Auditor (Minority Alternate Auditor) are drawn from the second list that obtained the highest number of votes and that is not connected directly or indirectly with the Shareholders who presented or voted the Majority List pursuant to the applicable provisions ("Minority List"), in the sequential order in which they appear on the list.

In the event that the lists obtain the same number of votes, the list submitted by Shareholders owning the largest stake when the list is submitted prevails, or, subordinately, the one submitted by the greatest number of Shareholders.

If only one list is presented, the Shareholders' Meeting will vote on it and if it obtains the relative majority of voters, without taking account of abstentions, all the candidates listed for these positions will be elected Regular and Alternate Auditors. In this case, the Chairman of Board of Statutory Auditors is the first candidate as Regular Auditor.

In the absence of lists, the Board of Statutory Auditors and its Chairman are appointed by the Shareholders' Meeting with the quorum required by law.

If, for any reason, the Majority Auditor is no longer available, he/she is replaced by the Alternate Auditor drawn from the Majority List.

If, for any reason, the Minority Auditor is no longer available, he/she is replaced by the Minority Alternate Auditor.

The Shareholders' Meeting, as provided by Article 2401, subsection 1 of the Italian Civil Code, appoints or replaces in compliance with the principle of necessary representation of minorities.

## **14. STATUTORY AUDITORS**

The Board of Auditors holding office was appointed by the Shareholders' Meeting of 21 April 2009 and will remain in office until approval of the 2011 financial statements. The Board, as best shown in the following table, consists of Vincenzo Donnataria, Chairman of the Board of Statutory Auditors, Maurizio Civardi and Alessandro Martinelli, Regular Auditors. The Board of Auditors holding office was appointed on the basis of a single list received by the Company, presented by the Majority Shareholder S.G.G. Holding S.p.A., in accordance with the procedures and terms prescribed by the regulations and articles of association.

The list and the documents that came with it were also promptly published on the Company's website.

The three-year period mandate of the Board of Statutory Auditors, appointed on 21 April 2009, expires with the approval of the financial statements relevant to the financial year ended 31 December 2011. The next Shareholders' Meeting will be

therefore convened to decide on the appointment of the Board of Statutory Auditors. Reference is made to the report prepared by the Directors on the points on the agenda of the Shareholders' Meeting, which will be filed with the registered office, at Borsa Italiana S.p.A. as well as made available on the Company's website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Shareholders' Meeting section, within the terms contemplated by the laws and regulations in force.

The Board checks every year the continuance of the requirements of professional and honourable standing that the Auditors must have pursuant to Decree no. 162 of the Ministry of Justice of 30 March 2000, as well as of independency pursuant to Article 148, subsection 3 of the Consolidated Financial Act and of the 10.C.2. application criteria of the 2006 Code. During the Financial Year, with reference to the 2010 financial year, this verification was carried out on 17 February 2011. With reference to the Financial Year, this verification was carried out on 23 February 2012.

In addition to the requirements provided by the applicable regulations, the Auditors of the Company must also have proven skills and expertise on tax, legal, organisational and accounting matters, in such a way as to guarantee the Company maximum efficiency in the controls and the diligent execution of their duties.

Making an exception to the 10.C.2. application principle of the 2006 Code, the Board did not provide expressly that the Auditors should be chosen from among persons who qualify as independent on the basis of the methods indicated for Directors, considering the regulatory provisions sufficient. Shareholders presenting the lists for the appointment of the Board are required to indicate the possible suitability of candidates to qualify as independent, leaving the evaluation of the importance of this qualification to the Shareholders' Assembly for the appointment.

Also in compliance with the 10.C.3. application principle of the 2006 Code, the Auditors accept the office when they believe they can devote the necessary time to the diligent performance of their duties

During the Financial Year, each member of the Board of Statutory Auditors informed Consob on the management and control positions held at the companies set forth in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, pursuant to and for the purposes of the Article 144-*quaterdecies* of the Issuers' Regulation.

