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REPORT

ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

Draw up pursuant to articles 123-bis of the Consolidated Finance Law and
89-bis of the CONSOB Regulations for Issuers

(Traditional administration and control model)

Issuer: SAES®Getters S.p.A. – Viale Italia 77 – 20045 Lainate (MI)

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CONTENTS

GLOSSARY	5
1. PROFILE OF THE ISSUER	6
2. INFORMATION ON OWNERSHIP STRUCTURES (pursuant to article 123-bis, paragraph 1, of Consolidated Finance Law)	8
2.1. Share capital structure (pursuant to article 123-bis, paragraph 1, letter a), of Consolidated Finance Law)	9
2.2. Restrictions on the transfer of shares (pursuant to article 123-bis, paragraph 1, letter. b), Consolidated Finance Law)	11
2.3 Significant investments in capital (pursuant to article 123-bis, paragraph 1, letter. c), Consolidated Finance Law)	11
2.4 Shares with special rights (pursuant to article 123-bis, paragraph 1, letter d), Consolidated Finance Law)	12
2.5 Employee share ownership: system for exercising voting rights (pursuant to article 123-bis, paragraph 1, letter e), of Consolidated Finance Law)	12
2.6 Restrictions on voting rights (pursuant to article 123-bis, paragraph 1, letter f), Consolidated Finance Law)	13
2.7 Shareholders' Agreements (pursuant to article 123-bis, paragraph 1, letter g), Consolidated Finance Law)	13
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 of Consolidated Finance Law)	14
2.9 Authorisations to increase share capital and authorisations to purchase treasury shares (pursuant to article 123-bis, paragraph 1, letter m), of Consolidated Finance Law)	14
2.10 Management and Coordination (pursuant to articles 2497 et seq. of the Italian Civil Code)	15

3. COMPLIANCE (pursuant to article 123-bis, paragraph 2, letter a), Consolidated Finance Law)	17
4. BOARD OF DIRECTORS	18
4.1 Appointment and replacement of directors (pursuant to article 123-bis, paragraph 1, letter l), of Consolidated Finance Law)	18
4.1.1. Succession plans	21
4.2 Composition (pursuant to article 123-bis, paragraph 2, letters d) and d-bis), of Consolidated Finance Law)	22
4.2.1 Diversity in the administrative body.....	30
4.2.2. Maximum number of positions held in other companies	33
4.3 Role of the Board of Directors (pursuant to article 123-bis, paragraph 2, letter d), of Consolidated Finance Law)	36
4.4. Delegated Bodies	46
4.4.1. Managing Directors.....	46
4.4.2. Chairman of the Board of Directors	54
4.4.3. Reporting to the Board	56
4.5. Other Executive Directors	56
4.6. Independent Directors	56
4.7. Lead Independent Director	56
5. PROCESSING OF COMPANY INFORMATION	62
6. COMMITTEES WITHIN THE BOARD (pursuant to article 123-bis, paragraph 2, letter d), of Consolidated Finance Law)	65
6.1. Audit, Risk and Sustainability Committee.....	66
6.2. Appointment Committee	66
6.3. Executive Committee	66
6.4. Remuneration and Appointment Committee	67
6.5. Committee for transactions with related parties	67
7. APPOINTMENT COMMITTEE	67
8. REMUNERATION AND APPOINTMENT COMMITTEE	67

9. REMUNERATION OF DIRECTORS	69
10. AUDIT, RISK AND SUSTAINABILITY COMMITTEE (pursuant to article 123-bis, paragraph 2, letter d), of Consolidated Finance Law)	69
<i>10.1. Composition and operation of the Audit, Risk and Sustainability Committee</i>	<i>69</i>
<i>10.2. Tasks assigned to the Audit, Risk and Sustainability Committee</i>	<i>71</i>
11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	74
<i>11.1. Executive Director in charge of the Internal Control and Risk Management System</i>	<i>83</i>
<i>11.2. Internal Audit Department</i>	<i>84</i>
<i>11.3. Organisational Model pursuant to Italian Legislative Decree no. 231/2001</i>	<i>85</i>
<i>11.4 Supervisory Body</i>	<i>89</i>
<i>11.5 Audit Firm</i>	<i>91</i>
<i>11.6 Officer in charge of the preparation of the Company's accounting documents and other corporate roles and functions</i>	<i>92</i>
<i>11.7. Coordination of the subjects involved in the check of the Internal Control and Risk Management System</i>	<i>93</i>
12. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES	93
13. APPOINTMENT OF AUDITORS	94
14. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (pursuant to article 123-bis, paragraph 2, letters d) and d-bis), of Consolidated Finance Law)	97
15. INVESTOR RELATIONS	103
16. SHAREHOLDERS' MEETINGS (pursuant to article 123-bis, paragraph 2, letter c), of Consolidated Finance Law)	105
<i>16.1. Regulations for the Shareholders' Meeting</i>	<i>108</i>
<i>16.2. Special Meeting of holders of Saving Shares</i>	<i>108</i>
<i>16.3 Significant changes in the market capitalisation of shares</i>	<i>108</i>
<i>16.4. Significant changes in the company structure</i>	<i>108</i>

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES	109
18. CHANGES AFTER THE REPORTING PERIOD	109
19. CONSIDERATIONS ON THE LETTER OF 22 DECEMBER 2020 OF THE CHAIRWOMAN OF THE COMMITTEE FOR CORPORATE GOVERNANCE	109
ANNEXES.....	114
<i>TABLE 1 – STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES</i>	114
<i>TABLE 2 - STRUCTURE OF THE BOARD OF STATUTORY AUDITORS</i>	118
<i>ANNEX 1 - POSITIONS AS DIRECTOR OR AUDITOR HELD IN OTHER COMPANIES LISTED IN REGULATED MARKETS, EVEN ABROAD, IN FINANCIAL, BANKING, INSURANCE OR LARGE COMPANIES</i>	119

GLOSSARY

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

Code / Corporate Governance Code: the Corporate Governance Code of listed companies as amended in July 2018 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.

Senior Managers with Strategic Responsibilities: these are resources that cover organisational roles with powers and responsibilities, directly and indirectly, relating to planning, management and control activities within the Company. The definition includes directors (executive and non) of the Company itself and also includes standing auditors of the Board of Statutory Auditors, as defined by the rules adopted by CONSOB with resolution no.17221 of 12 March 2010, as amended and supplemented, in relation to operations with related parties.

Financial Year: 2020 financial year (01.01.2020-31.12.2020).

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, as last updated on 10 September 2020.

Accounting Control Model: the 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.

New Corporate Governance Code: the Code approved on 31 January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, which the Company intends to apply during the year 2021, with disclosure in the Corporate Governance Report to be published in 2022.

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. 20249 of 28 December 2017 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.

Company: SAES GETTERS S.p.A.

By-laws: the current version of the Company By-laws (amended by the Board of Directors at the meeting of 11 November 2020).

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

1. PROFILE OF THE ISSUER

A pioneer in the development of getter technology, the Company SAES Getters S.p.A., together with its subsidiaries (hereinafter "SAES® Group"), is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions are required. For 80 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 miniaturised devices such as silicon-based micro-electro-mechanical systems (MEMS).

Since 2004, by taking advantage of the expertise it acquired in the special metallurgy and material science field, the SAES Group has 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 mainly applied in the biomedical sector, are also perfectly suited to the production of actuator devices for the industrial sector (home automation, white goods industry, consumer electronics, medical business, automotive and luxury sectors).

More recently, SAES has expanded its business by developing a technological platform, which integrates getter materials in a polymeric matrix. These products, which were initially developed for OLED displays, are now used in new application sectors, including optoelectronics, photonics and especially telephony. Among the new applications, advanced packaging is a particularly strategic sector, where SAES offers new products for sustainable food packaging and intends to compete with completely recyclable and biodegradable solutions.

A total production capacity distributed in ten facilities, a global sales and service network, and over 1,000 employees allow the Group to form a truly worldwide enterprise.

The SAES Group is headquartered in Milan.

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

Article 44-*bis* of Italian Decree Law no. 76 of 16 July 2020 on "Urgent measures for digital simplification and innovation" has amended the definition of Small Medium Enterprise (SME) pursuant to article 1, paragraph 1, lett. *w-quater.1* of the Consolidated Finance Law, eliminating the reference to the turnover parameter and the provision according to which CONSOB publishes the list of SMEs through its website on the basis of information provided by the issuers.

Following this amendment, article 1, paragraph 1, lett. *w-quater.1* of the Consolidated Finance Law defines SMEs as "*companies, listed shares issuers, which have an average market capitalization of less than €500 million. SMEs are not considered the issuers of listed shares that have exceeded this limit for three consecutive years*".

CONSOB is also required to publish the list of SMEs by 31 January of each year on its website, on the basis of the values of the capitalization calculated by it (article 2-ter, paragraph 4, Regulations for Issuers).

Assigning the status of SME to an issuer entails some significant changes in the applicable regulations, for example with regard to the transparency of the ownership structure, with the minimum threshold of significant shareholdings for disclosure pursuant to article 120 of the Consolidated Finance Law being raised from 3% to 5%.

In January 2021, CONSOB updated on its website (www.consob.it/web/area-pubblica/emittenti-quotati-pmi) the list of companies with listed shares, defined as SMEs, including SAES Getters S.p.A, as per previous year.

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;
- 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 regulated 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 (namely Deloitte & Touche S.p.A.) enrolled 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. 11 March 2021.

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 €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/non-listed	Rights and obligations
Ordinary shares	14,671,350	66.54	MTA STAR segment – Borsa Italiana S.p.A.	articles 5, 6, 11, 26, 29, 30 Company By-laws
Shares with multiple voting rights	0	0	-	-
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.	articles 5, 6, 11, 26, 29, 30 Company 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 €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 various class of shares are indicated in the By-laws, in particular articles 5, 6, 11, 26, 29 and 30. The By-laws is available on the Internet site of the Company www.saesgetters.com/investor-relations/corporate-governance/company-laws.

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

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

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

In case of 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, SAES Getters holds 3,900,000 ordinary shares, equal to about 26.6% of the ordinary shares and about 17.7% of the share capital of the Company.

These treasury shares represent a medium and long-term investment in the Company, which can also be used as a collateral for loans, for any extraordinary transactions and/or to develop alliances in line with the Group's strategic guidelines. Until these opportunities for use arise, the Company intends to retain the treasury shares purchased in the portfolio.

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

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

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

There are no other financial instruments (such as bonds, warrants) that award the right to subscribe newly-issued shares.

With regard to increased voting rights, please see section 2.4 for more information.

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

There are no restrictions on the transfer of shares.

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

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

S.G.G. Holding S.p.A. is the relative Majority Shareholder of the Company currently holding 5,053,486 SAES Getters S.p.A. ordinary shares, representative of 34.44% 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 28/02/2021 and supplemented by the communications received by the Company up to the present date and by other information, are:

Declarer	Direct shareholder	% of ordinary capital (14,671,350 ordinary shares)	% of voting capital (17,491,919 votes on ordinary shares)
S.G.G. Holding S.p.A.	S.G.G. Holding S.p.A.	34.44	45.01
SAES Getters S.p.A.	SAES Getters S.p.A.	26.58	22.30

2.4 Shares with special rights (pursuant to article 123-bis, paragraph 1, letter d), 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.

It is to be noted that the Company introduced increased voting rights, which was approved by the Shareholders' Meeting on 3 March 2016.

This system is permitted and provided for in article 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, Italian legislature 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.

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

On the date of this Report, there were 2 (two) Shareholders that requested to be registered on the Increased Voting Rights List (drawn up under article 127-*quinquies* of the Consolidated Finance Law), 1 (one) of whom with a significant shareholding.

On the date of this Report, the following parties registered on the Increased Voting Rights List, unless a reduction in shareholdings occurs in the meantime, can make use of the increase in voting rights for the Shareholders' Meeting of 20 April 2021, as follows:

LIST OF SHAREHOLDERS THAT OBTAINED THE VOTE INCREASE AND THAT ARE ENROLLED IN THE LIST							
Controlling subject	Shareholder	No. Ordinary shares	% on ordinary capital	Date of enrollment in the list	Start date for the vote increase	Total of voting rights	% on voting rights
S.G.G. HOLDING S.P.A.	S.G.G. HOLDING S.P.A.	1.354.042	9,229	23/03/2016	09/04/2018	2.708.084	15,482
		1.465.731	9,990	23/03/2016	07/08/2019	2.931.462	16,759
		2.198.713	14,986	04/09/2019	n/a (*)	2.198.713	12,570
Valerio Maria Bruna	Valerio Maria Bruna	398	0,003	15/04/2016	17/04/2018	796	0,005
TOTALE		5.018.884	34,209			7.839.055	44,815

(*) For this shares S.G.G.Holding S.p.A. will be entitled to vote increase as from September 4, 2021, subject to uninterrupted ownership of the shares till that date

2.5 Employee share ownership: 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.).

The Company adopted a Phantom Shares Plan in October 2018. More precisely, on 1 October 2018, the Shareholders' Meeting, pursuant to article 114-bis of the Consolidated Finance Law, approved the adoption of an incentive scheme based on Phantom Shares, called "2018 Phantom Shares Plan", addressed to some executive directors and strategic senior managers, to be identified by the Board of Directors, whose terms, conditions and mode of implementation are described in the report by the Board of Directors and in the draft regulations and information document attached to it. On 17 October 2018, the Board of Directors formally approved the Plan's regulations, without making any modification to the draft already attached to the report to the Shareholders' Meeting. Reference is made to these documents (made available in accordance to current regulations and published on the website www.saesgetters.com/investor-relations/area-investors/shareholders-meeting-2018) for further information.

The Board began implementing the Plan by identifying, on the proposal of the Remuneration and Appointment Committee, the names of the Plan's beneficiaries and determining the number of bonus phantom shares to be assigned to each beneficiary, as communicated with the publication of table no. 1 of Scheme 7 of Annex 3A to the Regulations for Issuers (see press release of 17 October 2018).

