

*The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2016. For any difference between the two texts, the Italian text shall prevail.*

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

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

(Traditional administration and control model)

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## GLOSSARY

**Code/ Corporate Governance Code:** the Corporate Governance Code of listed companies as amended in July 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

**Civil Code:** Italian Civil Code.

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

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

**Financial Year:** 2015 financial year (01.01.2015-31.12.2015).

**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.

**Regulations of related parties:** The regulation issued by CONSOB with resolution no. 17221 of 12 March 2010 (and subsequent amendments and additions) in matters of transactions with related parties.

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

**Consolidated Finance Law:** Italian Legislative Decree 24 February 1998, no. 58.

**Independent Director:** member of the Board of Directors of the Company satisfying the independence requirements provided for in the Code and articles 147-*ter*, paragraph 4, and 148, paragraph 3, of Consolidated Finance Law.

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

**Model 231:** The organisational, management and control model pursuant to 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).

**By-laws:** the current version of the Company by-laws (amended by the Meeting of Shareholders of 3 March 2016).

## 1. PROFILE OF THE ISSUER

A pioneer in the development of getter technology, SAES Getters S.p.A., together with its subsidiaries (hereinafter, the “SAES<sup>®</sup>”) 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 eleven manufacturing plants, a worldwide commercial and technical assistance network and approximately 1000 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 and Board of Statutory 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 Code;
- a Board of Statutory Auditors/Internal Control and Audit Committee called upon to supervise compliance with the law and the By-laws, among the other matters prescribed by the current laws in force, 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, with a particular focus on 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 (pursuant to article 123-bis, paragraph 1, of Consolidated Finance Law)

The information reported below, unless otherwise indicated, refers to the date of approval of this Report, i.e. 14 March 2016.

### *2.1. Share capital structure (pursuant to article 123-bis, paragraph 1, letter a), of Consolidated Finance Law)*

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 voting 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 Euro 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](http://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 – through shareholders resolution - 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 Meeting of Shareholders 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 Meeting of Shareholders.

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.

On 3 March 2016 the Meeting of Shareholders approved the amendment to article 11 of the By-laws by introducing increased voting rights.

This system is permitted and provided for in art.127-*quinquies* of the Consolidated Finance Law as amended by Italian Law no.116 of 11 August 2014. With the

introduction of this new system, the Italian law makers abolished the traditional “one share – one vote” principle and, with the intention of encouraging medium-long term shareholder investments and to reward “loyal” shareholders, permitted the by-laws of issuers to attribute increased voting rights, up to a maximum of two votes, for each share belonging to the same subject for an uninterrupted period of no less than twenty-four months.

New article 11 of the By-Laws sets forth that the holder of ordinary shares, registered in the special list drawn up by the Company (the “List”), will have two votes for each ordinary share held without interruption for at least twenty-four months (“Period”), starting from the time of their registration in the List. The increase in voting rights takes effect from the fifth trading day of the calendar month following the conclusion of the Period, under the condition that the notification of the intermediary reaches the Company by the third trading day of the calendar month following the conclusion of the Period. If the notification of the intermediary does not reach the Company by the aforesaid deadline, the vote increase will take effect from the fifth trading day of the calendar month subsequent to the month in which the notification has reached the Company.

Furthermore, in the event that a meeting of shareholders is called subsequent to the receipt of the notification of the intermediary but prior to the effectiveness of the increased voting rights (i.e. the fifth trading day of the calendar month following the conclusion of the Period), in order to attend this meeting, the effectiveness of the increased voting rights will be brought forward to the record date.

Please refer to the By-laws for the rules on how the new system works.

## ***2.2. Restrictions on the transfer of shares (pursuant to article 123-bis, paragraph 1, letter b), of Consolidated Finance Law)***

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](http://www.saesgetters.com).

## ***2.3. Significant investments in capital (pursuant to article 123-bis, paragraph 1, letter c), of Consolidated Finance Law)***

S.G.G. Holding S.p.A. is the majority shareholder of the Company currently holding 6,943,047 SAES Getters S.p.A. ordinary shares, representative of 47.324% 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 Law and articles 152-*sexies* and 152-*octies* of the Regulations for Issuers.

The parties that hold voting rights exceeding 5% of the subscribed capital, represented by shares with voting rights, according to the results of the shareholders’ register

updated on 31/12/2015 and supplemented by the communications received by the Company up to the present date and by other information, are:

<b>Declarer</b>	<b>Direct shareholder</b>	<b>% of ordinary capital (14,671,350 ordinary shares)</b>	<b>% of voting capital (14,671,350 ordinary shares)</b>
S.G.G.Holding S.p.A.	S.G.G.Holding S.p.A.	47,324	47.324
Giovanni Cagnoli	Carisma S.p.A.	5.80	5.80

***2.4. Shares with special rights (pursuant to article 123-bis, paragraph 1, letter d), of Consolidated Finance Law)***

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 (pursuant to article 123-bis, paragraph 1, letter e), of Consolidated Finance Law)***

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

***2.6. Restrictions on voting rights (pursuant to article 123-bis, paragraph 1, letter f), of Consolidated Finance Law)***

There are no restrictions on voting rights.

***2.7. Shareholder Agreements (pursuant to article 123-bis, paragraph 1, letter g), of Consolidated Finance Law)***

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

***2.8. Change of control clauses (pursuant to article 123-bis, paragraph 1, letter h), of Consolidated Finance Law) and provisions laid down by the By-laws on Takeover Bids (pursuant to articles 104, paragraph 1-ter, and 104-bis, paragraph 1)***

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 28.8 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 Law, 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 Law.

It is to be specified that the information on the existence of change of control clauses in relation to managers with strategic responsibilities is found in the Remuneration Report published in accordance with art.123-ter of the Consolidated Finance Law.

***2.9. Authorisation to increase share capital and authorisations to purchase treasury shares (pursuant to article 123-bis, paragraph 1, letter n), of Consolidated Finance Law)***

The extraordinary Meeting of Shareholders of 23 April 2013 granted the Board the power, pursuant to article 2443 of the 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 issuance of new shares (with a consequent increase in the implied book value of all shares already issued), 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 issuance of ordinary and/or savings shares, having the same characteristics as the corresponding shares already issued, 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 issued at the time of the board resolution(s) to issue shares.

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 Meeting of Shareholders of 28 April 2015 (nor did it use, in the months prior to the Meeting of Shareholders, the authorisation previously granted by the Meeting of Shareholders of 29 April 2014).

As stated in paragraph 2.1. of this Report, 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 Meeting of Shareholders of 28 April 2015, and the proposal to adopt a similar resolution is entered in the agenda of the upcoming Meeting of Shareholders, in ordinary session, planned for 28 April 2016.

Reference is to be made to the dedicated explanatory report for the Meeting of Shareholders 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 Meeting of Shareholders) at the registered office of the Company, as well as made available on the Company website [www.saesgetters.com](http://www.saesgetters.com) (Investor Relations/Meeting of Shareholders).

#### ***2.10. Management and Coordination (pursuant to article 2497 and subsequent of the Italian Civil Code)***

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

Consequently, the Company considers itself to operate and to have always operated with full corporate and business autonomy from its majority shareholder. Relations with the latter are, in fact, limited exclusively:

- to the normal exercising on the part of S.G.G. Holding S.p.A. of its administrative and property rights due to its status as holder of voting rights (voting in the meeting of shareholders, collection of dividends, etc.);
- to the receipt, on the part of S.G.G. Holding S.p.A. of the information provided by the Company in compliance with the provisions of art. 2381, paragraph 5, Civil Code.

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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 Law.

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 this Report dedicated to the Board of Directors (paragraph 4).

### **3. COMPLIANCE (pursuant to article 123-bis, paragraph 2, letter a), of Consolidated Finance Law)**

The Corporate Governance system of SAES Getters S.p.A. is essentially based on the transposing of the principles and recommendations contained in the 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](http://www.borsaitaliana.it), in the belief 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 Corporate Governance Code.

When drafting the Report, the Company mainly used the format circulated by Borsa Italiana S.p.A. in January 2015 (V edition), 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 Consolidated Finance Law 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 (pursuant to article 123-bis, paragraph 1, letter l), of Consolidated Finance Law)*

The Board is appointed by the Meeting of Shareholders, 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.