Also in accordance with the 10.P.2. principles of the 2006 Code, the Auditors operate autonomously and independently from the Shareholders who elected them.

The Auditor who, on his/her own account or on account of third parties, has an interest in a particular operation of the Company, informs immediately and exhaustively the other Auditors and the Chairman of the Board on the nature, terms, origin and extent of his/her interest, also due to the effects of the 10.C.4. application principle of the 2006 Code.

The Board of Statutory Auditors, within the tasks assigned to it by law, supervises the methods of implementing corporate governance regulations and ensures that (as it positively ensured during the Financial Year) the criteria and procedures to ascertain the independence of its members adopted by the Board of Directors was correctly applied. The result of these checks is made known to the market within this Report or the report of the statutory auditors to the Shareholders' Meeting.

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The Board of Statutory Auditors also oversees (as it oversaw during the Financial Year) the conditions for the independence and autonomy of its own members and informs the Board thereof in a timely manner with respect to the drafting of this Report. The Board verified, in the next meeting after the appointment (on 21 April 2009) and during the Financial Year the continuing satisfaction of independence requirements of its members. In making the above evaluations, the Board did not apply additional criteria for the independence of Directors, but only laws and regulations.

The Board of Statutory Auditors values the proposals formulated by the auditing firms in order to be entrusted with the relevant task, as well as the plan prepared for the auditing, and the results shown in the report and in the suggestion letter. The Board of Statutory Auditors also supervises the effectiveness of the auditing process and the independence of the Auditing Firm, ensuring its compliance with prevailing laws and the nature and type of services other than auditing services provided to the Company and its subsidiaries by the Auditing Firm and the entities belonging to its network.

During the Financial year, the Board of Statutory Auditors supervised the independence of the Auditing Firm, ensuring its compliance with prevailing laws and the nature and type of services other than auditing services provided to the Issuer and its subsidiaries by Reconta Ernst & Young S.p.A. and the entities belonging to its network.

Moreover, in virtue of the provisions contained in Italian Legislative Decree 39/2010, the Board of Statutory Auditors acts also as Internal Control and Audit Committee called upon to supervise the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems, the external audit of the annual accounts and consolidated accounts and on the independence of the external auditing firm.

Reference is made to the following paragraph “17. Additional Corporate Governance Practices” for further details.

Within its activities, the Board of Statutory Auditors can ask the Internal Audit Function to carry out verifications on specific operational areas or business operations, as indicated in the 10.C.6. application principle of the 2006 Code.

In accordance with the 10.C.7. application principle of the 2006 Code, the Board of Statutory Auditors and the Audit Committee immediately exchanged important information for the carrying out of their tasks, for example on the occasion of the meetings of the Board of Directors or of the Audit Committee (the Chairman of the Board of Auditors or other Auditor appointed by it takes part in the works of the Committee).

During the Financial Year, the Board of Statutory Auditors met 6 times with the constant participation of all members. The Board meetings last on average 3 hours. Six meetings have been planned for the 2012 financial year; one meeting was already held on 8 March.

In relation to the 10.P.3. principle of the 2006 Code, the Company believes it has adopted adequate measures to ensure an effective performance of the tasks of the Board of Statutory Auditors.

Information concerning the personal and professional characteristics of each auditor is provided below:

**Maurizio CIVARDI** - Born in Genoa on 30 July 1959

Chartered Accountant - Associato STUDIO ROSINA e ASSOCIATI

- Registered at the Register of Auditors (Italian Ministerial Decree 12/4/1995 O.G. 31 bis - IV Special series of 21/4/1995)
- Official receiver
- Expert appointed by the Court (ex Article 2343 Italian Civil Code) for the evaluation of business complexes
- Liquidator
- Tax and company advisor of several companies, offers his services also in corporate restructuring operations, company organisation and in requests for admission to insolvency proceedings
- formerly Member of the Research Committee for Direct Taxes with the Italian National Board of Chartered Accountants
- formerly Delegate in the C.N.D.C. / ACCA Bilateral Committee within the JOINT INTERNATIONAL COMMITTEE on behalf of the Italian National Board of Chartered Accountants

He is Regular Auditor of SAES Getters S.p.A. since 2006.