The Board, on the proposal of the Remuneration and Appointment Committee, resolved, at its meeting of 13 February 2020, to assign phantom shares to a further person entitled to them. The updated statement at 31 December 2020 is attached to the Report on the Remuneration Policy and the amounts paid for the year.

The Plan does not anticipate the allocation of financial instruments or rights to the Company's shares. The Plan is based on the bonus issue of Phantom Shares that, in accordance with the terms and conditions of the Plan, give the right to receive an incentive in cash proportional to the increase of the stock market price of the shares on the date of the event (as indicated in the Plan Regulations) compared to the value at allocation.

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

There are no restrictions on voting rights.

2.7 Shareholders' Agreements (pursuant to article 123-bis, paragraph 1, letter g), Consolidated Finance Law)

The Company is unaware of any agreements stipulated by Shareholders (also known as "shareholders' agreements") 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 of Consolidated Finance Law)

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.

Some of the Group's companies are also parties to bank loan agreements as well as lines of credit: 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 as at 31.12.2020 stands at approximately €103.6 million.

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 Report on the Remuneration policy and the amounts paid, published in accordance with article 123-ter of the Consolidated Finance Law.

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

The Extraordinary Shareholders' Meeting of 24 April 2018 granted the Board the right, pursuant to article 2443 of the Italian Civil Code, to increase the share capital, with or without consideration, in one or several occasions within a period of five years from the resolution up to an amount of €15,600,000.00:

- by means of one or more increases without consideration, without the issue of new shares (with a consequent increase in the implied book value of all shares already in issue), or by assigning ordinary and savings shares, in proportion to the ordinary and savings shares already held, in observance of the provisions of article 2442 of the Italian Civil Code; the increase may take place – within the limit of the delegated amount – by allocating the available reserves recorded in the financial statements for the year ended 31 December 2017, without prejudice to the obligation to verify their existence and usability at the time of the share capital increase, by the Board of Directors

and/or

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

As described in section 2.1, at the present date, SAES Getters holds 3,900,000 ordinary shares, equal to about 26.6% of the ordinary shares and about 17.7% of the share capital of the Company.

These treasury shares represent a medium and long-term investment in the Company, which can also be used as a collateral for loans, for any extraordinary transactions and/or to develop alliances in line with the Group's strategic guidelines. Until these opportunities for use arise, the Company intends to retain the treasury shares purchased in the portfolio.

During the year, the Board decided not to ask the Shareholders' Meeting for authorisation to purchase/dispose the treasury shares and does not intend to request it for the current year either.

2.10 Management and Coordination (pursuant to articles 2497 et seq. of the Italian Civil Code)

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

Also for the purposes of article 16, paragraph 4 of the Market Regulations, it should be noted that, following a renewed assessment by the Board, at the time of approval of this Report, that is at today's date, considering the presumption pursuant to article 2497 of the Italian Civil Code, S.G.G. Holding S.p.A., which is the relative majority shareholder, does not exercise management and coordination activities on SAES Getters S.p.A. in relation to the equity investment held by it (article 2359, number 2 of the Italian Civil Code). 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.), nor does it coordinate business initiatives and business actions in the sectors in which the Company and its subsidiaries operate. S.G.G. Holding S.p.A. does not give instructions nor provide technical, administrative, financial and coordination services to 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 relative 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 Shareholders' Meeting, collection of dividends, etc.);
- to the receipt, by the Board of S.G.G. Holding S.p.A., of the information provided by the Company in compliance with the provisions of article 2381, paragraph 5, Italian Civil Code.

It is to be specified that the information required by article 123-bis, paragraph 1, letter i) of the Consolidated Finance Law (*"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 Report on the Remuneration Policy and the amounts paid published pursuant to article 123-ter of the Consolidated Finance Law.

Furthermore, the information required by article 123-bis, first paragraph, letter l) of the Consolidated Finance Law (*"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 following section of the Report dedicated to the Board of Directors (section 4).

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

The SAES Getters SpA Corporate Governance system is essentially based on the implementation of the principles and recommendations contained in the Corporate Governance Code (latest edition, July 2018), available on the Borsa Italiana S.p.A. website www.borsaitaliana.it.

On 31 January 2020, the Committee approved the new "Corporate Governance Code", which the Company intends to apply in 2021, in the conviction that the principles and provisions expressed therein represent the optimal standards on which to base the organizational structure of the Company, contribute significantly to the achievement of proper corporate and business management and to the creation of value for Shareholders, increasing the level of trust and interest of investors, including foreign, with disclosure in the Report on Corporate Governance to be published in 2022.

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

This 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 2019 (VIII edition), applying the "comply or explain" principle (indicating, if and how it disregarded/decided against one or more recommendations, describing the reasons for the deviation and how the decision to decide against the recommendation was adopted by the Company, if there is a precise time frame for the deviation and how the choice "derogating" from the Code contributes to the solid corporate governance of the Company), indicating the corporate governance practices actually applied by the Company beyond the obligations laid down in laws and regulations, pursuant to article 123-bis of Consolidated Finance Law and article 89-bis of the Regulations for Issuers.

Where possible and useful, for the benefit of readers, the Company has also indicated the deviations or changes it will have to introduce or the assessments it will have to make in light of the New Code.

Neither the Company nor its 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 Shareholders' Meeting, on the basis of lists submitted 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.

At the time of the Shareholders' Meeting called to renew the Board of Directors of the Company on 24 April 2018, the Company applied the provisions of the Code regarding the composition of the Board of Directors and its Committees.

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

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 submit lists for the appointment of the Directors. On the date of this Report, the requested share is 4.5% of the share capital with voting rights (as established by CONSOB with Management Resolution no. 44 of 29 January 2021).

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

Each list 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 Director¹, with a progressive number no higher than seven. If the list has more than seven candidates, it must contain and expressly identify a second Independent Director.

A Shareholder may not submit nor vote for more than one list, even through intermediaries or trust companies. A 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 Shareholders' Meeting, minus one; within these number limits, the candidates are elected in the order they appear on the list; (ii) from the list with the second-highest number of votes and that is not connected, even indirectly, with the Shareholders that have submitted or voted for the Majority List pursuant to applicable regulations (hereinafter also "Minority List"), one Director is selected, and more precisely the candidate indicated with the first number on the list; however, if not even one Independent Director is elected from the Majority List in the event that the Board is made up of no more than seven members, or if only one Independent Director is elected in the event that the Board is made up of more than seven members, the first Independent Director 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 (as was the case in the Shareholders' Meeting of 24 April 2018), the Shareholders' Meeting votes on this list and if it obtains the majority of the voters, without taking abstentions into account, the candidates listed in progressive order will be elected Directors up to the number established by the Shareholders' Meeting, without prejudice to the fact that if the Board is made up by more than seven members, a second Independent Director is elected, in addition to the Independent Director that must be listed among the first seven candidates.

¹Meaning a Director that satisfies the requirements of independence set forth in 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.

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

In accordance with articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the Consolidated Finance Law, on the equality of access to the administration and control bodies of companies listed in regulated markets, the Board amended articles 14 and 22 of the Company By-laws to guarantee a gender balance in the appointments of members to the administration and control bodies of the Company.

At the Board meeting of 11 November 2020, the Company amended article 14 of the Company By-Laws to align it to further amendments to articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the Consolidated Finance Law on gender balance in the management bodies of listed companies. Starting from the next mandate, which will begin with the appointment of the new Board of Directors by the Shareholders' Meeting convened on 20 April 2021, the allocation of the members of the Board of Directors must be carried out in such a way to ensure that the less represented gender obtain at least two fifths of the members of the Board of Directors, with rounding to the next higher unit, except for the case of a Board consisting of three members where the appointment, in the case of a fractional number, is rounded down to the lower unit. This criterion applies for six consecutive mandates starting from the first renewal after 1 January 2020.

The Company considers, also for greater clarity and to avoid overlapping issues, the compliance with the regulatory and statutory provisions (notwithstanding Recommendation 8 of the New Code, which recommends that a third of the board of directors and control body must be made up by the less represented gender) to be sufficient.

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

The Shareholders' Meeting held on 24 April 2018 resolved to fix 9 (nine) 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 Stefano Proverbio and Ms Luciana Rovelli.

The Board in office was elected using the voting list system (introduced in the Extraordinary Shareholders' Meeting held on 29 June 2007 in order to implement the amendments and additions to the election methods introduced in the meantime by the laws in force), and more specifically on the basis of a single list, filed and published by the relative 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 were also promptly published on the Company website. The Company did not deem it necessary, at the time of submission of lists, to ask for additional information regarding the correspondence or otherwise of the list to diversity objectives, not having put in place any specific policies at this regard, believing that information on gender and age is sufficient, in addition to the resumé and declarations of each candidate.

Due to the expiry of the three-year period, with the approval of the financial statements for the period closing as at 31 December 2020, the mandate of the Board of Directors, appointed on 24 April 2018, is also expiring. The upcoming Shareholders' Meeting shall therefore be called upon to pass resolution on the appointment of the Board of Directors, subject to the determination of the number of its members. Please refer to the special Report prepared by the Board on this item for the Meeting, which shall be filed at the registered office, on the Info storage system at the address www.1info.it and made available on the Company website at the address www.saesgetters.com (investor-relations/area-investors/shareholders-meeting) within the time limits provided for by the laws in force. The guidelines issued by the Board regarding the qualitative and quantitative composition of the future Board of Directors is annexed to the Report.

4.1.1. Succession plans

Succession plans are temporary business continuity plans for managing situations in which the CEO/Managing Director was to suddenly leave the Company, while awaiting and pending the implementation of standard regulatory mechanisms to replace the directors.

In its meeting of 19 February 2013, the Board of Directors, having consulted the Remuneration and Appointment Committee, assessed how the current structure 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 could have been the successor/back-up of the other), and hence considered it unnecessary to set up ad hoc succession plans or to make special arrangements in the event of their replacement prior to the normal expiry of their term of office.

The Remuneration and Appointment Committee drew essentially this conclusion in its meeting of 25 February 2016, which was incorporated and confirmed by the Board of Directors during the approval of the 2015 Corporate Governance Report.

The Committee moreover considered it necessary to define the ideal and necessary characteristics of the profile to be submitted to the Shareholders' Meeting in the event

of the need to replace one of the Executive Directors and recommended the regular and continuous identification and monitoring of internal or external resources, with a view to identifying the profile of an ideal manager in advance together with the Executive Directors who would be in a position to suddenly take over a top management position, also recommending the continuation of the promotion of the internal growth of talent that could be drawn on, if necessary.

In 2016, with the support of an external consultant (Adelaide Consulting), the Committee performed an analysis of the skills required of Executive Directors, identifying and drawing up a theoretically suitable profile that could, if the need ever arose, facilitate the identification and search for an Executive Director for SAES Getters S.p.A., in the event of the need to suddenly replace both the current Executive Directors in a short period of time and to co-opt an external party, as well as to support the Shareholders' Meeting at the time of appointment or approval.

The Board did not consider it necessary to raise the subject later on and in particular during the Financial Year, believing it to have been dealt with sufficiently and adequately, considering the structure of the Company and since there had been no major changes in the shareholding breakdown and the two Executive Directors remaining (even though with different mandates since the start of the 2018 Financial Year).

Moreover, the New Code recommends the preparation of a succession plan for the Chief Executive Officer and the executive directors only in the case of large companies, i.e. with capitalization exceeding €1 billion.

4.2 Composition (pursuant to article 123-bis, paragraph 2, letters d) and d-bis), of Consolidated Finance Law)

The current Board of Directors of the Company, whose mandate is expiring, was appointed by the ordinary Shareholders' Meeting on 24 April 2018 using the slate system pursuant to article 14 of the Company By-laws. It is to be specified that only one list was submitted by the relative Majority Shareholder S.G.G. Holding S.p.A., which obtained 93.83% of the voting capital. The Board of Directors elected shall remain in office until the upcoming Shareholders' Meeting, convened for 20 April 2021 for the approval of the financial statements as at 31 December 2020.

All the Directors in office during the year were appointed by the 2018 Shareholders' Meeting and therefore they all expire when the convened Meeting is held. There were no resignations or terminations of office during the expiring mandate.

The current By-laws state that the Shareholders' Meeting may select a minimum of three (3) and a maximum of fifteen (15) Directors. The higher, maximum number of Directors reflects the need to structure the Board in a way that is more suited to the

needs of the Company, also in relation to the number of its subsidiaries and the various business areas 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 experiences in order to respond better to current and future demands, maximising value for Shareholders.

On 31/12/2020 the Board of Directors was composed of nine members, as indicated in Table 1 annexed to this Report. Please refer to this table for the information on the qualification of each director (executive, non-executive, independent) and their seniority compared to the first appointment of each one of them.

The personal and professional information of each Director is 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.

He currently holds the position of Managing Director, Group Chief Financial Officer and Deputy Chief Executive Officer.

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

He was 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”.

Registered in the Register of Lawyers since 9 July 1992 and in the Register of Supreme Court Lawyers since 21 November 2007, she was a member of the professional Association "NCTM" from July 2009 to June 2010.

Currently a partner in the professional association Studio DPC, Ms Della Porta specialises in civil law in general, with a particular focus on family law, credit recovery for a banking institute, civil court activity, extrajudicial assistance and consultancy also on company law.

Member of the Guidance Board of the Fondazione Airc.

She was a member of the Board of Directors of S.G.G. Holding S.p.A.

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, which he sold in 1983, the year in which he founded the Delven company, which he is still manages today and which markets historical military finds from 1500 to 1945.

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

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

MASSIMO DELLA PORTA – Born in Pontremoli (MS) on 8 September 1960

Mr Massimo della Porta has been a member of the Board of Directors of SAES Getters S.p.A. 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).

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 subsidiary in Avezzano.

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: in 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.

