

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

Drawn up pursuant to articles 123-*bis* Italian Consolidated Finance Act and
89-*bis* of CONSOB Regulations for Issuers

(Traditional administration and control model)

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GLOSSARY

Independent Director: member of the Board of Directors of the Company satisfying the independence requirements provided for in the Code of Conduct and articles 147-*ter*, paragraph 4, and 148, paragraph 3, of Italian Legislative Decree 58/1998.

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

Board: the Board of Directors of the Company.

Financial year: 2013 financial year (01.01.2013-31.12.2013).

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

Model 231: The organisational, management and control model ex Italian Legislative Decree no.231 of 8 June 2001 approved by the Board of Directors of SAES Getters S.p.A. on 22 December 2004 and subsequent amendments.

Accounting Control Model: Administrative and Accounting Model adopted by the Board of Directors of SAES Getters S.p.A. on 14 May 2007 and subsequently updated on 20 December 2012 also in light of the provisions introduced by the Savings Law (as defined above).

Regulations for Issuers: the Regulations issued by CONSOB with resolution no.11971 of 14 May 1999 (and subsequent amendments and additions) on issuers.

Market Regulations: the Regulations issued by CONSOB with resolution no.16191 of 29 October 2007 (and subsequent amendments and additions) on markets.

Report: The corporate governance report and ownership structures that companies are obliged to draw up pursuant to articles 123-*bis* of Italian Consolidated Financial Act and 89-*bis* CONSOB Regulations for Issuers.

Company: SAES Getters S.p.A.

By-laws: the current version of the Company by-laws (amended by the Shareholders' Meeting of 23 April 2013).

Consolidated Financial Act: Italian Legislative Decree 24 February 1998, no.58.

1. PROFILE OF THE ISSUER

A pioneer in the development of getter technology, the SAES[®] Group is the world leader in a variety of scientific and industrial applications requiring stringent vacuum or ultra-pure gases. For more than 70 years, the getter solutions of the Group have been supporting technological innovation in the information display and lamp industries, ultra-high vacuum systems and vacuum thermal insulated devices, and in technologies that range from large vacuum power tubes to silicon-based miniaturised microelectronic and micromechanical devices. The Group also holds a leading position in ultra-pure gas refinement for the semiconductor industry and other high-tech industries.

Since 2004, by taking advantage of the expertise it acquired in the special metallurgy and material science field, the SAES Group expanded its business into the advanced material market, and the market of shape memory alloys in particular, a family of advanced materials characterised by super-elasticity and their ability to assume predefined forms when heated. These special alloys, which today are used mainly in the biomedical sector, are also perfectly suited to the production of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and the automotive sector).

More recently, SAES has expanded its business by developing components whose getter properties, traditionally obtained from the exploitation of the special properties of some metals, are instead generated by chemical processes. Thanks to these new developments, SAES is evolving, adding advanced chemistry to its expertise in the field of special metallurgy.

A total production capacity distributed in ten manufacturing plants, a worldwide commercial and technical assistance network and more than 900 employees allow the Group to combine multicultural skills with experience to form a company that is truly global.

The headquarters of the SAES Group are located in the Milan area.

SAES has been listed on the Telematic Stock Exchange (“MTA”) of Borsa Italiana S.p.A., STAR segment, since 1986.

In compliance with its By-laws, the administration and control **model** adopted by the Company is the so-called **traditional** model based on the combination of a Board of Directors - Board of Auditors. More specifically, in this model the Governance of the Company, is characterised by the existence of:

- a Board of Directors in charge of the management of the company, which operates in compliance with principle 1.P.1. of the 2011 Code;
- a Board of Auditors/Internal Control and Audit Committee called upon to supervise the compliance with the law and the By-laws, among the other matters prescribed by the current legal provisions, as well as the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems, the statutory audit of the annual accounts and

consolidated accounts, and the independence of the external audit firm, in particular with regard to the provision of non-auditing services to the Company;

- the Shareholders' Meeting, responsible for passing resolutions in accordance with the provisions of law and the By-laws, in ordinary and extraordinary session.

The statutory audit of the annual accounts and consolidated accounts is entrusted to an audit firm registered in the register of statutory auditors and audit firms, set up pursuant to article 2, paragraph 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, i.e. 13 March 2014.

2.1. Share capital structure

The share capital of SAES Getters S.p.A. is EUR 12,220,000.00, fully paid-up, and is divided into 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.	Art. 5, 6, 11, 26, 29, 30 By-laws
Shares with limited voting rights	0	0	-	-
Savings shares (without holding rights)	7,378,619	33.46	MTA STAR segment – Borsa Italiana S.p.A.	Art. 5, 6, 11, 26, 29, 30 By-laws

All shares are without par value and currently have an implied book value (understood as the ratio between the total amount of the share capital and the total number of issued shares) of EUR 0.554196.

Each ordinary share awards the right to vote without any restrictions. All administrative and economic rights and the obligations provided for by law and the By-laws are connected to ordinary shares. Savings shares are without voting rights in ordinary and extraordinary meetings.

The rights related to the different classes of shares are indicated in the By-laws, and in particular in articles 5, 6, 11, 26, 29 and 30. The By-laws are available on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Company By-laws section).

The ordinary shares are registered shares, whereas the savings shares are either bearer shares or registered shares according to the choice of the Shareholder or the provisions of law. All shares are issued in dematerialised form.

Each share awards the right to a proportion of the profits allocated for distribution and the shareholders' equity resulting from liquidation, without prejudice to the rights established in favour of savings shares, as set forth in articles 26 and 30 of the By-laws.

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

- 5% to the legal reserve, until the latter has reached one fifth of the share capital;
- the remaining amount is distributed as follows:
 - savings shares are entitled to a preferred dividend of 25% of the implied book value. When savings shares are assigned a dividend of less than 25% of the implied book value in a particular financial year, the difference will be made up on the preferred dividend in the next two financial years;
 - the residual profits that the Shareholders' meeting decides to distribute will be divided among all the shares in such a way to ensure that the savings shares will be entitled to a total dividend that will be higher than ordinary shares by 3% of the implied book value (understood as the ratio between the total amount of the share capital and the total number of issued shares)

In the event of the distribution of reserves, shares have the same rights irrespective of the category to which they belong.

In the event of the winding-up of the Company, savings shares have priority in the reimbursement of capital for their implied book value.

To the present date, the Company does not hold any treasury shares.

The share capital may also be increased by issuing shares with different rights from those of the shares already issued. In the event of an increase in share capital, the owners of shares in each category have the proportional right to receive, in option, newly-issued shares of the same category and, if these are not available or to make up the difference, the shares of another category (or other categories).

The resolutions to issue new shares with the same characteristics of those in circulation do not require the further approval of special shareholders' meetings.

If ordinary or savings shares are excluded from trading, the savings shares shall be awarded the same rights as those previously due to them.

There are no other financial instruments that award the right to subscribe newly-issued shares.

2.2. Restrictions on the transfer of shares

There are no restrictions on the transfer of shares.

Nevertheless, attention is drawn to the indications of subsequent article 2.8 and several restrictions applicable to Significant Persons for limited periods of time (so-called blackout periods) as identified in the Internal Dealing Code published in the Company website www.saesgetters.com.

2.3. Significant investments in capital

S.G.G. Holding S.p.A. is the majority shareholder of the Company currently holding 7,812,910 SAES Getters S.p.A. ordinary shares, representative of 53.25% of the ordinary capital, according to the understanding of the Company on the basis of the communications received pursuant to article 120 of the Consolidated Finance Act and articles 152-*sexies* and 152-*octies* of the Regulations for Issuers.

The parties that hold voting rights exceeding 2% of the subscribed capital, represented by shares with voting rights, according to the results of the shareholders' register updated on 31/12/2013 and supplemented by the communications received by the Company up to the present date and by other information, are:

Declarer	Direct shareholder	% of ordinary capital (14,671,350 ordinary shares)	% of voting capital (14,671,350 ordinary shares)
S.G.G.Holding S.p.A.	S.G.G.Holding S.p.A.	53.25	53.25
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. Shares with special rights

Shares that grant special controlling rights have not been issued, nor are there any parties that hold special powers pursuant to the provisions of law and the By-laws in force.

2.5. Shareholdings of employees: system for exercising voting rights

The company does not have share-based incentive plans (stock options, stock grants, etc.).

2.6. Restrictions on voting rights

There are no restrictions on voting rights.

2.7. Shareholder Agreements

The Company is unaware of any agreements stipulated by Shareholders pursuant to article 122 of the Consolidated Finance Act.

2.8. Change of control clauses and provisions laid down by the By-laws on Takeover Bids

The companies of the Group, in the normal course of business, are party to supply agreements or collaboration agreements with customers, suppliers and industrial or

financial partners, which, as customary in international agreements, at times include clauses that assign the counterparty or each party the power to cancel these agreements in the event of any changes in control on the part of the Parent Company, SAES Getters S.p.A., or, more generally, on the part of one of the parties. None of these agreements are significant.

Several companies of the Group are also party to bank financing agreements, as well as credit lines: these agreements with the credit institutions, as customary in these types of agreement, set forth the right of the institutions to request or claim the early reimbursement of the loans and the obligation on the part of the financed company to redeem all the sums it has used in advance, if there is a change in the control of the financed company and/or the parent company (SAES Getters S.p.A.). The debt exposure for which the application of the change of control clause may be applied is approximately 18.3 million euros.

With reference to the provisions in force on takeover bids, it is to be noted that the By-laws do not provide for any derogation of the provisions on the passivity rule set forth in article 104, paragraphs 1 and 2, of the Consolidated Finance Act, nor do they expressly provide for the application of the neutralisation rules set forth in article 104-bis, paragraphs 2 and 3, of the Consolidated Finance Act.

2.9. Authorisation to increase share capital and authorisations to purchase treasury shares

The extraordinary Shareholders' Meeting of 23 April 2013 granted the Board the power, pursuant to article 2443 of the Italian Civil Code, to increase the share capital, with or without consideration, in one or several occasions within a period of five years from the resolution up to an amount of EUR 15,600,000,

- by means of one or more increases without consideration, without the issue of new shares (with a consequent increase in the implied book value of all shares already in issue), or by assigning ordinary and savings shares, in proportion to the ordinary and savings shares already held, in observance of the provisions of Article 2442 of the Civil Code; the increase may be effected - within the limit of the amount authorised - by drawing from the available reserves posted in the financial statements for the year ended 31 December 2012, without prejudice to the obligation for the Board of Directors to check that such reserves exist and are usable at the time of the capital increase;

and/or

- by means of one or more increases with consideration, with the issue of ordinary and/or savings shares, having the same characteristics as the corresponding shares already in issue, to be offered pre-emptively in the form of rights, with the right for the administrative body to determine the issue price, including any premium; it is stipulated that the conversion shares in such increase(s) cannot be issued with an implied book value less than that of the shares in issue at the time of the board resolution(s) to issue shares.

The Shareholders' meeting of 23 April 2013 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, taking the shares already held in the portfolio by the Company itself into account, and any case within the limits permitted by law, for a consideration, inclusive of all additional purchase charges, but no more than 5% and no less than 5% of the official stock-exchange price registered by the share at the close of the trading session prior to each individual transaction.

During the Financial Year at the Board did not set up any treasury share purchase program, and therefore did not make use of the authorisation granted by the Shareholders' Meeting of 23 April 2013 (nor did it use, in the months prior to the Shareholders' Meeting, the authorisation previously granted by the Shareholders' Meeting of 24 April 2012).

As stated in the previous paragraph, to the present date, the Company does not hold any treasury shares.

The withdrawal of the resolution for the purchase of treasury shares and the use of the latter, adopted by the Shareholders' Meeting of 23 April 2013, and the proposal to adopt a similar resolution is entered in the agenda of the subsequent Shareholders' Meeting, in ordinary session, planned for 29 April 2014.

Reference is to be made to the special explanatory report for the Shareholders' Meeting prepared by the Board of Directors on this subject, pursuant to article 73 of the Regulations for Issuers, which shall be filed, within the time limits provided for by the laws in force (i.e. at least 21 days prior to the date of the Shareholders' Meeting) at the registered office of the Company, as well as made available on the Company website www.saesgetters.com (Investor Relations/Shareholders' Meeting).

2.10. Management and Coordination

The Company is not subject to management or coordination, pursuant to article 2497 *et seq.* of the Italian Civil Code.

For the purposes of article 37, paragraph 2, of the Market Regulations, it is to be specified that, following the assessment of the Board, confirmed on this date, considering the presumption set forth in article 2497 of the Italian Civil Code to be overcome, S.G.G.Holding S.p.A. does not manage or coordinate SAES Getters S.p.A. by virtue of the majority interest held by it. This is in consideration of the fact that S.G.G. Holding S.p.A., from a managerial, operational and industrial point of view does not play any role in the definition of the long-term strategic plans, the annual budget and the choice of investments, nor does it approve specific significant transactions of the Company and its subsidiaries (acquisitions, transfers, investments, etc.). Furthermore, it does not coordinate business initiatives and actions in the sectors in which the Company and its subsidiaries operate, and it does not give instructions or

provide technical, administrative and financial services or coordination in favour of the Company or its subsidiaries.

The Company is fully independent from an organisational and decision-making point of view, and has independent negotiating capacity in dealings with customers and suppliers.

It is to be specified that the information required by article 123-*bis*, paragraph 1, letter i) (“*the agreements between the Company and the Directors (...) that provide for compensation in the event of resignation or dismissal without just cause or if employment is terminated following a takeover bid*”) is contained in the remuneration report published pursuant to article 123-*ter* of the Consolidated Finance Act.

Furthermore, the information required by article 123-*bis*, first paragraph, letter l) (“*the laws applicable to the appointment and replacement of the directors (...) as well as the amendment of the company by-laws, if different from the laws and regulations additionally applicable*”) is included in the section of the Report dedicated to the Board of Directors (section 4).

3. COMPLIANCE

The Corporate Governance system of SAES Getters S.p.A. is essentially based on the transposing of the principles and recommendations contained in the 2011 Corporate Governance Code, which the Board of Directors decided to comply with on 23 February 2012 and can be found on the website of Borsa Italiana S.p.A. www.borsaitaliana.it, in the conviction that the principles and provisions expressed therein contribute significantly to the achievement of the proper and entrepreneurial management of the Company as well as to the creation of value for Shareholders, increasing the level of trust and interest of investors, foreign or otherwise.

The company did not adopt nor comply with corporate governance codes other than the one promoted by Borsa Italiana.

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

When drafting the Report, the Company mainly used the format circulated by Borsa Italiana S.p.A. in January 2013, applying the “*comply or explain*” principle and therefore stating the reasons for the failure to comply with one or several provisions, as well as indicating the corporate governance practices actually applied by the Company beyond the obligations prescribed by laws and regulations, pursuant to article 123-*bis* of the Consolidated Financial Act and article 89-*bis* of the Regulations for Issuers.

Neither the Company nor its major subsidiaries are subject to non-Italian legal provisions that influence the structure of the Corporate Governance of SAES Getters S.p.A.

4. BOARD OF DIRECTORS

4.1. Appointment and replacement of directors

The Board is appointed by the Shareholders' Meeting, on the basis of lists presented by the Shareholders, according to the procedure set forth in article 14 of the Company By-laws, and in any case without prejudice to the application of different and further provisions under mandatory laws or regulations or depending on the compliance with or subjecting of the Company to codes of conduct drafted by the management companies of regulated markets or trade associations.

As resolved by the Board of Directors of 23 February 2012, on the occasion of the Shareholders' Meeting called to renew the Board of Directors of the Company on 24 April 2012, the Company applied the provisions of the 2011 Code regarding the composition of the Board of Directors and its Committees and, in particular, the provisions of principles 5.P.1., 6.P.3. and 7.P.4., as well as application criteria 2.C.3. and 2.C.5.

At present, the Board believes that the Directors should be appointed by following a transparent procedure, as described below.

On the present date, only those Shareholders that, taking into consideration the shares registered in favour of the shareholder on the day of deposit of the list at the Company offices, individually or together with other Shareholders, own voting shares representing at least the percentage in the voting capital equal to the one indicated in article 144-*quater* of the Regulations for Issuers, are entitled to present lists for the appointment of the Directors. On the date of this Report the requested amount is 2.5% of the share capital with voting rights.

The lists, signed by the submitting shareholders, complete with the information and documents requested by law, or filed by the Shareholders at the Company headquarters within the twenty-fifth day prior to the date of the Shareholders' Meeting convened to appoint the members of the Board of Directors. The Company makes these lists available to the public at its headquarters, as well as at the management company of the markets and on its website, within the terms and using the methods provided for by the applicable laws in force.