**Vincenzo DONNAMARIA** - Born in Rome on 4 October 1955

He graduated in 1978 from Università degli Studi of Rome with a degree in law.

Lawyer enrolled in the Bar Association of Rome (1984).

Registered at the Register of Auditors from the date in which it was initially set up (Italian Ministerial Decree 12 April 1995).

Court of Cassation Lawyer, enrolled in the Special Register of Cassation Lawyers since 2003.

Vincenzo Donnamaria is the founding member national manager of Studio Associato di Consulenza Legale e Tributaria KStudio Associato (law firm). The Studio, which has more than 300 professionals, lawyers, professional and chartered accountants, is associated with the international network of KPMG.

From November 1978 to April 1985, he worked professionally at Arthur Andersen until he held the office of ordinary member of the Tax and company consultancy firm.

From May 1985 to September 1988 he was the founding member of Studio Consulenti Associati Di Paco, Donnamaria, Guidi, (KPMG) responsible for the premises of Rome.

He took part in teaching courses in the field of direct and indirect taxes as a lecturer and as a speaker at conferences on topics related to tax.

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He published, together with Francesco Rossi Ragazzi, the book called “Disciplina fiscale degli ammortamenti” (Tax regulations on amortisation/depreciations) for the IPSOA publishing house in 1985.

He is a member of ANTI (Associazione Nazionale Tributaristi Italiani, National Association of Italian tax Advisors).

During 1998, he was appointed Consultant of the Authority for Communication Guarantees within the preparation of the Regulations concerning the organisation and operation of this Authority.

In 1998, he was also appointed member of the Commission of inquiry set up by the Ministry of defence, with Italian Ministerial Decree of 29 September 1998, in relation to the criminal procedure established by the Court to the charge of the personnel ex General Management of Constructions of naval weapons and arming.

He was a Regular Auditor of SAES Getters S.p.A. from 1997 to 2006. In 2006, he was appointed Chairman of the Board of Statutory Auditors.

**Alessandro MARTINELLI** - Born in Milan on 5 July 1960

Enrolled in the Register of National Accountants of Milan, roll section a since 22 September 1987.

Enrolled in the Register of External Auditors O.G. no. 31 of 21/04/1995 Italian Decree 12/04/95.

After a period of apprenticeship in a leading professional accountant's office of Milan, he started in 1987 his professional work in the family Firm, active since 1920, dealing mainly with tax consultancy, company consultancy and tax related lawsuit.

He also followed, as manager, the administrative and accounting management of the Firm's customers.

He is Regular Auditor of SAES Getters S.p.A. since 2006.

## 15. INVESTOR RELATIONS

The Chairman and the Managing Director, in compliance with the procedure for the management of inside information, work actively towards establishing a constant dialogue with the Shareholders, with the institutional investors and with the market, fit to guarantee the systematic dissemination of a complete and timely informative report on its activity. Disclosure to investors, market and press is ensured by the press releases, regular meetings with institutional investors and with the financial community.

Also in accordance with the 11.C.1. application principle of the 2006 Code, the dialogue with institutional investors, the majority of the Shareholders and analysis is entrusted to

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a specific dedicated function, called Investor Relations, in order to ensure a continuous and professional relation as well as a correct, continuous and complete communication.

The management of relations with the Shareholders is entrusted to Emanuela Foglia, Investor Relations Manager, under the supervision of the Group Chief Financial Officer as well as Managing Director, Giulio Canale.