On the occasion of the Meeting of Shareholders called to renew the Board of Directors of the Company on 28 April 2015, the Company applied the relevant provisions of the 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.

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, are filed by the Shareholders at the Company headquarters within the twenty-fifth day prior to the date of the Meeting of Shareholders 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 contains a number of candidates that is no higher than fifteen, each with a progressive number. Each list must contain and expressly identify at least one Independent Director<sup>1</sup>, with a progressive number no higher than seven. If the list has

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

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.

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 Meeting of Shareholders, 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 Meeting of Shareholders 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 Meeting of Shareholders, 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 Meeting of Shareholders, the members of the Board of Directors are appointed by the Meeting of Shareholders with the majority requested by law, without prejudice to the obligation of the Meeting of Shareholders to appoint the minimum number of Independent Directors required.

The Company is not subject to special sector/market regulations regarding the composition of the Board of Directors.

The Meeting of Shareholders of 28 April 2015 resolved to fix 11 (eleven) members of the Board of Directors and appointed the following persons as directors: Mr. Giulio Canale, Mr. Adriano De Maio, Ms. Alessandra della Porta, Mr. Luigi Lorenzo della Porta, Mr. Massimo della Porta, Mr. Andrea Dogliotti, Ms. Gaudiana Giusti, Mr. Pietro Alberico Mazzola, Mr. Roberto Orecchia, Mr. Stefano Proverbio and Ms. Luciana Rovelli.



The Board in office was elected using the voting list system (introduced in the Extraordinary Meeting of Shareholders of 29 June 2007 in order to incorporate the amendments and additions to the election methods introduced *medio tempore* by the laws in force), and more specifically 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 time limits provided for by regulatory and statutory provisions. The list and accompanying documentation was also duly published on the Company website.

#### *4.1.1. Succession Plans*

Succession plans are temporary business continuity plans for managing situations in which the CEO and/or the Managing Director were to suddenly leave the Company, while awaiting and pending the implementation of standard regulatory mechanisms to replace the directors (already described in paragraph 4 of this Report).

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 current 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 (thus one being the successor/back-up of the other), and hence considered it unnecessary to setup ad hoc succession plans.

The Remuneration and Appointment Committee essentially drew this conclusion in its meeting of 25 February 2016, which was incorporated and confirmed by the Board of Directors upon the approval of this Report.

The Committee however recommended the definition of ideal and necessary features for an ideal profile to be proposed to the Shareholders Meeting in the event a succession of the Executive Directors should be needed; the regular and continuous identification and monitoring of internal or external resources, with a view to identifying the profile of an ideal manager, to be drawn in advance together with the CEO and the Managing director who would be in a position to suddenly take over apical positions –, and recommended, last but not least, to continue to promote the internal growth of talent that can be drawn on in case of need.

#### **4.2. Composition (pursuant to article 123-bis, paragraph 2, letter d, of Consolidated Finance Law)**

The current Board of Directors of the Company was appointed by the ordinary Meeting of Shareholders on 28 April 2015 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 95.50% 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 2017.

The current By-laws set forth that the Meeting of Shareholders 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 and markets 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 deal with.

In compliance with articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the Consolidated Finance Law, 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 31/12/2015 the Board of Directors was composed of eleven Directors, as indicated in Table 1 annexed to this Report.

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

**GIULIO CANALE** - born in Genoa on 16 March 1961

Mr. Giulio Canale has been a member of the Board of Directors of SAES Getter S.p.A. since 29 April 1994. He was awarded a degree in Economics and Business from the Università degli Studi of Genoa.

He embarked upon his career at the Milan branch of a leading advertising company, IGAP S.p.A. (1984-1989).

He joined the SAES Getters Group in 1990. For his first six years of service he lived in Asia, holding various general management roles in the subsidiaries in South Korea and Japan.

When he returned to Italy, he was appointed Managing Director in 1997 and Group CFO in 2006.

Finally, he is a member of the Board of Directors of various companies of the SAES Getters Group.

He is a member of the Board of Directors of S.G.G. Holding S.p.A.

**ALESSANDRA DELLA PORTA** – born in Milan on 27 July 1963

Ms. Alessandra della Porta has been a member of the Board of Directors of SAES Getters S.p.A since 9 May 2013.

After graduating with a Law degree in March 1989 from the Università degli Studi of Milan, she became a member of the professional Association “Janni Fauda & Associates”.

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”.

Ms. Della Porta specialises in civil law in general, with a particular focus on family law.

She deals with debt collection assisting a bank, is involved in civil and judicial activities and provides out-of-court assistance and advice on corporate matters.

She has been registered in the Register of Lawyers since 9 July 1992 and in the Register of Supreme Court Lawyers since 21 November 2007.

### **LUIGI LORENZO DELLA PORTA** – born in Milan on 5 March 1954

Mr. Luigi Lorenzo della Porta has been a member of the Board of Directors of SAES Getters S.p.A. since 24 April 2012.

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 currently 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.

### **MASSIMO DELLA PORTA** - born in Pontremoli (MS) on 8 September 1960

Mr. Massimo della Porta has been a member of the Board of Directors since 29 April 1994.

He graduated with a degree in Mechanical Engineering from the Polytechnic of Rome in 1989. He wrote his dissertation in two years on “The Production and Control of amorphous powder with a Fe Nd B base” prepared at the ENEA (Rome).

He followed mini masters courses at the Università Bocconi in the areas of Strategy and Planning, Marketing and Company Management.

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

In 1991, after having worked for approximately one year in a project to improve production processes, he was in charge of 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 and started to coordinate projects on a Group level: the design and construction of the SAES

Advanced Technologies factory; the expansion of the Korean factory in Chinchon and the expansion of the SAES Pure Gas factory in California; Manager of the transfer of several production lines from Lainate to Avezzano, and Project Leader of various Innovation projects.

In 1996 he moved 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 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.

He has been Chairman, Group Chief Executive Officer and Group Chief Technology & Innovation Officer since 2009.

He is member of the Board of Directors of various companies within the SAES Getters Group.

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

He is a director of MGM S.r.l., a real estate company.

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

**ADRIANO DE MAIO** – born in Biella, on 29 March 1941

Mr. Adriano De Maio has been a member of the Board of Directors of SAES Getters S.p.A. since 4 May 2001.

He graduated with a degree in Electrical Engineering from the Milan Polytechnic in 1964.

He was a Full Professor of Corporate Management, Innovation Management and Management of Complex Projects at the Polytechnic of Milan 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 the Extraordinary Commissioner of the National Research Centre.

He is the former Chairman of various institutions: the European Centre of Nanomedicine Foundation (CEN); the Green and High-Tech District of Monza and Brianza; the Investment Committee of the Venture Capital Next Fund, and; the Alumni Association of the Ghislieri College of Pavia.

Mr. De Maio is a former director of Telecom Italia Media S.p.A., e-solutions S.p.A., EEMS S.p.A. and member of the Scientific Committees of the Italian Space Agency, the Fondazione Politecnico and the Fondazione Snaidero.

He is the author of numerous publications on corporate management and the governance of research and innovation.

Since 2012 he has been the Chairman of the Consortium for Scientific and Technological Research of Trieste (“AREA”).

Since 2014 he has been the Rector of the Università Link Campus of Rome.

**ANDREA DOGLIOTTI** - born in Genoa on 23 January 1950

Mr. Andrea Dogliotti has been a member of the Board of Directors of SAES Getters S.p.A. since 27 April 2006.

He was also a member of the Audit Committee from 2009 to 2015.

He studied classics at high school and was awarded an honours degree cum laude in Mechanical Engineering/Methods for Conducting Business in Genoa, February 1974, with top marks.

From 1974 to 1995 he worked at Italmobiliare 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 IRI Group. He is 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. In the field of “Technology” he is involved in the design, patenting and development of innovative products with shape memory alloys and for individual mobility.

He has been a mediator-conciliator since June 2011.

**GAUDIANA GIUSTI** – born in Livorno on 14 July 1962

Ms. Gaudiana Giusti has been a member of the Board of Directors of SAES Getters S.p.A. since 28 April 2015.

She graduated with a law degree from the University of Pisa in 1987 and a *Licence speciale en droit européen* from the Université Libre de Bruxelles, Brussels, Belgium in 1989.