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 is an independent director of Alto Partners SGR S.p.A. since December 2004 and Director of MGM S.r.l., a real estate company, and a Council member of the University of Pavia.

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

Furthermore, 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

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 Economics and Corporate Innovation Management at the Milan Polytechnic from 1969 to 2012, and Rector of the same institute from 1994 to 2002. He was a Full Professor of Economics and Corporate Innovation Management at the Luiss Guido Carli University, 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 has been the Rector of the Università Link Campus of Rome from 2014 to 2017.

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; the Pupils Association of the Ghislieri College of Pavia; and the Consortium for Scientific and Technological Research of Trieste ("AREA").

Mr De Maio is a former director of Telecom Italia Media S.p.A., TxT 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 Snaihero.

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

He is currently Professor Emeritus at Milan Polytechnic, Co-Chairman of the ACG (Alta Capacità Gottardo) Association, a member of the Scientific Committee of the "Grande Milano" Association and the President of CEN (European Centre for Nanomedicine).

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 Italmobiliari (later Iritecna) and became manager in 1981, where he was involved in the setting up and assessment of projects and investment plans in Italy and abroad. He managed major industrial logistics projects in Italy. He also dealt with industry strategies and the organisational approach of the company and the IRI Group.

He is the member of the Board of Directors of various operating companies.

From 1995 to 1996, he was General Manager of "Sgl Logistica" s.r.l., a logistics engineering company in Genoa.

From 1996 to 2005, he was the "Logistics Development Manager" of Luigi Serra – later SM Logistics – 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.

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 is an independent director and Chairwoman of the Remuneration and Appointment Committee.

She graduated with a law degree from the University of Pisa in 1987 and a European Law degree from the Université Libre in Brussels, Belgium, in 1989.

She has been practicing law in Italy since 1988.

Ms Gaudiana Giusti has focused her professional career in the field of corporate law, capital markets and banking, with a particular focus on market transactions, extraordinary finance and banking and financial intermediation. She has also accumulated considerable experience in corporate governance, business conduct, compliance, control and remuneration systems and the extraordinary financial transactions of listed and/or regulated companies.

In 2016, she held a position of General Counsel at Veneto Banca before returning to the profession in 2017.

Between 2012 and 2016 she held the position of counsel in the Gianni, Origoni, Grippo, Cappelli & Partners firm, where she had been a partner until 2007.

Between 2007 and 2012 she worked at Credit Suisse (Italy) as Head of General Counsel Country Coverage. 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 currently an independent director and chairwoman of the Related Parties Committee of Banca Carige S.p.A., an independent director of A2A S.p.A. She is also a member of the Supervisory Board pursuant to Italian Decree 231/2001 of some entities of the Credit Suisse group in Italy and the UK and of SAES Getters S.p.A.

She was (until 30 November 2019) an independent director and chairwoman of the Control and Risk Committee of Unipol Banca S.p.A. and in the past she was a member of the Board of Directors of Banca Farmafactoring (in the position of chairwoman of the Control and Risk Committee) and of Trevi Finanziaria Industriale 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 cooperated with Italian and foreign magazines.

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 28 April 2015.

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

2014 - to present: McKinsey Director Emeritus

2013 - 2018: Board Member of Borusan, a Turkish industrial conglomerate

2008 - 2016: Ambienta - Advisory Board

2019 - to present: Antas Board Member

2017 - to present: Retex Board Member

2018 - 2018: Innova Board Member

1987 - 2013: Mckinsey (Principal since 1992 and Director since 1998)

During his career at McKinsey, Stefano Proverbio assisted customers in the industrial, telecom and energy sectors both in Italy and abroad (France, Turkey, Greece and Germany). In this context he has developed skills in corporate strategy, operations and regulatory affairs.

In particular, in the TMT (Telecom, Media and Technology) sector, the most significant experiences include: Turnaround of the Italian subsidiary (semiconductors) of a large German group; Development of a strategic alliance - with the merger of two BUs - between two leading manufacturers in telecommunications equipment. Management of the cost reduction program for the new entity resulting from the merger; Growth strategy for a large Franco-Italian operator in semiconductors; Global product strategy for a large French consumer electronics manufacturer; Support to a large Italian group in the development and execution of a strategy aimed at exiting the core business of

electronics to enter telecommunications after the liberalization of the market. The work led to the creation of the main new entrants in both fixed and mobile; Support from start-up to the sale of the main attacker in fixed telephony; Continuous support on strategic and operational issues in Italy and South America to the Italian telecommunications incumbent; Support to a PE in the acquisition of the cable division of a large Italian group; Evaluation of the value of a new technology for the development of fiber networks.

In the industrial sector, the most relevant experiences include: Development of a strategy aimed at exiting the steel sector and entering the energy sector for a private Italian group that was heavily indebted at the time; Support for many years to a major international group operating on strategic, organizational growth and cost reduction matters; Development of a growth strategy for a large Turkish conglomerate, the implementation of which led to doubling its turnover in four years; Development of a growth strategy aimed at shifting sales from commodity to premium segments for a large tire manufacturer; Several growth studies for manufacturers of auto components/automatic machines; Growth strategy (development and execution) for a leading Italian packaging company; Turnaround strategy for a major Italian steel producer.

In the energy sector, Stefano Proverbio has served attackers and the Italian branches of foreign utilities, the most relevant experiences include: Growth strategy for a new player based on new regulatory conditions in Italy; Turnaround and growth strategy for the Italian subsidiary of a major French group operating in gas and power generation; Development of the strategic plan and numerous cost-cutting initiatives for an important major municipalised company; Numerous cost-cutting studies for Italian and Turkish utilities; Turnaround plan for a large Greek utility.

Stefano 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 Andersen Consulting), Development of IT systems
Since 1985 Manager of the Logistics service line
- 1981-1982: **Zanussi Group (Zeltron and Ducati)**. Industrial automation. In parallel, study with SGS-Ates and Polytechnic of Milan on the reliability of the Z80 (one of the first microprocessors)

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. She is Independent Director, Chairwoman of the Control, Risk and Sustainability Committee, member of the Remuneration and Appointment Committee, Chairwoman of the Supervisory Body.

She graduated with a degree magna cum laude in Business Economics from the University Luigi Bocconi in 1997,

Starting from 1997, she started a professional career in consulting (Arthur Andersen, Deloitte e Protiviti) with managerial responsibilities in the risk management and internal control division.

In 2010 she founded RC Advisory S.r.l., a consultancy firm of which is partner and managing director, focusing on Governance, compliance and risk management form major corporations and national and international groups, even listed, operating in different business sectors.

Throughout the years, she took roles of increasing importance within Board of directors and Committees of companies, also listed ones. In addition to the position in SAES Getters S.p.A., as from April 2019, she is member of the Board and of the Remuneration and Appointment Committee and the Supervisory Body of Sea Aeroporti Milano SpA.

Starting from 2010, she is Chairwoman or member of the Supervisory Body of various companies, including Edison Group, Maire Tecnimont Group, Kering Group, Società Generale Group, Diners Club Italia, Galbusera spA, Douglas Italia SpA.

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

4.2.1 Diversity in the administrative body (and in the control body)

Under letter d-bis) of article 123-bis, paragraph 2, of the Consolidated Finance Law, this Report must contain *"a description of the diversity policies in relation to the composition of the administration, management and control bodies with regard to aspects such as age, gender composition and education and professional background, as well as a description of the objectives, implementation methods and results of these policies"*, with the specification that *"in the case where no policy is applied, the company must justify the reasons for this choice in a clear and detailed manner"*.

The aforesaid provision was introduced by article 10 of Italian Legislative Decree 254/2016, which implemented Directive 2014/95/EU of 22 October 2014, amending Directive 2013/34/EU with regard to the notification of non-financial information and information on diversity on the part of several large undertakings and groups (applicable to reports on the financial years starting from 1 January 2017).

At its meeting of 23 January 2020, subject to approval by the Remuneration and Appointment Committee, the Board decided to draw up and approve a policy on the diversity of corporate and control bodies, with the aim of implement the legislative and regulatory framework in the Company is called upon to act and set the objectives to pursue (maintenance of gender diversity, compliance with the age diversity criterion in terms of age and seniority, strengthening of heterogeneity by geographical origin and professional background of directors and statutory auditors). This policy is reflected in the opinion of the Board at the Shareholders' Meeting to be convened, attached to the Report to the Shareholders' Meeting on the renewal of the Board.

It is to be pointed out that within the SAES Getters Group significant measures have been in place for some time to guarantee diversity, which has always been of utmost importance for a company that has a passion for innovation and technological development.

Compliance with the laws in force on gender equality among the members of the corporate bodies is guaranteed. Under article 14 of the Company By-laws, in fact, the composition of the Board of Directors must ensure a gender balance and the provisions of the By-laws therefore lay down adequate criteria for the formation of the lists of candidates, as well as corrective measures to be applied in the event that the outcome of the vote does not achieve the required balance. Currently the less represented gender is female, with 3 (three) out of 9 (nine) members of the Board being women: in line with the minimum established by current regulations². Furthermore, similar provisions regulate the composition of the Board of Statutory Auditors (article 22 of the Company By-laws): one Standing auditor and one Alternate auditor are members of the less-represented gender.

The Company, in the meeting of the Board of Directors on 11 November 2020 - in application of article 19 of the By-laws - resolved on the implementation of the further amendment to articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the Consolidated Finance Law on gender balance in the bodies of listed companies. Therefore, starting from the next mandate, which will be conferred by the Shareholders' Meeting to be convened on 20 April 2021, the allocation of the members of the Board of Directors must be carried out in such a way that the less represented gender obtains at least two fifths of members of the Board of Directors and the Board of Statutory Auditors: rounding a) for the Board to the next higher unit, except for the case of a Board consisting of three members, for the appointment of which, in the case of a fractional number, it is rounded down to the lower unit and b) for the Board of

² Italian Law no. 120/2011 laid down that in the first mandate following the entry into force of the same law at least one fifth of the members of the Board shall belong to the less represented gender, with the rounding up, in the case of a fractional number, to the higher number; for the second mandate, however, at least one third of the members of the Board must belong to the less-represented gender, with the rounding up, in the case of a fractional number, to the higher number.

Statutory Auditors, in the event of a fractional number, by default to the next lower unit.

This allocation criterion applies for six consecutive mandates.

The Board did not consider it to be necessary, for the moment, to impose additional diversity criteria for the Board or the Board of Statutory Auditors with respect to the By-laws and the requirements for respectability and professionalism for directors. There are no age limits on becoming a director or an auditor. The Board approved, as mentioned above, a diversity policy that contains general indications included in the Board's orientation opinion submitted to the Shareholders' Meeting and attached to the Report presented to the Shareholders' Meeting on the renewal of the Board.

As stated in the beginning of this Report, the Company complies with the Corporate Governance Code, which requires, in particular and inter alia, the Board of Directors to be composed of executive and non-executive members that have adequate skills and experience and that bring their specific expertise to Board discussions.³

With regard to corporate organs, the composition is already adequately diversified, with the presence of individuals of different genders, ages and with a complementary balance of skills/training/experience. Therefore, the members of the Board of Directors have different education (8 out of 9 directors have a degree) and professional backgrounds (some are lawyers, engineers, consultants, entrepreneurs and university professors and there are members with experience in the legislative and regulatory, banking, business, academic fields) and this circumstance has provided the Board with a multiple range of approaches and viewpoints in relation to the examination of problems and the decision-making process.

Also for this reason, in the self-assessment filled in by the directors (Board Review) the idea that the current composition of the Board being adequate in terms of the mix of different prerogatives and knowledge was widely shared.

From the perspective of age, furthermore, the Board of Directors is composed of members from different generations, aged between 48 and 80 years old. The average age is 61 years. With regard to seniority, the average duration of appointment is nearly 13 years.

The Board of Statutory Auditors, on the other hand, has two members (one standing auditor and one alternate auditor) who were born in the 1950s and three members (one statutory auditor and two alternate auditor) who were born in the 1970s, with 20 years difference between the youngest and oldest member.

³ The New Code (article 2, Principle V) provides: “*The management body is composed of executive directors and non-executive directors, all with the professionalism and skills appropriate to the tasks assigned to them*”. The Company believes that the current composition of the Board also reflects and complies with this formulation.

Finally, the Code of Ethics and Business Conduct of the Company (see section 2.4) strongly condemns any form of discrimination based on age, gender, sexual orientation, health status, race, nationality, political and trade union views and religious beliefs by all those that, in any capacity, work in the name of or on behalf of the Group and in its environment.

The procedure relative to the selection of personnel applicable throughout the Group also provides principles and guidelines in favour of employment equal opportunities, so that age, sex, sexual orientation, health state, disability, ethnicity, nationality, political and trade union views or religious beliefs do not influence the decision to appoint.

In 2019, the Company became an ordinary member of Valore D, the first association of companies that promotes gender balance and an inclusive culture for the growth of companies and the country, and of Parks Liberi e Uguali, a non-profit association, which has exclusively employers among its shareholders, created to help member companies to understand and realize the maximum business potential linked to the development of strategies and good practices that respect diversity.

4.2.2. 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 criterion 1.C.2. of the Code (and the Principle XII of the New 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 in large companies.

The Board yearly notes and notifies, in this Report, the offices of director or auditor held by Board Members: 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 in large companies as at 31 December 2020, as disclosed in the Board Meeting of 11 February 2021, are stated in Annex 1 of this Report.

The Board considers the fact that almost half of its members are directors in other companies to be a great asset for the Board itself. The Board believes that the accumulation of an excessive number of positions in boards of directors or boards of statutory 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 criterion 1.C.3. of the Code, the Board defined several general principles regarding the maximum number of administration and control positions in other companies that may be ideally 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 assign a score to each position, different from the one assigned to the office of member of the Board of the Company. The score differs based on the commitment related to the type of office (executive/non-executive director), as well as in relation to the type and size of the companies in which the position is held. The Board also decided to set a maximum score, beyond which it is reasonable to assume that the office of Director of the Company cannot be carried out efficiently. Exceeding the maximum threshold constitutes a just cause to remove the Director from his/her office.