Each list contain a number of candidates that it no higher than fifteen, each with a progressive number. Each list must contain and expressly identify at least one Independent Director¹, with a progressive number no higher than seven. If the list has more than seven candidates, it must contain and expressly identify a second Independent Director.

A Shareholder may not submit nor vote for more than one list, even through intermediaries or trust companies. The candidate may appear on one list only, under penalty of ineligibility.

¹ Meaning a Director that satisfies the requirements of independence prescribed by article 147-*ter*, paragraph 4 of the Consolidated Finance Act, as well as the further requirements of independence provided for in the Corporate Governance Code.

At the end of the voting, the candidates on the two lists that have received the highest number of votes are elected, according to following criteria: (i) from the list that received the highest number of votes, (hereinafter also “Majority List”), all the members of the Board are selected, in the number previously established by the Shareholders’ Meeting, minus one; within these number limits, the candidates are elected in the order they appear on the list; (ii) from the list with the second-highest number of votes and that is not connected, even indirectly, with the Shareholders that have submitted or voted for the Majority List pursuant to applicable regulations (hereinafter also “Minority List”), one Director is selected, and more precisely the candidate indicated with the first number on the list; however, if not even one Independent Director is elected from the Majority List in the event that the Board is made up of no more than seven members, or if only one Independent Administrator is elected in the event that the Board is made up of more than seven members, the first Independent Administrator stated in the Minority List will be elected, rather than the first name on the Minority List.

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

If one or more lists receive the same number of votes, the one presented by Shareholders owning the highest shareholding when the list is submitted shall prevail or, subordinately, the one submitted by the highest number of Shareholders.

If only one list is submitted, the Shareholders’ Meeting votes on this list and if it obtains the majority of the voters, without taking abstentions into account, 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 is made up by more than seven members, a second Independent Director is elected, in addition to the Independent Director that must be listed among the first seven candidates.

If no list is submitted, or if the number of Directors elected on the basis of the lists is lower than the number established by the Shareholders’ Meeting, the members of the Board of Directors are appointed by the Shareholders’ Meeting with the majority requested by law, without prejudice to the obligation of the Shareholders’ Meeting to appoint the minimum number of Independent Administrators required.

The company is not subject to special regulations of the sector regarding the composition of the Board of Directors.

The shareholders’ meeting convened on 24 April 2012 resolved to fix 11 (eleven) members of the Board of Directors and appointed the following persons as directors: Mr. Stefano Baldi, Mr. Emilio Bartezzaghi, Mr. Giulio Canale, Mr. Adriano De Maio, Ms. Carola Rita della Porta², Mr. Luigi Lorenzo della Porta, Mr. Massimo della Porta, Mr. Andrea Dogliotti, Mr. Pietro Alberico Mazzola, Mr. Roberto Orecchia and Mr. Andrea Sironi.

The Board in office was elected using the slate system (introduced with the Extraordinary Shareholders’ Meeting of 29 June 2007 in order to transpose the amendments and additions to the election methods introduced in the meantime by the

² Resigned from her position in office on 24 April 2013 and on 9/05/2013 the Board of Directors co-opted Ms. Alessandra della Porta to replace the resigning Director.

Majority Shareholder S.G.G. Holding S.p.A.), however, on the basis of a single list, filed and published by the majority Shareholder S.G.G. Holding S.p.A. in compliance with the methods and the time limits provided for by the law and the provisions of the By-laws. The list and accompanying documents were also duly published on the Company website.

4.1.1. Succession Plans

In its meeting of 19 February 2013, the Board of Directors, having consulted the Remuneration and Appointment Committee that met to discuss this subject on 15 February 2013, assessed how the structure of the body of shareholders was characterised by the presence of a stable majority shareholder, as well as the existence of powers of representation of ordinary and extraordinary administration equally granted to both the executive directors and thus, on the present date, considers it unnecessary to setup ad hoc succession plans.

4.2. Composition

The current Board of Directors of the Company was appointed by the ordinary Shareholders' Meeting on 24 April 2012 using the slate system pursuant to article 14 of the Company By-laws. It is to be noted that only one list was submitted by the majority shareholder S.G.G. Holding S.p.A., which obtained 95.24% of the voting capital. The Board of Directors elected through this system shall remain in office until the approval of the financial statements as at 31 December 2014.

The current By-laws set forth that the Shareholders' Meeting may select a minimum of three (3) and a maximum of fifteen (15) Directors. The higher, maximum number of Directors reflects the need to structure the Board in a way that is more suited to the needs of the Company, also in relation to the number of its subsidiaries and the various business areas in which the group operates. Furthermore, it allows the company to procure a range of professionals from different areas and to integrate different skills and experience in order to respond better to current and future demands, maximising value for Shareholders. The complex and broad range of interests of the Company and the Group make it increasingly necessary to have different professions, experience and expertise within the administrative body. When the Board has a higher number of members it is in a position to guarantee better internal communication and to carry out its responsibilities more efficiently, with the necessary skill and authority, responding promptly to the increasingly complex subjects that the Company has to confront.

In compliance with articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of Italian Legislative Decree no.58 of 1998, as amended by Italian Law 12 July 2011 no. 120 on the subject of equality of access to the administration and control bodies of companies listed in regulated markets, the Board amended articles 14 and 22 of its By-laws to ensure the presence of both genders in the administration and control bodies of the Company.

On 31/12/2013 the Board of Directors was composed of eleven Directors, as indicated in Table 1 annexed to this Report. During the Financial Year the Director, Ms. Carola Rita della Porta, handed in her resignation from the position and on 9/05/2013 the Board of Directors co-opted Ms. Alessandra della Porta to replace the resigning Director. Ms.

Alessandra della Porta is a non-executive Director and is not a member of any committee.

The personal and professional information of each Director is provided below:

Stefano BALDI - born in Trieste on 26 May 1950

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

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

In 1978 he started to work as product manager in Laboratori DON BAXTER S.p.A. in Trieste, a pharmaceutical company.

In 1983 he was employed as associate sales manager and then as marketing manager by GEFIDI S.p.A. of Trieste, a company promoting financial products and Italian mutual funds.

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

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

He has been a Director of SAES Getters S.p.A. since 1987.

Emilio BARTEZZAGHI –born in Milan on 15 January 1948

He graduated with a degree in Electronic Engineering in 1971 from the Politecnico di Milano.

He is currently Full Professor of Business Management at the Department of Management Engineering of the Politecnico di Milano, where he is an Organisational Systems lecturer.

He is vice-chairman of the Fondazione Politecnico di Milano and member of the assessment Group of the University of Verona.

From 2004 to 2008 he was appointed Rector for Internationalisation of the Politecnico di Milano.

He is a member of the Committee for the Protection of Impartiality and Product Quality and Certiquality, and is independent administrator of the Boards of Directors of the Artemide Group and SAES Getters.

He has contributed to the development of Management Engineering in Italy, not only as a lecturer and researcher, but by carrying out intense organisational and cultural activities: in fact he was Director of the Department of Management Engineering of the Politecnico di Milano from 1993 to 2000 and Chairman of the MIP - Business School of the Politecnico di Milano from 2000 to 2004.

He was Chairman of the Italian Association of Management Engineering, member of the board of the European Operations Management Association and Professor of EIASM - European Institute for Advanced Studies in Management of Brussels.

His interest in research concerns the management of innovation and organisational change, operations and supply chain management, and capital organisation and management. From the beginning of his career he has combined research and teaching with consultancy for both companies and public bodies.

He has been a Director of SAES Getters S.p.A. since 2012.

Giulio CANALE -born in Genoa on 16 March 1961

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

From 1984 to 1989 he embarked upon his career at the Milan branch of a leading advertising company, IGAP S.p.A. There he held various positions, finally reaching the position of Sales Manager.

He joined the SAES Getters Group in 1990. His first position, after a brief acclimatisation period at SAES Getters S.p.A., the central headquarters of the SAES Getters Group, was as representative of the interests of the Group at SAES Getters Korea (known at that time as Hankuk Getters Corporation), where he remained for four years. The last position he held at SAES Getters Korea was as Representative Director, a position equivalent to that of Managing Director of an Italian Company. To the present date he is still Chairman of SAES Getters Korea.

In 1994 he moved to the Tokyo office of SAES Getters Japan, taking on the delicate role of Asian Markets Coordinator. In this position he promoted the international expansion of the Group, managing workgroups responsible for the incorporation of new companies in Singapore, Taiwan and China and coordinating all the activities of the Asian Companies of the Group existing at that time (SAES Getters Japan, SAES Getters Korea, SAES Getters Singapore and its Branch in Taiwan, SAES Getters Representative Office in Shanghai, PRC). In particular, he also held the position of Chief Negotiator of the SAES Group delegation that negotiated the setting-up of a Joint Venture in Nanjing, PRC, with a Chinese partner: this joint venture was inaugurated in November 1997.

In 1997 he returned to SAES Getters S.p.A. in Lainate, Milan, being appointed vice Managing Director, and holding the position of SAES Group Subsidiaries Director. His responsibilities as Managing Director were those typically associated with the position pursuant to Italian legislation. In his role as Subsidiaries Director, he was responsible for ensuring that the strategic and operational instructions of the SAES Getters Group were correctly transferred and followed precisely at the Subsidiaries, in coordination with the other company Management departments involved from time to time. Among the other activities assigned to the role, he supervised the drafting of the Business Plan of the Subsidiaries, suggested possible local reorganisation and restructuring, coordinated the activities required for the opening of new companies or acquisitions, and proposed SAES Getters presence strategy in new market areas, especially in emerging and prospective future markets.

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

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

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

In 2012 he was reconfirmed Vice Chairman and Managing Director, Chief Deputy Executive Officer and Group Chief Financial Officer.

Finally, he is a member of the Board of Directors of various companies of the SAES Getters Group. In particular he is the Chairman of ETC S.r.l., SAES Getters Export Corp., SAES Pure Gas Inc., SAES Smart Materials Inc., Chairman di SAES Getters Korea and Vice-Chairman of SAES Getters International Luxembourg.

He is also a Director of S.G.G. Holding S.p.A...

Alessandra DELLA PORTA –born in Milan on 27 July 1963.

She was awarded a Law degree in March 1989 from Università degli Studi of Milan

Profession:

She is registered in the Register of Lawyers on 9 July 1992

She is registered in the Register of Court of Cassation Lawyers on 21 November 2007

She was a member of the professional Association “Janni Fauda e associate” from July 1999 to July 2009

She was a member of the professional Association “NCTM” from July 2009 to June 2010

Currently she is a partner in the Professional Association “Studio DPC”

Specialisation:

Civil law in general with particular specialisation in family Law.

She has been a Director of SAES Getters S.p.A. since 2013.

Luigi Lorenzo DELLA PORTA – born in Milan on 5 March 1954.

He embarked upon his career in Rome in 1975 by founding the first private radio station of the capital with other partners, which he managed until 1979 when he opened the RAM production centre that produces and distributes news and current affairs programmes to private radio stations in Italy.

From 1979 he managed the Soram company, the owner of large recording studios studies, which he sold in 1983, the year in which he founded the Delven company, which he is still manages today and which markets historical military finds from 1500 to 1945.

In 1997 he took over a business together with a partner in the centre of Rome offering various collectible items - an activity that has made the shop famous all over the world.

He has been a Director of SAES Getters S.p.A. since 2012.

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

He graduated with a degree in Mechanical Engineering from the Politecnico di Roma in 1989.

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 this role, he was also responsible for the activities carried out in Avezzano (southern area) as part of a project funded by IMI and concerning the "Super-purification of gas".

In 1991, after having worked for approximately one year in a project to improve production processes, he was involved in the management of production of SAES Metallurgia S.p.A.

In 1992 he took on the role of Technical Manager of the subsidiaries of Avezzano, responsible for the coordination of applied research and production activities of the two companies, SAES Metallurgia and SAES Engineering.

From 1993 to 1985 he personally followed the construction (and partial design) of a new plant in Avezzano, the SAES Advanced Technologies factory, and travelled regularly to Korea to follow the construction of the second plant in Chinchon and the USA plant, SAES Pure Gas.

During the same period he worked as a project leader in several innovative projects of the Group with the responsibility of industrialising new products developed by the Central Research and Development department within the SAES 2001 project. In this role he co-ordinated multi-disciplinary and multi-national workgroups whose mission was to design, build and launch mass production plants.

In 1995 he followed the start-up of new production lines at the new SAES Advanced Technologies plant, as well as the transfer of several production lines from the factory in Lainate. Furthermore, in his role as Technical Manager, he followed the ISO 9001 certification of the companies in Avezzano.

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

In 1997 he took up the position of Vice Chairman and Managing Director of SAES Getters S.p.A. In the same year he was appointed Chief Technology and Innovation Officer of the Group and was in charge of IT Systems at a Group level.

In 1998 he launched and coordinated a global project for the creation of a corporate intranet system, the linking of all the subsidiaries of the Group and the development of support applications supporting the local and Group management activities.

In 2003 he was reconfirmed Vice Chairman and Managing Director, Chief Technology & Innovation Officer of the Group and was appointed Group Chief Executive Officer.

In 2009 he was appointed Chairman and reconfirmed Group Chief Executive Officer and Chief Technology & Innovation Officer of the Group.

In 2012 he was reconfirmed Chairman and Group Chief Executive Officer and Group Chief Technology & Innovation Officer.

He is member of the Board of Directors of various companies within the SAES Getters Group. He is also the Chairman of SAES Advanced Technologies and Director of SAES Nitinol S.r.l., Chairman of Spectra-Mat, Memry Corp., SAES Getters International Luxembourg S.A. and Actuator Solutions GmbH.

He is a director of S.G.G. Holding S.p.A..

He has been an independent director of Alto Partners SGR S.p.A. since December 2004.

He is a manager of MGM Srl.

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

Member of EIRMA (European Industrial Research Management Association).

Adriano DE MAIO – born in Biella, on 29 March 1941.

He graduated with a degree in Electrical Engineering from the Politecnico di Milano in 1964.

He was Full Professor of Corporate Management, Innovation Management and Management of Complex Projects at the Politecnico di Milano from 1969 until 2012, and was Rector from 1994 to 2002. He was a Full Professor of Economics and corporate innovation management at the Università Luiss Guido Carli, of which he was Rector from 2002 until 2005 and Chairman of the IReR (Research Institute of Lombardy) from 1996 to 2010. In 2003-2004 he was Extraordinary Commissioner of the National Research Centre.

He has been Chairman of the CEN European Centre of Nanomedicine Foundation since its incorporation in 2009. He has also been Chairman of the Science Park Area of Trieste since February 2012. He currently sits on the Scientific Committees of the Italian Space Agency, the Fondazione Politecnico and the Fondazione Tronchetti Provera and is a member of the Board of Directors of Saes Getters S.p.A., Telecom Italia Media S.p.A., TXT e-solutions S.p.A. and EEMS S.p.A.. He is member of the board of Unitech, an international programme that groups together top multi-national universities, and has received an honorary degree in Engineering from the École Centrale de Paris.

He is the author of numerous publications in national and international scientific journals.

He has been a Director of SAES Getters S.p.A. since 2001.

Andrea DOGLIOTTI - born in Genoa on 23 January 1950, married, one daughter.

He studied classics at high school and graduated with an honours degree cum laude in Mechanical Engineering/Methods for Conducting Business in Genoa, February 1974, with top marks. He has excellent knowledge of English, French, economy, law and computer science.

From 1974 to 1995 he worked at Italimpianti and became manager in 1981, where he was involved in the setting up and assessment of projects and investment plans in Italy and abroad. He managed major industrial logistics projects in Italy. He also dealt with industry strategies and the organisational approach of the company and the IRI Group. He is the member of the Board of Directors of various operating companies.

From 1995 to 2005 he was the “ Logistics Development Manager” of a leading Italian international shipping and logistics company. He managed and developed logistics planning, project management, IT systems and quality systems.

From 2005 to 2010 he was the Chairman of Fos Progetti S.r.l., a consultancy company based in Genoa. He followed organisation, IT, innovative technologies and internationalisation projects.

He has been working as a freelance consultant in “Technology, Processes and Strategies” since 2010.

Has been a member of the Board of Directors of SAES Getters S.p.A. as well as a member of the Audit Committee since 2009.

Pietro Alberico MAZZOLA – born in Milan on 13 June 1960

He is Full Professor of “Business strategy and policy” at the Università IULM of Milan and Adjunct Professional Professor of “Financial Statements” at the Università L. Bocconi of Milan.