During the Financial Year, meetings and conference calls were organised on regular economic and financial segment reporting. Moreover, during the Financial Year, the Company took part in the *STAR Conference* organised by Borsa Italiana S.p.A. in Milan on 22 March 2011 and for 2012 on 28 March.

The presentations used during the meetings planned with the financial community are made public on the website of the Company [www.saesgetters.com](http://www.saesgetters.com) (Investors Relations/Presentations sector), in addition to being disclosed to Consob and Borsa Italiana S.p.A.

The following e-mail address ([investor\\_relations@saes-group.com](mailto:investor_relations@saes-group.com)) can be used for collecting requests for information and for providing clarifications to Shareholders on the operations carried out by the Company.

Moreover, the Company, in order to facilitate the attendance of the Shareholders at the Meetings, allows the Shareholders to ask questions on the points of the agenda, even before the Shareholders' Meeting, by sending a registered letter with return receipt to the registered office by certified e-mail to the following address [saes-ul@pec.it](mailto:saes-ul@pec.it). The questions received before the Shareholders' Meeting are answered on the website of the Company or, at the latest, during the shareholders' meeting, with the right of the Company to provide a unified response to questions with the same content.

A special attention is paid to the website of the Company ([www.saesgetters.com](http://www.saesgetters.com)), where economic and financial information can be found (such as financial statements, half-yearly and quarterly reports) as well as data and documents in which the majority of the Shareholders is interested (press releases, presentations to the financial community, calendar of company events), in Italian and English.

Also in compliance with the 11.C.4. application principle of the 2006 Code, on the website, in the Investor Relations Sector, the Company provides the required or only appropriate information so that the Shareholders can make informed decisions in exercising their rights, with a special reference to the methods provided for the attendance and exercise of the voting rights at the Shareholders' Meeting, as well as to the documents relevant to the points of the agenda, including the lists of candidates for the positions of Director and Auditor with the indication of their personal and professional characteristics.

The admission and permanence of the Company in the STAR (Segmento Titoli con Alti Requisiti, Segment of securities with high requirements) of Borsa Italiana S.p.A. represent an indicator of the Companies that are able to meet high disclosure standards that constitute an essential requirement.

## 16. SHAREHOLDERS' MEETINGS

Duly constituted Shareholders' Meetings represent all Shareholders and its resolutions, passed in compliance with the law and Articles of Association, bind Shareholders even if they are absent or dissenting. The Shareholder' Meeting can meet in ordinary and/or extraordinary session, according to the law, at the registered office or elsewhere, also abroad, provided that in the countries of the European Union.

The Shareholders' Meeting is regulated by Articles 8, 9, 10, 11, 12 and 13 of the Bylaws, available on the Company's website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Corporate Governance/Bylaws section).

Sharing the 11.P.1. and 11.P.2. principles as well as the 11.C.4. and 11.C.5. application principles of the 2006 Code, the Chairman and the Managing Director do their best to encourage the widest possible attendance to the Shareholders' Meeting, as an actual moment of communication and connection between the Company and the investors. As a rule, all the Directors attend the meetings. The Board does its best to reduce the constraints and obligations that make the attendance in the Shareholders' Meeting and the exercise of the voting rights by the Shareholders difficult and costly. No reports have been received to that effect from the Shareholders.

The Shareholders' Meetings are also an occasion for informing the Shareholders on the company, in compliance with the rules on inside information.

In particular, the Board reports during the Shareholders' Meeting on the activity carried out and planned and does its best to ensure adequate disclosure to Shareholders on the elements required so that they can take, in full cognition of the facts, the decisions pertaining the Shareholders' Meeting.