She has been practicing law in Italy since 1988.

Ms. Giusti specialises in corporate law, capital markets, and investment and banking services.

She has also accumulated considerable experience in corporate governance, compliance, rules of business conduct, control and remuneration systems and the extraordinary financial transactions of listed and/or regulated companies.

She currently holds the position of counsel in the Gianni, Origoni, Grippo, Capelli & Partners Firm, a firm that she worked for previously for 12 years until 2007.

Between 2007 and 2012 she worked at Credit Suisse (Italy) as Head of General Counsel Country Coverage. In this position, she acted as senior representative of the General Counsel division for Italy, responsible for the coordination of Legal and Compliance issues. She was a member of the Italian Management Committee, in charge of the strategic management of Italian business for the three divisions (Investment Banking, Private Banking and Asset Management). She also sat on the Diversity and Philanthropy Council for Italy.

She is an independent director and Chairwoman of the Remuneration and Appointment Committee of the Company, an independent director of Domus Italia S.p.A. and a member of the Supervisory Body, pursuant to Decree 231, of several bodies of the Credit Suisse group and SAES Getters S.p.A. She was also an independent director and chairwoman of the Risk Committee of Banca Farmafactoring and an independent director of Trevi Finanziaria S.p.A.

Ms. Giusti has participated in many conferences and has worked and still works as a lecturer for degree and specialisation courses at the Università Commerciale “Luigi Bocconi” and the Università LUISS “Guido Carli”, as well as in seminars. She has also worked with Italian and foreign journals.

#### **PIETRO MAZZOLA** – born in Milan on 13 June 1960

Mr. Pietro Mazzola has been a member of the Board of Directors of SAES Getters S.p.A. since 13 February 2008.

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 is registered in the Register of Chartered Accountants, the Register of Auditors and member of the European Accounting Association and is also a senior lecturer of Strategy in the Management School of the Università L. Bocconi of Milan.

He has held various visiting positions and led seminars at: Jonköping University 2014; Sauders Business School, University of British Columbia, Vancouver, 2010; Helsinki School of Economics, 2009, and Cox Family Enterprise Center, Kennesaw State University, Atlanta, Georgia, 2006.

Mr. Mazzola is the co-author of the listing guide for the industrial plan prepared by Borsa Italiana S.p.A.

He has been an 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, and also a management consultant for several medium-sized Italian companies.

He is 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.

He is a co-founder of the company Partners – Consulenti e Professionisti Associati S.p.A.

He is the author and co-author of various national and international publications.

**ROBERTO ORECCHIA** – born in Turin on 19 September 1952

Mr. Roberto Orecchia has been a member of the Board of Directors of SAES Getters S.p.A. since 21 April 2009.

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 and Chairman of the Degree Course in Radiological Techniques etc.). He currently holds the position of Scientific Director of the European Oncology Institute (IEO) of Milan, Director of the Medical Imaging and Radiation Sciences department of the IEO, Scientific Director of the National Centre of Oncological Hadrontherapy of Pavia (CNAO) and Director of the Radiotherapy Department of the European Oncology Institute (IEO) of Milan.

He is the author of approximately 300 scientific publications in the most prestigious journals. The field which interests Mr. Orecchia most is breast, prostate and head and neck cancer.

He has coordinated and participated in many research collaborations with other universities, financed by various institutes such as the CNR (the national research council), MURST (the ministry of universities and research), the Ministry of Health, the Italian Cancer Association, the American-Italian Cancer Foundation (AICF) and the European Commission.

**STEFANO PROVERBIO** – born in Standerton (ZA) on 2 October 1956

Mr. Stefano Proverbio has been a member of the Board of Directors of SAES Getters S.p.A. since 29 April 2015.

He graduated with a degree in Nuclear Engineering from the Polytechnic of Milan.

2014 – to the present date: McKinsey Director Emeritus

2013 - to the present date: Board Member of Borusan, a Turkish conglomerate operating in steel, energy, automotive and logistics

2014 - to the present date: Chicco Artsana - Senior Advisor

2014 - to the present date: Oxy Capital and Attestor - Senior Advisor

2008 – to the present date: Ambienta - Advisory Board

1987 – 2013: McKinsey (Principal since 1992 and Director since 1998)

During his career with McKinsey, Mr. Proverbio has served clients in the industrial, telecom and energy sectors both in Italy and abroad (France, Turkey, Greece and Germany). In this context he has developed important skills in Strategy, Operations and Regulatory Affairs.

In particular, in the TMT (Telecom and Media and Technology) sector his most relevant experiences include: the operational turnaround of the Italian subsidiary (semiconductors) of a major German Group; the development of a strategic alliance between two leading producers of telecommunication equipment and the management of the cost reduction program for the resulting entity; the growth strategy for a major French-Italian semiconductor producer; the global product strategy for a leading French consumer electronics company; the support provided to a leading Italian Group in the development and execution of a strategy aimed at divesting the core electronics business and entering the telecom arena after the liberalisation of the market - an effort that led to the creation of the new leading market entrants in fixed and mobile telephony; the support from the start-up of operations to the sale of the leading attacker in fixed telephony; the continuous strategy and execution support provided to the Italian telecommunications incumbent in Italy and South America; the support given to a PE in the acquisition of the cable division of a major Italian Group, and; the valuation of new technology to develop fibre networks.

In the Industrial sector his most relevant experiences include: the development of a strategy aimed at exiting steel and entering energy for an highly indebted Italian private Group; the long term support provided to a major international group on strategy, organisation, growth and cost reduction initiatives; the development of the growth strategy for a large Turkish conglomerate which led to the doubling of its turnover in four years; the development of a growth strategy aimed at shifting the focus from commodity to premium segments for a large Italian tyre producer; several growth studies for producers of automotive/machinery components; the growth strategy (development and execution) for the Italian leading company in packaging, and; the turnaround strategy for a leading Italian steel producer.

In the Energy sector, Stefano Proverbio has served attackers and the Italian branches of foreign utilities, and his key experiences include: the growth strategy for a new entrant based on a new regulatory conditions in Italy; the turnaround and growth strategy in gas and electrical energy production for the Italian subsidiary of a French company; the development of the strategic plan and several cost reduction initiatives for a large municipal undertaking; several cost reduction studies for Italian and Turkish utilities, and the turnaround plan for a large Greek utility.

Mr. Proverbio has also led the McKinsey Supply Chain Practice from 1995 to 2000 and the Growth Practice from 2000 to 2012. From 2008 to 2012 he was also a member of the European Group advising the Managing Director of McKinsey and from 2000 to



2013 he was a member of the Partner evaluation and election committee.

1982-1987 Accenture (at that time Arthur Anderson Consulting), Development of IT systems. Since 1985 Manager in charge of the Logistics service line.

1981-1982 Gruppo Zanussi (Zelton e Ducati). Industrial automation. At the same time research on the reliability of Z80 (one of the first microprocessors) with SGS Ates and the Polytechnic of Milan.

**LUCIANA SARA ROVELLI** – born in Legnano on 22 January 1973

Ms. Luciana Sara Rovelli has been a member of the Board of Directors of SAES Getters S.p.A. since 28 April 2015.

After graduating with a degree in Business Economics from the Università Luigi Bocconi in 1997, Ms. Rovelli gained 13 years' experience as the coordinator of various projects for leading Italian companies and international groups (Protiviti, Deloitte and Arthur Andersen), achieving the role of senior manager.

During her professional career she gained material expertise in Risk Management, Corporate Governance, Internal Auditing, the evaluation of internal control systems, and the design and implementation of organisation, management and control models pursuant to Italian Legislative Decree 231/2001.

In recent years, first as an executive manager for the “231 Division” in Protiviti and then as an independent consultant, she completed numerous projects for major Italian and international clients aimed at the development of organisation models, codes of conduct, training plans and auditing in collaboration with control bodies, as a project coordinator.

She is the co-founder and Managing Partner of RC Advisory S.r.l., a consultancy firm founded in 2010 by a team of experts with experience in Strategy and Risk Analysis Consultancy.

Ms. Rovelli is a member of the Supervisory Board of the Edison Group and the Gucci Group. She is Chairwoman of the Supervisory Board of Maire Tecnimont, Generali, Galbusera, Henry Shein, La Gardenia, Philips Saeco and in a subsidiary of Société Générale.