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

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

OFFICE	SCORE
Executive Director in listed issuer, banking, financial or insurance company, whether listed or not.	50
Chairman (without operating mandates) in listed issuer, banking, financial or insurance companies, whether listed or not.	15
Participation in each committee of the listed issuer (Appointment Committee, Audit 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 set forth in the Consolidated Finance Law other than the subsidiaries of the Company	25
Non-Executive Director in a company subject to the controls set forth in 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 set forth in the Consolidated Finance	20

Law and not controlled by the Company with shareholder's equity exceeding €100 million	
Non-Executive Director in unlisted companies, which are not subject to the controls set forth in the Consolidated Finance Law and not controlled by the Company with shareholder's equity exceeding €100 million	7
Executive Director in unlisted companies, which are not subject to the controls set forth in the Consolidated Finance Law and not controlled by the Company with shareholder's equity less than €100 million	18
Non-Executive Director in unlisted companies, which are not subject to the controls set forth in the Consolidated Finance Law and not controlled by the Company with 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 set forth in 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 set forth in 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

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.

Moreover, as per the previous financial years, in the case of one independent director, despite exceeding the maximum threshold (140 over 100), the Board considered that the number of offices (only one as Board member, all as member of Committees established by the Board of Directors and mainly a member of the Supervisory Body of companies, almost all of them unlisted, an office carried out in the normal context of their professional activity) is in fact not an impediment to the efficient performance of the role of director, considering the substantial contribution brought to the Board and the Committees of the Company that she belongs to. Attendance at 14 of the 15 Board meetings and attendance at all the meetings of the Supervisory Body as well as all the meetings of the Remuneration and Appointment Committee and all the meetings of the Audit, Risk and Sustainability Committee, together with other considerations, was also taken into consideration by the Board as an indicator of the absence of impediments and the compatibility of external offices with the efficient performance of the role of Director of the Company.

In compliance with application criterion 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 Company operates, as well as company trends and development, and the principles of proper risk management. With regard to the constraints / restrictions related to the Covid-19 epidemic, priority was given to the management of the business but in any case during the Financial Year two induction initiatives were carried out: one at the meeting of 13 February 2020 with the presence of representatives of Valore D on "The Value of Diversity"; and one at the meeting of 15 October 2020, with the presence of Mr. Fabio Ambrosiani partner of Studio Associato Servizi Professionali Integrati – Fieldfisher, attorney, to illustrate the changes introduced by the New Code and the differences with the Corporate Governance Code.

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

During the Financial Year the Board met 15 times, with an average attendance rate of 97.78% of the Directors (during the 2019 financial year the Board met 12 times, with an average attendance of 98.15%). The attendance of the Executive Directors was 100% (as in the 2019 financial year), the attendance of Non-Executive Directors was on average 97.14% (compared to 97.62% in the 2019 financial year) and the attendance of

the Independent Directors was on average 95.56% (in 2019, it was 97.22%). Due to the constraints/restrictions related to the Covid-19 pandemic, to promote social distancing as a measure to prevent and contain the spread of the virus, since March 2020, the meetings of the Board of Directors have been held almost exclusively by teleconference.

The average duration of Board meetings was of two hours (considering that there are meetings that have lasted twenty-five minutes and meetings that have lasted more than four hours).

For the 2021 financial year, the Board expects to meet at least 11 times, 4 of which to approve the periodic results. The latter dates were already communicated to Borsa Italiana S.p.A. on 30 November 2020 during the publication of the calendar of company events, made available on the Company website. In 2021, on the date of this Report, the Board had already met 3 times: on 21 January, 11 February, and on the date of approval of this report (11 March).

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 ten days prior to the Board meeting: in the Financial Year ranging from a minimum of eight days to a maximum of fifteen days). With regard to the financial reports, these are made available at least two working days' notice, depending on the technical time required to prepare the documents. The Company is working hard on internal procedures to improve this specific flow of pre-Board meetings information.

The documents are published in a Virtual Data Room (VDR) with protected access reserved to directors and auditors. As an exception, in light of the nature of the resolutions to be passed and due to higher confidentiality requirements, such as, for example, with regard to strategy plans, with the consent of the Directors, the material may not be anticipated to them, but instead published in the VDR after the Board meeting. In light of Principle IX of the New Code and Recommendation 11 of the New Code, in the coming months a regulation will be drawn up to define the rules for the functioning of the Board and its committees, including the methods for recording the minutes meetings and procedures for managing the information to be provided to the directors. These procedures will identify the terms for the prior dispatch of said information and the methods for protecting the confidentiality of the data and information provided so as not to jeopardize the timeliness and completeness of the information flows, the circumstances in which it is possible to derogate and the opportunity for the Chairman and/or the Lead Independent Director, in the event of non-compliance with the deadlines, to investigate the causes.

The Report on corporate governance for the financial year 2021 will provide information on the main contents of the regulation and on the compliance with the procedures relating to the timeliness and adequacy of the information provided to the directors.

The minutes of each meeting are usually approved in the meeting following the one the minutes refer to. The draft of the minutes, published in the VDR in good time prior to the meeting summoned to approve them, enables Directors and Auditors to propose possible amendments that they consider appropriate to better describe the discussions held within the Board. The minutes on the discussions to be reported are not prepared prior to the Board meeting (not even as an outline for discussion), but are prepared only afterwards, in order to allow for a totally free discussion that is not "forced" in any way.

Each Director is entitled to propose topics for discussion in the subsequent meetings of the Board. No Director made use of this power during the Financial Year.

The Chairman, with the agreement of those present, may invite persons that are not members of the Board to attend the meetings, as listeners or to provide support.

All Board meetings are attended by the Group General Counsel who usually acts as Board Secretary, supporting the activities of the Chairman and providing, with impartiality of judgement, assistance and advice to the Board of Directors on all aspects relevant to the proper functioning of the system of corporate governance.

With reference to Recommendation no. 18 of the New Code, the Board of Directors has not adopted a framework resolution for the appointment and removal of the Board secretary. The Company shall assess whether it is necessary to define in the regulations pursuant to Recommendation no. 11 of the New Code (see above and also in section 4.4.2.) professional requirements and powers, without prejudice to the fact that to date, in the last five years, the role of secretary was played by the Group General Counsel and, in the exceptional case of her absence, by the Deputy General Counsel.

During the Financial Year:

- at the meeting of 13 February, representatives of the Valore D association participated in an induction to the Board on "The Value of Diversity";
- at the meeting of 15 October, Mr. Fabio Ambrosiani partner of Studio Associato Servizi Professionali Integrati – Fieldfisher, attorney, was invited to present the new Corporate Governance Code.

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. During the Financial Year, an update on business

and management performance and the main transactions was prepared for the Board by the Managing Directors and added to the agenda of 11 of the 15 Board meetings held.

During the Financial Year, the Board of Directors and the Board of Statutory Auditors were also constantly updated on the measures adopted by the Company to prevent the transmission of the Covid-19 virus and on the impacts on the business. The topic was discussed in depth at the meetings held on 12 March, 21 April, 14 May and 18 June.

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

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

The New Code has introduced the objective of promoting “sustainable success” for the Board and equates it with the other strategic objectives of the company, providing that: *“The management body guides the company by pursuing its sustainable success”* (article 1, Principle 1). Sustainable success is understood as *“an objective that guides the board of directors and which is substantiated in the creation of long-term value for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the Company”*. The Company is called upon to pursue no longer and not only “the priority objective of creating value for shareholders in the medium to long term” (this was the formulation contained in the previous Corporate Governance Code), but also ESG (Environmental, Social and Governance) objectives, which refer to environmental, labour and governance factors that contribute to determining the risk and return profile of a company while remaining integrated in the objective of maximizing share value. The Company deems that it is up to the new Board (the one to be appointed by the Shareholders' Meeting held on 20 April 2021) to define the ESG (Environmental, Social and Governance) factors to be taken into consideration in defining the strategy, risk management and remuneration policy, in other words, by integrating sustainability into company life, it being understood that the Company has just embarked on a process to develop a sustainability plan first and foremost, which must be coordinated with strategy, enterprise risk management and remuneration policy. Considering the size of the Company and the resources available, the Company expects it to take 12 to 18 months to finalize this plan so that it can be pursued and implemented.

Without prejudice to the exclusive competences in the matters pursuant to article 2381 of the Italian Civil Code and the provisions of the By-laws, the Board, exclusively

- a) defines the most functional corporate governance system for the performance of the business and the pursuit of its strategies, taking into account the scope for autonomy offered by the legal system; applies and updates the rules of corporate governance, in full compliance with current regulations; if necessary, it assesses and promotes the appropriate amendments, submitting them, when applicable, to the Shareholders' Meeting⁴;
- b) examines and approves the strategic, industrial and financial plans of the Company and the Group it controls;⁵
- 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;⁶
- 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 section 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 Shareholders' Meeting has not already taken care of this matter;

⁴ Formulation already aligned with Principle III of the New Code.

⁵ The New Code sets forth in Principle II: *"The management body defines the strategies of the company" and "monitors their application"*; and then in Recommendation 1: a) *"it reviews and approves the business plan of the company and of the group it controls, also on the basis of the analysis of the relevant issues for the generation of value in the long term to be carried out with the possible support of a committee whose composition and functions are determined by the management body"*; b) *"it periodically monitors the implementation of the business plan and assesses the general performance of operations, periodically comparing the results achieved with those planned (...)"*.

⁶ Wording substantially aligned with Recommendation 1c) of the New Code.

- 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, Risk and Sustainability Committee into consideration, in particular, as well as regularly comparing the results achieved with planned results;
- i) reviews and approves significant transactions (strategic, economic, equity and financial), and transactions with related parties; please refer to section 12 for more information;⁷
- 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 significance⁸, with particular reference to the Internal Control and Risk Management System⁹; please refer to section 11 for more information;
- k) at least once a year, it carries out an evaluation of the size, composition and operation of the Board itself and of its Committees, also taking into account elements such as professional, experience and management characteristics, and gender of its components, as well as their seniority in office, also in relation to adversity criteria possibly adopted; it expresses the Shareholders' views on any professional and managerial figures whose presence on the Board it might deem advisable;¹⁰

⁷ Wording substantially aligned with Recommendation 1e) of the New Code, although at this time the assessment of the significant importance is left to the Executive Directors on the basis of consolidated practice, and the general criteria for identifying significant transactions are not formalised.

⁸ 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 2020, in compliance with the parameters stated above as well as together with business considerations, the following companies are considered to be significant: SAES Getters/U.S.A., Inc., Spectra-Mat, Inc., SAES Getters (Nanjing) Co. Ltd., SAES Smart Materials, Inc., Memry Corporation, SAES Investments S.A., SAES Nitinol S.r.l. and SAES Coated Films S.p.A. On the contrary, while still complying with the parameters stated above, as a result of business considerations, SAES Getters International Luxembourg S.A. is not considered to have "strategic significance".

⁹ Wording substantially aligned with Recommendation 1d) of the New Code.

¹⁰ Principle IVX of the New Code states *"The management body periodically assesses the effectiveness of its activities and the contribution made by its individual components, through formalised procedures, of which it oversees the implementation."* And in Recommendation 22 it states *"that the self-assessment should be conducted every three years, in view of the renewal of the management body"*. The Company will therefore assess whether to change the frequency of the Board Review and the methodology through procedures to be formalised, of which the Board supervises the implementation.

- l) it refers to Shareholders in Shareholders' Meeting; it provides information in the Corporate Governance Report including, among other things, composition, activity, self-evaluation process, implementation of diversity criteria;
- m) at the end of each financial year prepares a calendar of the company events for the subsequent financial year; the 2021 calendar of company events was communicated to the market on 30 November 2020;
- n) approves the procedure for the management of insider information and updates it where necessary¹¹;
- o) is ultimately responsible for the operation and efficiency of the organisational, management and control model pursuant to Italian Legislative Decree 231/2001;
- p) carries out the additional tasks regarding the internal control system, as summarised in section 11.

With reference to letter b) above, during the Financial Year, the Board has evaluated the strategic plans/industrial plans in the meetings of 23 January, 13 February, 15 October and 22 December. In 2021, the Board has met on 21 January and 11 February. The Board will be called upon to monitor the progress of the strategic plan in one of the next Board meetings in around the third quarter.

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 section 11. The Board acknowledged the assessment on the Enterprise Risk Management on 12 March 2020 defining the acceptable risk threshold and approved the six-monthly update in the meeting of 11 November 2020.

With reference to letter d) above, during the Financial Year, the Board approved the budget of the Company and of the Group in the meetings of 23 January and 13 February 2020; with reference to 2021, the Board has dealt with the matter on 22 December 2020 and 21 January 2021.

With reference to letter e) above, in the Financial Year, the Board met for this purpose on 12 March, 14 May, 10 September and 11 November; in 2021, on 11 March.

With reference to letter f) above, on 24 April 2018 the Board decided to set limits for the powers granted to Mr Giulio Canale, as part of the differentiation of powers granted to Executive Directors (see section 4.4.1.). Moreover it is to be noted that, in the past, as well as during the Financial Year, the 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 kept updated. Furthermore, except in the event of an

¹¹ Also in light of Recommendation 1f) of the New Code.

emergency, the resolutions that would fall under the competence of the Executive Directors are also shared beforehand with the Board. At the meeting of 12 September 2019 regarding the transposition of the new PSD2 legislation, whereby the banks had to update the procedure to authorise payment orders in Internet banking, it was specifically requested to clarify certain powers of extraordinary banking administration (e.g. the possibility of performing foreign exchange and interest rate transactions/request international guarantees) and the possibility of sub-delegating the powers. In order to guarantee that Mr Canale is fully operational, as he has been in his previous mandates, taking into account the reasons explained above, the Board resolved to revoke the powers granted on 24 April 2018 and confer new, more specific powers.