He also holds the following positions:

- senior lecturer of Strategy in the Management School of the Università L. Bocconi of Milan;
- member of the Board of Directors of the Italian Society of Engineering and Business Economics Lecturers;
- member of the editorial board of the Family Business Review, Journal of Family Business Strategy and Financial Reporting journals;
- registered in the Register of Chartered Accountants, the Register of Auditors and member of the European Accounting Association;
- expert consultant in several civil and criminal proceedings pending before the public judicial authorities or arbitration boards, in determining the damage or value of companies and company branches;
- management consultant for several medium-sized Italian companies;
- co-founder of Partners - Consulenti e Professionisti Associati S.p.A.;
- co-author of the listing guide for the industrial plan prepared by Borsa Italiana S.p.A.;

- member of the examining board for the CONSOB public tender, held in 2005, based on qualifications and examinations, to ten positions of assistant on a trial basis in the operational career of permanent personnel, for economics graduates;
- author and co-author of various national and international publications (H-Index database Scopus: 7) among which:
 - Is Corporate Board More Effective Under IFRS or “It’s just an Illusion?”, *Journal of Accounting, Auditing & Finance*, 2014;
 - The Influence of the institutional context on corporate illegality, *Accounting, Organizations and Society*, 2013;
 - Family Management and Entrepreneurial Orientation: Exploring linear and non-linear effects, *Entrepreneurship: Theory and Practice*, 2013;
 - A Note on the Non-Linear Effects of Family Sources of Power on Performance, *Journal of Business Research*, 2013;
 - Board monitoring and Earnings management pre and post-IFRS, *The International Journal of Accounting*, 2011;
 - Earnings Management for Income Smoothing in Family-Controlled Companies, *Corporate Governance: An International Review*, 2011;
 - Family involvement in ownership and management: exploring non-linear effects on performance, *Family Business Review*, 2008;
 - Strategic Planning in Family Business: a powerful developmental tool for the next generation, *Family Business Review*, 2008;
 - Building reputation on financial markets, *Long Range Planning*, 2006;
 - The “Thresholds of Punishability” in new regulations on false corporate notices: several problems in application, in *Business Jurisprudence*, 2004
 - The industrial plan. Design and communication of corporate strategies, Milan, Egea, 2003;
 - The Role of Going Public in Family Business’ Long-Lasting Growth: A study of Italian IPOs, in *Family Business Review*, 2002.

He has been a Director of SAES Getters S.p.A. since 2008.

Roberto ORECCHIA – born in Turin on 19 September 1952

He graduated with a degree in Medicine and Surgery from the University of Turin in 1980.

He specialised in three areas: Radiotherapy, Medical Oncology and Medical Imaging.

From 1980 to 1994 he conducted his medical and scientific activities as a Doctor and as University Researcher at the Radiotherapy Division of the Radiology Institute of the University of Turin. In 1994 he became Full Professor of Radiotherapy at the Università degli Studi in Milan and Director of the Radiotherapy Division of the European Oncology Institute (IEO) of Milan. In recent years has held various scientific positions (Chairman of the Italian Therapeutic Radiation Association (AIRO), Director of the

School of Specialisation in Radiotherapy, Chairman of the Degree Course in Radiological Techniques etc.). He currently holds the position of Director of the Medical Imaging and Radiation Sciences department and is Scientific Co-Director of the European Oncology Institute of Milan, Scientific Director of the National Centre of Oncological Hadrontherapy of Pavia (CNAO) and Chairman of the Italian Therapeutic Radiation Association (AIRO) of Lombardy. He is the author of approximately 300 scientific publications in the most prestigious journals. The field which interests Mr. Orecchia most is advanced radiotherapy, radiotherapy in breast and prostate neoplasia, and hadrontherapy.

He has been at Director of SAES Getters S.p.A. since 2009.

Andrea SIRONI - born in Milan on 13 May 1964

He was awarded an honours degree cum laude with top marks in Political Economy in March 1989, specialising in “International Economics”, from the Università Commerciale L. Bocconi.

He has been Rector of the Università Bocconi since October 2012 and is a professor of Economics of Financial Intermediaries at the same University.

He was a visiting scholar at the Department of Finance of the Stern School of Business of New York University and visiting professor at the Division of Research and Statistics of the Federal Reserve Board of Washington.

He is an independent director of the Banco Popolare.

He was Vice-Chairman of Banca Aletti SpA until September 2012.

From 1989 to 1990 he was a financial analyst at the Chase Manhattan Bank of London.

His research mainly concerns the measurement and management of risk in financial institutions and the regulation of markets and financial institutions.

He has published various articles in international scientific journals and numerous Italian and international books.

He has been a Director of SAES Getter S.p.A. since 2006.

4.2.1. Maximum number of positions held in other companies

In compliance with principle 1.P.2. of the 2011 Code, the Directors of the Company act and pass resolution in full cognition of the facts and independently, pursuing the objective of creating value for the Shareholders. In compliance with application standard 1.C.2. of the 2011 Code, the Directors accept the office when they believe they can dedicate the time necessary to diligently perform their duties, also taking into consideration the number of positions as director or auditor held in other companies listed in regulated markets, even abroad, in financial, banking, insurance companies or large companies.

The Board reveals and reports the positions of director or auditor held by the Directors in listed companies and in the other companies listed above in the Corporate Governance Report. The offices of director or auditor held by each Director in other

companies listed in regulated markets, even abroad, in financial, banking, insurance companies or large companies as at 31 December 2013, as disclosed in the board meeting of 18 February 2014, are stated in Annex 1 of this Report.

The Board believes that the accumulation of an excessive number of positions in boards of directors or boards of auditors in companies, whether listed or not, may compromise or risk the efficient performance of the position of Director in the Company.

In compliance with application standard 1.C.3 of the 2011 Code, the Board defined some general principles regarding the maximum number of administration and control positions in other companies that may be considered compatible with the efficient performance of the role of Director of the Company, taking into account the participation of the directors in the committees set-up within the Board itself.

In particular, in the meeting of 21 December 2006 the Board considered it appropriate to assign a score to each position, different from the one assigned to the office of member of the Board of the Company. The score differs based on the commitment related to the type of office (executive/non-executive director), as well as in relation to the type and size of the companies in which the position is held. The Board also decided to 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 constitutes a just cause to remove the Director from his/her office.

The Board believes that 100 points constitutes the maximum threshold beyond which the office of Director of the Company cannot be performed with the due efficiency.

The Board of the Company reserves the right to amend and supplement the general principles stated above, taking into account changes in regulations, experience and the best practice gained in this field.

The current Board complies with the above general principles.

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

OFFICE	SCORE
Executive Director in listed issuer, banking, financial or insurance company, 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 committee of the listed issuer (Appointment Committee, Control and Risk 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 the controls prescribed by the Consolidated Finance Act other than the subsidiaries of the Company	25
Non-executive director in a company subject to the controls prescribed by the Consolidated Finance 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 unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and not controlled by the Company with net shareholder's equity exceeding €100 million	20
Non-executive Director in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and not controlled by the Company with net shareholder's equity exceeding €100 million	7
Executive Director in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and not controlled by the Company with net shareholder's equity less than €100 million	18
Non-executive Director in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and not controlled by the Company with net shareholder's equity less than €100 million	5
Member of the Board of Auditors in listed companies, banking, financial and insurance companies, whether listed or not	17
Member of the Board of Auditors in unlisted companies, which are not controlled by the Company, but are subject to the controls prescribed by the Consolidated Finance Act	13
Member of the Board of Auditors in subsidiaries of the Company	10
Member of the board of auditors in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and are not controlled by the Company	10
Member of a Supervisory Body	5
Owner (or co-owner) of the management department in a trust	7

In compliance with application standard 2.C.2. of the 2011 Code, the Directors are obliged to be aware of the duties and responsibilities concerning their office. The Chairman of the Board ensures that, subsequent to the appointment and during their mandate, the Directors and Auditors are able to participate in initiatives aimed at providing them with an adequate knowledge of the business sector in which the Issuer operates, as well as company trends and development, and the legal framework of reference.

Within the context of the initiatives aimed at increasing the Directors' knowledge of how the company is set-up, the Chairman invited the Chief Executive Officer of Memry Corporation and SMA Medical Business Unit Manager to attend the board meeting of 22 January 2013, who provided an overview of the Memry Corporation, a company acquired by the SAES Group in 2008, and the SMA Medical Business Unit of the SAES Group. The Getters Technology Business Unit Manager was also invited, who provided an overview on the Getters Technology Business Unit.

The Chairman also invited the Chief Executive Officer of SAES Pure Gas Inc. and Semiconductor Business Manager to attend the board meeting of 19 February 2013, who provided an overview of SAES Pure Gas Inc. founded in 1989 in San Luis Obispo, California.

4.3. Role of the Board of Directors

The Board of Directors convenes on a regular basis to examine management trends and business results, as well as all significant transactions. The By-laws provide that the Board is to meet at least every three months.

During the Financial Year the Board met 12 times, with an average attendance rate of 83.3% of the Directors (compared to 90% in the 2012 financial year). The attendance of the Executive Directors was 100% (as in the 2012 Financial Year), the attendance of non-executive Directors was on average 79.6% (compared to 87.7% in the 2012 financial year) and the attendance of the Independent Directors was on average 88.9% (compared to 90% in the 2012 financial year).

The board meetings lasted an average of approximately 3 hours.

For the 2014 financial year the Board expects to meet at least ten times, four of which to approve the periodic results. The latter dates were already communicated to Borsa Italiana S.p.A. in December 2013 during the publication of the calendar of company events, made available on the Company website. In 2014, on the date of this Report, the Board had already met three times, on 22 January, 18 February and on the date of approval of this report.

On the occasion of the board meetings the Chairman does his utmost to ensure that the Directors are provided with the documents and information necessary for enabling the Board to express an informed opinion on the topics under its consideration with reasonable notice, where possible together with the notice to attend (generally sent ten days prior to the board meeting). With regard to the financial reports, these are sent with at least two working days' notice, depending on the technical time required to prepare the documents. As an exception, in light of the nature of the resolutions to be passed and due to confidentiality requirements, such as, for example, with regard to strategy plans, with the consent of the Directors, the material may not be forwarded to them or the documents may be made available to the Directors in a data room, which is prepared and dedicated specially for this purpose at the registered office of the Company.

Each Director is entitled to propose topics for discussion at subsequent Board meetings.

The Chairman, with the agreement of those present, may invite persons that are not members of the Board to attend the meetings, as speakers or to provide support. The Officer in Charge of the preparation of the Company's accounting documents pursuant to article 154-*bis* of the Consolidated Finance Act is invited to participate in all the meetings of the Board of Directors regarding the approval of the interim management report, the half-year financial report, the financial statements and the consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions that require the issuing of a certificate by the Officer in Charge, and each time that it is considered appropriate by the Chairman, also on the proposal of the Managing Director, when there are items on the agenda of the Board of Directors that may have an impact on the accounting information of the Company or the Group.

The Group Legal General Counsel, who usually acts as Secretary of the Board, may also attend Board meetings.

During the meetings, and in all cases at least once every quarter, pursuant to article 19 of the By-laws, the Board of Directors and the Board of Auditors are informed by the

Chairman and the Managing Director, also in relation to subsidiaries, of the activities undertaken, the general business trends, their foreseeable development and the most significant economic, financial and equity-related transactions in terms of size or characteristics, including, where relevant transactions in which Board members have a direct or third party interest.

The Directors examine the information received from the Executive Directors, and are responsible for requesting the latter for any clarifications, explanations or additional information considered necessary or appropriate for a complete and correct assessment of the facts brought to the attention of the Board.

The Board plays a central role in the Corporate Governance system of the Company, being vested with the most extensive powers for the ordinary and extraordinary administration of the Company, with the power to carry out all acts considered necessary for the implementation and the achievement of corporate purposes, with the exclusion of powers that are reserved by law and without exception for the Shareholders' Meeting.

Without prejudice to the exclusive jurisdiction in the subjects set forth in article 2381 of the Italian Civil Code and the provisions of the By-laws, the Board, exclusively and in compliance with application standard 1.C.1 of the 2011 Code:

- a) defines, applies and updates the corporate governance rules, in conscious accordance with the regulations in force; defines the guidelines of the corporate governance of the Company and the Group it controls;
- b) examines and approves the strategic, industrial and financial plans of the Company and the Group it controls;
- c) defines the nature and level of risk that is compatible with the strategic objectives of the Company;
- d) assesses and approves the annual budget and the investment plan of the Company and the Group it controls;
- e) assesses and approves the regular reporting documents provided for by the regulations in force;
- f) awards and revokes powers within the Board (and within the Executive Committee, if appointed) defining the limits, methods of exercise and frequency, usually at least every three months, with which such bodies must report to the Board on the activities carried out in the exercising of the powers granted to them; please refer to paragraph 4.4.1 for more information;
- g) once the proposals of the Remuneration and Appointment Committee have been examined and the Board of Auditors has been consulted, determines the remuneration of Executive Directors and the other Directors that hold special offices, as well as the division of the total remuneration due to the individual members of the Board, if the Shareholders' Meeting has not already taken care of this matter;
- h) monitors and evaluates general management trends, including any conflicts of interest, taking the information received from the Executive Directors, the Remuneration and Appointment Committee and the Audit and Risk Committee into

consideration, in particular, as well as regularly comparing the results achieved with planned results;

- i) examines and approves significant transactions and transactions with related parties; please refer to paragraph 12 more information;
- j) evaluates the adequacy of the organisational, administrative and general accounting structure, as well as the structure of the Company and the subsidiary companies with strategic significance³, with particular reference to the Internal Control and Risk Management System; please refer to paragraph 11 for more information;
- k) evaluates the size, composition and functioning of the Board itself and its Committees, expressing opinions on any professional figures whose presence on the Board it might deem advisable;
- l) reports to the Shareholders during the Shareholders' Meeting; provides information in the corporate governance report and, in particular, on the number of meetings of the Board held during the financial year and the related attendance rate of each Director;
- m) at the end of each financial year prepares a calendar of the company events for the subsequent financial year; during the 2013 Financial Year, the 2014 calendar of company events was communicated to the market on 9 December 2013;
- n) is ultimately responsible for 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 evaluated the strategic plans in the meetings of 19 February and 19 December.

With reference to letter c) above, the Board defined the nature and level of risk that is compatible with the strategic objectives of the Company, as specified in more detail in paragraph 11;

With reference to letter d) above, during the Financial Year, the Board approved the budget of the Company and the Group in the meeting of 22 January 2013; in 2014, on 22 January.

With reference to letter e) above, in the Financial Year, the Board met for this purpose on 13 March, 9 May, 31 July and 12 November; in 2014, on 13 March.

³ Intended as a "significant" company in accounting terms (with assets exceeding 2% of the assets in the consolidated financial statements or revenues exceeding 5% of the consolidated revenues) or more generally in terms of the market and the business (therefore a newly incorporated company may also be considered "significant"). On the basis of the updated evaluations at the end of 2013, in compliance with the parameters stated above as well as together with business considerations, the following companies are considered to be significant: SAES Advanced Technologies S.p.A., SAES Nitinol S.r.l., 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. On the contrary, while still complying with the parameters stated above, as a result of business considerations, the following companies are not considered to have strategic significance: SAES Getters International Luxembourg S.A. and SAES Getters Export, Corp.

With reference to letter f) above, the Board did not consider it necessary to fix any limit of power, considering it is adequate to reserve the significant transactions to the Board. Moreover it is to be noted that, in the past, as well as during the Financial Year, the Directors with proxies used the powers assigned to them wisely, only for the normal management of the business, and on which the Board was regularly and promptly updated. The Executive Directors are in fact obliged to report regularly to the Board of Directors and the Board of Auditors on the exercising of the delegated powers, providing adequate information on the actions carried out and, in particular, on any abnormal, atypical or unusual transactions carried out in the exercising of the aforesaid powers. During the Financial Year, the delegated bodies reported regularly to the Board in its subsequent meeting on the activities carried out while exercising the powers granted to them. Please see paragraph 4.4.1 for further information.

With regard to letter g) above, the Board passed resolution on this matter on 13 March and 23 April on the proposal of the Remuneration and Appointment Committee, which met on 15 February and 23 April.

With reference to letter j) above, the Board of Directors met for this purpose on 13 March and, on the proposal of the Audit and Risk Committee, having consulted and obtained the approval of the Board of Auditors (which met together with the Audit Firm, the Director in charge of the internal control and risk management system, the Officer in Charge of the preparation of the Company's accounting documents and the Group Legal General Counsel), considered the organisational, administrative and general accounting structure to be adequate, as well as the structure of the Company and the subsidiary companies with strategic significance, with particular reference to the Internal Control and Risk Management System.