She is also a member of the Italian Association of Supervisory Bodies and the Italian Association of Internal Auditors.

#### *4.2.1. Maximum number of positions held in other companies*

In compliance with principle 1.P.2. of the 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 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 maps 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 2015, as disclosed in the board meeting of 18 February 2016, 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 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, since 2006 the Board has considered it appropriate to 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 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:

<b>OFFICE</b>	<b>SCORE</b>
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 Law other than the subsidiaries of the Company	25

Non-executive director in a company subject to the controls prescribed by the Consolidated Finance Law 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 Law 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 Law 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 Law 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 Law and not controlled by the Company with net shareholder's equity less than €100 million	5
Member of the Board of Statutory Auditors in listed companies, banking, financial and insurance companies, whether listed or not	17
Member of the Board of Statutory Auditors in unlisted companies, which are not controlled by the Company, but are subject to the controls prescribed by the Consolidated Finance Law	13
Member of the Board of Statutory Auditors in subsidiaries of the Company	10
Member of the Board of Statutory Auditors in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Law 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 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, the principles of proper risk management and the legal framework of reference. Within the context of these activities, in order to encourage a more precise knowledge of the activities and dynamics of the Group, a day of meetings was organised on 8 June 2015, in which specific business topics were studied in depth and a presentation was given on the Company products and the main research and development activities being carried out. Furthermore, on 9 September 2015, with the support of a leading legal firm, a round table was organised for and with the Board of Directors and the Board of Statutory Auditors on the subject of corporate governance, with the aim of sharing several thoughts on the operating principles of the board of directors and board of statutory auditors.

### **4.3. Role of the Board of Directors (pursuant to article 123-bis, paragraph 2, letter d, of Consolidated Finance Law)**

The Board of Directors meets 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 14 times, with an average attendance rate of 85.71% of the Directors (compared to 85.5% in the 2014 financial year). The attendance of the Executive Directors was 100% (as in the 2014 financial year), the attendance of non-executive Directors was on average 82.54% (compared to 82.2% in the 2014 financial year) and the attendance of the Independent Directors was on average 83.93% (compared to 86.7% in the 2014 financial year).

The board meetings lasted an average of approximately 3 hours.

For the 2016 financial year the Board expects to meet at least eleven times, four of which to approve the periodic results. The latter dates were already communicated to Borsa Italiana S.p.A. in December 2015 during the publication of the calendar of company events, made available on the Company website. In 2016, on the date of this Report, the Board had already met four times, on 21 January, 1 February, 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 documents and information necessary for enabling the Board to express an informed opinion on the topics under its consideration are made available with reasonable notice, where possible together with the notice to attend (generally sent at least seven days prior to the board meeting). With regard to the financial reports, these are made available at least two working days' notice, subject to the technical time required to prepare the documents. The documents are published in a Virtual Data Room (VDR) regulated by access controls. 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, but instead published in the VDR after the Board meeting.

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 Law 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 General Counsel, who usually acts as Secretary of the Board, may also attend Board meetings. During the Financial Year, where appropriate and upon the invitation of the Chairman, a lawyer from a leading law firm also attended the meetings in order to provide legal explanations, as well as a tax expert to provide support in

relation to the evaluations of the Board on the occasion of the Half-Year Report and a consultancy firm for the presentation of the results of an ERM (Enterprise Risk Management) evaluation project.

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 Statutory 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 Meeting of Shareholders.

Without prejudice to the exclusive jurisdiction in the subjects set forth in article 2381 of the Civil Code and the provisions of the By-laws, the Board, exclusively and in compliance with application standard 1.C.1 of the Code (as amended in July 2015):

- 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, including all the possible risks in its assessments that may be significant from the perspective of the medium to long-term sustainability of the business activities 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 Statutory 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 Meeting of Shareholders 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 for 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 significance<sup>2</sup>, 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 and managerial figures whose presence on the Board it might deem advisable;
- l) reports to the Shareholders during the Meeting of Shareholders; 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; the 2016 calendar of Company events was communicated to the market on 14 December 2015;
- n) is ultimately responsible for the operation and efficiency of the organisational, management and control model pursuant to Italian Legislative Decree 231/2001.

With reference to letter b) above, during the Financial Year, the Board evaluated the strategic plans/industrial plans in the meetings of 20 January and 18 February.

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. The Board passed resolution on the Enterprise Risk Management project

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<sup>2</sup>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 2015, in compliance with the parameters stated above as well as together with business considerations, the following companies are considered to be significant: SAES Getters USA, Inc., SAES Getters Export, Corp SAES Getters (Nanjing) Co. Ltd., 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., SAES Advanced Technologies S.p.A., SAES Nitinol S.r.l., and SAES Getters Korea Corporation.

during the Financial Year on 8 April 2015, with the support of a specialised consultancy firm, under the supervision of the Internal Audit Function.

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 20 January 2015; in 2016, on 17 December 2015 and 21 January 2016.

With reference to letter e) above, in the Financial Year, the Board met for this purpose on 11 March, 13 May, 30 July and 12 November; in 2016, on 14 March.

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 kept updated. Furthermore, except in the event of an emergency, the resolutions that would fall under the competence of the Executive Directors are also shared beforehand with the Board.

The Executive Directors are in any event obliged to report regularly to the Board of Directors and the Board of Statutory 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 exercise 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 using 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 18 February, 8 April and 28 April on the proposal of the Remuneration and Appointment Committee, which met on 4 February, 26 February and 28 April, in the Financial Year.

With reference to letter j) above, the Board of Directors met for this purpose on 14 March and, on the proposal of the Audit and Risk Committee, having consulted and obtained the approval of the Board of Statutory 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 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 fourth consecutive year. In December 2015 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. The Board, on the proposal of the Remuneration and Appointment Committee, appointed a leading consultancy firm to process the responses received and to interview each director individually in order to have a more structured self-evaluation.

The objective of the Board Review was to check overall operations and the functions of the Board and the Committees in order to highlight their strengths, weaknesses and possible areas of improvement.

The topics discussed in the Board Review were examined with the assistance of a questionnaire prepared by the Company itself and concerned mainly:

- the organisation of the Board, including the number of meetings and the length of the latter; the completeness and promptness of the information provided by the Board in preparation for board meetings; the operations of the Committees and the effectiveness of their support to the Board; the adequacy of the time dedicated by the Board to the discussion of all the subjects concerning the Company, including risk management, evaluation of the budget and investments, and long-term strategy;
- the composition and the structure of the Board also in terms of skills and number of Directors;
- the training of the Directors; their knowledge of the tasks and responsibilities related to their roles; their knowledge of the situation and dynamics of the Company and the Group;
- the decision-making process and the quality of the information made available to the Directors in preparation for board meetings, including the promptness in the receipt of the information itself; the degree of in-depth knowledge provided by the Committees in the report on the activities they carry out;
- the interaction between the Directors within the Board itself, including how the atmosphere inside the Board encourages comparison and debate; the role of the Chairman and the Managing Director in stimulating dialogue and debate within the board;
- the relationships with top management and the Directors' awareness of the latter.

Each Director was able to answer each question on the questionnaire by agreeing or disagreeing. The Board Review used the answers to the topics in the questionnaire as a basis for examining each one of them in more detail during the interviews, which were conducted individually with all the members of the Board.

The consultancy firm also arranged a benchmark with several Italian companies of reference listed on the Stock Exchange to back up the comments of the Board. The comparison with the companies taken as a benchmark concerned the composition of the related Boards, the number of executive directors and non-executive directors, the professional background of the non-executive directors, the nationality of the Board and other significant items, based on the data available, including the methods for conducting the respective Board Reviews.

After the responses were processed, the Board declared the evaluation successfully carried out in its meeting of 14 March 2016.

The interviews conducted and the results of the responses to the questions on the questionnaire demonstrate that the operations of the Board and the Committees of the Company are overall positive.

The percentage of topics on which a large majority of the Directors expressed a positive evaluation was 89%.