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 exercising of the aforesaid powers. During the Financial Year, the delegated bodies reported regularly to the Board in its subsequent meeting on the activities carried out while exercising the powers granted to them. Please see section 4.4.1 for further information.

With regard to letter g) above, on the topic of the targets assigned to the Executive Directors and variable remuneration, during the Financial Year the Board passed resolution on this matter on 12 February, on the proposal of the Remuneration and Appointment Committee. It is to be noted that the Board passes resolutions on the remuneration of the Managing Directors in their absence (the Executive Directors are asked to leave the meeting at the time of discussion of the item on the agenda).

With reference to letter j) above, the Board of Directors met for this purpose on 10 March 2020, upon the proposal of the Audit, Risk and Sustainability Committee, having consulted 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, Internal Audit and the Group General Counsel) and deemed the organisational, administrative and general accounting structure, 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, to be adequate.

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 fifth consecutive year. The Board did not consider it necessary to extend the self-assessment procedure to the Board of Statutory Auditors.

In January 2021 a series of responses to an anonymous questionnaire prepared and sent by the Company Secretary's office in December 2020 aimed at the formalisation of the self-assessment by the Board was collected. The questionnaire was previously validated by the Remuneration and Appointment Committee (which oversaw the entire procedure), which also intervened to further customise the questions in relation to the end of the mandate and in view of the renewal of the management body.

The Board decided not to make use of any external consultants to prepare and issue the questionnaire, nor for carrying out one to one interviews.

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 questionnaires distributed to the Directors included 4 areas (Structure, Role, Functioning and Processes) divided into 19 sections with a total of 112 statements.

The questionnaire also contained free spaces for suggestions in order to further encourage close individual dialogue with the Chairman and the Company Secretary.

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

- the organisation of the Board, including the number of meetings and their length; the completeness and promptness of the information provided to 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.

The Board Review does not contain individual assessments on the individual directors. Each Director was able to answer each question on the questionnaire by agreeing or disagreeing.

The collection and processing of responses is carried out by the Company Secretary (Legal Department) and these are first of all shared and discussed with the Remuneration and Appointment Committee, and subsequently presented to the Board, together with any proposals from the Committee. The Remuneration and Appointment Committee met to discuss this on 9 February 2021. The Board completed the evaluation within its area of competence with a positive result in the meeting of 11 February 2021.

The results of the responses to the questions on the questionnaire show an overall positive picture of the Boards and Committees of the Company, essentially confirming the outcome of the Board Review for the 2019 financial year. The results of the aforesaid analysis were particularly satisfying given that the average reached in the total of questions on a 5-point scale is 4.82.

This score for the four areas is as follows:

	2020	Δ 20/19	2019	Δ 19/18	2018	Δ 18/17	2017	Δ 17/16	2016
STRUCTURE	4.87	0.09	4.78	0.21	4.66	0.05	4.61	0.01	4.6
ROLE	4.65	-0.02	4.67	0.32	4.33	0.10	4.23	-0.07	4.3
PROCESSES	4.86	-0.02	4.88	0.06	4.80	0.16	4.64	0.04	4.6
FUNCTIONING	4.88	-0.11	4.98	0.13	4.75	0.03	4.72	0.02	4.7
AVERAGE AREAS	4.82	-0.01	4.83	0.18	4.64	0.09	4.55	0.05	4.5
PEFORMANCE	5.00	0.02	4.98	0.33	4.67	-0.03	4.7	0.01	4.7

No particular need for improvement has emerged as a result of the Board's self-assessment, but rather useful suggestions and indications for the preparation of the Board's guidelines to be submitted to the Shareholders for the purposes of preparing the lists (attached to the specific Board's Report to the Shareholders' Meeting).

Useful ideas emerged for the purpose of preparing the qualitative profile of the Directors to be appointed, included in the guidelines to be submitted by the Board to the Shareholders' Meeting and attached to the specific Report for the Shareholders' Meeting on the renewal of the Board.

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

1. the merger resolution in the cases referred to in articles 2505 and 2505-*bis* of the Italian Civil Code, also as referred to for the spin-off from article 2506-*ter* last paragraph of the Italian Civil Code, in those cases when these rules apply;
2. the establishment or closure of secondary offices and branches;
3. the awarding of powers of representation to Directors;
4. any reduction in capital in the event of withdrawal of a shareholder;
5. the amendment of the By-laws in order to comply with legal provisions;
6. the transfer of registered offices within Italy.

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

The Board of Directors of 13 November 2012 decided to comply with the opt-out system set forth in articles 70, paragraph 8, and 71, paragraph 1-*bis*, of the CONSOB Regulations for 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 criterion 2.C.1. of the Code, the following persons can be considered Executive Directors of the Company:

- the Managing Directors of the Company or of a strategically significant subsidiary¹², 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 cover managerial offices in the Company or in a subsidiary 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

¹²See note no. 8.

Executive Directors, per se, unless these powers are, in fact, used with considerable frequency.

Two of the Directors in office are Managing Directors. The Board appointed by the Shareholders' Meeting of 24 April 2018 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, Chief Executive Officer and Chief Technology & Innovation Officer (namely, Mr Massimo della Porta) and the Managing Director and Group Chief Financial Officer (namely, Mr Giulio Canale), separately, were granted the powers of ordinary and extraordinary administration, with the exclusion of the powers reserved exclusively to the Board or those reserved by law to the Shareholders' Meeting.

In the Financial Year, following a process supervised by the Remuneration and Appointment Committee, unlike in previous years, the mandates to the Executive Directors were differentiated in terms of areas of 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):

Massimo della Porta:

- 1) carrying out any action necessary for the ordinary and extraordinary management of the Company, including the definition of market strategies, organisational and technical-productive structures, investments, resources and any other action that may be viewed to be for the improvement, also in the international context, of the Company's activities;
- 2) coordinating relationships with other Group's companies at international level, adopting determinations relative to their management and planning policies, in order to make the process of globalisation initiated within the Group more effective;
- 3) representing the Company in Shareholders' Meeting or any other corporate organs of related or subsidiary companies;
- 4) appointing representatives for individual deals or categories of deals, determining their powers and compensation, as well as revoking their appointment; delegating all or part of the powers conferred here in favour of one or more Company's employees, but without depriving themselves of the same powers, through assignment and signature of mandates specifying the powers from time to time delegated, as well as the total or partial revocation of such mandates;
- 5) 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;

6) purchasing, exchanging and transferring assets when running the Company business; stipulating, with all the appropriate clauses, amending and cancelling any kind of contract, agreement and convention without limitation as to the cause or matter; authorising purchases of raw materials, semi-finished goods, finished products and consumables, including the option to sign tender agreements for the execution of works and plants, managing, amending and resolving relative contracts; acquiring, selling, exchanging, granting technological licenses, marks and patents;

7) selling products and services to entities outside of the SAES Group, participating to procedures for the selection of contractors, acquiring, managing, amending and cancelling contracts with private and public subjects providing also, for each previously agreed and connected operation, the power to present offers and estimates, participating to tenders or other contractors' selection procedures organised by public or private entities, including procedures totally or partially based on electronic means with the power to offer, also on loan, exchange, lease or licence, any product marketed and post-sale service offered by the Company, as well as any auxiliary and complementary works, supplies and services, signing the relative documentation accompanying them, negotiating, accepting or refusing orders from customers, agreeing and signing relative contracts, certificates and declarations and all that is necessary for the purposes of the contract; authorising offers also outside of current market condition, providing to complete all formalities relative to the sale of all products and services of the Company, demanding the price of the goods sold from debtors and paying for goods purchased; loaning free of charge products sold by the Company, managing and terminating relative contracts;

8) nominating consultants, agents, brokers, concessionaries, distributors or other commercial partners, finalising, amending and terminating relative contracts, signing secrecy agreements;

9) demanding the fulfilment of third-party obligations or obligations from third parties to the Company;

10) collecting receivables, also banking ones, agreeing reductions, bonuses, respectively cashing, releasing, withdrawing sums (also through the issue and receipt of bank cheques), values (also if made up of guarantee deposits), goods in anyway due to the Company by any private individual or any Credit Institute, by any Ministry or other Public Administration or public body, including State, Provincial or Municipal Treasuries, Savings and Loans Institutes, the Management of Public Debt, the National Institute for Foreign Trade (I.C.E.), Customs Administrations, Stamp and Registration Duty Offices, VAT Offices, Tax Collection Offices, the Inland Revenue, and any other financial administration organ, releasing receipts and discharges as necessary;

11) opening bank and/or post office accounts, also restricted or as

guarantee, 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, including overdraft, always in interest of the Company, as well as issuing and requesting the issue of bank cheques and bank drafts;

12) endorsing and presenting sight drafts for discount and discounting, as well as endorsing for accreditation only, sight drafts made out to third parties;

13) endorsing to Bank Institutes, for accreditation on the current accounts, post money orders, bank cheques, cashier's checks;

14) 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;

15) applying partial or total waivers on the Company's receivables, defining the relative terms and conditions;

16) signing receipts for letters accompanying valuables or documents;

17) managing and signing the Company's correspondence; collecting money orders, registered and insured letters, packets, parcels and objects in anyway due to the Company from private individuals or public administrations, including postal and telegraphic communications, with the issue of receipts;

18) carrying out transactions with the railway and customs Administrations, regarding the shipment, clearance and collection of all kinds of goods;

19) 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 set forth in tax legislation;

20) lodging objections, complaints, grievances, appeals in terms of tax and duties, as well as representing the company with tax organs, Tax Commissions, etc.;

21) employing and dismissing employees, collaborators and personnel, in any category and grade, including senior managers, signing relative contracts and setting employment conditions as well as managing subsequent contractual variations that may become necessary, including changes in tasks and/or compensation; managing disciplinary procedures with regard to employees and deciding the disciplinary provisions more appropriate to the specific case; representing the Company in any work lawsuit or dispute, both as plaintiff or defendant, at every stage and level of jurisdiction, in Courts, Courts of Appeal and the Cassation Courts, as well as in trade union or administrative settings, with the Ministry of Labour and Social Policies,

Provincial Conciliation Committees in National and Provincial Labour Inspectorates, Conciliation and Arbitration Panels, etc., with the power to reconcile or compromise, renounce and accept renunciation; nominating representatives expressly tasked to represent the Company in work disputes with any power of the law, including that to reconcile or compromise, renounce and accept renunciation, at every stage and level of jurisdiction, as well as any extrajudicial act that may become necessary for the execution of the mandate conferred with full ratification and approval;

22) 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, therefore also before the Constitutional Court, the Cassation Court, the State Council, the High Court of Public Waters, regional judiciaries and any judiciary, also specialist, including fiscal jurisdiction, also in revocation judgements and third-party proceedings; appointing and dismissing, if necessary, lawyers, attorneys ad litem and expert consultants, granting them the most extensive powers;

23) issuing garnishee's statements pursuant to article 547 of the Italian Code of Civil Procedure;

24) representing the Company before the Bank of Italy, CONSOB and management company of the market, negotiating and defining all practices regarding these parties; signing any type of correspondence with the Bank of Italy, CONSOB and the management company of the market, signing complaints, declarations, requests, communications, depositions and anything else required by the law or requested by Bank of Italy, CONSOB and the management company of the market;

25) reaching compromises and settling disputes of the Company with third parties, appointing arbitrators also for amicable settlements, and signing the corresponding settlement deeds;

26) representing the Company in insolvency procedures against third parties with all necessary powers including but not limited to lodging claims, accepting or refusing agreements, demanding and accepting allocations, participating in creditors' meetings, acting as a member of the creditors committee should the Company be asked to take part, making credit declarations agreeing their amount, accepting and refusing proposals of agreement, as well as carrying out all the necessary or required actions in relation to such procedures;

27) distributing free contributions in cash or nature for scientific, cultural or philanthropic initiatives, offering hospitality, trips and promotional gifts for a maximum amount of €50,000.00 per transaction.

Mr Giulio Canale, who covers the role of Chief Financial Officer, has been assigned powers of a financial nature, in addition to signatory powers for more ordinary

contracts, with a limit in value compared to the powers of the Chairman.

At the meeting of 12 September 2019, a clarification requested by the banking system was necessary in relation to the transposition of the new PSD2 regulation, for which the banks had to update the method of authorisation of payment provisions in Internet banking, some banking-related powers of extraordinary administration were clarified (e.g. possibility of carrying out transactions on exchange rates and interest rates/requesting international guarantees) and the possibility of sub-delegating powers.