With reference to the letter k) above, in line with international best practices, the Board carried out a self-assessment on the composition and activities of the Board of Directors and the Board Committees for the third consecutive year. In December 2013 a series of responses to a questionnaire sent by the Company Secretary's office aimed at the formalisation of the self-assessment by the Board was collected. After the responses were processed in an aggregated and anonymous manner, the Board carried out this assessment successfully in the meeting of 22 January 2014.

In particular, it was highlighted how the decision-making process within the board is powered by timely and effective information flows, supported by documents and complete, high-quality information that enables the company processes and the most significant matters for the company to be easily understood. A Director, although acknowledging the degree and quality of the information provided during board meetings, expressed the need to increase dialogue within the Board, urging more internal debate.

The Directors as a whole, also expressed their appreciation for the regular and thorough update provided by the Managing Directors on the recent and prospective developments in the sector, and market and research and development initiatives.

The Directors also pointed out in-depth meetings on R&D, business development and group organisation, if possible with the presence of the business management involved each time in the management of the topics dealt with, to be among the initiatives that

could further increase the knowledge and understanding of the Directors of the management trends and business developments of the SAES Group.

The By-Laws award the Board, without prejudice to the limits imposed by law, the powers to pass resolution on the proposals regarding:

1. merger resolutions in cases pursuant to Articles 2505 and 2505-*bis* of the Civil Code, also as referred to for demergers pursuant to Article 2506-*ter*, final paragraph of the Civil Code, where the said regulations are applicable;
2. the establishment or closure of secondary offices and branches;
3. the awarding of powers of representation to Directors;
4. any reduction in capital in the event of withdrawal of a shareholder;
5. the amendment of the By-laws in order to comply with legal provisions;
6. the transfer of registered offices within Italy.

The Shareholders' Meeting did not grant any general or prior authorisation for any derogations of the prohibition on competition provided for by article 2390 of the Italian Civil Code.

The Board of Directors of 13 November 2012 decided to comply with the opt-out system set forth in articles 70, paragraph 8, and 71, paragraph 1-*bis*, of the CONSOB Regulations on Issuers, by making use of the right to derogate from the obligation to publish information required on the occasion of significant mergers, demergers, capital-increase by non-cash contributions, acquisitions and transfers.

4.4. Delegated Bodies

4.4.1. Managing Directors

In compliance with application standard 2.C.1. of the 2011 Code, the following persons are considered Executive Directors of the Company:

- the Managing Directors of the Company or the strategically significant⁴ subsidiary, therein including the related Chairpersons when they are vested with individual management powers when they have a specific role in the formation of company strategies;
- the Directors that called managerial offices in the Company or in a subsidiary company that is strategically significant, or in the parent company when the office also concerns the Company;

The granting of vicarious powers or powers only in the event of an emergency to Directors that are not vested with operational authorisation does not make them Executive Directors, per se, unless these powers are, in fact, used with considerable frequency.

Two of the Directors in office are Executive Directors. The Board appointed by the Shareholders' Meeting of 24 April 2012 met at the end of this meeting to allocate the company positions, to grant the various powers, and to appoint the Committees. As in

⁴See Note no.3

the past, the Board adopted a proxy model that provides for the granting of extensive operating powers to the Chairman and the Managing Director. Consequently, the Chairman (namely, Mr. Massimo della Porta) and the Managing Director and Group Chief Financial Officer (Mr. Giulio Canale) were granted the powers of ordinary and extraordinary administration, acting severally, with the exclusion of the powers reserved exclusively for the Board or those reserved by law for the Shareholders' Meeting.

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

In particular, Mr. Massimo della Porta and Mr. Giulio Canale, acting severally and with individual signature rights, were vested with the following powers (by way of example, but not limited to):

- a) appointing and revoking proxies for individual acts or categories of acts, establishing their powers and remuneration;
- b) representing the Company in any dealings with third parties, public administrations and public bodies, as well as with other companies of the Group, by signing the related deeds and agreements and undertaking commitments of any kind and nature;
- c) purchasing, exchanging and transferring assets when running the company business; stipulating, with all the appropriate clauses, amending and cancelling 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) demanding the fulfilment of third-party obligations or obligations from third parties to the Company;
- e) opening bank and/or post office accounts, making payments, via bank transfer and by cheque, making withdrawals from bank and post office accounts, carrying out debit and credit transactions on the current account of the Company at banks and post offices, uncovered or otherwise, always in interest of the Company, as well as issuing and requesting the issue of bank cheques and bank drafts;
- f) negotiating and stipulating all the documents required to obtain bank credit and loans of any kind in favour of the Company and negotiating the terms and conditions related or connected to the granting of credit facilities or loans; stipulating factoring agreements for the assignment of credits of the Company;
- g) carrying out transactions with the railway and customs Administrations, regarding the shipment, clearance and collection of all kinds of goods;
- h) issuing relevant certificates and declarations for tax purposes, extracts from the payrolls regarding the personnel for Social Security, Insurance and National Health Insurance Bodies, and for other Bodies and individuals, signing all declarations prescribed by tax legislation;
- i) taking-on and dismissing employees and personnel, of all categories and levels, including managers, signing the related agreements and fixing the employment conditions and subsequent wages increases;
- j) representing the Company before all the Authorities of the Italian Republic and foreign countries; representing the Company as either plaintiff or defendant in any

civil, criminal or administrative proceedings and at any instance and level of jurisdiction; appointing and revoking, if necessary, lawyers, attorneys *ad litem* and expert consultants, granting them the most extensive powers;

- k) representing the Company before the Banca d'Italia, CONSOB and management company of the market, negotiating and defining all practices regarding these parties;
- l) reaching compromises and settling disputes of the Company with third parties, appointing arbitrators also for amicable settlements, and signing the corresponding settlement deeds;
- m) representing the Company in insolvency procedures against third parties with all the necessary powers.

The Board did not consider it necessary to fix any limit of power, considering it is adequate to reserve the significant transactions to the Board and pointing out that in the past, as well as during the Financial Year, the Directors with proxies used the powers assigned to them wisely, only for the normal management of the business, and on which the Board was regularly and promptly updated.

The Executive Directors are in fact obliged to report regularly to the Board of Directors and the Board of Auditors on the exercising of the delegated powers, providing adequate information on the deeds carried out and, in particular, on any abnormal, atypical or unusual transactions carried out in the exercising of the aforesaid powers. During the Financial Year, the delegated bodies reported regularly to the Board in the subsequent meeting on the activities carried out while exercising the powers granted to them.

4.4.2. Chairman of the Board of Directors

The Chairman, Mr. Massimo della Porta, coordinates and organises the activities of the Board. He is responsible for ensuring that it runs smoothly, serves as a link between the Executive and Non-Executive Directors, defines the agenda, and leads the related meetings.

The Chairman does his utmost to ensure that the Directors are provided with the documents and information necessary for enabling the Board to express an informed opinion on the topics under its consideration with reasonable notice, where possible together with the notice to attend (generally sent ten days prior to the board meeting), except in case of need or emergency. With regard to the financial reports, these are sent with at least two working days' notice, depending on the technical time required to prepare the documents. As an exception, in light of the nature of the resolutions to be passed and due to confidentiality requirements, such as, for example, with regard to strategy plans, with the consent of the Directors, the material may not be forwarded to them or the documents may be made available to the Directors in a data room, which is prepared and dedicated specially for this purpose at the registered office of the Company.

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, Mr.

Giulio Canale. Both are on a list of Directors submitted to the Majority Shareholder of the Company (S.G.G. Holding S.p.A.).

In accordance with principle 2.P.5 of the 2011 Code, it is to be noted that the Board considered it appropriate to grant proxies to the Chairman equal to those granted to the Managing Director, in such a way that Mr. Massimo della Porta, former Managing Director for the 2006-2008 three-year period, could continue to act efficiently and to provide the strategic impulse he always provided as Managing Director in previous board mandates (as from April 1997). The granting of proxies and the concentration of offices held by Mr. Massimo della Porta is considered to be consistent with the organisational structure of the Company.

In compliance with application standard 2.C.3. of the 2011 Code, the Board assessed the possibility of appointing an Independent Director as Lead Independent Director in order to strengthen the impartiality and equilibrium that are required of the Chairman of the Board, as the latter is the main person responsible for the management of the company and has operational authorisations. Therefore, the Board of 24 April 2012 considered it appropriate to appoint Mr. Andrea Sironi as Lead Independent Director and informed the market, on the same date, in accordance with the provisions of the Regulations for Issuers.

In compliance with application standard 2.C.2 of the 2011 Code, the Chairman invited the Chief Executive Officer of Memry Corporation and SMA Medical Business Unit Manager to attend the board meeting of 22 January 2013, who provided an overview of the Memry Corporation, a company acquired by the SAES Group in 2008, and the SMA Medical Business Unit of the SAES Group. The Getters Technology Business Unit Manager was also invited, who provided an overview on the Getters Technology Business Unit.

The Chairman also invited the Chief Executive Officer of SAES Pure Gas Inc. and Semiconductor Business Manager to attend the board meeting of 19 February 2013, who provided an overview of SAES Pure Gas Inc. founded in 1989 in San Luis Obispo, California.

The Chairman and the Managing Director do their utmost to ensure that the Board is kept informed on the main new laws and regulations that concern the Company and the company bodies.

Should the Directors require explanations and information from the management of the Company, they must send a request to the Chairman, who takes care of the matter, by gathering the necessary information or by putting the Directors in contact with the management concerned. The Directors may request the Chairman and/or the Managing Director for business representatives of the Company and the Group to attend board meetings in order that they may provide the appropriate insight into the topics on the agenda.

The Officer in Charge of the preparation of the Company's accounting documents pursuant to article 154-*bis* of the Consolidated Financial Act is invited to participate in all the meetings of the Board of Directors regarding the approval of the interim management report, the half-year financial report, the financial statements and the consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions that require the issuing of a certificate by the

Officer in Charge, and each time that it is considered appropriate by the Chairman, also on the proposal of the Managing Director, when there are items on the agenda of the Board of Directors that may have an impact on the accounting information of the Company or the Group.

The Group Legal General Counsel, who usually acts as Secretary of the Board, may also attend Board meetings.

4.4.3. Reporting to the Board

The delegated bodies are obliged to report regularly to the Board of Directors and to the Board of Auditors on the exercising of the delegated powers, providing adequate information on the actions carried out and, in particular, on any abnormal, atypical or unusual transactions carried out in the exercising of the aforesaid powers. During the Financial Year, the delegated bodies reported regularly to the Board in the subsequent meeting on the activities carried out while exercising the powers granted to them.

4.5. Other Executive Directors

At present, there are no other executive directors apart from the Chairman and the Managing Director.

4.6. Independent Directors

The Board in office, elected by the Shareholders' Meeting of 24 April 2012, is made up of 11 (eleven) members, including two (2) Executive Directors and nine (9) non-Executive Directors, three (3) of which qualify as Independent Directors and one (1) qualify as Independent Director pursuant to the provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of Italian Legislative Decree 58/1998, who do not have, nor have recently had, direct or indirect relations with the Company or subjects related to the latter that currently influence their independence of judgement.

With reference to principle 3.P.1. and application standard 3.C.3. of the 2011 Code, the Company believes that three (3) non-Executive Directors should be appointed.

It is also believed that with this composition, the number, expertise, availability of time and authoritativeness of the non-Executive Directors contribute to the enrichment of the board discussions and guarantee that their opinion carries considerable weight in the making of well thought-out, informed board decisions.

Non-Executive Directors contribute their specific expertise to board discussions, contributing to the making of sound decisions, in compliance with the interests of the company and paying special attention to areas where conflicts of interest may arise.

In compliance with application standard 3.C.1. of the 2011 Code, the Board takes the independence of its non-executive members into account, placing more emphasis on substance than form. Moreover, in principle, within this assessment, the Board tends to consider a Director as non-Independent, as a rule, in the following non-mandatory situations:

a) if the Director is the holder of a quantity of shares, either directly or indirectly, also through subsidiary companies, trust companies or third parties, that enable the Director

to exercise control or to have considerable influence over the Company, or is party to a shareholder agreement through which one or more parties may exercise control or have considerable influence over the Company;

b) if the Director is, or has been in the previous three financial years, a significant figure⁵ in the Company, of one of its strategically-significant subsidiaries or a company under common control with the Company, or a company or body that, together with others controls the Company or is in a position to exercise a considerable influence over the Company through a shareholder agreement;

c) if the Director directly or indirectly (for example through subsidiary companies or companies in which he/she is a significant figure, or as partner of a professional company or consultancy firm) has, or has had in the previous financial year, a significant commercial, financial or professional relationship⁶:

– with the Company, one of its subsidiaries, the parent company or with any of the related significant figures;

– with a party that, also together with others through a shareholders agreement, or with the related significant figures, controls the Company;

or is, or has been an employee of one of the aforesaid parties in the previous three financial years;

d) if the Director receives, or has received in the previous three financial years, significant additional remuneration to the “fixed” remuneration of the non-Executive Director of the Company and the remuneration for the participation on the committees, also in the form of incentive plans linked to company performance, based on shares or otherwise, from the Company or one of its subsidiaries or the parent company;

e) if the Director has been a Director of the Company for more than nine years in the last twelve years;

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

g) if the Director is a shareholder or Director of a company or body belonging to the network of the company entrusted with the statutory audit of the Company;

h) if the Director is a close relative of a person in one of the situations described in the previous points and in particular if the Director is the spouse that is not legally separated, common law spouse, relative or relative by marriage up to fourth degree of kinship of a Director of the Company or the companies controlled by the latter or the parent company/companies or those subjected to common control or parties in the situations described in the previous points.

The possibilities listed above are not mandatory. During its evaluation the Board must take all the circumstances into consideration that may appear to compromise the

⁵In compliance with application standard 3.C.2 of the 2011 Code, the Chairman of the Board of Directors, the Executive Directors and Managers with Strategic Responsibilities are considered to be “significant figures” of the Company;

⁶The relationships stated above are certainly significant when: (i) trade or financial relationships exceed 5% of the turnover of the supplier or the beneficiary company; or (ii) the professionals services exceed 5% of the income of the Director or EUR 100,000”.

independence of the Director.

Evaluation: The Independent Directors are obliged to promptly inform the Board if an event considered likely to change the “independent” status of a Director occurs.

The independence of the Directors and the relationships that may be or appear to compromise the independent opinion of a Director are evaluated annually by the Board, taking into account the information supplied by the individuals concerned or in any case available to the Company. The outcome of the evaluations of the Board are duly communicated to the market at the time of the appointment of the Independent Directors, as well as within the context of the corporate governance report.

If the Board is entirely certain that the requirement of independence is satisfied even in the presence of situations that are abstractly referable to non-independent cases, the Board will provide adequate information to the market on the outcome of the evaluation, without prejudice to the verification of the adequacy of the related reason on the part of the Board of Auditors.

More restrictive legal provisions or provisions established by the By-laws that set forth the expiry of the office of the Director in the event that he/she loses any of the independence requirements shall prevail.

In compliance with principle 3.P.2 and application standard 3.C.4. of the 2011 Code, in the meeting of 18 February 2014, as every year, the Board reported the degree of independence of its Directors pursuant to the laws in force (article 147-ter of the Consolidated Finance Act), confirming, on the basis of the requirements set forth in the Corporate Governance Code and articles 147-ter, paragraph 4, and 140 paragraph 3, of the Consolidated Finance Act, that the Directors Mr. Emilio Bartezzaghi, Mr. Roberto Orecchia, Mr. Andrea Sironi qualified as “Independent”, and on the basis of the individual independence requirements set forth in articles 147-ter, paragraph 4, and 140, paragraph 3, of the Consolidated Finance Act, that Mr. Adriano De Maio qualified as “Independent”. The Board did not make use of additional or different criteria, as there were no situations that were abstractly referable to the cases identified by the Code as indicative of lacking independence. The three Directors filed suitable declarations before the Shareholders’ Meeting stating that they satisfied the requirements of Independent Directors (as explained above). The Board, in the next meeting after the Shareholders’ Meeting then accepted this qualification, communicating it to the market on the same date (24 April 2012).

Also for the purposes of application standard 3.C.5 of the 2011 Code, the Board of Auditors checked that criteria adopted by the Board to evaluate the independence of its members had been applied correctly, acknowledging the declarations issued by the individuals.

