

The present is the English translation of the Italian official report approved by the Board of Directors on February 14, 2019. For any difference between the two texts, the Italian text shall prevail.

**Explanatory report of the Board of Directors drawn up pursuant to article 73 of the Issuers' Regulation (adopted with Consob resolution no. 11971 of 14 May 1999 and later amended) relating to the item on the agenda of the ordinary shareholders' meeting convened for 18 March 2019, at 10.30.**

Dear Shareholders,  
 the Board of Directors has convened you, in ordinary session, to resolve on the following agenda:

*Authorisation to purchase ordinary treasury shares to be made by means of a voluntary tender offer made by the Company. Resolutions pertaining thereto and resulting therefrom.*

## **1. Reasons underlying the request for authorisation to purchase treasury shares.**

The proposed authorisation to purchase treasury shares relates to the promotion, by SAES Getters S.p.A. (the "Company"), of a voluntary partial tender offer pursuant to art. 102 of Italian Legislative Decree 58/1998 (the "Offer") regarding a maximum of 3,900,000 ordinary shares (corresponding to 17.7% of total shares and 26.6% of ordinary shares).

It should first be noted that, as at 30 September 2018, also following the sale of the gas purification business announced to the market on 25 June 2018, the Company recorded a positive net financial position of Euro 234.6 million.

After assessing the different possible uses of the resources available to the Company, the Board of Directors believe that, also given the trend of stock market prices, the use of part of the available resources for the purchase of ordinary treasury shares represents an advantageous investment opportunity for the Company and its Shareholders.

The transaction leads to better profitability per unit of capital employed. The reduction of the number of ordinary shares in circulation will actually benefit all shareholders, as it will lead to: (i) an increase in the earning per share, with the same annual profit and (ii) an increase of the dividend per share, with the same dividends distributed.

The transaction will also increase the efficiency of the Company's financial structure, at the same time maintaining a solid capital structure to sustain growth by internal and external means as well as maintaining a high percentage float, which is also a requirement for listing on the STAR segment.

Following the Offer, the Company would obtain an appropriate number of ordinary treasury shares which represent a medium to long term investment in the Company, which can also be used to guarantee loans to the Company or to other group companies, and/or at the time of any extraordinary operations and/or to develop alliances consistent with the group's strategic direction. Nevertheless, until these opportunities to use the resources present themselves, the Company intends to keep the treasury shares purchased following the Offer in the portfolio, also to consolidate the positive effects in terms of increasing profits and the dividend per share resulting from the purchase. For this reason, the Shareholders' Meeting on 18 March is not being asked to authorise the disposal of the treasury shares purchased.

## **2. Maximum number, category and nominal value of the shares to which the authorisation refers.**

The authorisation to purchase treasury shares refers to a maximum number of ordinary shares that will be the subject of the Offer, and therefore a maximum of 3,900,00 ordinary shares.

Note that, on the date of this Report, the Company's share capital amounts to Euro 12,220,000 divided into 14,671,350 ordinary shares and 7,378,619 savings shares, with no stated nominal value. The Company does not hold treasury shares.

The authorisation to purchase treasury shares which is submitted to the Shareholders' Meeting only refers to ordinary shares which, as mentioned, have no stated nominal value. The Offer does not regard savings shares.

Without prejudice to the above-indicated maximum number of ordinary shares to which the authorisation requested refers, the final number of ordinary shares that will be purchased on the basis of the proposed authorisation covered in this Report, will be established on conclusion of the Offer, depending on the number of ordinary shares subscribed to the Offer.

However, if the number of ordinary shares put up for subscription for the Offer exceeds the maximum number of ordinary shares of the Offer (as indicated above), an allotment may be carried out based on the "pro-rata" method will be applied to the ordinary shares subscribed, according to which the Company would purchase the same proportion of ordinary shares from all shareholders as that put up for subscription to the Offer.

To avoid overlaps between the authorisation of the purchase and the disposal of treasury shares granted by the Shareholders' Meeting held on 24 April 2018 and that regarding only the purchase covered by this Report, together with the request for authorisation to purchase the ordinary treasury shares that will be covered by the Offer, we propose to revoke the authorisation granted by the Shareholders' Meeting held on 24 April 2018 for the purchase and disposal of the Company's treasury shares up to a maximum of 2,000,000 shares (authorisation that the Board of Directors did not utilise).

### **3. Information to assist making a full assessment of compliance with the provision set forth in art. 2357, paragraphs 1 and 3, of the Italian Civil Code.**

With regard to the restrictions to the purchase of treasury shares, note that the first paragraph of art. 2357 of the Italian Civil Code permits the purchase of treasury shares within the limits of the distributable profits and available reserves resulting from the last regularly approved financial statements while, according to the third paragraph of said article, the nominal value of treasury shares cannot exceed one-fifth of share capital, including any shares held by subsidiaries.

With regard to the restriction set forth in the first paragraph of art. 2357 of the Italian Civil Code, note that, on the date of this Report, the 2018 financial statements had not been approved. The approval of the draft annual financial statements for 2018 by the Company's Board of Directors is set for 13 March 2019. Said draft financial statements will be submitted to the approval of the Shareholders' Meeting set for 18 April 2019, prior to the completion of the purchases of the ordinary treasury shares covered in this Report and, as specified in the proposed resolution indicated below, said purchases will be within the limits of the distributable profits and available reserves resulting from the last regularly approved financial statements.