The key topics on which the majority of the Directors demonstrated a high level of agreement were:

- the current composition of the Board in terms of the diversification of skills, the use of the competences of each of the Directors and the correct ratio of executive to non-executive directors;
- the positive environment within the Board and the quality of debates within it;
- the quality of the preparation and planning of the board meetings, including their length and frequency;
- the completeness, promptness and qualitative level of the information made available to Board on the general performance of the Company and the most important transactions;
- the participation of the individual Directors in the decision-making process;
- the level of involvement of the Directors in the definition of strategic plans and the budget and in the evaluation of investments;
- the ease of access to the Managing Directors by the Directors outside board meetings;
- the commitment and activities of the Chairman and the Managing Director in the performance of their roles; the level of information provided by the Committees on the activities carried out and the degree of depth provided in the reports to the Board by these Committees;
- the quality of the recording of the meetings and the ease of access to the minutes by the Directors.

The Board then acknowledged and decided to implement some of the proposals of the Remuneration and Appointment Committee aimed at increasing the involvement of the newly-appointed non-executive Directors and the Board internal debate.

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 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 Meeting of Shareholders did not grant any general or prior authorisation for any derogations of the prohibition on competition provided for by article 2390 of the 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 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 Code, the following persons are considered Executive Directors of the Company:

- the Managing Directors of the Company or the strategically significant<sup>3</sup> 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 Meeting of Shareholders of 28 April 2015 met at the end of this meeting to allocate the company positions, to grant the various powers, and to appoint the Committees. As in 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 and Chief Executive Officer (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 Meeting of Shareholders.

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 undertaking without limitation as to the cause or matter;

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<sup>3</sup>See Note no.3

- 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 the management company of the markets, 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 Executive Directors 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 Statutory Auditors on the use 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 seven days prior to the board meeting), except in the event of necessity or emergency. The documents are made available to the Directors in a virtual data room, which is equipped and dedicated specially for this purpose. With regard to the financial reports, these are sent with at least two working days' notice, subject to 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.

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 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 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 28 April 2015 considered it appropriate to appoint Mr. Roberto Orecchia as Lead Independent Director and informed the market, on the same date, in accordance with the provisions of the Regulations for Issuers.

The Chairman and the Managing Director do their utmost to ensure that the Board is kept informed on the main updates on 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.

#### *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 Statutory 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 Meeting of Shareholders of 28 April 2015, is made up of 11 (eleven) members, including two (2) Executive Directors and nine (9) non-Executive Directors, four (4) of which qualify as Independent Directors and one (1) qualify as Independent Director under the provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of Consolidated Finance Law (but not under the Code of Conduct), 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.

If the Meeting of Shareholders 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.

The new Board was appointed in April 2015 with the same number of directors as before (11).

With reference to principle 3.P.1. and application standard 3.C.3. of the Code, the Company believes that three (3) non-Executive Directors should be appointed for a Board of nine (9) to fourteen (14) directors.

However, the new Board, in office since 2015, has four Independent Directors (one more than the number of Independent Directors in the outgoing Board).

In particular, it is 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, aimed at creating value for shareholders in the medium to long-term and paying special attention to areas where conflicts of interest may arise.

In compliance with application standard 3.C.1. of the 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 situations, although non-mandatory:

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 figure<sup>4</sup> 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 relationship:

– 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 participation in 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;

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<sup>4</sup>In compliance with application standard 3.C.2. of the 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;

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 takes all the circumstances into consideration that may appear to compromise the independence of judgement and conduct 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 is 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 Statutory 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 Code, in the meeting of 18 February 2016, 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 Law), 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 Law, that the Directors Ms. Gaudiana Giusti, Mr. Stefano Proverbio, Mr. Roberto Orecchia and Ms. Luciana Rovelli 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 Law, 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 even abstractly referable to the cases identified by the Code as indicative of lacking independence. The four Directors filed suitable declarations before the Meeting of Shareholders stating that they satisfied the requirements of Independent Directors (as explained above). The Board, in the next meeting after the Meeting of Shareholders then accepted this qualification, communicating it to the market on the same date (28 April 2015).

Also for the purposes of application standard 3.C.5. of the Code, the Board of Statutory 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 2015 the Board of Directors and Board of Statutory Auditors issued a regular certificate ex article 2.2.3, paragraph 3, letter L) 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.* With reference to application standard 3.C.6. of the 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 did not consider it necessary however to meet again in the absence of the other Directors, considering the high quality of the information received from the delegated bodies, their active participation in the Board and their presence on the Committees, which enabled them to analyse the issues of interest to them in adequate depth.

#### **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 Code, the Board of 28 April 2015 considered it appropriate to appoint the Independent Director Mr. Roberto Orecchia as Lead Independent Director. The non-executive Directors (and in particular the Independent Directors) refer to Mr. Orecchia 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. Roberto Orecchia is the Chairman of one of the two Committees set up within the Board, namely the Audit and Risk Committee.

## **5. PROCESSING OF COMPANY INFORMATION**

On 24 March 2006, the Board acknowledged and put into practice to the new provisions of the Consolidated Finance Law, 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 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](http://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 Law, pursuant to and in accordance with article 115-*bis* of the Consolidated Finance Law 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 (as defined in the Internal Dealing Code) 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](http://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 (pursuant to article 123-bis, paragraph 2, letter d), of the Consolidated Finance Law)**

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 meetings of each committee are recorded and the minutes are made accessible to the Board of Statutory Auditors.

In relation to application standard 4.C.1. letter d) of the Code (as amended in July 2015), it is to be specified that it was not considered necessary for the Chairperson of each committee to give information on the work carried out to the next board meeting to be held thereafter: the Chairman of the Control and Risk Committee reports at least every six months to the Board on the work of this Committee and if he considers it appropriate he asks for specific issues to be tackled by adding them to the agenda of the Board. The Chairwoman of the Remuneration and Appointment Committee reports on the items to be added to the agenda of the Board whenever she considers it necessary and reports once a year on the work carried out by the Committee during the previous financial year.

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 setup 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 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 of this Report.

### **6.2. Appointment Committee**

On the basis of the recommendations of the Code, application standard 4.C.1., letter c), in 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 in consideration of the close correlation and mutual relevance of the subjects dealt with. Hence the Remuneration and Appointment Committee was set up.

### **6.3. Executive Committee**

The Board did not consider appropriate to setup 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 paragraph 8 and to the Remuneration Report published by the Company, pursuant to article 123-ter of the Consolidated Finance Law.

### **6.5. Committee for transactions with related parties**

The Committee is composed of 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](http://www.saesgetters.com) (Investor Relations/Corporate Governance/Policy and Procedures/Related Parties section).

## **7. APPOINTMENT COMMITTEE**

On the basis of the recommendations of the Code, application standard 4.C.1., letter c), in 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 in consideration of the close correlation and mutual relevance of the subjects dealt with. Hence the Remuneration and Appointment Committee was set up.

## 8. REMUNERATION AND APPOINTMENT COMMITTEE

The Board of Directors set up the Compensation Committee - currently the Remuneration and Appointment Committee within the Board on 17 December 1999 with consulting and proposal functions. The Remuneration and Appointment Committee is composed of three non-executive directors, of which two are independent and one 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<sup>5</sup>: Ms. Gaudiana Giusti (Independent Director) – Chairwoman of the Committee, 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 Consolidated Finance Law) and Ms. Luciana Rovelli (Independent Director). During the Financial Year the Committee met six times with an average attendance of 77.78% of its members and the meetings lasted an average of one hour and a half. On the invitation of the Chairwoman, the Group Legal Counsel and the Group HR Director attended the meetings. At least six meetings are planned for 2016, three of which have already been held on 20 January, and 2 and 25 February 2016. 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, which are always attended by the Chairman of the Board of Statutory Auditors. 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, to be selected autonomously. This power was exercised during the Financial Year in the Remuneration Policy analysis and updating process and also in the process for the definition of the executive directors' collaboration agreements in preparation for the appointment of the Board of Directors, which took place on 28 April 2015.

In compliance with application standard 4.C.1. of the 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 Policy on remuneration published by the Company pursuant to article 123-ter of the Consolidated Finance Law.