In order to guarantee that Mr Canale is fully operational, as he has been in his previous mandates, taking into account the reasons explained above, the Board has revoked the powers granted on 24 April 2018 and conferred the following powers:

- 1) representing the Company in Shareholders' Meeting or any other corporate organs of related or subsidiary companies;
- 2) representing the Company in service agreements with other Group's companies, each with a yearly value of not over €500,000.00 (five hundred thousand/00);
- 3) stipulating agreements with a duration of not over 36 (thirty-six) months and relating to purchases and supplies of goods (raw materials, semi-finished products, finished goods and consumables) and services necessary for the needs and the management of the Company's activities, authorising purchases of a value of up to €150,000.00 (one hundred and fifty thousand/00) per transaction;
- 4) appointing representatives for individual deals or categories of deals, determining their powers and compensation, as well as revoking their appointment; delegating all or part of the powers conferred here in favour of one or more Company's employees, but without depriving themselves of the same powers, through assignment and signature of mandates specifying the powers from time to time delegated, as well as the total or partial revocation of such mandates;
- 5) signing confidentiality agreements (without penalties);
- 6) demanding the fulfilment of third-party obligations or obligations from third parties to the Company;
- 7) collecting receivables, also banking ones, agreeing reductions, bonuses, respectively cashing, releasing, withdrawing sums (also through the issue and receipt of bank cheques), values (also if made up of guarantee deposits), goods in anyway due to the Company by any private individual or any Credit Institute, by any Ministry or other Public Administration or public body, including State, Provincial or Municipal Treasuries, Savings and Loans Institutes, the Management of Public Debt, the National Institute for Foreign Trade (I.C.E.), Customs Administrations, Stamp and Registration Duty Offices, VAT Offices, Tax Collection Offices, the Inland Revenue, and any other

financial administration organ, releasing receipts and discharges as necessary;

8) opening bank and/or post office accounts, also restricted or as guarantee, 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, including overdraft, always in interest of the Company, as well as issuing and requesting the issue of bank cheques and bank drafts;

9) to carry out transactions on exchange rates, interest rates and commodities / request guarantees of any kind (without amount limits);

10) endorsing and presenting sight drafts for discount and discounting, as well as endorsing for accreditation only, sight drafts made out to third parties;

11) endorsing to Bank Institutes, for accreditation on the current accounts, post money orders, bank cheques, cashier's checks;

12) 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;

13) issuing partial and total waivers on Company's receivables, defining relative terms and conditions, within the limit of €250,000.00 (two hundred and fifty thousand/00) per transaction;

14) signing receipts for letters accompanying valuables or documents;

15) managing and signing the Company's correspondence; collecting money orders, registered and insured letters, packets, parcels and objects in anyway due to the Company from private individuals or public administrations, including postal and telegraphic communications, with the issue of receipts;

16) carrying out transactions with the railway and customs Administrations, regarding the shipment, clearance and collection of all kinds of goods;

17) 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 set forth in tax legislation;

18) lodging objections, complaints, grievances, appeals in terms of tax and duties, as well as representing the company with tax organs, Tax Commissions, etc. for disputes of value of up to €1,000,000.00 (one million/00);

19) employing and dismissing employees, collaborators and personnel, in any category and grade, including senior managers, signing relative contracts and

setting employment conditions as well as managing subsequent contractual variations that may become necessary, including changes in tasks and/or compensation; managing disciplinary procedures with regard to employees and deciding the disciplinary provisions more appropriate to the specific case; representing the Company in any work lawsuit or dispute, both as plaintiff or defendant, at every stage and level of jurisdiction, in Courts, Courts of Appeal and the Cassation Courts, as well as in trade union or administrative settings, with the Ministry of Labour and Social Policies, Provincial Conciliation Committees in National and Provincial Labour Inspectorates, Conciliation and Arbitration Panels, etc, with the power to reconcile or compromise, renounce and accept renunciation; nominating representatives expressly tasked to represent the Company in work disputes with any power of the law, including that to reconcile or compromise, renounce and accept renunciation, at every stage and level of jurisdiction, as well as any extrajudicial act that may become necessary for the execution of the mandate conferred with full ratification and approval;

20) 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, therefore also before the Constitutional Court, the Cassation Court, the State Council, the High Court of Public Waters, regional judiciaries and any judiciary, also specialist, including fiscal jurisdiction, also in revocation judgements and third-party proceedings of value of up to €1,000,000.00 (one million/00); appointing and dismissing, if necessary, lawyers, attorneys ad litem and expert consultants, granting them the most extensive powers;

21) issuing garnishee's statements pursuant to article 547 of the Italian Code of Civil Procedure;

22) representing the Company before the Bank of Italy, CONSOB and management company of the market, negotiating and defining all practices regarding these parties; signing any type of correspondence with the Bank of Italy, CONSOB and the management company of the market, signing complaints, declarations, requests, communications, depositions and anything else required by the law or requested by Bank of Italy, CONSOB and the management company of the market;

23) reaching compromises and settling disputes of the Company with third parties, appointing arbitrators also for amicable settlements, and signing the corresponding settlement deeds, for values not exceeding €1,000,000.00 (one million/00);

24) representing the Company in insolvency procedures against the parties with all necessary powers including but not limited to lodging claims, accepting or refusing agreements, demanding and accepting allocations, participating in creditors' meetings, acting as a member of the creditors committee should the Company be

asked to take part, making credit declarations agreeing their amount, accepting and refusing proposals of agreement, as well as carrying out all the necessary or required actions in relation to such procedures;

25) distributing free contributions in cash or nature for scientific, cultural or philanthropic initiatives, offering hospitality, trips and promotional gifts for a maximum amount of €20,000.00 (twenty thousand/00) per transaction.

The Board also conferred legal representation of the Company before third parties and in legal proceedings to the Chairman, Mr Massimo della Porta and the Deputy Chairman and Chief Executive Officer, Mr Giulio Canale, within the limits of the administration powers granted, and separately, pursuant to article 20 of the By-laws.

The Executive Directors are in fact 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 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 its 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 liaison between the Executive and Non-Executive Directors, defines the agenda, and leads the related meetings.

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 ten days prior to the Board meeting: in the Financial Year ranging from a minimum of eight days to a maximum of fifteen days). With regard to the financial reports, these are made available at least two working days' notice, depending on the technical time required to prepare the documents. The Company is working hard on internal procedures to improve the specific flow of pre-Board meetings information.

The documents are published in a Virtual Data Room (VDR) with protected access reserved to directors and auditors. As an exception, in light of the nature of the

resolutions to be passed and due to higher confidentiality requirements, such as, for example, with regard to strategy plans, with the consent of the Directors, the material may not be anticipated to them, but instead published in the VDR after the Board meeting. In light of Principle IX of the New Code and Recommendation 11 of the New Code, in the coming months a regulation will be drawn up to define the rules for the functioning of the Board and its committees, including the methods for recording the minutes meetings and procedures for managing the information to be provided to the directors. These procedures will identify the terms for the prior dispatch of said information and the methods for protecting the confidentiality of the data and information provided so as not to jeopardize the timeliness and completeness of the information flows, the circumstances in which it is possible to derogate and the opportunity for the Chairman and/or the Lead Independent Director, in the event of non-compliance with the deadlines, to investigate the causes.

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 by the Majority Shareholder of the Company (S.G.G. Holding S.p.A.).

In compliance with principle 2.P.6. of the Code (and also in light of Recommendation 4 of the New Code), it is noted that the Board has decided to delegate powers to the Chairman, so that Mr Massimo della Porta could continue to act effectively and to provide the strategic impulse he has always provided in previous Board mandates (as from 29 April 1997). The assignment of powers and the concentration of offices assigned to Mr Massimo della Porta are considered to be consistent with the organisational structure of the Company.

In compliance with application criterion 2.C.4. of the Code and Recommendation 13 of the New 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 significant operational authorisations. Therefore, on 24 April 2018, the Board considered it appropriate to appoint Mr Stefano Proverbio 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 new laws and regulations that concern the Company and the company bodies. During the Financial Year, having regard to the constraints/restrictions related to the Covid-19 epidemic, priority was given to business management but in any case two induction initiatives were carried out: one at the meeting of 13 February 2020 with the presence of representatives of Valore D on "The Value of Diversity"; and one at the meeting of 15 October 2020, with the presence of

Mr. Fabio Ambrosiani partner of Studio Associato Servizi Professionali Integrati – Fieldfisher, attorney, to illustrate the changes introduced by the New Code and the differences with the Corporate Governance Code.

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 Director in contact with the manager/s 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. No Director made use of this power during the Financial Year.

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 its subsequent meeting on the activities carried out while exercising the powers granted to them.

4.5. Other Executive Directors

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

4.6. Independent Directors

The Board in office, elected by the Shareholders' Meeting of 24 April 2018, is made up of nine (9) members, including two (2) Executive Directors and seven (7) Non-Executive Directors, three (3) of which qualify as Independent Directors and one (1) qualifies as Independent Director under the provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Finance Law but not under the Corporate Governance Code.

On the other hand, in relation to the presence of Independent Directors and considering the provisions of article 147-ter, paragraph 4 of the Consolidated Finance Law, and article 3 of the Code, as well as article IA.2.10.6. of the Instructions to the Regulation on Markets Organised and Managed by Borsa Italiana S.p.A., for the purpose of complying with the stricter requirements for membership of the STAR segment (that the Company belongs to), the number of Independent Directors (as defined by the above-

mentioned provisions) will be considered adequate when the following are present:

- at least 2 (two) Independent Directors for Boards comprising up to 8 (eight) members;
- at least 3 (three) Independent Directors for Boards comprising from nine (9) to fourteen (14) members;
- at least four (4) Independent Directors for Boards comprising fifteen (15) members.

If the Shareholders' Meeting resolves to amend the number of members of the Board, it is advisable that the afore-mentioned proportions are respected.

The New Code requires at least two independent directors, in addition to the Chairman, to be part of the ideal composition of the Board.

The Company deems it appropriate to maintain a proportionality criterion as indicated above.

With reference to principle 3.P.1. and to the application criterion 3.C.3. of the Code, as well as to the Principle VI of the New Code, the Company believes that three (3) Non-Executive Independent Directors should be appointed for a Board of nine (9) to fourteen (14) directors.

The current Board was appointed in April 2018 with a lower number (9) of directors than the previous one (11).

The new Board, in office since 2018, has four Independent Directors pursuant to the Consolidated Finance Law and three pursuant to the Code. In relation to Recommendation 5 of the New Code, the Company believes that the number and skills of the independent directors are adequate to the needs of the company and the functioning of the management body, as well as the establishment of the relative committees.

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 criterion 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 non-mandatory situations:

- a) if the Director is the holder of a quantity of shares, either directly or indirectly, also through subsidiary companies, trust companies or third parties, that enable the Director to exercise control or to have considerable influence over the Company, or is party to a shareholders' 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 figure¹³ in the Company, 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 shareholders' 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 in the previous three financial years, an employee of one of the aforesaid parties;
- 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, even if not consecutive, in the last twelve years;
- f) if the Director holds the office of Executive Director in another company in which an Executive Director of the Company holds the office of Director;
- g) if the Director is a shareholder or Director of a company or body belonging to the network of the company entrusted with the statutory audit of the Company;
- h) if the Director is a close relative of a person in one of the situations described in the previous points and in particular if the Director is the spouse that is not legally separated, common law spouse, relative or relative by marriage up to fourth degree of

¹³In compliance with application criterion 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.

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 undertake to promptly notify the Board if an event that could affect their “independence” status occurs; in general, they provide all the elements necessary or useful for the assessment of the management body, which considers, on the basis of all of the information available, any circumstance that affects or may appear likely to affect the independence of the director¹⁴.

The independence of the Directors and the relationships that may be or appear to compromise the unbiased judgement 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 subsequently 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.

Pursuant to Recommendation 6 of the New Code, the management body assesses the independence of the Independent Directors immediately after their appointment as well as during the course of their mandate when circumstances relevant to independence occur and in any case at least annually.

At the meeting of 11 February 2021, as every year (in the Financial Year: on 13 February in 2020), 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 148, paragraph 3, of the Consolidated Finance Law, that the Directors Gaudiana Giusti, Stefano Proverbio, Luciana Rovelli have qualified as “Independent”, and on the sole basis of the individual independence requirements set

¹⁴ Also in light of Recommendation 6 of the New Code.

forth in articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Finance Law, that Adriano De Maio has qualified as "Independent". Mr Adriano de Maio complies with the independence criteria jointly established pursuant of articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Finance Law but not those of the Corporate Governance Code as he has been a Company's Director for more than nine of the last twelve years (his first appointment dates back to 2001 and he has been a Director for more than nineteen years) but this is the only reason for failing to qualify as Independent Director. In fact, he does not, nor has he recently maintained, not even indirectly, relationships with the Company or with subjects linked to it, such as to affect his autonomy of judgement. The Company has opted for a rigorous application of the criteria of the Corporate Governance Code and does not view him as an Independent Director pursuant of the same and in all communication it specifies the limited application of his qualification.

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. For this reason (the Independent Directors have no economic, professional, commercial or financial relations with the Company), it did not deem it necessary to define the quantitative and qualitative criteria to assess the significance referred to in letters c) and d) above.

All Directors filed suitable declarations before the Shareholders' Meeting stating that they satisfied the requirements of Independent Directors (as explained above). The Board informed the market of continued positive assessment of the independence of its Independent Directors on the present date.

Also for the purposes of application criterion 3.C.5. of the Code, in its meeting of 11 February 2021 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.

Meetings. With reference to application criterion 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, on the proposal of the Lead Independent Director, met on 11 November in the absence of the other Directors, for a follow-up on the findings of their 2019 meeting in order to verify the implementation of the proposals formulated to the Board and to consider proposals for the induction to the Board, concluding by expressing their wish to organise a seminar on Environmental, Social and Governance issues and a seminar on Climate Change. As in the previous year, the work of the Board was assessed positively with the only recommendation to bring forward the adoption, possibly already in the first half of 2021, of the Regulation

referred to in Recommendation 11 of the New Code, i.e. *"which defines the rules for the functioning of the body itself and its committees, including the methods for recording the minutes of the meetings and the procedures for the management of information to be provided to the directors. These procedures identify the terms for the prior sending of the disclosure and the methods for protecting the confidentiality of the data and information provided so as not to jeopardise the timeliness and completeness of information flows."*

During the meeting, the Independent Directors also discussed the suggestions to be provided to the Board and/or the Remuneration and Appointment Committee in anticipation of the appointment of the new Board, proposing that an assessment be made of the opportunity to split the positions of Chairman and CEO (or director with management powers), although there is no explicit recommendation to that effect in the New Code. Having also assessed the practice of other listed companies, in light of the maintenance of the provisions of the New Code on the Lead Independent Director, as there are no substantial changes to this office compared to the version of the Corporate Governance Code, the Directors have agreed that the New Code also allows for the possibility that the Chairman is also the CEO and that it is the Lead Independent Director who balances this concentration of offices, without prejudice to the possibility of derogate from it, if necessary, through the comply or explain principle.

The Lead Independent Director reported on the conclusions of the Independent Directors at the Board meeting of 22 December 2020.