On 13 May 2013 the Board of Directors and Board of Auditors issued a regular certificate ex article 2.2.3, paragraph 3, letter K) of the Market Regulations organised and managed by Borsa Italiana S.p.A. (verification of the degree of independence and correct application of evaluation criteria).

Meetings. In compliance with application standard 3.C.6 of the 2011 Code, the Independent Directors usually meet once a year in the absence of the other Directors (also in the light of the number of persons attending the meetings of the Board and the various Committees). The meeting may also be held informally via audio or video

conferencing.

During the Financial Year the Independent Directors met in the absence of the other Directors on 15 February 2013, in order to discuss proposals for the further improvement in the management of the Board, aimed at making the directors even more involved in the dynamics of the company.

The Independent Directors did not consider it necessary to meet again in the absence of the other Directors, considering the high quality of the information received from the delegated bodies and their active participation in the Board and in the Committees, which enabled them to analyse the issues of interest to them in adequate depth.

Number. If the Shareholders' meeting resolves to amend the number of members of the Board, it is advisable that the following proportions are respected:

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

4.7. Lead Independent Director

As illustrated in paragraph 4.4.2 above, as the Chairman of the Board has also operational powers, holding the office of Chief Executive Officer, although he is not the sole person responsible for the management of the company, in compliance with application standard 2.C.3. of the 2011 Code, the Board of 24 April 2012 considered it appropriate to appoint the Independent Director Mr. Andrea Sironi as Lead Independent Director. The non-executive Directors (and in particular the Independent Directors) refer to Mr. Sironi for a better contribution to the activities and operation of the Board. The Lead Independent Director collaborates (as he has collaborated during the Financial Year) with the Chairman in order to guarantee that the Directors are the recipients of complete and timely information flows. The Lead Independent Director is also granted the power, *inter alia*, to call special meetings with Independent Directors in order to discuss the issues considered to be of interest to the operations of the Board of Directors or the management of the company, either independently or on the request of the other Directors.

Mr. Andrea Sironi is a member of two Committees set up within the Board: the Audit and Risk Committee and the Remuneration and Appointment Committee.

5. PROCESSING OF COMPANY INFORMATION

On 24 March 2006, the Board adapted itself to the new provisions of the Consolidated Finance Act, the Regulations for Issuers, as supplemented by CONSOB resolution no.15232 of 29 November 2005, as well as the Market Regulations organised and managed by Borsa Italiana S.p.A and related Instructions, as amended following the Italian Savings Law, in transposing the EC directive on market abuse, introducing ad hoc internal procedures or amending and updating those already existing on this matter.

More precisely, the Board adopted:

- the *Procedure for Managing Inside Information*: also for the purposes of the application standard 1.C.1., letter j) of the 2011 Code, which defines the behaviour of Directors, Auditors, managers and employees in relation to the internal management and disclosure to the market of inside information, i.e. precise information that has not been made public, concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments, which, if made public, could have a considerable influence on the prices of these financial instruments.

The procedure stated above, available on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Policies and Procedures/Inside Information section) has been drawn up for the purpose of ensuring that information regarding the Company that is disclosed externally is in full compliance with the principles of correctness, clarity, transparency, timeliness, and broad and equal disclosure in order to guarantee equal treatment, completeness, comprehensibility and continuity of information, in a complete and adequate manner and, in any case, through the institutional channels and according to the terms established by the Company, as well as to ensure that internal management of information in particular is in compliance with the obligations of confidentiality and lawfulness;

- the Insiders Register: set-up effectively from 1 April 2006, identified the persons that, due to their working or profession or the tasks carried out, have access to the information indicated in article 114, paragraph 1 of the Consolidated Finance Act, pursuant to and in accordance with article 115-bis of the Consolidated Finance Act and articles 152-bis, 152-ter, 152-quater and 152-quinquies of the Regulations for Issuers.

The Board also approved the Code of Conduct for Internal Dealing (hereinafter also “Internal Dealing Code”), which regulates the information disclosure requirements that the Significant Persons and/or in the Persons Closely Associated to the Significant Persons, as identified in the Code itself, are obliged to observe in relation to the transactions they carry out on financial instruments of the Company or other financial instruments related to them. The Internal Dealing Code also regulates the obligations that the Company is obliged to observe towards the market in relation to the transactions on financial instruments carried out by Significant Persons and by Closely Associated Persons. The Internal Dealing Code provides for black-out periods, i.e. predetermined periods (the 15 calendar days preceding the Board meetings to approve the accounting data for the period and the 24 hours subsequent to the issuance of the related press release) during which the persons subject to the provisions of the Code may not carry out transactions on SAES Getters financial instruments or on financial instruments related to them.

The Chairman and the Managing Director may prohibit, or restrict, the performance of transactions by Significant Persons and Closely Associated Persons in other periods of the year when particular events are taking place.

In this case the Officer In Charge will be responsible for informing the Significant Persons (who have not already been informed on account of their position) of the start and finish dates of the period during which the Transactions are prohibited.

On the proposal of the Executive Directors and granting special proxies in this regard if necessary, the Board reserves the right to make all further amendments or adjustments

to the procedures that are considered necessary or that are advisable following changes in laws or regulations.

During the Financial Year transactions carried out by Significant Persons were reported to the market and to the competent authorities. The related filing models as well as the Code of Conduct for Internal Dealing, as amended by the Board of Directors on 28 August 2008 and on 23 February 2012 to comply with new legal provisions, can be consulted on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Policies and Procedures/Internal Dealing section).

The Directors and Auditors are obliged to keep the documents and information acquired throughout the performance of their duties confidential and to comply with the procedures adopted for the internal management and external disclosure of these documents and information.

The information disclosed outside the company must be uniform and transparent. The Company must be accurate and consistent in communicating with mass media. Relations with the mass media are reserved exclusively to the Chairman and the Managing Director, or to the business departments in charge of these matters.

6. COMMITTEES WITHIN THE BOARD

In order to perform its duties more efficiently, the Board set up the Audit and Risk Committee and the Remuneration and Appointment Committee within the Board, whose functions are described in the following sections.

The Chairman of each Committee reports regularly to the Board on the work of this Committee.

Both the Committees are composed exclusively of non-Executive Directors, who are predominantly Independent.

The Board does its utmost to ensure an adequate rotation within the Committees, unless for any reason and cause it is considered appropriate to confirm one or more Directors beyond the established terms and conditions.

The Board has the power to set up one or more further Committees within it with to act in an advisory or consultative capacity, which shall be defined in practical terms in the board resolution concerning the formation of the aforesaid Committees.

In relation to application standard 4.C.1., letter e) of the 2011 Code, it is specified that the existing Committees (Remuneration and Appointment Committee and the Audit and Risk Committee) are provided with annual predetermined expenses budgets that are considered adequate for the performance of their activities.

6.1. Audit and Risk Committee

For all information regarding the Audit and Risk Committee please refer to paragraph 10.

6.2. Appointment Committee

On the basis of the recommendations of the 2011 Code, application standard 4.C.1., letter c), on the occasion of the renewal of the Board during the meeting of 24 April 2012, the Board assessed the possibility of grouping the functions provided for the Appointment Committee (application standard 5.C.1., letters a) and b)) into a single Committee - the Remuneration and Appointment Committee - in consideration of the close correlation and mutual relevance of the subjects dealt with.

6.3. Executive Committee

The Board did not consider appropriate to set up an Executive Committee within the Board, as already explained in paragraph 4.5

6.4. Remuneration and Appointment Committee

For all information on the Remuneration and Appointment Committee please refer to the Report on remuneration published by the Company, pursuant to article 123-ter of the Consolidated Finance Act.

6.5. Committee for transactions with related parties

The Committee is composed of 3 unrelated directors that satisfy the requirements of independence and is chaired by the Lead Independent Director. The Committee meets whenever any resolution on the transactions with related parties is to be passed pursuant to the Procedure on transactions with related parties published on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Policy and Procedures/Related Parties section).

7. APPOINTMENT COMMITTEE

On the basis of the recommendations of the 2011 Code, application standard 4.C.1., letter c), on the occasion of the renewal of the Board during the meeting of 24 April 2012, the Board assessed the possibility of grouping the functions provided for the Appointment Committee (application standard 5.C.1., letters a) and b)) into a single Committee - the Remuneration and Appointment Committee - in consideration of the close correlation and mutual relevance of the subjects dealt with.

8. REMUNERATION AND APPOINTMENT COMMITTEE

The Board of Directors set up the Remuneration and Appointment Committee within the Board on 17 December 1999 and it is composed of 3 non-executive directors, of which 2 are independent and 1 has considerable knowledge and experience in accounting and finance matters. The Committee has its own Regulations, approved by

the Board of Directors on 20 December 2012, which regulates its composition and appointment, the tasks and operating procedures of the Committee itself, in compliance with the principles and application criteria contained in the Corporate Governance Code of listed companies.

Its current members are: Mr. Emilio Bartezzaghi (Independent Director), Mr. Adriano De Maio (non-executive director and Independent Director pursuant to the combined provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of Italian Legislative Decree 58/1998) and Mr. Andrea Sironi (Lead Independent Director). During the Financial Year the Committee met twice with the attendance of all its members. The meetings lasted approximately one and a half hours. On the invitation of the Chairman, the Group Legal General Counsel attended the meetings. At least four meetings are planned for 2014, two of which have already been held on 4 and 18 February 2014. Minutes of the meetings of the Committee are duly recorded.

Executive directors do not usually participate in the meetings of the Remuneration and Appointment Committee. The Committee has the right to access the information and the company departments required for the performance of its duties and, if it is considered appropriate, may make use of external consultants (this power was not exercised during the Financial Year).

In compliance with application standard 4.C.1. of the 2011 Code, it is to be specified that the Remuneration and Appointment Committee has an annual predetermined expenses budget that is considered adequate for the performance of its activities.

For all information on the Remuneration and Appointment Committee please refer to the Report on remuneration published by the Company pursuant to article 123-ter of the Consolidated Finance Act.

9. REMUNERATION OF THE DIRECTORS

For all information on the remuneration of the directors please refer to the Report on remuneration published by the Company pursuant to article 123-ter of the Consolidated Finance Act.

10. AUDIT AND RISK COMMITTEE

10.1. Composition and operation of the Audit and Risk Committee

Composition and Operation. By virtue of principle 7.P.4. of the 2011 Code, the Board set up an Audit and Risk Committee (Committee replacing the Internal Control Committee), composed of three (3) non-Executive Directors, the majority of whom are independent. On 24 April 2012 the Board appointed the following Directors as members of the Audit and Risk Committee: Mr. Roberto Orecchia, Mr. Andrea Sironi and Mr. Andrea Dogliotti.

At least one member of Committee has adequate experience in accounting and financial matters. In this case, this member is Mr. Andrea Sironi.

The Committee has its own Regulations, which regulates its composition and appointment, the tasks and operating procedures of the Committee itself, in compliance with the principles and application criteria contained in the Corporate Governance Code of listed companies.

The Audit and Risk Committee is chaired and meets on the initiative of the Chairman. The minutes of the Committee meetings are duly recorded. The Chairman of the Board of Auditors or other Auditor appointed by the Chairman of the Board of Auditors attends the Committee meetings. On invitation of the Committee, the Internal Audit Manager also attends.

The Committee carries out its duties, listed under paragraph 10.2, in collaboration with the Board of Auditors, the Internal Audit Manager and the Managing Director entrusted with the supervision of the operations of the Internal Control and Risk Management System.

In the performance of its tasks, the Audit and Risk Committee has the right to access the information and Company departments required for the performance of its duties, and may make use of external consultants, at the expense of the Company. During the Financial Year the Audit and Risk Committee accessed the information and made contact with the company departments made available by the Company and did not consider it necessary to exercise its right to use external consultants.

The Committee may invite non-members to attend its meetings on the invitation of the Committee itself, with reference to each item on the agenda. The Chairman of the Audit and Risk Committee reports regularly to the Board on the work of the Committee. During the Financial Year the Audit and Risk Committee performed its duties by also making appropriate contact with the auditing company, the Chairman of the Board of Auditors, the Officer in Charge of the preparation of the Company's accounting documents, with the Internal Audit Manager and the Group Legal General Counsel.

10.2. Tasks assigned to the Audit and Risk Committee

In the meeting of 23 February 2012, the Board of Directors decided to adjust the tasks of the Audit and Risk Committee to the recommendations contained in article 7 of the 2011 Code. Therefore, the Audit and Risk Committee is responsible for:

- a) expressing opinions to the Board of Directors with regard to:
 - i. the definition of the guidelines of the internal control and risk management system;
 - ii. the adequacy of the internal control and risk management system compared to the characteristics of the company and its risk profile, as well as on its effectiveness, at least every year;
 - iii. the formulation of the work plan prepared by the Internal Audit Manager, approved annually by the Board of Directors;
 - iv. the description of the main characteristics of the internal control and risk management system in the corporate governance report, whose overall adequacy is evaluated by the Board;

- v. the results reported by the statutory auditor in the suggestion letter, if any, and in the report on the fundamental issues emerging during the statutory audit;
 - vi. the appointment, cancellation and definition of the remuneration of the Internal Audit Manager.
- b) evaluating the correct use of the accounting principles and their consistency for the purpose of the drafting of the consolidated financial statements together with the Officer in Charge of the preparation of the Company's accounting documents and after having consulted the statutory auditor and the Board of Auditors;
 - c) expressing opinions on specific aspects related to the identification of the main business risks;
 - d) examining the regular reports on the assessment of the internal control and risk management system, and those of particular relevance prepared by the Internal Audit Manager;
 - e) monitoring the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
 - f) requesting the Internal Audit Department to inspect specific operational areas;
 - g) the task of reporting to the Board of Directors regarding the activities carried out and on the adequacy of the internal control and risk management system.

Following the entry into force of Italian Legislative Decree 39/2010, the Audit and Risk Committee is even more focused on its main task of preparing the relevant issues to be submitted to the Board of Directors in order to enable the latter to make adequate choices and decisions on the internal control and risk management system issues.

The role of the Audit and Risk Committee, as an investigation body and analysis and study centre of proposals in preparation for the resolutions of the Board of Directors and aimed at putting the necessary conditions in place for enabling the administrative body to make adequate choices and decisions on internal control and risk management system issues, is in perfect harmony with the new provisions on statutory auditing introduced in the system by the provisions of Italian Legislative Decree 39/2010.

During the Financial Year the Committee met five times (on 19 February, 23 April, 27 June, 30 July and 12 November). The members, as well as the Chairman of the Board of Auditors and the Internal Audit Manager attended all the meetings.

The average length of each meeting was approximately one hour. The average participation of members in the Committee meetings was 93%. For the current financial year the Audit and Risk Committee plans to meet five times. Two meetings were already held on 22 January and 12 March 2014, the latter as part of the regular meetings between the Committee, the Internal Control and Audit Committee, the Audit Firm, the Internal Audit Manager, the Director in charge of the internal control and risk management System and the Officer in Charge of the preparation of the Company's accounting documents pursuant to Italian Legislative Decree 262/05.

During the financial year the Audit and Risk Committee:

- assisted the Board in determining the guidelines of the internal control and risk management system, in the regular assessment of its adequacy and its actual operation;
- monitoring the progress of the audit plan implemented by the Internal Audit Department, as well as the implementation of the recommendations issued from time to time;
- evaluating the correct use of the accounting principles and their consistency for the purpose of the drafting of the consolidated financial statements together with the Officer in Charge and the audit firm;
- reported to the Board (on 31 July 2013 and on 20 January 2014) on the activities carried out in the first and second six months of 2013 and on adequacy of the Internal Control and Risk Management System.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In compliance with principle 7.P.1. of the 2011 Code, and the Internal Control and Risk Management System is defined as the set of rules, procedures and organisational structures aimed at enabling the identification, measurement, management and monitoring of the main risks. An efficient Internal Control and Risk Management System helps to ensure the protection of company assets, the efficiency and effectiveness of corporate transactions, the reliability of financial information and compliance with laws and regulations.

The Internal Control and Risk Management System is maintained by the following parties within the company, which are involved in various capacities and with different responsibilities in the Internal Control and Risk Management System. Each one has specific duties, as described below:

- Board of Directors;
- Director in charge of the Internal Control and Risk Management System;
- Board of Auditors;
- Supervisory Body;
- Audit and Risk Committee;
- Internal Audit Department.

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

- Officer in Charge of the preparation of the Company's accounting documents pursuant to Italian Legislative Decree 262/05;
- Audit firm;
- other internal control departments (Quality, Safety, etc.);

- other bodies prescribed by different regulations (ISO certification bodies).

The Board of Directors believes that the current division of the parties involved in the Internal Control and Risk Management System and the interrelationship between the control bodies and departments guarantee an adequate level of reliability on the capacity of the system itself to achieve its goals.