On 14 March 2016 the Chairwoman of the Committee reported to the Board on the activities carried out during the financial year. These activities concerned, among others, the approval of the Remuneration Policy, the analysis and approval of draft

<sup>5</sup> Until 28 April 2015 the members of the Committee were Mr. Emilio Bartezzaghi (Independent Director) – Chairman of the Committee, Mr. Adriano De Maio (non-executive and Independent Director pursuant to the combined provisions of articles 147-ter, paragraph 4, and 148, paragraph 3 of Consolidated Finance Law and Mr. Andrea Sironi (Independent Director and Lead Independent Director).

agreements for executive directors and the proposed target objectives of the Executive Directors. For some activities the Committee was assisted by an external professional.

The Committee supervised the Board Review process for the Financial Year, overseeing the work of the leading consultancy firm specially appointed by the Board to support its self-evaluation, and meeting to discuss the matter on 25 February 2016.

## **9. REMUNERATION OF THE DIRECTORS**

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

## **10. AUDIT AND RISK COMMITTEE (pursuant to article 123-bis, paragraph 2, letter d), of Consolidated Finance Law)**

### ***10.1. Composition and operation of the Audit and Risk Committee***

*Composition and Operation.* By virtue of principle 7.P.4. of the 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 28 April 2015<sup>6</sup> the Board appointed the following Directors as members of the Audit and Risk Committee: Mr. Roberto Orecchia (Independent Director) – Chairman of the Committee, Ms. Gaudiana Giusti (Independent Director) and Mr. Stefano Proverbio (Independent Director).

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

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 executive directors do not normally participate in Committee meetings. The Chairman of the Board of Statutory Auditors or other Auditor appointed by the Chairman of the Board of Statutory 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 Statutory Auditors, the Internal Audit Manager and the Managing Director entrusted with the supervision of the operations of the Internal Control and Risk Management System.

<sup>6</sup> Until this date the members were: Mr. Roberto Orecchia (Independent Director) – Chairman of the Committee, Mr. Andrea Sironi (Independent Director) and Mr. Andrea Dogliotti (non-executive Director).

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.

The Audit and Risk Committee consulted the advisers who are supporting the Company in the implementation project of an Enterprise Risk Management process several times, as more widely described in paragraph 10 of this Report, providing methodological guidelines and discussion cues throughout the project.

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 Statutory Auditors, the Officer in Charge of the preparation of the Company's accounting documents, with the Internal Audit Manager and the Group Legal 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 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, in the corporate governance report, of the main characteristics of the internal control and risk management system and the coordination methods between the parties involved in the latter and whose overall adequacy is evaluated by the Board;
  - v. the results reported by the audit firm 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 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 Statutory 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.
- h) supporting, with adequate preparatory work, the evaluations and decisions of the Board of Directors on the management of risks originating from any detrimental circumstances brought to the attention of the Board.

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 2015 Financial Year the Committee met nine times (on 18 February, 10 March, 8 April, 11 and 13 May, 11 June, 30 July, 20 October and 16 December).

The average length of each meeting was approximately one hour. The average participation of members in the Committee meetings was about 92%. The meetings were regularly attended also by the Chairman of the Board of Statutory Auditors and the Internal Audit Function Manager.

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 Consolidated Financial statements together with the Officer in Charge and the audit firm;

- presented the results of the Enterprise Risk Management project to the Board on 8 April 2015;
- reported to the Board (on 30 July 2015 and on 21 January 2016) on the activities carried out in the first and second six months of 2015 and on adequacy of the Internal Control and Risk Management System.

In the 2016 financial year the Control and Risk Committee met on 21 January and 12 February. On 14 March 2016 a plenary meeting of the control bodies was held, attended by the Committee itself, the Supervisory Body, the Audit Firm, the Board of Statutory Auditors, the Internal Audit Manager, the Director in charge of the Internal Control and Risk Management System, the Director in charge of drawing up the Company's accounting documents pursuant to Italian Legislative Decree no.262/05 and the legal department.

## **11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

In compliance with principle 7.P.1. of the 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 operated and monitored 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 Statutory 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 14 March 2016, and, on the proposal of the Audit and Risk Committee, having consulted and obtained the approval of the Board of Statutory 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 General Counsel) considered the internal control and risk management system to be adequate.

In order to be able to define the risk profile of the Group, considering the strategic objectives defined for the three-year period 2016-2018, in 2015 the Company performed a Risk Assessment of the 2016-2018 Strategic Plan within the context of the Enterprise Risk Management process, continuing the activities started in 2012 on a limited area (Business Area Medical SMA) and from 2014, on the entire Group. A methodology for the identification and evaluation of the main Group risks, as well as the existing level of protection was developed within the context of the Enterprise Risk Management process, with the purpose of providing functional instruments for making decisions also based on the business risk profile. As anticipated above, there was a steady dialogue with the Audit and Risk Committee, which resulted in several ideas of methodological consideration and analysis.

The analysis was carried out parallel to the Strategic Planning process with a view to its gradual integration and the project lead to a report on the main risk areas of the Group and on the events and scenarios that might potentially jeopardize the achievement of planned objectives. Each risk was evaluated using qualitative and quantitative scales (where possible, a risk scenario was generated, and the likeability of occurrence in the three-year period 2016-2018 and the impact on consolidated business results were measured). For each risk event, the existing countermeasures were also clarified and, where it was held necessary, additional mitigation actions were defined, always in steady coordination with the Audit and Risk Committee.

The Company's objective is to ensure that the Enterprise Risk Management project increasingly becomes an integral part of business processes.

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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, the market and also the corporate bodies can make informed decisions;
- the promptness 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 Report<sup>7</sup>.

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.

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<sup>7</sup> 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.

These checks, by selecting specific processes among those considered 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 subsidiaries 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.

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;
- matrixes of administrative and accounting controls (hereinafter also “matrixes”);
- regular evaluation of the adequacy and effective application of the controls described in the matrixes;
- 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 *matrixes 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 matrixes 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 matrixes 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 matrixes*, 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 matrixes 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 Law.

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 SUBSIDIARIES 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 managers 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 matrixes 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 28 April 2015 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 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 Statutory Auditors;
- e) promptly 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 Appointed 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 Code, the Officer in Charge constantly verified the overall adequacy, efficiency and effectiveness of the internal control and risk management system and the Board, during the approval phase of this Report, took note thereof.

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 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 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 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 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 2015 Financial Year was submitted to the Board on 18 December 2014 for approval in compliance with application standard 7.C.1;
- b) is not in charge of any operational area and hierarchically depends on the Board;
- c) has direct access to all the information useful for the performance of her activities;
- d) 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;
- e) prepares timely reports on particularly significant events;
- f) sends the periodical reports to the chairpersons of the Board of Statutory Auditors, the Audit and Risk Committee and the Board of Directors, as well as to the Officer in Charge;
- g) assesses the reliability of the IT systems within the audit plan, including the accounting systems.

In compliance with application standard 7.C.6. of the 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 Financial Year.

For the year 2016, instead, the activities of the Internal Audit department will be outsourced to the company Protiviti for the period from January to September 2016, under the guidance of Ms. E. Marcandalli, appointed with the formal role of Internal Audit Manager. Upon the end of the outsourcing period, Ms. Marsigli will return to her regular service as Internal Audit Manager.

### ***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](http://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 changes in regulation that took place 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 copyright infringement - 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 fines the employer in the event of the employment of third-country nationals with unlawful residence permits.

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.

Finally, on 13 May 2015 the Board of Directors updated the Model and added Special Part I – the crimes of receiving, laundering and using money, goods or benefits of illegal origin, self-laundering and transnational crimes.

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 28 April 2015<sup>8</sup>, 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 Donnamaria (as member of the Board of Statutory Auditors);
- Ms. Gaudiana Giusti (as Independent Director);
- Mr. Stefano Proverbio (as Independent Director);
- Ms. Luciana Rovelli (as Independent Director);
- Mr. Alessandro Altei (as Group Legal Counsel).

The Body has its own Regulations and also elected its Chairperson internally, namely Ms. Luciana Rovelli.

The Body shall remain in office until the approval of the financial statements for the 2017 financial year.

The Body met five times during the Financial Year (with the average attendance rate of 80% of its members at all the meetings). The minutes of the meetings of the body were duly recorded.