4.7. Lead Independent Director

As illustrated in section 4.4.2. above, as the Chairman of the Board also has broad 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 criterion 2.C.3. of the Code (and Recommendation 13 of the New Code), the Board of 24 April 2018 has considered it appropriate to appoint the Independent Director Mr Stefano Proverbio as Lead Independent Director.

The Non-Executive Directors (and in particular the Independent Directors) refer to the latter 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. During the Financial Year, the Lead Independent Director asked the Company Secretary to call a meeting of only Independent Directors as indicated in the previous paragraph.

Mr Stefano Proverbio is a member of one of the two Committees set up within the Board (the Audit, Risk and Sustainability Committee) and he is also a member of the Supervisory Body.

5. PROCESSING OF COMPANY INFORMATION

On 24 March 2006, the Board adapted itself 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 EU 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 criterion 1.C.1, letter j) of the Code, which defines the conduct of Directors, Auditors, managers and employees in relation to the internal management and disclosure to the market of inside information, i.e. precise information that has not been made public, concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments, which, if made public, could have a considerable influence on the prices of these financial instruments.

The procedure stated above, available on the Company website www.saesgetters.com/investor-relations/corporate-governance/policies-procedures/inside-information 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, identifies 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.

On 20 July 2017 the Board approved the new version of the Procedure for the management of Inside Information amending the version in force in light of the changes

to the legal framework on market abuse, introduced by Regulation (EU) no. 596/2014 ("MAR") and the related level 2 acts.

The main differences and changes to the previous version concern the management process of so-called inside information, and more specifically:

- the identification of specific relevant information, starting with the mapping of relevant information flows;
- the monitoring of the circulation of this information, through the use of the Relevant Information List ("RIL");
- identification of the time when the specific relevant information becomes inside information, which, practically in parallel, leads to the segregation of the inside information (and the activation of the Insider List) and the decision on to publish or delay the publication thereof;
- publication of the information, or, alternatively, the launch of the delay procedure;
- publication of the inside information if the conditions that allow for the delay are no longer met.

As described in more detail in the Procedure, "inside information" means information of a precise nature that has not been made public, directly or indirectly concerning the Company (and its scope of consolidation) and that, if made public, could have a significant effect on the prices of related listed financial instruments.

Information is deemed to be of "a precise nature" if:

- a) it indicates a set of circumstances, which exists or may reasonably be expected to come into existence, or an event, which has occurred or may reasonably be expected to do so;
- b) it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event referred to in letter a) on the prices of financial instruments.

In the case of a "protracted process" that is intended to bring about, or that results in, particular circumstances or a particular event (such as, for example, the process of acquiring a company), also the "intermediate steps" of that process can be considered to be inside information if, in turn, they meet the aforesaid criteria on inside information.

Inside information must be communicated to the public "as soon as possible".

On 11 February 2021, the General Counsel reported to the Board of Directors on the state of implementation of the management procedure for inside information, in terms

of events/projects/processes mapped through the registrations made to the Relevant Information List (RIL) and/or to the Insiders List.

The Board also approved the *Code of Conduct for Internal Dealing* (hereinafter also "Internal Dealing Code"), which regulates the information disclosure requirements that the Relevant Persons and/or the Persons Closely Associated to the Relevant 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 Relevant Persons and by Closely Associated Persons. The Internal Dealing Code provides for black-out periods, i.e. predetermined periods (the 30 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 Internal Dealing Code was amended by the Board of 29 July 2016 to also formally implement Regulation (EU) no. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse (MAR or "Market Abuse Regulation") and which repeals directive 2003/6/EC of the European Parliament and the Council, as well as directives 2003/124/EC, 2003/125/EC e 2004/72/EC.

The Chairman and the Managing Director may prohibit, or restrict, the performance of transactions by Relevant 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 Relevant 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.

During the Financial Year, a report was made to the competent authorities about the purchase of 35,000 ordinary shares, as required by the current legislation, following a transaction carried out by a Relevant Party (the relative majority shareholder S.G.G. Holding S.p.A.). As at the date of approval of this Report, no reports were made for 2021.

The Directors and Statutory 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 precise 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 Consolidated Finance Law)

The Board of Directors ensures an adequate internal distribution of its functions and establishes board committees with preliminary analyses, proposing and advisory functions.

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

The minutes of all Committee meetings are duly recorded. The meetings are made accessible to the Board of Statutory Auditors.

In relation to application criterion 4.C.1. letter d) of the Code and Recommendation 17 of the New Code, 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: the Chairwoman of the Audit, Risk and Sustainability Committee reports at least every six months to the Board on the work of this Committee and if she considers it appropriate she 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 set up one or more further Committees within it 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 criterion 4.C.1., letter e) of the Code, it is specified that the existing Committees (Remuneration and Appointment Committee and the Audit, Risk

and Sustainability Committee) are provided with annual predetermined expenses budgets that are considered adequate for the performance of their activities.

The Chairwoman of the Committee may invite the Chairman of the Board of Directors/Chief Executive Officer, the other directors and, upon informing the Chairman of the Board of Directors/Chief Executive Officer, the representatives of the company departments responsible for given matters; the members of the control body may attend the meetings of each Committee.

The committees have the right to access the information and the company functions necessary for the performance of their duties, have financial resources and make use of external consultants, under the terms established by the Board of Directors.

6.1. Audit, Risk and Sustainability Committee

For all information regarding the Audit, Risk and Sustainability Committee please refer to section 10 of this Report.

6.2. Appointment Committee

On the basis of the recommendations of the Code, application criterion 4.C.1, letter c), since 2012 the Board assessed the possibility of grouping the functions provided for the Appointment Committee (application criterion 5.C.1., letters a) and b)) into a single Committee (Remuneration and Appointment Committee) in consideration of the close correlation and mutual relevance of the subjects dealt with.

With reference to the recommendations made by the Chairwoman of the Committee for Corporate Governance in her letter of 13 December 2017 (brought to the attention of the Board of Directors on 15 February 2018 and already commented upon in the Corporate Governance Report relative to the 2017 financial year), relative to the institution of an appointment committee, separate from the remuneration committee, with separate reporting, the Board did not deem nor does it deem being necessary to accept the recommendation. In fact, in light of the streamlined organisation of the Board and the Company, including the work carried out by the current Remuneration and Appointment Committee on the occasion of the expiry of the mandate of the previous Board, considering the activities of a possible Appointment Committee to be limited in time, it is considered that the decision to group the tasks envisaged for the Appointment Committee into a single committee - the Remuneration and Appointment Committee - to still be valid and achievable, in consideration of the correlation and reciprocal relevance of the issues handled.

6.3. Executive Committee

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

6.4. Remuneration and Appointment Committee

For all information regarding the Remuneration and Appointment Committee please refer to section 8 of this Report.

6.5. Committee for transactions with related parties

The Committee is composed of Independent Directors and 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 for transactions with related parties published on the Company website <https://www.saesgetters.com/investor-relations/corporate-governance/policies-procedures/related-party-o>.

The Committee did not meet during the Financial Year.

7. APPOINTMENT COMMITTEE

On the basis of the recommendations of the Code, application criterion 4.C.1, letter c), as from financial year 2012 the Board has assessed the possibility of grouping the functions provided for the Appointment Committee (application criterion 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.

In its capacity as Appointment Committee, the Remuneration and Appointment Committee, at the meeting of 1 March 2021 delivered its opinion on the qualitative and quantitative composition of the new Board, which the Board has approved on 11 March 2021, as annex to the Report for the Meeting on this matter.

8. REMUNERATION AND APPOINTMENT COMMITTEE

The Board of Directors set up the Compensation Committee, now the Remuneration and Appointment Committee, within the Board on 17 December 1999 with consulting

and proposal functions. The Committee complies with its own Regulations, approved by the Board of Directors on 20 December 2012 and amended on 16 January 2020, which govern 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.

The Remuneration and Appointment Committee is composed of three non-executive directors, of which two are independent and is chaired by an Independent Director.

The members are: Ms Gaudiana Giusti (Independent Director) – Chairwoman 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 the Consolidated Finance Law) and Ms Luciana Rovelli (Independent Director).

At least one member has considerable knowledge and experience in accounting and finance matters. In this case, all members have the above-mentioned adequate experience.

During the Financial Year the Committee met 4 times with an average attendance of 91.67% of its members (in line with 2019) and the meetings lasted an average of one and a half hour (higher than the one hour average of the previous year). On the invitation of the Chairwoman, the Group Legal Counsel and the Group HR Director attended the meetings, who ensure direct access to the company information necessary for the Committee to perform its duties. At least seven meetings are planned for 2021, of which four have already been held on 13 January, 28 January, 9 February and 1 March 2021. Minutes of the meetings of the Committee are duly recorded by the Group Legal Counsel.

Executive Directors do not usually attend the meetings of the Remuneration and Appointment Committee (and they did not attend in the Financial Year), nor do they attend meetings in which their remuneration is decided upon. The Chairman of the Board of Statutory Auditors is always invited to the meetings, and has attended all the meetings held during the Financial Year. 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 by the Committee itself.

During the Financial Year, the Committee has:

- verified the achievement of objectives (MBO) and approved the 2019 bonus proposal for the Executive Directors and Plafond PfS for the 2019 financial year;
- reviewed the draft of the 2020 Remuneration Policy, of the PfS Guidelines and the 2020 Long Term Incentive Plan;

- reviewed the 2018/2020 Adjusted EBIT proposal to the LTIP for the Executive Directors;
- proposed and subsequently reviewed the proposal relating to the 2020 Adjusted EBITDA target for Executive Directors as well as the Adjusted EBITDA target to be included in the PfS Guidelines;
- monitored the progress of annual objectives (MBO / PfS) in compliance with company policies and the 2020 Remuneration Policy;
- approved the Committee's Annual Report;
- presented to the Board the results of the Board Review for 2019; evaluate and integrate the questionnaire to be used in the Board Review for the year 2020; has guided the Board of Directors' self-assessment process for the Financial Year;
- approved the new Committee Regulations;
- assigned Phantom Shares to an additional beneficiary in accordance with the Plan Regulations;
- approved the Diversity Policy to be submitted to the Board.

On 11 February 2021, the Chairwoman of the Committee reported to the Board on the activities carried out during the Financial Year, as summarised above.

9. REMUNERATION OF DIRECTORS

For all information on the remuneration of directors please refer to the the Report on the Remuneration Policy and the amounts paid for the year published by the Company pursuant to article 123-ter of the Consolidated Finance Law.

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

10.1. Composition and operation of the Audit, Risk and Sustainability Committee

By virtue of principle 7.P.4. of the Code, the Board set up an Audit, Risk and Sustainability Committee (Committee replacing the Internal Control Committee), composed of three (3) Non-Executive Directors, the majority of whom are Independent, and is chaired by an Independent Director. On 24 April 2018 the Board, after changing the name of the Committee from "Audit and Risk Committee" to "Audit, Risk and

Sustainability Committee”, appointed the following Directors as members of the Audit, Risk and Sustainability Committee: Ms Luciana Rovelli (Independent Director) – Chairwoman of the Committee, Ms Gaudiana Giusti (Independent Director) and Stefano Proverbio (Independent Director).

At least one member of Committee has adequate experience in accounting and financial matters. In this case, all members have the above-mentioned adequate experience. The Chairwoman has adequate knowledge of risk assessment and compliance matters.

The Committee has its own Regulations, which regulate 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.

The Audit, Risk and Sustainability Committee is chaired and meets on the initiative of the Chairwoman. The minutes of the Committee meetings are duly recorded. The Executive Directors do not normally attend Committee meetings. The Managing Director and Chief Financial Officer Giulio Canale met with the Committee at the meetings of 12 February 2020 and 16 December 2020 to present the update of the materiality matrix relating to the Consolidated Non-Financial Statement, respectively for the year 2019 and the Financial Year.

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. During the Financial Year the Chairman of the Board of Statutory Auditors attended all the meetings of the Committee.

The Committee may invite non-members to attend its meetings, with reference to each item on the agenda. On the invitation of the Chairwoman, the Risk Compliance and Internal Audit Department, and the Legal Department – within which the Secretary of the Committee is normally appointed – attend the meetings and ensure that the Committee has constant access to any company information it may need in order to perform its duties.

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

In the performance of its tasks, the Audit, Risk and Sustainability Committee has the right to access the company information and 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, Risk and Sustainability Committee accessed the company information and made contact with the departments made

available by the Company, and in particular with the audit firm, the Chairman of the Board of Statutory Auditors, the Officer in charge of the preparation of the Company's accounting documents, the Risk, Compliance and Internal Audit Department, and the Group General Counsel.

The Audit, Risk and Sustainability Committee consulted the Risk and Compliance Department about the performance of the Enterprise Risk Management process, as more widely described in section 11 of this Report, checking its progress and results every six months.

The Chairwoman of the Control, Risk and Sustainability Committee reports periodically to the Board on the work of the Committee: this took place on 10 September 2020 and 11 February 2021 on the activities carried out in the first and second half of the Financial Year, as also better described below.

10.2. Tasks assigned to the Audit, Risk and Sustainability Committee

The Audit, Risk and Sustainability Committee is responsible for:

- a) offering preventive advice to the Board of Directors with regard to:
 - i. the definition of the guidelines of the Internal Control and Risk Management;
 - 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 drafting of the work plan prepared by the Internal Audit Department, 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. evaluation of 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 Department.
- b) evaluating the correct use of the accounting principles and their consistency for the purpose of drafting the consolidated financial statements together with the Officer in charge of the preparation of the Company's accounting documents and after having consulted the audit firm and the Board of Statutory Auditors;
- c) offering advice 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 Department;¹⁵
- 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) reporting to the Board of Directors regarding the activities carried out and on the adequacy of the Internal Control and Risk Management System; by way of derogation from criterion 7.C.2., the Chairwoman of the Committee reports half-yearly but not in correspondence of the approval of the financial annual report and the half-yearly report;
- 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;
- i) the review of the draft of the non-financial consolidated statement and materiality matrixes.