The evaluation, insofar as it refers to the Internal Control and Risk Management System in its entirety, reflects the limitations inherent in such a system. Even if it is well-conceived and functional, this System, in fact, can only guarantee with reasonable probability that Company objectives are achieved.

The Board of Directors met on 13 March 2014, and, on the proposal of the Audit and Risk Committee, having consulted and obtained the approval of the Board of Auditors (which met together with the Audit Firm, the Director in charge of the internal control and risk management system, the Officer in Charge of the preparation of the Company's accounting documents and the Group Legal General Counsel) considered the internal control and risk management system to be adequate.

In order to be able to define the nature and level of risk compatible with the strategic objectives, in 2012 the Company set up a project to develop Risk Management tools and methods aimed at identifying, analysing and understanding the main risks to the company and their mitigation level. These tools were subsequently tested on the field by choosing a pilot area of focus: the Medical Business Unit. The project was re-launched in 2014 with the extension of the analysis through the preparation of a plan for the entire Group. The Project was continuously collated with the Audit and Risk Committee from its initial implementation and is ongoing. All the results obtained were shared with the Board of Directors, which appreciated the work carried out and, together with the Audit and Risk Committee, encouraged the continuation of the activities described above.

The information on the main characteristics of the Internal Control System for the purposes of financial reporting and the risk management system in place in relation to the financial reporting process, including the consolidated reporting process, is given below.

THE INTERNAL CONTROL SYSTEM FOR THE PURPOSES OF THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT.

Introduction

The changes in regulations in recent years have regulated different aspects of the internal control and risk management system, and as a consequence there has been a proliferation of control models and different bodies called upon in various capacities to provide a level of reliability on these models. Within this context the Administrative and Accounting Control Model (hereinafter also referred to as the "Accounting Control Model") is defined as a document describing the Internal Control System with reference to the financial reporting process.

The Internal Control System related to the financial reporting process is an integral part of the internal control and risk management system of the SAES Group, and contributes to the ensuring of the achievement of the objectives stated above.

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

- the reliability of the reporting, its correctness and compliance with accounting standards and legal requirements;
- the accuracy of the reporting, its neutrality and precision;
- the reliability of the reporting, which must be clear and complete so that investors can make informed investment decisions;
- the timeliness of the reporting, with particular reference to the observance of the deadlines prescribed for its publication according to applicable laws and regulations.

The task of monitoring the implementation of the above Accounting Control Model was assigned, by the Board of Directors, to the Officer in Charge of the preparation of the Company's accounting documents (hereinafter also "Officer in Charge"), and the Managing Director.

The guidelines taken as a reference in the planning, implementation, monitoring and updating of the Accounting Control Model, even if not explicitly indicated, are the guidelines set forth in the CoSO Report⁷.

Reference is to be made to the subsequent paragraphs for in the specific details on the Accounting Control Model and the tasks assigned to the Officer in Charge.

Furthermore, in order to ensure the integration of the internal control System for the purposes of the financial reporting process with the more general Internal Control And Risk Management System of business risks, the Officer in Charge closely collaborates with the Internal Audit Department and orders regular independent checks aimed at analysing compliance with administrative and accounting procedures.

These checks, by selecting specific processes among those consider important following the risk assessment process described below, are always included in the more general inspection of the actions of the Internal Control Department at the subsidiary companies of the SAES Group.

ADMINISTRATIVE AND ACCOUNTING CONTROL MODEL

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

⁷ Report of the Treadway Commission of the Committee of Sponsoring Organisations (CoSO) of 1992, considered as the best practice of reference for the structure of the Internal Control Systems and the Enterprise Risk Management Framework, published in September 2004.

This Accounting Control Model, which represents the set of company rules and procedures aimed at achieving the Company's objectives of truthfulness and correctness in its reporting through the identification and management of the main risks associated with the preparation and the disclosure of financial information, was subjected to a revision process that led to the issue of a new release approved by the Board of Directors on 20 December 2012.

Components of the Accounting Control Model

The Accounting Control Model is made up of the following elements:

- general control environment;
- administrative and accounting risk assessment;
- counterfoils of administrative and accounting controls (hereinafter also "counterfoils");
- regular evaluation of the adequacy and effective application of the controls described in the counterfoils;
- internal certification process, functional to the external certifications required by law.

The control environment is the basis of an effective internal control and risk management system. The main documents formalising its essential characteristics are: the Code of Ethics and Business Conduct, the set of governance rules contained in the Report on corporate governance and ownership structures, the organisation chart and the organisational provisions, and the system of proxies.

The administrative and accounting risk assessment is the process of identifying and assessing the risks related to accounting and financial reporting. The risk assessment is conducted on an entity level as well as on a single process level. The criteria set forth in Italian Legislative Decree 61/2001 are followed when determining the materiality threshold.

This process is repeated and updated every year by the Officer in Charge with the support of the Internal Audit Department and subsequently shared with the Managing Director, and requires:

- the identification, using quantitative criteria (size) and qualitative (significance) criteria, of the balance sheet items/financial information that are highly volatile or that imply the risk of error, with reference to the financial statements of the Company, the consolidated financial statements and the financial statements of the subsidiaries;
- the identification of the related input account processes/flows and the related controls to protect the identified risks for each significant balance sheet item/piece of financial information;
- the communication to the departments involved in the intervention areas with regard to which it is necessary to monitor the efficiency and operation of the controls.

If the checks carried out on the risk areas selected as result of the regular risk assessment are not properly documented or formalised, the person in charge of the process or the accounting flow, with the support of the Officer in Charge and, if necessary, the Internal Audit Department, will be responsible for preparing appropriate documentary evidence in order to allow the checks existing in the analysed area to be assessed.

The *counterfoils of administrative and accounting* of SAES Getters are documents that describe the control standards in place for each administrative and accounting flow process selected following the regular risk assessment, with an indication of the control objectives regarding the preparation of the financial statements and the related controls existing in addition to the responsibilities and the frequency of the implementation of the control itself.

These counterfoils are used as a tool to identify the specific controls in place for each relevant process in each subsidiary company, with the identification of the controls to be tested in order to evaluate the adequacy of the Administrative and Accounting Control System. The counterfoils are subject to constant revision by the related Department Managers, with the support of the Internal Audit Department of the Group.

With regard to the *regular evaluation of the adequacy and effective application of the controls described in the counterfoils*, the Department Managers and the subsidiary companies involved in the training and management process of accounting and financial reporting are responsible for the correct operation and updating of the Internal Administrative and Accounting Control System with reference to all the related accounting processes/flows, and must continually assess the correct application of the administrative and accounting control procedures, their adequacy to the existing processes and updating of the related counterfoils of the controls.

Furthermore, the Internal Administrative and Accounting Control System is subject to an *independent assessment* by the Internal Audit Department, aimed at assessing the adequacy of the project and the actual effectiveness of the existing controls. The assessment is integrated in the general annual audit plan prepared by the Manager of the Internal Audit Department, confirmed by the Audit and Risk Committee and approved by the Board of Directors.

The Officer in Charge regularly monitors the adequacy and effectiveness of the internal administrative and accounting control system on the basis of the reports received from the Department Managers and the subsidiary companies and the reports on the activities of the Internal Audit Department.

All the documents on the control activities carried out and their results are made available to the company entrusted with the audit in order that it may carry out the necessary verifications for the purposes of certification.

Finally, with regard to the *internal certification process, functional to the external certifications required by law*, this process consists of a series of subsequent certifications aimed at ensuring that announcements made externally are consistent with the definitions of article 154-*bis* of the Consolidated Finance Act.

Depending on the type of financial announcement to the market, different certifications are identified:

- Annual Financial Statements and Half-year Report produced with reference to the separate Financial Statements of SAES Getters S.p.A., the Consolidated financial statements of SAES Getters and to the half-year condensed Consolidated Financial Statements of the SAES Getters Group;
- Certifications to interim management reports and other final accounting reports or produced with reference to other documents such as, for example, price sensitive press releases containing economic and financial information on final data, interim or otherwise; final accounting data included in the presentations delivered regularly to shareholders and financial community or published presentations.

THE INTERNAL ADMINISTRATIVE AND ACCOUNTING 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 subsidiary companies, namely the local Administrative Directors and/or Controllers, together with their general managers, are responsible for:

- ensuring that the activities and the controls in place in the input process of the accounting reporting are consistent with the principles and objectives defined on a Group level;
- continuously monitoring the relevant identified controls, in order to ensure their operating and effectiveness;
- promptly and regularly informing the Managing Director or the Officer in Charge of the following:
 - significant changes to the Internal Administrative and Accounting Control System in order to identify the specific controls to be implemented;
 - any anomalies or findings that may generate significant errors in the accounting report.

Considering that the control structures in the majority of the subsidiaries are small, the Company decided not to issue specific procedures on the processes that influence the input of the accounting reporting of these companies, and detailed control counterfoils were prepared for the processes selected as a result of the risk assessment, which are verified by the Administrative Directors/Controllers of the individual subsidiaries.

11.1. Executive Director in charge of the Internal Control and Risk Management System

On 24 April 2012 the Managing Director Mr. Giulio Canale was appointed by the Board as the Director responsible for the internal control and risk management system (hereinafter “Appointed Director”) who in particular, in compliance with application standard 7.C.4. of the 2011 Code:

- a) is responsible for identifying the main business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and subjects 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 and risk management system and constantly checking its adequacy and effectiveness;

- c) is responsible for adapting this System to the trend of operating conditions and the legal and regulatory framework;
- d) may request the Internal Audit Department to carry out inspections on specific operational areas and on compliance with internal rules and procedures in the performance of business transactions, simultaneously informing the Chairman of the Board of Directors, the Chairman of the Audit and Risk Committee and the Chairman of the Board of Auditors;
- e) duly reports to the Audit and Risk Committee (or the Board of Directors) on the problems and critical aspects emerging during the operations of the system or that comes to his knowledge, so that the Committee (or the Board) may take the appropriate action.

The Managing Director, with the support of the Internal Audit Department continuously verifies the effectiveness of the operations of the implemented Internal Control and Risk Management System. It is also acknowledged that, in relation to application standard 7.C.4. of the 2011 Code, the Officer in Charge constantly verified the overall adequacy, efficiency and effectiveness of the internal control and risk management system. In its meeting of 13 March 2013, the Board of Directors made a positive evaluation on this matter.

A description of the business risks is included in the Management Report, which is among the documents contained in the financial statements for the Financial Year.

11.2. Internal Audit Manager

In addition, with reference to the Internal Audit Manager, the Company, always in the meeting of 23 February 2012, resolved to adopt application standard 7.C.1. of the 2011 Code.

The Internal Audit Manager is appointed and removed by the Board, on the proposal of the Appointed Director and after having consulted the Audit and Risk Committee. In the same meeting, the Board, on the proposal of Mr. Giulio Canale and with the approval of the Audit and Risk Committee, in consideration of the aforesaid application standard, appointed Ms. Laura Marsigli as Internal Audit Manager.

With reference to application standard 7.C.1. of the 2011 Code, the Board of Directors defined the remuneration received by the Internal Audit Manager to be consistent with the company policies normally applied and provided her with an adequate budget for the performance of her responsibilities.

As defined by the Board and in compliance with principle 7.P.3. of the 2011 Code, the Internal Audit Manager is responsible for ensuring the operation and adequacy of the Internal Control and Risk Management System and its basic compliance with application standard 7.C.5. of the 2011 Code, and in particular:

- a) verifies the effectiveness and adequacy of the internal control and risk management system on the basis of an annual plan: the audit plan for the 2014 Financial Year was submitted to the Board on 22 January 2014 for approval in compliance with application standard 7.C.1;
 - a) is not in charge of any operational area and hierarchically depends on the Board;

- b) has direct access to all the information useful for the performance of her activities;
- c) prepares regular reports containing adequate information on her activities, the procedures according to which risk management is performed, as well as on compliance with the plans defined to minimise risk. The regular reports contain an opinion on the suitability of the internal control and risk management system based on the results of the actions taken;
- d) prepares timely reports on particularly significant events;
- e) sends the reports to the chairpersons of the Board of Auditors, the Audit and Risk Committee and the Board of Directors, as well as to the Officer in Charge;
- f) assesses the reliability of the IT systems within the audit plan, including the accounting systems.

For the period between 11 March 2013 and 24 November 2013, due to the temporary impossibility of Ms. Marsigli to hold the position of Internal Audit Manager and to perform the activities assigned to her, the Board of Directors, on the proposal of the Appointed Director of the internal control and risk management system and with the approval of the Audit and Risk Committee, entrusted the position of Internal Audit Manager *ad interim* to Ms. Elisabetta Bellone (Group Tax Manager), selected from among the managers with financial and accounting expertise, starting from 11 March 2013.

Ms. Marsigli returned to regular service on 25 November 2013.

In compliance with application standard 7.C.6. of the 2011 Code, the Internal Audit Department, as a whole or by operational segments, may be entrusted to subjects outside the Company, provided that they possess the requirements of professional standing and independence. This organisational choice, was not adopted by the company during the 2012 financial year.

For the 2013 financial year the Company decided to use external consultants in order to assist Ms. Bellone in the Internal Audit activities. The external consultant selected (using the same proposal and approval procedure by the Board provided for the allocation of the *ad interim* position of Internal Audit Manager) for the performance of the aforesaid activities set forth in the Audit plan is the company Ernst & Young. The task was formally assigned by the Board of Directors 19 February 2013, with the approval of the Audit and Risk Committee, starting from 24 April 2013 in order to ensure compliance of the requirement of independence, necessary for the performance of the activities.

11.3. Organisational Model pursuant to Italian Legislative Decree 231/2001

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

The Board, with resolution of 22 December 2004, approved and adopted its own “Organisational, Management and Control Model” pursuant to and in accordance with Italian Legislative Decree no. 231/2001 (“Model 231”) and simultaneously the “Code of Ethics and Business Conduct” that form an integral part of the Model, in order to clearly define the set of values that the SAES Getters Group recognises, accepts and shares, as well as the set of rules of conduct and the principles of legality, transparency and correctness to be applied in the performance of its business and in its various dealings with third parties.

The General Part of the Model, and the Code of Ethics can be found on the Company website www.saesgetters.com (Investor Relations/Corporate Governance section).

With its resolution of 13 February 2007, the Board approved the revision of Model 231 in light of the entry into force of the regulations implementing the EC regulations on the prevention of market abuse, as well as within the regular verification pursuant to article 7, paragraph 4, letter a) of Italian Legislative Decree no. 231/2001.

With its resolutions of 18 March 2008 and 23 April 2008, the Board then approved the revision of Model 231 in order to adapt it to the legal amendments that were made in 2007 aimed at extending the range of offences protected ex Italian Legislative Decree no. 231/2001. In particular, the following offences were introduced:

- the offences of receiving, laundering or using money, goods or benefits of illegal origin (article 25-*octies* of Italian Legislative Decree no. 231/2001) introduced by Italian Legislative Decree of 16 November 2007 in implementation of 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, related to the offences connected to the violation of safety and accident-prevention regulations. Reference is made to the possible offence of manslaughter or gross/very gross negligent injury committed in violation of accident-prevention regulations and the protection of occupational health and safety.

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

In the last quarter of the 2009 financial year the Company set up the revision and adjustment plan of the Model to Italian Legislative Decree no. 231/2001, following the inclusion of the following significant offences on the list:

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

in addition to the offence of incitement to withhold statements from or issue false statements to the judicial authority - Italian Law of 3 August 2009, no. 116.

In this regard the activities carried out by each company department were mapped in order to check in particular the existence of any significant business activities for the

purposes of Italian Legislative Decree no. 231/2001, as updated, as well as the adequacy of the supervision controls implemented for the prevention of crime.

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

During this verification it was considered appropriate to arrange a new procedure on patents, the “Procedure for the management of new corporate IP assets”:

The objective of this procedure is to explain the operating methods that SAES must follow when managing relations with Patents Firms, Patent Offices, the Judicial Authority, Third Parties and the Supervisory Authorities in relation to the obligations prescribed for the protection of industrial property rights, in compliance with the laws of reference and the principles of maximum transparency, timeliness and collaboration, as well as asset traceability.

The procedure was drawn up in compliance with the principles set forth in the Model and with those specifically identified in Special Parte A – “Offences against the public administration” and F – “Offences against the 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 distributed to all company staff, also through training courses organised internally by the company departments with the support of consultants specialising in these matters.