On 13 May 2015 the Company issued a regular certification on the basis and as required according to 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 Meeting of Shareholders resolved to

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<sup>8</sup> Until 28 April 2015 the following were members of the Supervisory Body: Mr. Roberto Orecchia (as Independent Director), Mr. Vincenzo Donnamaria (as member of the Board of Statutory Auditors) and Mr. Alessandro Altei (as Group Legal Counsel).

entrust Deloitte & Touche S.p.A. with the auditing task pursuant to the Italian Legislative decree no. 39/2010 on the basis of the proposal of the Board of Statutory 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;
- for the limited audit of 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 and other corporate roles and functions***

On 28 April 2015 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 Statutory Auditors, pursuant to and in accordance with new article 154-*bis* of the Consolidated Finance Law, introduced by the Italian Savings Law.

Pursuant to article 24 of the Company By-laws, introduced with the resolution of the extraordinary Meeting of Shareholders 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 2017 financial year). He can be re-elected. Mr. Di Marco has been the Officer in Charge since 29 June 2007.

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 Law, 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.

### ***11.7. Coordination of the subjects involved in the check of the Internal Control and Risk Management System***

In observance of principle 7.P.3. of the Code and considering the regulatory and procedural provisions introduced by Legislative Decree no. 39 of 27 January 2010, in order to facilitate a steady information flow among the several business bodies and functions that enables the Internal Control and Audit Committee (the Board of Statutory Auditors) to carry out suitable supervision as required by the law, periodical meetings are planned, among the other activities carried out by the Committee in the fulfillment of its functions, of the Community, the Audit and Risk Committee, the Audit Firm, the Internal Audit Manager, the Manager in charge with drawing up corporate accounting documents according to Legislative Decree no. 262/05 and the Group General Counsel. Such meetings focus on the analysis and discussion of the financial information process and the application of accounting principles, as well as the relevant controls, the effectiveness of the internal control system, internal audit and risk management, the legal auditing of yearly accounts and consolidated accounts, the independence of the legal auditing company, particularly in connection with the performance of non-auditing services to the entity subject to legal auditing.

These meetings are also an opportunity to exchange views on specific projects regarding the activities of the involved bodies, like, by way of example, in this financial year, the above-mentioned Enterprise Risk Management process implementation project.

During 2015, two meetings were held on 10 March and 23 September.

## **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 international accounting standard IAS 24.

The Procedures define the transactions of “major significance” that must be approved in advance by the Board, with the motivated 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](http://www.saesgetters.com). (Investor Relations / Corporate Governance).

### 13. APPOINTMENT OF AUDITORS

The appointment of the Board of Statutory 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 Statutory Auditors by presenting lists, was amended by the resolution of the extraordinary Meeting of Shareholders 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 Law, 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 Statutory 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 Statutory Auditors is appointed by the Meeting of Shareholders 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 Law; that the list must be lodged at the company headquarters, accompanied with a series of documents specified by the regulations, at least 25 days prior to the date fixed for the Meeting of Shareholders 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 Consolidated Finance Law 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 head offices of the Company, 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 Law 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 Statutory Auditors. The Company makes the lists available to the public on its website [www.saesgetters.com](http://www.saesgetters.com), at the company offices (Viale Italia, 77, Lainate (Milano), at the IInfo system at [www.linfo.it](http://www.linfo.it), 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 Statutory 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 Statutory 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 Meeting of Shareholders 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 Statutory Auditors will be the first candidate voted as statutory Auditor.

If no lists are submitted, the Board of Statutory Auditors and the Chairman are appointed by the Meeting of Shareholders 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 Civil Code, the Meeting of Shareholders appoints or replaces the Auditors in compliance with the principle of the necessary representation of minorities.

**14. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (pursuant to article 123-bis, paragraph 2, letter d), of the Consolidated Finance Law)**

The Board of Statutory Auditors holding office was appointed by the Meeting of Shareholders on 28 April 2015<sup>9</sup> and will remain in office until the approval of the 2017 financial statements. The Board of Statutory Auditors, as shown in more detail in the following table, consists up of Mr. Pier Francesco Sportoletti, Chairman of the Board of Statutory Auditors (elected on the basis of a minority list), Mr. Vincenzo Donnataria and Ms. Sara Anita Speranza, Statutory Auditors. The Board of Statutory Auditors holding office was appointed on the basis of two lists submitted to the Company by the majority Shareholder S.G.G. Holding S.p.A. and by the minority Shareholder Equilybra Capital Partners, 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 Law and application standard 8.C.1. of the Code. During the Financial Year, with reference to the 2014 financial year, this assessment was carried out on 18 February 2015. With reference to the 2015 financial year, this assessment was carried out on 18 February 2016.

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 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 Statutory 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 Meeting of Shareholders during the appointment phase of the Board of Statutory Auditors.

In compliance with application standard 8.C.2. of the Code, the Auditors accept the office when they believe they can devote the necessary time to the diligent performance of their duties.

During the Financial Year each member of the Board of Statutory Auditors informed CONSOB of the management and control positions held at the companies set forth in Book V, Chapters V, and VI, VII of the 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 Code, the Auditors operate autonomously and independently also from the Shareholders that elected them.

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<sup>9</sup> Until this date the members of the outgoing Board of Statutory Auditors were: Mr. Maurizio Civardi, Mr. Alessandro Martinelli and Mr. Vincenzo Donnataria (Chairman of the Board of Statutory Auditors).



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 Code.

The remuneration of the Board of Statutory Auditors is decided by the meeting of shareholders upon its appointment and is proportionate to the commitment required, the significance of the position held and the size and sector of the company. The auditors may receive additional remuneration for their participation in other control bodies (for example, the Supervisory Body), within the limits permitted by the laws in force.

The Board of Statutory 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 Meeting of Shareholders.

The Board of Statutory 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 Statutory Auditors verified the continuing satisfaction of the requirements of independence of its members in the first meeting after its appointment (on 28 April 2015) and during the Financial Year. In carrying out the assessments stated above the Board did not apply any further criteria for the independence of the Directors, but only laws and regulations.

The Board of Statutory 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 Statutory 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 Statutory 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.

The Board of Statutory 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 Code.

In accordance with application standard 8.C.5. of the Code, the Board of Statutory 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 Statutory Auditors or other Auditor appointed by the latter).

The Board of Statutory Auditors has access to the minutes of the meetings of the Committees and the Supervisory Body through the virtual data room.

During the Financial Year the Board of Statutory Auditors met six times with constant participation of all members. The meetings of the Board of Statutory Auditors last an average of 3 hours. Six meetings are planned for the 2016 financial year; one meeting was held on 3 March.

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

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

**Pier Francesco SPORTOLETTI** - born in Bologna on 27 October 1956

Mr. Sportoletti is registered in the professional accounting association of Certified Public Accountants, Auditors and Advisors (ODCEC) of Bologna under no. 386/A.

He has also been registered in the Register of Auditors under no. 55990 since its establishment.

He is the owner of a firm bearing the same name, which specialises in extraordinary transactions and internationalisation processes.

He has been the Chairman of the Board of Statutory Auditors of SAES Getters S.p.A. since 2015.

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

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

He is a lawyer enrolled in the Bar of Rome (1994).

He has been registered in the Register of Auditors since its establishment (Italian Ministerial Decree 12 April 1995).

He is also a Court of Cassation lawyer, registered in the Special Register of Cassation Lawyers since 2003.

Mr. Vincenzo Donnamaria 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 300 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 1985 to September 1988 he was the founding member of the Studio Consulenti Associati Di Paco, Donnamaria, 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 1998 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.

Still 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 was a Statutory Auditor of SAES Getters S.p.A. from 1997 until 2006. From 2006 until 2015 he held the position of Chairman of the Board of Statutory Auditors and in 2015 he was appointed Statutory Auditor.

**Sara Anita SPERANZA** - born in Luino (VA) on 12 January 1972

Ms. Speranza graduated with a degree in Economics from the Università Cattolica del Sacro Cuore of Milan in 1995.

She qualified to practice as a Chartered Accountant in 1999 and has also been registered in the Register of Chartered Accountants of Milan since 1999.

She is registered in the Register of Statutory Auditors – Decree of the general manager of civil affairs and the professions 19/004/2001, O.G. supplement no.36 – IV special series of 08.05.2001.

Ms. Speranza practices her profession at the Studio Cornelli Gabelli e Associati.

She has been a Statutory Auditor of SAES Getters S.p.A. since 2015.