During the Financial Year, the Shareholders' Meeting was held on 20 April 2011:

a) in ordinary session, with the following agenda:

1. Report of the Board of Directors for the year ended 31 December 2010; financial statements as at 31 December 2010; relevant resolutions; presentation of the consolidated financial statements as at 31 December 2010; reserves, partial distribution of the reserve "retained earnings";

2. Resolutions pursuant to Articles 2357 et sequitur of the Italian Civil Code and 132 of Italian Legislative Decree No. 58/1998;

and

b) in extraordinary session, Amendments to articles 8, 9, 10, 19, 22, 25 and introduction of the new article 31 of the Bylaws; pertinent and consequent resolutions.

In order to attend the Shareholders' Meeting, the Company requires that the notification establishing the right to speak and to vote in the Shareholders' Meeting must be carried out by the intermediary on the basis of evidences at the end of the accounting day of the seventh day of open market before the date fixed for the Shareholders' Meeting in first and only call.

In this regard, Article 10 of the Bylaws states that:

*“The right to attend and representation at the shareholders’ meeting are governed by the law.*

*Those who have the right to vote may attend the Shareholder's Meeting, provided that their competency to attend the Shareholders' meeting is certified in the manner and within the terms established by law and regulations.*

*The e-mail notification of the proxy to attend the Meeting can be carried out by using the special section on the website of the company, as indicated in the notice of call, or, subordinately, by certified e-mail, to the e-mail address indicated in the notice of call.*

*The Chairman of the Shareholders' Meeting must check if the meeting is regularly set-up, also by means of special representatives, establish the identity and the competency of the persons attending, as well as regulate the carrying-out of the shareholders' meeting works establishing the debate and voting methods (in any case open) and ascertain the results of the voting sessions.”*

### **16.1. Shareholders’ Meeting Regulation**

The regular carrying-out of the works was guaranteed to date by the provisions of the articles of association that entrust the Chairman with the task of ascertaining the identity and the competency of the persons attending, the presence of the number of Shareholders required for validly passing resolutions, regulating the carrying-out of the works and establishing the voting procedures.

The Shareholders' meetings were always held with the utmost regularity and all the Shareholders concerned were able to speak and formulate requests for explanations and fully expose their remarks. An answer was given to all the questions asked by the Shareholders and the drawing-up of the minutes of the ordinary or extraordinary Shareholders' Meetings is assigned to a Notary.

In any case, in accordance with the 9.C.3. application principles of the 2011 Corporate Governance Code, the Board on 13 March 2012 proposed to the next shareholders' meeting the adoption of a Shareholders’ Meeting Regulation available on the Company website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Corporate Governance).

### **16.2. Special Shareholders’ Meeting of Savings**

The special Shareholders' Meeting of the owner of savings shares meets in ordinary and/or extraordinary session, according to the law, at the registered office or elsewhere, also abroad, provided that in the countries of the European Union.

The last Shareholders' Meeting of the owner of savings shares was held on 20 April 2011 to appoint the Common Representative, since his mandate had expired. The special Shareholders' Meeting confirmed Massimiliano Perletti as Common Representative of the owners of savings shares for the 2011 - 2013 financial years by determining his fee (€ 1,100.00 per year). Mr. Perletti is available for any queries on issues related to saving shares at the email address [massimiliano.perletti@roedl.it](mailto:massimiliano.perletti@roedl.it).

### **16.3. Significant changes in market capitalisation of shares**

The ordinary and savings shares listed on the Italian Electronic Stock Market (STAR segment) registered in 2011 a decrease in value of -4% and -21%, respectively, against a reduction of -26% and -19%, respectively, registered by the FTSE MIB index and by the FTSE Italia Star index.

### **16.4. Significant changes in the company structure**

No significant changes in the company structure were reported in 2011.

In relation to the 11.C.6. application principles of the 2006 Code, the Board did not consider it appropriate to propose to the shareholders' meeting amendments to the Articles of Association on the percentages established for exercising the rights and prerogatives to protect minorities.