During the meeting of the Company's Board of Directors held on 14 February 2019, considering, inter alia, (i) the net capital gain of Euro 226.6 million resulting from the sales of the gas purification business finalized on June 25, 2018, (ii) the consolidated results as at September 30, 2018, approved on November 14, 2018, which indicate Group's net profits of Euro 244.9 million and (iii) the performance of operations in the period following the reporting date of said consolidated results, deemed that, as no significant negative events occurred in the last quarter of 2018, the amount of the distributable profits and/or of the available reserves which will result from the Company's financial statements as at December 31, 2018, will be substantially higher than the maximum amount of Euro 89.7 million that is proposed to use to buy ordinary treasury shares, also net of dividends (for an amount substantially in line with that distributed in 2018), that the Board of Directors has evaluated, looking ahead, to be able to propose to the Shareholders' Meeting to be held on April 18, 2019 for distribution.

With reference to the threshold set by the third paragraph of art. 2357 of the Italian Civil Code, note that: (i) on today's date the Company does not hold any treasury shares and no subsidiary company holds shares of SAES Getters S.p.A.; and (ii) the treasury shares covered by the proposed authorisation illustrated here are

for a maximum of no. 3,900,000 (corresponding to 17.7% of total shares), for a total maximum implicit book value of Euro corresponding to 17.7% of the current share capital subscribed and paid up.

Therefore, following the Offer (even in the event that the Company purchases the maximum number of ordinary shares covered by the Offer) the threshold envisaged by the third paragraph of art. 2357 of the Italian Civil Code would be respected.

#### **4. Term for which the authorisation is requested.**

The authorisation for the purchase of treasury shares is requested for a period of 12 months, from the date of the resolution of the ordinary Shareholders' Meeting.

#### **5. Price for the purchase of treasury shares and market evaluations on the basis of which the same was calculated.**

The price of the treasury shares to be purchased on the basis of the proposed authorisation contained in this Report is the price that will be offered with the Offer, namely Euro 23 for each ordinary share (after 2018 dividend).

Said price includes a premium of 8.4% with respect to the official price of the Company's ordinary shares recorded on 13 February 2019, as well as a premium of 15%, 20.2%, 19.2% and 10.6% with respect to the weighted average of the official prices of the Company's ordinary shares in 1-month, 3-month, 6-month and 12-month periods respectively before 13 February 2019.

The payment of the Price will be made in cash. The Company, with a view to optimising and making more efficient its financial structure, plans to use financial resources deriving from a medium/long-term loan being finalized with a primary bank.

It is envisaged that the payment of the dividends relating to 2018, which the Shareholders' Meeting will be asked to resolve upon on 18 April of this year, will be made prior to the conclusion of the Offer.

#### **6. Procedures through which the purchases of treasury shares will be made.**

The purchases of treasury shares will be made by means of a tender offer promoted by the Company pursuant to art. 102 of Italian Legislative Decree 58/1998, in compliance with the applicable legislative and regulatory provisions.

#### **7. Purchase of treasury shares and tender offer.**

Note that, generally, the treasury shares held by the Company, also indirectly, are excluded from the share capital used to calculate the relevant participation for the purposes of article 106, paragraphs 1, 1-bis, 1-ter and 3, letter b), of Italian Legislative Decree 58/1998 on tender offers.

Nevertheless, pursuant to article 44-bis, paragraph 2 of the Issuers' Regulation, the above-mentioned provision does not apply in the event that the thresholds indicated in article 106, paragraphs 1, 1-bis, 1-ter and 3, letter b), of Italian Legislative Decree 58/1998 are surpassed by virtue of purchases of treasury shares, made, even indirectly, by the Company in implementation of a resolution that has been approved by a majority of shareholders of the issuer, attending the shareholders' meeting, other than shareholder or shareholders who hold, also jointly, the majority shareholding, even in relative terms, as long as over 10% (so called "whitewash"). Therefore, in application of said whitewash mechanism, if the proposed authorisation to purchase shares is approved by the majority envisaged by the aforementioned article 44-bis, paragraph 2 of the Issuers' Regulation, the treasury shares purchased by the Company in implementation of said resolution would not be excluded by share capital if, by effect of the purchases of treasury shares, the relevant thresholds of art. 106 of Italian Legislative Decree 58/1998 are surpassed by one shareholder.

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If you agree with the proposal made, we invite you to pass the following resolution:

*The Shareholders' Meeting,*

- 1. having read and approved the Report of the Board of Directors;*
- 2. acknowledging the provisions of articles 2357 and foll. of the Italian Civil Code and art. 132 of Italian Legislative Decree 58/1998;*

*resolves*

- 1. to revoke, as of today's date, the resolution regarding the purchase of treasury shares and the disposal of the same, adopted by the Shareholders' Meeting held on 24 April 2018;*
- 2. to authorise, pursuant to and by effect of art. 2357 of the Italian Civil Code, the purchase of a maximum of 3,900,000 ordinary shares, to be made by means of a tender offer promoted by the Company pursuant to art. 102 of Italian Legislative Decree 58/1998;*
- 3. to establish, according to law, that the purchases of ordinary treasury shares set forth in this authorisation may be finalised after the approval of the financial statements as at 31 December 2018 by the Shareholders' Meeting, which indicate sufficient distributable profits and available reserves and, therefore, that the purchases of ordinary treasury shares set forth in this authorisation are within the limits of the distributable profits and available reserves resulting from the aforementioned financial statements;*
- 4. to establish that the price of the ordinary treasury shares (after 2018 dividend) to be purchased is Euro 23 per share and that the term of this authorisation is twelve months from the date of this resolution;*
- 5. to award mandate to the Board of Directors so that the same may make the suitable accounting entries following the purchase transactions of the ordinary treasury shares, in accordance with legislative provisions and accounting standards applicable on each occasion;*
- 6. to grant the Chairman and the Deputy Chairman and the Managing Director, separately, all powers required to implement this resolution, including therein the power to sub-delegate.*

Lainate, February 14, 2019

The Chairman of the Board of Directors

Massimo della Porta