## 15. INVESTOR RELATIONS

The Chairman and the 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 the 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 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 24 March 2015 and in London on 5 October 2015 respectively. For the current financial year the STAR Conference in Milan is planned for 15 and 16 March 2016, whereas the conference in London is planned for 7 October 2016.

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](http://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](mailto:investor_relations@saes-group.com).

Furthermore, the Company, in order to facilitate the attendance of the Shareholders in the Meeting of Shareholders, 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](mailto:saes-ul@pec.it). The questions received before the Meeting of Shareholders are answered on the website of the Company or, at the latest, during the Meeting of Shareholders, 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](http://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. of the Code, 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. MEETING OF SHAREHOLDERS (pursuant to article 123-bis, paragraph 2, letter c), of the Consolidated Finance Law)**

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 Meeting of Shareholders 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](http://www.saesgetters.com/it/investor/company-bylaws).

In sharing principles 9.P.1. and 9.P.2. as well as application standards 9.C.2. and 9.C.3. of the Code, the Chairman and the 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 Meeting of Shareholders in full cognition of the facts.

During the Financial Year, the Meeting of Shareholders was held on 28 April 2015 with the following agenda:

1. Report of the Board of Directors for the financial year ended 31 December 2014; financial statements as at 31 December 2014; related resolutions; presentation of Consolidated Financial statements as at 31 December 2014; distribution of the dividend;
2. Appointment of the Board of Directors; determination of the number of its members and their related remuneration pursuant to art. 2389 of the Civil Code;
3. Appointment of the Board of Statutory Auditors;
  - 3.1 Appointment of the Board of Statutory Auditors for the 2015-2017 financial years and its Chairperson;
  - 3.2 Determination of the remuneration of the statutory auditors;
4. Report on remuneration pursuant to article 123-ter, paragraph of Italian Legislative Decree no. 58/1998 and article 84-quater of CONSOB resolution no. 11971 of 14/5/1999 concerning the Regulations for Issuers;

5. Proposal for the authorisation of the Board of Directors pursuant to and in accordance with articles 2357 *et. seq.* of the 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;

In order to attend the Meeting of Shareholders, the Company requires the notification establishing the right to speak and to vote in the Meeting of Shareholders 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 only call of the Meeting of Shareholders.

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

*“Attendance and representation at the Meeting of Shareholders 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 Meeting of Shareholders**

In compliance of application standard 9.C.3. of the Code, on 13 March 2012 the Board proposed the adoption of specific regulations for Meeting of Shareholders, 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 Meeting of Shareholders of 24 April 2012 and updated, with the amendment of article 4, paragraph 7, by the Meeting of Shareholders of 23 April 2013.

The regulations can be found on the Company website at the address: [www.saesgetters.com/it/investor/shareholders'-meeting-regulations](http://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 29 April 2014 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 2014-2016 financial years (e-mail address: massimiliano.perletti@roedl.it), fixing his remuneration (at €1,100 per year).

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

The ordinary shares listed on the Italian Electronic Stock Market (STAR segment) more than doubled in value (+110.9%) in 2015, whereas savings shares registered an increase of +92.3%, compared to an increase of +12% and +38.2%, respectively registered by the FTSE MIB index and by the FTSE Italia STAR index.

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

No significant changes in the company structure were reported in the financial year 2015.

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

No corporate governance practices exist that have been implemented by the Company in addition to those already indicated in the sections above.

## **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, 14 March 2016

for the Board of Directors

Mr. Massimo della Porta  
Chairman

## ANNEXES

### TABLE 1 – STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS														
Position	Members	Year of Birth	Year of First Appointment	In office since	In office until	List (M/m)	Exec.	Non exec.	Indep. based on Code	Indep. based on Consolidated Finance Law	Number of other offices	Attendance at BoD meetings	Audit and Risk Committee	Remuneration and Appointment Committee
Chairman ◊	Massimo della Porta	1960	1997	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	X				3	14/14		
Vice-Chairman, Managing Director and Chief Financial Officer •	Giulio Canale	1961	1997	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	X				1	14/14		
Director	Adriano De Maio	1941	2001	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X		X		12/14		2/6 M
Director	Alessandra della Porta	1963	2013	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X			-	12/14		
Director	Luigi Lorenzo della Porta	1954	2012	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial	M		X			2	12/14		



BOARD OF DIRECTORS														
Position	Members	Year of Birth	Year of First Appointment	In office since	In office until	List (M/m)	Exec.	Non exec.	Indep. based on Code	Indep. based on Consolidated Finance Law	Number of other offices	Attendance at BoD meetings	Audit and Risk Committee	Remuneration and Appointment Committee
					Statements									
Director	Andrea Dogliotti	1950	2006	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X			-	14/14	3/3 M	
Director	Gaudiana Giusti	1962	2015	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X	X	X	1	8/10	6/6 M	4/4 P
Director	Pietro Mazzola	1960	2008	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X			4	7/14		
Director	Stefano Proverbio	1956	2015	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X	X	X	1	10/10	6/6 M	
Director <sup>o</sup>	Roberto Orecchia	1952	2009	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X	X	X	-	11/14	7/9 P	
Director	Luciana Rovelli	1973	2015	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial	M		X	X	X	-	8/10		4/4 M

BOARD OF DIRECTORS														
Position	Members	Year of Birth	Year of First Appointment	In office since	In office until	List (M/m)	Exec.	Non exec.	Indep. based on Code	Indep. based on Consolidated Finance Law	Number of other offices	Attendance at BoD meetings	Audit and Risk Committee	Remuneration and Appointment Committee
					Statements									
Directors retired during the Financial Year														
Director	Stefano Baldi	1950	1987	24.04.12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M		X			1	3/4		
Director <sup>o</sup>	Andrea Sironi	1964	2006	24.04.12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M		X	X	X	-	3/4	1/3 M	2/2 M
Director	Emilio Bartezzaghi	1948	2012	24.04.12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M		X	X	X	3	4/4		2/2 P
Number of meetings held during the Financial Year							Board of Directors	Audit and Risk Committee			Remuneration and Appointment Committee		Appointment Committee	
							14	9			6		N/A	
Quorum required for the submission of the lists by minorities for the election of one or more members (pursuant to article 148 of the Consolidated Finance Law): 2.5%														

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

Position	Members	Year of Birth	Year of First Appointment	In office since	In office until	List M/m	Indep. based on Code	Attendance at BoD meetings	Other positions
Pier Francesco Sportoletti	Chairman	1956	2015	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	m	No	4/4	8
Vincenzo Donnamaria	Statutory Auditor	1955	1997	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	No	5/6	23
Sara Anita Speranza	Statutory Auditor	1972	2015	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	No	4/4	13
Angelo Rivolta	Substitute Auditor	1976	2015	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	m	No	n.a.	n.a.
Anna Fossati	Substitute Auditor	1971	2015	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	No	n.a.	n.a.
<b>AUDITORS RETIRED DURING THE FINANCIAL YEAR</b>									
Maurizio Civardi	Statutory Auditor	1959	2006	24/04/12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M	No	2/2	n.a.
Alessandro Martinelli	Statutory Auditor	1960	2006	24/04/12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M	No	2/2	n.a.
Fabio Egidì	Substitute Auditor	1963	2007	24/04/12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M	No	n.a.	n.a.
Quorum required for the submission of the lists by minorities for the election of one or more members (pursuant to article 148 of the Consolidated Finance Law)							2.5 %		
Number of meetings during the Financial Year							6		

**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	
	<i>Company</i>	<i>Position</i>
Giulio Canale	S.G.G. Holding S.p.A.	Director
Adriano De Maio	-	-
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.	Independent Director
	MGM S.r.l.	Executive Director
Andrea Dogliotti	-	-
Gaudiana Giusti	Domus Italia S.p.A.	Non-executive Director
Pietro Mazzola	Banca Popolare Commercio e Industria	Chairman of the Board of Statutory Auditors
	Berger Trust S.p.A.	Vice-Chairman of the Board of Directors
	Fratelli Testori S.p.A.	Chairman of the Board of Statutory Auditors
	Buccellati Holding Italia S.p.A.	Director
Roberto Orecchia	-	-
Stefano Proverbio	Borusan Group – Turchia	Non-executive Director
Luciana Rovelli	-	-

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 ultimate parent company of the latter.