## **17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES**

In consideration of the regulatory and procedural provisions introduced by Italian Legislative Decree no. 39 of 27 January 2010, in order to facilitate a constant information flow among the different company bodies and functions that allows the Internal Control and Audit Committee the adequate supervision required by law, the activities that the Committee carries out in the fulfilment of its functions include regular meetings between the Committee, the Audit Committee, the Auditing Firm, Internal Audit Function Manager, the Manager in charge of drawing up company accounting documents pursuant to Italian Legislative Decree no. 262/05 and the Group General Counsel, dedicated to the analysis and the discussion on the financial reporting process, to the effectiveness of the system of internal control, internal audit and risk management, external audit of the annual accounts and consolidated accounts, independence of the external auditing firm, in particular for what concerns the provision of non-auditing services to the body submitted to external audit.

## **18. CHANGES AFTER THE REPORTING PERIOD**

The Board of Directors on 23 February 2012 has adopted the new Principles and Criteria of the 2011 Code and resolved to gradually implement the dispositions therein provided during 2012.

In particular, with the renewal of the Company' Board of Directors on 24-26 April 2012, the Company will apply the dispositions of principles 5.P.1., 6.P.3. and 7.P.4. and application criteria 2.C.3. and 2.C.5. of 2011 Code relating the composition of Board of Directors and its Committees.

In addition, during the same meeting of 23 February 2012, the Board of Directors decided to adjust the functions of the Audit Committee to the recommendations

contained in Article 7 of the 2011 Code of Corporate Governance, which are reported below:

- a) defining the guidelines of the internal control and risk management system;
- b) evaluating, at least every year, the adequacy of the internal control and risk management system compared to the characteristics of the company and to the risk profile assumed, as well as on its efficacy;
- c) approving, at least every year, the work program prepared by the internal audit function manager;
- d) evaluating, after hearing the board of statutory auditors, the results reported by the external auditors in the suggestion letter, if any, and in the report on basic issues emerged during the external audit
- e) appointing, removing and defining the remuneration of the internal audit function manager;
- f) evaluating, together with the manager in charge of preparing corporate accounting documents and after hearing the external auditor and the Board of Statutory Auditors, the adequacy of the accounting principles used and their homogeneity for the purposes of preparing the consolidated financial statements;
- g) opinions on specific aspects related to the identification of the main business risks;
- h) examining the regular reports covering the evaluation of the internal control and risk management system, and those of particular relevance prepared by the internal audit function;
- i) monitoring the independence, adequacy, effectiveness and efficiency of the internal audit function;
- l) requesting the internal audit function to carry out verifications on specific operational areas

In addition, with reference to the Internal Audit Function Manager the Company resolved to adopt the provision of the 7.C.1. Application Principle of the 2011 Code.

The Internal Audit Function Manager is appointed and removed by the Board, on the proposal of the Managing Director (in that in charge of supervising the functionality of the internal control system) and after hearing the opinion of the Audit Committee. The Board, during the meeting of 23 February 2012, on proposal of Giulio Canale and with the positive opinion of the Audit Committee, in consideration of the aforesaid application principle, appointed Laura Marsigli as Internal Audit Function Manager.

With reference to the 7.C.1. Application Principle of the 2011 Code, the Board of Directors defined the remuneration received by the Internal Audit Function Manager

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consistent with the company policies normally applied and provided him with an adequate budget for the performance of his responsibilities.

As defined by the Board and in compliance with the 7.P.3. principle of the 2011 Code, the Internal Audit Function Manager is responsible for ensuring the operation and adequacy of the internal control and risk management system and its basic compliance with the 7.C.5. application principle of the 2011 Code, in particular, he:

- verifies the effectiveness and adequacy of the internal control and risk management service, through an audit plan: the audit activity plan for the 2012 Financial Year was submitted, in compliance with the 7.C.1. application principle, to the approval of the Board on 23 February 2012;
- is not in charge of any operational area and hierarchically depends on the Board;
- has direct access to all the information useful for carrying out his activity;
- prepares regular reports containing adequate information on the activity carried out;
- prepares opportunely a report on events of major importance;
- sends the reports to the chairmen of the Board of Statutory Auditors, of the audit committee and of the Board of Directors as well as to the director in charge of the internal control and risk management system;
- verifies within the audit plan the reliability of the information systems including the accounting systems.