The Model was updated by the Board of Directors on 20 December 2011 in order to transpose the introduction of the environmental crimes among the cases of predicate offence set forth in Italian Legislative Decree 231/2001. The update included the introduction of a new Special Part G – “environmental offences”.

On 20 December 2012 the Board of Directors updated the Model by introducing a new Special Part H – “Offences relating to the employment of foreign workers” containing protocols of conduct for the prevention of the potential commission of the criminal conduct referable to the cases of predicate offence set forth in article 22, paragraph 12-*bis* of Italian Legislative Decree 109/2012, which penalises the employer in the event of the employment of third-country nationals with unlawful residence permits.

Finally, on 19 December 2013 the Board of Directors updated the Model following the entry into force of Italian Law 190/2012, which introduced new offences, such as private bribery and extortion by persuasion, into the Italian legal system.

The 231 Model was adopted by the Board in the firm belief that the establishment of an “organisational, management and control model”, in addition to being a valid tool for raising the awareness of all those that operate on behalf of the Company so that they behave correctly in the performance of their activities, is also an indispensable for preventing the risk of the commission of the offences set forth in Italian Legislative Decree no. 231/2001. With the adoption and the effective implementation of the Model, the Company aspires to take advantage of the so-called justification in the unlikely event of their involvement for the relevant types of offences.

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

describes the activities carried out for defining the 231 Model of the Company and its illustrates its components, and the “ *Special Part*” prepared for the different types of offence set forth in Italian Legislative Decree no. 231/2001 (if relevant for the Company) that form an integral and essential part of the Model.

11.4. Supervisory Body

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

On 24 April 2012, subsequent to the Meeting for the appointment of the Board in office, the latter appointed the following persons as members of the Supervisory Body:

- Mr. Vincenzo Donnataria (as member of the Board of Auditors);
- Ms. Laura Marsigli (Internal Audit Manager);
- Mr. Roberto Orecchia (as Independent Director).

On 22 January 2013, Board of Directors awarded the task of member of the supervisory body, *ad interim*, to the group general counsel Mr. P. Minaudo, as a substitute for Ms. Marsigli due to her temporary impossibility to continue with the task.

The Body has its own Regulations and also elected its Chairman internally, namely Mr. Vincenzo Donnataria.

The Body shall remain in office until the approval of the financial statements for the 2014 financial year.

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

On 13 May 2013 the Company issued a regular certification ex article I.A.2.10.2 of the Instructions accompanying the Regulations of Borsa Italiana S.p.A. (Adequacy of the 231 Model and its compliance, and composition of the Supervisory Body).

The Board of Directors, taking also account of the activities of the Supervisory Board, assigns the latter an annual expense budget for the performance of its activities, in full economic and managerial autonomy. The aforesaid budget is updated from time to time in accordance with the specific requirements that will be determined by the Supervisory Body. If any budget overrun due to specific requirements shall be communicated by the Supervisory Board to the Board of Directors.

11.5. Audit Firm

The statutory audit is carried out by an appointed audit firm that operates in accordance with the provisions of law. On 23 April 2013, the Shareholders’ meeting resolved to entrust Deloitte & Touche S.p.A. with the auditing task pursuant to the Italian Legislative decree 39/2010 on the basis of the proposal of the Board of Auditors:

- for the auditing of the financial statements of the Company and the consolidated financial statements of the SAES Getters Group;

- for the verification of the regular bookkeeping and the correct registration of the management facts in the accounting records - of the limited audit for the half-year report of the Company on a consolidated basis,

11.6. Officer in Charge of the preparation of the Company's accounting documents

On 24 April 2012 the Board appointed Mr. Michele Di Marco as *Group Administration, Finance & Control Manager* and *Deputy Chief Financial Officer*, confirming him, to be the Officer in Charge of the preparation of the Company's accounting documents, after having consulted the Board of Auditors, pursuant to and in accordance with new article 154-*bis* of the Consolidated Finance Act, introduced by the Italian Savings Law.

Pursuant to article 24 of the Company By-laws, introduced with the resolution of the extraordinary Shareholders' meeting of 29 June 2007, the Officer in Charge of the preparation of the Company's accounting documents must satisfy the professional requirements characterised by qualified experience of at least three years in the performance of administration, accounting and/or control activities, or as a manager or consultant on finance, administration, accounting and/or control activities, within listed companies and/or associated groups, or within companies, entities and enterprises of significant size and relevance, even with reference to the drafting and control of corporate accounting documents.

The office of Officer in Charge expires at the end of the mandate of the Board that appointed him (approval of the financial statements for the 2014 financial year). He can be re-elected. Mr. Di Marco was appointed Officer in Charge on 29 June 2007, confirmed on 24 April 2009 and his appointment was renewed on 24 April 2012.

The Officer in Charge has autonomous spending and signature rights. The Board ensures that Mr. Di Marco is provided with adequate powers and means to perform the duties assigned to him pursuant to article 154-*bis* of the Consolidated Finance Act, those assigned to him by the Board upon his appointment, and supervises his effective compliance with administrative and accounting procedures.

On 14 May 2007, the Board approved the first version of the document describing the Accounting Control Model, described in paragraph 11, and an update on 20 December 2012, in order to ensure a higher level of reliability of the financial reporting disclosed to the market and the effectiveness of the Officer in Charge. In particular, the document:

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

12. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

On 21 December 2010 the Board of Directors, having consulted and obtained the approval of the Independent Directors Committee, adopted the Procedures for transactions with related parties (the “Procedures”) in compliance with the provisions of CONSOB Regulation no.17221 of 12 March 2010 (hereinafter “Regulations”) and CONSOB Communication of 24 September 2010 (hereinafter “Communication”), aimed at ensuring the transparency and the substantial and procedural correctness of the transactions with related parties, identified pursuant to the revised international accounting standard IAS 24.

The Procedures define the transactions of “major significance” that must be approved in advance by the Board, with the reasoned and binding opinion of the Committee for Transactions with Related Parties.

The other transactions, unless they fall within the residual category of transactions of minor value - transactions of less than € 250,000 - are defined as “of minor significance” and may be carried out subject to the reasoned and non-binding opinion of the aforesaid Committee. Furthermore, the Procedures identify cases of exemption to 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 associated companies, provided that the other related parties of the Company have no significant interest in them, and transactions of minor value.

The Procedures came into force on 1 January 2011 and are published in the Company website www.saesgetters.com.

13. APPOINTMENT OF AUDITORS

The appointment of the Board of Auditors is expressly regulated by the By-laws, which set forth an appointment procedure using a slate system, without prejudice to the application of different and further mandatory legal or regulatory provisions.

The Board believes that the Auditors, in the same way as the Directors, ought also to be appointed according to a transparent procedure, as described below.

Article 22 of the current By-laws, which already provided for the election of the Board of Auditors by presenting lists, was amended by the resolution of the extraordinary Shareholders’ Meeting of 27 June 2007 in order to transpose the amendments and additions to the election procedures introduced in the meantime to the regulations in force.

In particular, the amendments were introduced in compliance with the provisions of article 148, paragraph 2 and 2-*bis*, as well as article 148-*bis* of the Consolidated Finance Act, as amended by Italian Legislative Decree 29 December 2006 no.303, and article

144-*sexies* of the Regulations for Issuers as modified by CONSOB resolution no. 15915 of 3 May 2007, which establishes that an active member of the Board of Auditors must be elected by the minority Shareholders that are not directly or indirectly related to the Shareholders that have submitted or voted that obtained the most votes, with reference to the definition of relations between current Shareholders and minority Shareholders contained in the Regulations for Issuers; that the Chairman of the Board of Auditors is appointed by the Shareholders' meeting from among the Auditors appointed by the minority shareholders; that the By-laws may require the Shareholder or Shareholders that submit the list are owners, at the time of submission of the list, of a shareholding that does not exceed the one stated in article 147-*ter*, paragraph 1, of the Consolidated Finance Act; that the list must be lodged at the company headquarters, accompanied with a series of documents specified by the regulations, at least 15 days prior to the date fixed for the Shareholders' Meeting convened to pass resolution on the appointment of Auditors; that the lists must be made available to the public at the company headquarters, the management company of the market and on the website of the issuing companies within the time limits and using the methods provided for by law; that the By-laws can establish the criteria to identify the candidate to be elected if the lists are equal.

Current article 22 of the By-laws sets forth that the minority - that are not party of a relevant connection, even indirectly, as per article 148, paragraph 2 of Italian Law no. 58/98 and related regulatory rules - are entitled to the appointment of one statutory Auditor, who is the Chairman of the Board, and of one substitute Auditor.

The election of the Auditors by the minority Shareholders takes place at the same time as the election of the other members of the control body (with the exception of cases of replacement).

Only those shareholders who, with reference to the shares registered in their account on the day of deposit of the lists at the Company offices alone or together with other shareholders, own voting shares representing at least the percentage in the voting capital equal to the one determined by CONSOB, pursuant to article 148 paragraph 2 of the Consolidated Finance Act and in compliance with the Regulations for Issuers, are entitled to present lists for the appointment of Auditors. On the date of this Report, the requested share is 2.5% of the share capital with voting rights.

A Shareholder cannot submit or vote for more than one list, even through third parties or through trust companies.

Shareholders that are part of the same group and shareholders who entered a shareholder agreement concerning the shares of the Company cannot submit nor vote for more than one list, even through intermediaries or trust companies. Each candidate may enrol in only one list, under penalty of ineligibility.

The lists, to be signed by all those that submitted them, must be lodged at the head offices of the Company within twenty-five days prior to the Meeting convened to resolve upon the appointment of the Board of Auditors. The Company makes the lists available to the public at the company offices, at the management company of the market and on its website, within the time limits and using the methods established by applicable laws.

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

The lists also contain, as an annex:

- a) information on the identity of the Shareholders that have submitted the lists, with the information on the total percentage of the overall shareholding owned: this indication must be approved by a special certificate issued by the intermediary to be submitted also subsequent to the deposit of the list, but in any case within the time limits provided for the publication of the lists by the issuer;
- b) a declaration of the Shareholders other than those that hold, even jointly, a controlling or majority shareholding, certifying the absence of the relationships provided for by article 144-*quinquies* of the Regulations for Issuers with the latter;
- c) an exhaustive report on the personal and professional characteristics of the candidates accompanied by the list of the management and control positions held in other companies;
- d) a declaration of the candidates certifying that non-existence of causes for ineligibility and incompatibility, as well as the possession of the requirements provided for by *pro tempore* laws and regulations in force, and their acceptance of the candidature;
- e) any other further or different declaration, information and/or document provided for by law and applicable regulations.

If upon the expiry of the deadline to submit the lists, only one list has been lodged, or only lists by inter-related Shareholders pursuant to the applicable regulations, lists may be submitted up to the fifth day subsequent to this date. In this case the minimum threshold above required for submitting the lists are reduced by half. The failure to submit minority lists, the extension of the deadline for the submission of the latter and the reduction of the thresholds are disclosed within the time limits and using the methods provided for by applicable laws.

Members of the Board of Auditors are elected as follows: (i) 2 statutory Auditors and 1 substitute Auditor are selected from the list that has obtained the highest number of votes (“Majority List”), in the order of priority they appear on the list; (ii) 1 statutory Auditor, who will be the Chairman of the Board of Auditors (“Minority Auditor), and 1 substitute Auditor (“Minority Substitute Auditor”) are selected from the second list that has obtained the highest number of votes and that is not connected directly or indirectly with the Shareholders that have submitted or voted for the Majority List pursuant to the applicable provisions (“Minority List”), in the order of priority they appear on the list.

In the event that the lists obtain an equal number of votes, the list submitted by Shareholders owning the larger shareholding at the time of submission of the list prevails, or, subordinately, the one submitted by the higher number of Shareholders.

If only one list is presented, the Shareholders’ Meeting will vote on this list and if it obtains the majority of voters, without taking abstentions into account, the candidates

listed for these positions will be elected statutory and substitute Auditors. In this case, the Chairman of the Board of Auditors will be the first candidate voted as statutory Auditor.

If no lists are submitted, the Board of Auditors and the Chairman are appointed by the Shareholders' meeting with the ordinary majorities required by law.

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

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

As set forth in article 2401, paragraph 1, of the Italian Civil Code, the Shareholders' Meeting appoints or replaces the Auditors in compliance with the principle of the necessary representation of minorities.

14. AUDITORS

The Board of Auditors holding office was appointed by the Shareholders' Meeting on 24 April 2012 and will remain in office until the approval of the 2014 financial statements. The Board of Auditors, as shown in more detail in the following table, consists up of Mr. Vincenzo Donnataria, Chairman of the Board of Auditors, and Mr. Maurizio Civardi and Mr. Alessandro Martinelli, statutory Auditors. The Board of Auditors holding office was appointed on the basis of a single list submitted to the Company by the majority Shareholder S.G.G. Holding S.p.A., in compliance with the methods and within the time limits prescribed by regulations and the By-laws.

The list and the accompanying documents were also promptly published on the Company website.

The Board carries out an annual inspection on the continuance of the professionalism and integrity requirements that the Auditors must satisfy pursuant to the Decree of the Ministry of Justice of 30 March 2000, no.162, as well as that of independence pursuant to art.148 of the Consolidated Finance Act and application standard 8.C.1. of the 2011 Code. During the Financial Year, with reference to the 2012 financial year, this inspection was carried out on 19 February 2013. With reference to the 2013 financial year, this inspection was carried out on 18 February 2014.

In addition to the requirements prescribed by the applicable regulations, the Auditors of the Company must also have proven skills and expertise in 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.

In derogation from application standard 8.C.1. of the 2011 Code, the Board did not consider it necessary to specifically provide that the Auditors should be chosen from among persons that qualify as independent on the basis of the criteria indicated for the Directors, as they considered legal provisions to be sufficient. The Shareholders submitting the lists for the appointment of the Board of Auditors are requested to indicate the possible suitability of the candidates to qualify as independent, leaving the

evaluation of the importance of this qualification to the Shareholders' Meeting during the appointment phase of the Board of Auditors.

Also in compliance with application standard 8.C.2. of the 2011 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 Auditors informed CONSOB of the management and control positions held at the companies set forth in Book V, Chapters V, and VI, VII of the Italian Civil Code, pursuant to and in accordance with article 144-*quaterdecies* of the Regulations for Issuers.

Also in compliance with the principle 8.P.1. of the 2011 Code, the Auditors operate autonomously and independently also from the Shareholders that elected them.

The Auditor that, personally or on account of third parties, has an interest in a particular transaction of the Company immediately informs the other Auditors and the Chairman of the Board providing exhaustive details on the nature, terms, origins and extent of the interest, also pursuant to application standard 8.C.3. of the 2011 Code.

The Board of Auditors, within the context of the tasks assigned to it by law, supervises the methods of implementing corporate governance rules and ensures (as it did during the Financial Year) that the criteria and procedures to ascertain the independence of its members adopted by the Board of Directors has been correctly applied. The result of these checks is announced to the market within the context of this Report or the Auditors' Report to the Shareholders' Meeting.

The Board of Auditors also oversees (as it did during the Financial Year) the conditions for the independence and the autonomy of its members, informing the Board thereof in a timely manner with respect to the drafting of this Report. The Board of Auditors verified the continuing satisfaction of the requirements of independence of its members in the first meeting after its appointment (on 24 April 2012) and during the Financial Year. In carrying out the inspections stated above the Board did not apply any further criteria for the independence of the Directors, but only laws and regulations.

The Board of Auditors is responsible for evaluating the proposals formulated by the audit firms in order to be entrusted with the related task, as well as the plan prepared for the audit and the results shown in the report and in the suggestion letter. The Board of Directors also supervises the effectiveness of the auditing process and the independence of the audit firm, also checking its compliance with legal provisions, as well as the nature and size of the services other than the auditing services provided to the Company and its subsidiaries by the aforesaid audit firm and the entities belonging to its network.

During the Financial Year, the Board of Auditors supervised the independence of the audit firm, checking its compliance with legal provisions in these matters, as well as the nature and size of the services other than the auditing services provided to the Company and its subsidiaries.

Furthermore, by virtue of the provisions contained in Italian Legislative Decree 39/2010, the Board of Auditors also acts 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 statutory audit of annual accounts and the consolidated accounts and the independence of the external audit firm.

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

The Board of Auditors may ask the Internal Audit Department to carry out specific inspections on operational areas or corporate transactions in the performance of its tasks, as indicated in application standard 8.C.4. of the 2011 Code.

In accordance with application standard 8.C.5. of the 2011 Code, the Board of Auditors and the Audit and Risk Committee duly exchanged important information for the performance of their respective tasks, for example on the occasions of the meetings of the Board of Directors or Audit and Risk Committee (in which, it is to be remembered, are attended by the Chairman of the Board of Auditors or other Auditor appointed by the latter).