Even though, in compliance with the 7.C.6. application principle of the 2011 Code, the Internal Audit Function, as a whole or by operational segments, can be entrusted to subjects outside the company, provided they have requirements of professional standing and independence, this organisational choice has not been adopted by the Company in the financial year and to date.

If the choice were to focus on the use of external subjects to whom the task of Internal Audit is entrusted, such a choice will be the subject matter of a specific announcement to the Shareholders and to the market within the next Report on corporate governance.

Lainate, 13 March 2012

for The Board of Directors



Massimo della Porta  
Chairman

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**TABLE 1 - STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES**

BOARD OF DIRECTORS											COMMITTEES				
Position	Members	In office since	In office until	List (M/m)	Exec.	Non exec.	Indep. based on Code	Indep based on TUF	%	Number of other offices	Audit committee	Compensation Committee	NC N/A	EC N/A	Other Committee N/A
Chairman	Massimo della Porta	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	X				100	3					
Deputy Chairman, Managing Director and Chief Financial Officer	Giulio Canale	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	X				100	2					
Director	Stefano Baldi	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			90	1		X			
Director Lead Independent Director	Adriano De Maio	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X	X	X	100	3	X	X			
Director	Giuseppe della Porta	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			100	-					

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BOARD OF DIRECTORS											COMMITTEES				
Position	Members	In office since	In office until	List (M/m)	Exec.	Non exec.	Indep. based on Code	Indep based on TUF	%	Number of other offices	Audit committee	Compensation Committee	NC N/A	EC N/A	Other Committee N/A
Director	Andrea Dogliotti	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			100	-	X				
Director	Andrea Gilardoni	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			90	3					
Director	Pietro Mazzola	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			80	8					
Director	Roberto Orecchia	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X	X	X	90	-					
Director	Andrea Sironi	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X	X	X	90	2	X	X			
Director	Gianluca Spinola	21.04.09	Shareholders' Meeting for the approval of the 2011	M		X			80	1					

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BOARD OF DIRECTORS											COMMITTEES				
Position	Members	In office since	In office until	List (M/m)	Exec.	Non exec.	Indep. based on Code	Indep based on TUF	%	Number of other offices	Audit committee	Compensation Committee	NC N/A	EC N/A	Other Committee N/A
			Financial Statements												
<b>Directors retired during the Financial Year</b>															
			No directors retired during the Financial Year.												
<b>Quorum required for the submission of the lists on the occasion of the last appointment (21 April 2009)</b>					2.5%										
<b>Number of meetings held during the Financial Year</b>				<b>Board of Directors</b>		<b>Audit committee</b>		<b>Compensation Committee</b>		<b>Appointment Committee</b>		<b>Executive Committee</b>		<b>Other Committee</b>	
				10		6		2		N/A		N/A		N/A	

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**TABLE 2 - STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

Position	Members	In office since	In office until	List M/m	Indep. based on Code	%	Other positions
Vincenzo Donnamaria	Chairman	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	100	23
Maurizio Civardi	Regular auditor	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	100	45
Alessandro Martinelli	Regular auditor	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	100	20
Fabio Egidi	Alternate Auditor	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	n.a.	n.a.
Piero Angelo Bottino	Alternate Auditor	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	n.a.	n.a.
<b>AUDITORS RETIRED DURING THE FINANCIAL YEAR</b>							
		No auditor retired during the Financial Year					
Quorum required for the submission of the lists on the occasion of the last appointment (21 April 2009)					2.5 %		
Number of meetings held during the Financial Year					6		

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**ENCLOSURE 1 - OFFICES AS DIRECTOR OR AUDITOR HELD BY THE DIRECTOR IN OTHER COMPANIES LISTED ON CONTROLLED MARKETS - INCLUDING FOREIGN MARKETS - IN HOLDING, BANKING, INSURANCE OR BIG-SIZED COMPANIES.**

NAME	POSITIONS	
	Company	Position
Stefano Baldi	S.G.G. Holding S.p.A.	Non-executive director
Giulio Canale	S.G.G. Holding S.p.A.	Director, Deputy Chairman and Managing Director
	Telima Italia S.r.l.	Non-executive director
Adriano De Maio	Telecom Italia Media S.p.A.	Non-executive director and Audit Committee Member
	TxT e-solutions S.p.A.	Non-executive director and Audit Committee Member
	EEMS S.p.A.	Non-executive director and Audit Committee Member
Giuseppe della Porta	-	-
Massimo della Porta	S.G.G. Holding S.p.A.	Director, Deputy Chairman and Managing Director
	Alto Partners SGR S.p.A.	Non-executive director
	MGM S.r.l.	Executive director
Andrea Dogliotti	-	-
Andrea Gilardoni	Società Gasdotti Italia S.p.A.	Non-executive director
	AGICI – Finanza d’Impresa S.r.l.	Non-executive director
Pietro Mazzola	Euraleo S.r.l.	Chairman of the Board of Statutory Auditors
	IW Bank S.p.A.	Non-executive director
	Gruppo Banca Leonardo S.p.A.	Regular auditor
	Berger Trust S.p.A.	Non-executive director,

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	Fratelli Testori S.p.A. Partners S.p.A. ARCA Impresa Gestione SGR SpA	Chairman of the BoD Chairman of the Board of Statutory Auditors Executive director Non-executive director
Prof. Roberto Orecchia	-	-
Andrea Sironi	Banco Popolare società cooperativa Banca Aletti S.p.A.	Non-executive director and Chairman of the audit committee Non-executive director
Gianluca Spinola	Diadora Group Holding S.p.A.	Chairman

It is pointed out that, among the above-mentioned companies, only S.G.G. Holding S.p.A. belongs to the SAES Getters Group, as the latest parent company.

## ENCLOSURE 2: OTHER FORECASTS OF THE CORPORATE GOVERNANCE CODE

	YES	NO	Summary of the reasons for any deviation from the Code recommendations
<b>System of proxies and operations with related parties</b>			
Did the Board of Directors gave proxies by defining their:			
a) limits		X	
b) exercise		X	
c) and periodicity of the report?	X		
Did the Board of Directors reserve the right to inspect and approve the operations having a special economic and financial importance (including the operations with related parties)?	X		
Did the Board of Directors define guidelines and methods for identifying “significant” operations?	X		
Are the guidelines and methods mentioned above described in the report?	X		
Did the Board of Directors define special procedures for the inspection and approval of operations with related parties?	X		
Are the procedures for the approval of the operations with related parties described in the report?	X		
<b>Procedures of the most recent appointment of directors and auditors</b>			
Did the presentation of the candidacies as director occur at least ten days in advance?	X		
Were the candidacies as director accompanied by an exhaustive report?	X		
Were the candidacies as director accompanied by the fitness indication to qualify as independent?	X		
Did the presentation of the candidacies as auditor occur at least ten days in advance?	X		
Were the candidacies as auditor accompanied by an exhaustive report?	X		
<b>Shareholders' meetings</b>			
Did the Company approve a Meeting Regulation?	X		
Is the regulation enclosed with the report (or does it indicate from where it can be obtained/downloaded)?	X		

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<b>Internal Control</b>			
Did the Company appoint the persons in charge of internal auditing?	X		
Are the persons in charge hierarchically independent from the operating area managers?	X		
Organisational unit in charge of internal control ex art. 9.3 of the Code	X		
<b>Investor relations</b>			
Did the Company appoint an investor relation manager?	X		