During the Financial Year the Board of Auditors met five times with constant participation of all members. The meetings of the Board of Auditors last an average of 3 hours. Five meetings are planned for the 2013 financial year; 1 meeting was held on 12 March.

In relation to principle 8.P.2. of the 2011 Code, the Company believes it has adopted adequate measures to guarantee the effective performance of the tasks of the Board of Auditors.

The personal and professional information of each Auditor is provided below:

Maurizio CIVARDI - born in Genoa on 30 July 1959

Chartered Accountant - Partner of STUDIO ROSINA e ASSOCIATI

- Registered in the Register of Auditors (Italian Ministerial Decree 12/4/1995 O.G. 31 *bis* – IV special series of 21/4/1985)
- Official Receiver
- Expert appointed by the Court (pursuant to Article 2343 of the Italian Civil Code) for the evaluation of complex businesses
- Liquidator
- Tax and company advisor of several companies, also offering assistance in corporate reorganisation transactions, company organisation and requests for admission to insolvency proceedings
- former Member of the Research Committee for Direct Taxes within the Italian National Board of Chartered Accountants
- former 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 has been a Statutory Auditor of SAES Getters S.p.A. since 2006.

Vincenzo DONNAMARIA - born in Rome on 4 October 1955

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

Lawyer enrolled in the Bar of Rome (94).

Registered in the Register of Auditors since its formation (Italian Ministerial Decree 12 April 1995).

Court of Cassation lawyer, registered in the Special Register of Cassation Lawyers since 2003.

Mr. Vincenzo Donnataria is a founding member and national manager of Studio Associato di Consulenza Legale e Tributaria KStudio Associato (law firm). The Firm, which has more than 3000 professionals, lawyers, chartered accountants and auditors, is associated with the international network of KPMG.

From November 1978 to April 1985 he advanced his career in Arthur Andersen, reaching the office of ordinary member of the Tax and Corporate Consultancy Firm.

From May 95 to September 1988 he was the founding member of the Studio Consulenti Associati Di Paco, Donnataria, Guidi, (KPMG) and was responsible for the Rome office.

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

In 1985 he published the book “Disciplina fiscale degli ammortamenti” (Tax regulations on amortisation), together with Mr. Francesco Rossi Ragazzi for the IPSOA publishing house.

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

During 1988 he was appointed Consultant of the Authority for Communication Guarantees within the preparation of the Regulations concerning the organisation and the 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 proceedings initiated by the Judicial Authority against the former General Management personnel of the Construction of naval weapons and arms.

He has been a statutory Auditor of SAES Getters S.p.A. since 2006. In 2006 he was appointed Chairman of the Board of Auditors.

Alessandro MARTINELLI - born in Milan on 5 July 1960

Registered in the Register of Chartered Accountants and Accounting Experts of Milan, roll section A, since 20 September 1987.

Registered in the Register of Statutory Auditors O.G. no. 31 of 21/04/1995 Italian Decree 12/04/25.

After an apprenticeship at the leading accountancy firm of Milan, he embarked upon his career in 1987 in his family Firm, active since 1920, mainly dealing mainly with tax consultancy, corporate consultancy and tax-related lawsuits.

As manager, he also followed the administrative and accounting management of clients of the Firm.

He has been statutory Auditor of SAES Getters S.p.A. since 2006.

15. INVESTOR RELATIONS

The Chairman and Managing Director, in compliance with procedure for the management of inside information, do their utmost to establish constant dialogue with the Shareholders, the institutional investors and the market in order to guarantee the systematic distribution of a complete and timely report on its activities. Disclosure to investors, the market and the press is guaranteed by press releases, regular meetings with institutional investors and with the financial community.

Also in compliance with application standard 9.C.1. Of 2001 Code, the dialogue with the institutional investors, the Shareholders as a whole and the analysts is entrusted to a specific dedicated department, called Investor Relations, in order to ensure continuous and professional relations, as well as the correct, constant and complete exchange of information.

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

During the Financial Year meetings and conference calls on the regular economic and financial reporting were organised. During the Financial Year, the Company also participated in the STAR Conference organised by Borsa Italiana S.p.A. in Milan on 27 March 2013. For the current financial year the STAR Conference is planned for 25 and 26 March.

The presentations used during the meetings planned with the financial community were made public through publication on the Company website at the address www.saesgetters.com/it/investor/presentation, in addition to being sent in advance via e-mail to CONSOB and Borsa Italiana S.p.A.

The e-mail address for collecting requests for information and providing explanations and clarifications to the Shareholders on the transactions carried out by the Company is: investor_relations@saes-group.com.

Furthermore, the Company, in order to facilitate the attendance of the Shareholders in the Shareholders' Meeting, allows the Shareholders to ask questions on the items on the agenda, also before the Meeting, by sending a registered letter with acknowledgement of receipt to the company headquarters via certified e-mail to the address 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.

Special attention is to be paid to the Company website (www.saesgetters.com), where financial and economic information (such as financial statements, half-yearly and quarterly reports), as well as data and documents of interest to the Shareholders as a whole (press releases, presentations to the financial community, calendar of corporate events) can be found in Italian and English.

Also in compliance with application standard 9.C.2., the Company provides the necessary or appropriate information in the special Investor Relations section of the Company website so that the Shareholders can make informed decisions while exercising their rights, with particular reference to the methods provided for the participation and exercising of voting rights in the Meeting, as well as to the documents related to the topics on the agenda, therein including the list of candidates for the positions of Director and Auditor with the indication of their personal and professional characteristics.

The admission and the permanence of the Company in the STAR (“Segmento Titoli con Alti Requisiti” - segment of securities with high requirements) of Borsa Italiana S.p.A. also represent an indicator of the ability of Companies to satisfy the high information disclosure standards that constitute one of its essential requirements.

16. SHAREHOLDERS’ MEETINGS

The Meetings, duly constituted, represent all the Shareholders, and its resolutions, passed in compliance with the law, are binding upon Shareholders even if they are absent or dissenting. The meeting is held in ordinary and/or extraordinary session, according to law, at the company headquarters or another location, even abroad, provided that it is within the countries of the European Union.

The Shareholders’ Meeting is regulated by articles 8, 9, 10, 11, 12 and 13 of the By-laws, which can be found on the Company website at the address www.saesgetters.com/it/investor/company-bylaws.

In sharing principles 9.P.1. and 9.P.2. as well as application standard 9.C.2. and 9.C.3. of the 2011 Code, the Chairman and Managing Director do their utmost to encourage the widest possible attendance at the Shareholders in the Meetings, as an actual moment of communication and connection between the Company and its investors. As a rule, all the Directors attend the Meetings. The Board does its utmost to reduce the constraints and obligations that render it difficult and burdensome for the Shareholders to attend Meetings and exercise their voting rights. Moreover, no complaints to this effect were received from the Shareholders.

The Meetings are also an occasion for providing the Shareholders with information on the Company, in compliance with the regulations on inside information.

In particular, in the Meetings the Board reports on the activities carried out and those that are planned and does its utmost to ensure that the Shareholders are provided with adequate information on the necessary topics so that they may make the decisions reserved for the Shareholders’ Meeting in full cognition of the facts.

During the Financial Year, the Shareholders’ Meeting was held on 23 April 2013 with the following agenda:

Ordinary part

1. Reports of the Board of Directors for the financial year ended 31 December 2012; financial statements as at 31 December 2012; related resolutions; presentation of

the consolidated financial statements as at 31 December 2012; distribution of the dividend;

2. Report on remuneration pursuant to article 123-ter of Italian Legislative Decree no. 58/1998 and article 84-quater of CONSOB resolution no.11971 of 14/5/1989 concerning the regulations for issuers;

3. Proposal for the authorisation of the Board of Directors pursuant to and in accordance with articles 2357 *et. seq.* of the Italian Civil Code and 132 of Italian Legislative Decree no. 58/1988, to purchase and dispose of up to a maximum of 2,000,000 treasury shares; related and consequent resolutions;

4. Awarding of the task of the statutory auditing of accounts for the 2013-2021 financial years and determination of remuneration pursuant to Italian Legislative Decree 39/2010; related and consequent resolutions;

5. Amendment of article 4, paragraph 7 of the Regulations for Meetings of Shareholders.

Extraordinary part

1. Withdrawal of the proxy pursuant to article 2443 of the Italian Civil Code granted by the meeting of 23 April 2008 to the Board of Directors to increase the share capital in one or several occasions; proposal to grant the Board the power, pursuant to article 2443 of the Italian Civil Code, to increase the share capital, with or without consideration, within a period of five years from the resolution up to an amount of EUR 15,600,000; related and consequent resolutions, also with regard to the amendment of the company by-laws.

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

In this regard, article 10 of the By-laws states:

“Attendance and representation at the Shareholders’ meeting are governed by the Law.

Voting rights holders will have the right to attend the Meetings providing that their capacity to attend the meeting is certified according to the modalities and within the terms provided by the regulations and laws in force.

The electronic notice of the delegation to attend the Meetings may be pursued by means of related link on the Company website, according to the methods set forth by the notice of calling, or, alternatively, by means of certified email sent to the email address indicated in the notice of calling.

The Chairman of the Meeting, also through appointees, shall be responsible for verifying the validity of the meeting’s establishment, the identity and legitimacy of those present, and for regulating the meeting’s progress, establishing the methods of discussion and voting (which shall in all cases be transparent), and announcing the results of votes.”

16.1. Regulations for Shareholders' Meetings

In compliance of application standard 9.C.3. of the 2011 Code, on 13 March 2012 the Board proposed the adoption of specific regulations for Shareholders' Meetings, indicating the procedure to be followed in order to enable the orderly and functional performance of the meetings, guaranteeing, at the same time, the right of each shareholder to take the floor on the points under discussion. These regulations were approved and adopted by the Shareholders' Meeting of 24 April 2012 and updated, with the amendment of article 4, paragraph 7, by the Shareholders' Meeting of 23 April 2013.

The regulations can be found on the Company website at the address: www.saesgetters.com/it/investor/shareholders'-meeting-regulations.

16.2. Special Meeting of holders of Saving shares

The special meeting of holders of savings shares convenes in accordance with the law, at the company headquarters or another location, even abroad, provided that it is within the countries of the European Union

The last meeting of holders of savings shares was held on 20 April 2011 in order to appoint the Common Representative, since his mandate had expired. The special meeting confirmed Mr. Massimiliano Perletti as Common Representative of the holders of savings shares for in the 2011-2013 financial years (e-mail address: massimiliano.perletti@roedl.it), fixing his remuneration (at €1100 per year).

The meeting of holders of savings shares to be held will appoint the Common Representative, since the mandate of the latter has expired, and will determine his/her remuneration.

16.3. Significant changes in the market capitalisation of shares

The ordinary and savings shares listed on the Italian Electronic Stock Market (STAR segment) registered an increase in value by +1% and +18%, respectively, in 2013 against an increase by 12% and 53%, respectively, registered by the FTSE MIB index and by the FTSE Italia Star index.

16.4. Significant changes in the company structure

As per the announcements distributed through the SDIR-NIS system, the majority Shareholder of the company S.G.G. Holding S.p.A. sold 146,010 ordinary shares during the 2013 financial year, reducing its shareholding from 54.25% to 53.25%.

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

In consideration of the legal and procedural provisions introduced by Italian Legislative Decree of 27 January 10, 2010, no. 39, in order to facilitate the constant information flow among the various company bodies and departments that allows the Internal Control and Audit Committee the adequate supervision required by law, the additional activities that the Committee carries out in the performance of its tasks include regular

meetings between the Committee, the Audit and Risk Committee, the Audit Firm, the Manager of the Internal Audit Department, the Officer in Charge of the preparation of the Company's accounting documents pursuant to Italian Legislative Decree no. 260/05 and the Group Legal General Counsel, which are dedicated to the analysis and the discussion on the financial reporting process, the effectiveness of internal control, internal audit and risk management systems, the statutory auditing of annual accounts and consolidated accounts and the independence of the external audit firm, in particular with regard to the provision of non-auditing services to the body subjected to the statutory audit of accounts.

18. CHANGES AFTER THE REPORTING PERIOD

There were no changes in the Corporate Governance structure subsequent to the closing date of the Financial Year.

Lainate, 13 March 2014

for the Board of Directors

Mr. Massimo della Porta
Chairman

ANNEXES

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 Consolidated Finance Act	% attendance at BoD meetings	Number of other offices	Audit and Risk Committee	Remuneration and Appointment Committee	AC N/A	EC N/A	Other Committee N/A
Chairman	Massimo della Porta	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	X				100	3					
Vice-Chairman, Managing Director and Chief Financial Officer	Giulio Canale	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	X				100	2					
Director	Stefano Baldi	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			50	1					
Director	Emilio Bartezzaghi	24.04.2012	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X	X	X	100	3		X			
Director	Adriano De Maio	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X		X	83.33	3		X			
Director	Alessandra della Porta	09.05.13	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			71.43	-					

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 Consolidated Finance Act	% attendance at BoD meetings	Number of other offices	Audit and Risk Committee	Remuneration and Appointment Committee	AC N/A	EC N/A	Other Committee N/A
Director	Luigi Lorenzo della Porta	24.04.2012	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			75	2					
Director	Andrea Dogliotti	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			100	-	X				
Director	Pietro Mazzola	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			75	11					
Director	Roberto Orecchia	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X	X	X	83.33	-	X				
Director Lead Independent Director	Andrea Sironi	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X	X	X	75	-	X	X			
Directors retired during the Financial Year															
Director	Carola Rita della Porta	24.04.2012	During the 2013 Financial Year attended 100% of the Board meetings in the period in which she held office												
Quorum required for the submission of the lists on the occasion of the last appointment (24 April 2012)					2.5%										
Number of meetings held during the Financial Year				Board of Directors		Audit and Risk Committee		Remuneration and Appointment Committee		Appointment Committee		Executive Committee		Other Committee	
				12		5		2		N/A		N/A		N/A	

TABLE 2 – STRUCTURE OF THE BOARD OF AUDITORS

Position	Members	In office since	In office until	List M/m	Indep. based on Code	% Attendance at BoD meetings	Other positions
Vincenzo Donnamaria	Chairman	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	75	21
Maurizio Civardi	Statutory Auditor	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	100	45
Alessandro Martinelli	Statutory Auditor	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	83.33	12
Fabio Egidì	Substitute Auditor	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	n.a.	n.a.
Piero Angelo Bottino	Substitute Auditor	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	n.a.	n.a.
AUDITORS RETIRED DURING THE FINANCIAL YEAR							
		No auditor retired during the Financial Year					
Quorum required for the submission of the lists on the occasion of the last appointment (24 April 2012)					2.5 %		
Number of meetings during the Financial Year					5		

ANNEX 1 – POSITIONS AS DIRECTOR OR AUDITOR HELD IN OTHER COMPANIES LISTED IN REGULATED MARKETS, EVEN ABROAD, IN FINANCIAL, BANKING, INSURANCE OR LARGE COMPANIES

NAME	POSITIONS	
	Company	Position
Stefano Baldi	S.G.G. Holding S.p.A.	Non-executive Director
Emilio Bartezzaghi	Artemide Group S.p.A.	Independent non-executive Director, Member of ARC
	Polimilano Educational Consulting	Non-executive Director
	Fondazione Universitaria Politecnico di Milano	Non-executive Director
Giulio Canale	S.G.G. Holding S.p.A.	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 and Compensation Committee member
	EEMS S.p.A.	Non-executive Director
Alessandra della Porta	-	-
Luigi Lorenzo della Porta	S.G.G.Holding S.p.A.	Non-executive Director
	DELVEN S.n.c.	Executive Director
Massimo della Porta	S.G.G. Holding S.p.A.	Director
	Alto Partners SGR S.p.A.	Non-executive Director
	MGM S.r.l.	Executive Director
Andrea Dogliotti	-	-
Pietro Mazzola	Banca Popolare Commercio e Industria	Chairman of the Board of Auditors
	Berger Trust S.p.A.	Vice-Chairman of the Board of Directors
	Fratelli Testori S.p.A.	Chairman of the Board of

	La Rapida s.n.c.	Auditors
	La Lunga Sas	Administrator
	Generali S.p.A.	General Partner
	Buccellati Holding Italia S.p.A.	Member of Supervisory Body
		Director
Roberto Orecchia	-	-
Andrea Sironi	-	-

It is to be noted that, among the companies stated above, only S.G.G. Holding S.p.A belongs to the SAES Getters Group, as the latest parent company of the latter.