Following the entry into force of Italian Legislative Decree no. 39/2010, the Audit, Risk and Sustainability 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, Risk and Sustainability 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 provisions on statutory auditing introduced in the system by the provisions of Italian Legislative Decree no. 39/2010.

During the Financial Year, the Committee met 6 times (on 12 February, 10 March, 14 May, 16 July, 15 October and 16 December).

The average duration of each meeting is approximately two hours (compared to the average duration of one and a half hours in 2019). The average participation of

¹⁵ The New Code with Recommendation 35 expands the competence of the Committee also recommending that "(...) b) it assesses the suitability of the periodic financial and non-financial reporting to correctly represent the business model, the strategies of the company, the impact of its activities and the performances achieved, in coordination with any committee envisaged by Recommendation 1, lett. a)" and it also "examines the content of periodic non-financial information relevant to the internal control and risk management system". The Company shall assess whether to extend the responsibilities of the Committee in this regard or to derogate while maintaining the current scheme.

members in the Committee meetings was approximately 88.89% (down from 2019 when it stood at 94.44%, with six meetings).

During the Financial Year the Audit, Risk and Sustainability 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; in this context, the Committee systematically met with the Risk and Compliance Department in order to receive updated information on the activities of the Enterprise Risk Management (ERM) and examine the results of the activities, including in particular: updating the Risk Assessment with respect to strategic objectives and risk schedules with the involvement of the Risk Owners, updating the methodology and risk catalogue, identification of the Top Risk list and their assessment with respect to the Group's Risk Appetite, quantifying risks, with the support of the Finance and Control Administration Office and of the Risk Owners;
- monitored the progress of the audit plan implemented by the Internal Audit Department pursuant to Italian Law no. 262/05 and Italian Legislative Decree no. 231/01, as well as the implementation of the recommendations issued from time to time;
- evaluated, together with the Officer in charge of the preparation of the Company's accounting documents and the audit firm, the correct use of the accounting principles and their consistency for the purpose of drafting the consolidated financial statements (in particular with reference to the plenary meeting of the control bodies on 10 March); reviewed the impairment test process used for the 2019 financial statements and the 2020 interim financial report.
- reported to the Board (on 10 September 2020 and on 11 February 2021) on the activities carried out in the first and second halves of the year and on adequacy of the Internal Control and Risk Management System;
- attended the plenary meeting of the control bodies held on 10 March 2020: the meeting involved the Company subjects/bodies that supervise/check that the Internal Control and Risk Management System is operating properly;
- reviewed and assessed, offering advice and performing inquiries, the draft of the 2019 report on non-financial information, checking that internal processes were ready to collect information in the Financial Year, validating the materiality matrixes and monitoring the progress of the activities; it validated also the materiality matrixes to be used in the Consolidated Non-financial Statement related to the Financial Year;
- formulated guidelines for the internal control and risk management system, by examining the progress of the 2020 audit plan and the outcomes of the individual

audits, the review of the annual report of the Internal Audit Department and the definition of the 2021 audit plan.

The Committee asked the Internal Audit Department to carry out additional audits with respect to the 2020 Plan, aimed at verifying compliance with the rules of conduct set out in the "Regulatory Protocol for the containment of the spread of Covid-19" by the internal and external personnel of the Lainate Production Unit of SAES Getters S.p.A. and monitored the actions taken by the Company to guarantee the health and safety of workers in the context of the Covid-19 health emergency in compliance with the instructions contained in the circulars and decrees published by the competent Authorities.

In the year just started, the Control, Risk and Sustainability Committee met on 9 February and 9 March (session dedicated to the Consolidated Non-Financial Statement). Four more meetings are planned for the remaining part of current financial year.

Moreover, on 9 March 2021, 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 Department, 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 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 in view of the Principle XVIII of the New Code, 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, in order to contribute to the achievement of the company's objectives. 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. 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, Risk and Sustainability Committee;
- Internal Audit/Compliance/Risk Management Departments.

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 no. 262/05;
- Audit firm;
- Other internal control departments (Quality, Safety, etc.);
- Other bodies set forth in different regulations (ISO certification bodies).

The Board of Directors, which defines the guidelines of the internal control and risk management system, in accordance with the strategies of the Company, and assesses on an annual basis their adequacy and efficacy, 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, with the support of the Control, Risk and Sustainability Committee:

- a) defines the guidelines of the internal control and risk management system based on the strategies adopted by the company and assesses, at least on an annual basis, the adequacy of the system based on the characteristics of the Company and its risk profile, as well as on its effectiveness;
- b) appoints and dismisses the manager of the Internal Audit Department, defining his/her remuneration in line with company policies, and ensuring that he/she has adequate resources to carry out his/her duties;
- c) approves, at least on an annual basis, the work plan prepared by the manager of the Internal Audit Department;
- d) appoints the Supervisory Body;

e) after consulting the Board of Statutory Auditors, assesses the results reported by the audit firm in its letter with recommendation and in the additional report addressed to the control body;

f) describes, in the corporate governance report, the main characteristics of the internal control and risk management system and the methods for the coordination of the parties involved, indicating the best practices, both Italian and international, and expresses its overall assessment on the overall adequacy of the system.

The Board of Directors met for this purpose on 12 March 2020 and, upon the proposal of the Audit, Risk and Sustainability Committee, having received the favourable opinion of the Board of Statutory Auditors (which met on 10 March 2020 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 financial documents and the Group General Counsel) deemed the Internal Control and Risk Management System to be adequate.

Since 2012, the Company has been using Risk Management tools and methods aimed at the identification, analysis and understanding of the level of mitigation of company risk.

In 2016 a specific department was structured, with the aim of implementing and structuring an ongoing Enterprise Risk Management process, using Risk Management methods consistent with the best practices in the sector and reporting to the Board of Directors, under the supervision of the Audit, Risk and Sustainability Committee. This activity is carried out by the Risk & Compliance Department, the risk assessment activities of which are reported to the Group Legal Department.

To date, the ERM process reports on a six-monthly basis to the Board of Directors on the main threats and risks and defines actions to implement and monitor the effectiveness of the Internal Control System.

According to Enterprise Risk Management methodology, the control system is designed starting with the definition of the Company's strategy. The strategy is defined through the identification of critical success factors that have not been adequately pursued, presenting strategic risk for the Company and the Group. Furthermore, the achievement of strategic goals switches from the definition of other related goals by the Company. According to ERM methodology, goals are defined as follows:

- strategic: high-level goals, in line with the mission of the Group;
- operating: linked to the efficient and effective use of resources;
- reporting: linked to the reliability of reporting inside and outside the Company;
- compliance: linked to compliance with applicable laws and regulations.

In order to provide reasonable assurance on the pursuit of company strategic objectives and related goals, the Company identifies and monitors the risk of failing to achieve the aforesaid goals and, for each of them:

- assesses the impact/probability of these risks;
- identifies the methods for monitoring current risks;
- assesses the effectiveness of the controls put in place compared to the identified risks.

Within this process, risk assessment methods were defined that led to the definition of a potential/inherent risk rating, the identification of existing management actions and the assessment of residual risk on the Group. To complete the ERM process, the Board of Directors approved the Risk Appetite framework of the Group, which defines the level of risk compatible with the strategic objectives of the Group.

The Risk & Compliance Department is assigned the task of identifying the management responsible for identifying the processes and risks that are significant for the business of the Group. The involvement of the Risk Owners thus makes it possible, for each macro-risk, for specific events/threats to be identified, as well as risk response and, if necessary, the definition of possible improvement and mitigation measures.

The Risk & Compliance Department, as a facilitator of the ERM process, is responsible for formalising and coordinating the review of the responses to the risk given by the Risk Owners when:

- the risk appetite of the Group changes;
- the processes, identified risks, activities and/or controls change;
- the Audit, Risk and Sustainability Committee finds the Internal Control System to be inefficient or ineffective.

The ongoing monitoring sees the active involvement of the Risk Owner that identifies the need to review the internal control system. This review concerns possible amendments to be made to the risks identified during the risk identification phase, and the need to update risk assessments or amend the identified control activities, so that any risks found can be mitigated.

The Internal Audit Department, on the basis of the audit plan approved by the Board of Directors, carries out regular independent checks aimed at testing the adequacy and effective application of the control system.

Ultimately, notification and reporting are fundamental components of the Enterprise Risk Management process. Relevant information is communicated using the methods and within the time limits that enable the parties involved in the process to meet their obligations.

In particular, this concerns:

- the reporting formalised by the Risk & Compliance Department for the purpose of informing the Risk Owners of the results of the risk assessments that concern them;
- the reporting formalised by Risk & Compliance Department for the Director in charge of the Internal Control and Risk Management System in order to enable the latter to report to the Board of Directors on the status of the Internal Control System.

The annual Risk Assessment activity was carried out in the first few months of the Financial Year with the support of the Risk Owners involved. The outcomes were shared with the Audit, Risk and Sustainability Committee and subsequently presented to the Board of Directors on 12 March 2020.

With regard to the intra-annual updating of risk assessments, follow-up activities were carried out in the second half of the Financial Year. As part of the process, the outcomes were shared in the first instance with the Audit, Risk and Sustainability Committee on 15 October 2020 and submitted to the Board of Directors on 11 November 2020.

The goal of the Company is to ensure that Enterprise Risk Management increasingly becomes an integral part of the company processes, as well as a functional tool in the decision-making process, on the basis of the corporate risk profile.

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 AND RISK MANAGEMENT SYSTEM.

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.

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

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

These checks, by selecting specific processes among those considered important following the risk assessment process described below, are always included in the more general review of the actions carried out by 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 Italian 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;
- matrices of administrative and accounting controls (hereinafter also "matrices");
- regular evaluation of the adequacy and effective application of the controls described in the matrices;
- 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 mandating powers.

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 provides for the following:

- 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 input account processes/flows related to each significant balance sheet item/piece of financial information;
- the communication to the departments/companies 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 Department in charge of the process or the accounting flow, with the support of the Officer in Charge and, if necessary, the Compliance and 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 *administrative and accounting matrices* of SAES Getters are documents that describe the control standards in place for each administrative and accounting flow process that is 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 matrices are used as a tool to identify the specific controls in place for each relevant process, with the identification of the controls to be tested in order to evaluate the adequacy of the Administrative and Accounting Control System. The matrices are subject to constant revision by the related Department Managers, with the support of the Risk, Compliance & Internal Audit Department of the Group.

With regard to *the regular evaluation of the adequacy and effective application of the controls described in the matrices*, the Department Managers and the subsidiaries 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 control matrices, providing a declaration, on a regular basis, of the proper functioning of the internal administrative and accounting control system (as specified in more detail below).

Furthermore, the internal Administrative and accounting control system is subject to an *independent assessment* by the Internal Audit Department, aimed at evaluating the adequacy of the system and the actual effectiveness of the existing controls. The assessment is integrated in the general annual audit plan prepared by the Internal Audit

Department, confirmed by the Audit, Risk and Sustainability 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 subsidiaries 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 external communication is consistent with the definitions of article 154-bis of the Consolidated Finance Law.

Depending on the type of financial disclosure 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 Group and to the Half-year Condensed Consolidated Financial Statements of the SAES Getters Group;
- Certifications to interim Management Reports and other final accounting reports or produced with reference to other documents such as, for example, price sensitive press releases containing economic and financial information on final data, interim or otherwise; final accounting data included in the presentations delivered regularly to Shareholders and financial community or published presentations.

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

The Persons in charge of the management and preparation of accounting and financial reporting for the subsidiary companies, namely the local Administrative Directors and/or Controllers, together with their General Managers, are responsible for:

- ensuring that the activities and controls in place in the input process of the accounting reporting are consistent with the principles and objectives defined at 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 limited control structures in the majority of the subsidiary companies, the Company decided not to issue specific procedures on the processes that affect the input of the accounting reporting of these companies, and some detailed control matrices were prepared for the processes selected as a result of the risk assessment, which are verified by the Administrative Directors/Controllers of the individual subsidiary companies.

11.1. Executive Director in charge of the Internal Control and Risk Management System¹⁶

On 24 April 2018, the Board of Directors has appointed the Chief Executive Officer, Mr Giulio Canale, as the Director in charge for the Internal Control and Risk Management System (hereinafter "Director in Charge") who in particular, in compliance with application criterion 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 Company and its subsidiaries, and presents 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 Chairwoman of the Audit, Risk and Sustainability Committee and the Chairman of the Board of Statutory Auditors;
- e) duly reports to the Audit, Risk and Sustainability Committee (or the Board of Directors) on the problems and critical aspects emerging during the performance of

¹⁶ The New Code no longer contemplates this position but, with Recommendation 32, entrusts the establishment and maintenance of the internal control system directly to the Chief Executive Officer. During the adoption of the New Code, the Company will assess whether to maintain the current structure.

its activities or that comes to his knowledge, so that the Committee (or the Board) may take the appropriate actions.

The Director in Charge periodically meets the Internal Audit Department and with its support continuously verifies the effectiveness of the operations of the implemented Internal Control and Risk Management System. It is also acknowledged that, in relation to the application criterion 7.C.4. of the Code, the Director in Charge has 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 and has acknowledged it.

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 Department

The Internal Audit Manager is appointed and removed by the Board, on the proposal of the Director in Charge and after having consulted the Audit, Risk and Sustainability Committee.

The Committee has monitored compliance with the requirements of autonomy, adequacy, efficacy and efficiency in the performance of the Internal Audit activities to be implemented in 2020.

The Internal Audit Department is responsible for verifying that the Internal Control and Risk Management System is functional and adequate and consistent with the guidelines defined by the Board of Directors, in particular:

- a) verifies, both on an ongoing basis and in relation to specific needs, the operation and suitability of the Internal Control and Risk Management System on the basis of an audit plan approved by the Board (and the Supervisory Body and the Committees for the areas under their responsibility) on the basis of a prioritisation and rotation of controls: the plan of audit activities for the Financial Year was submitted for approval to the Board on 23 January 2020; on 22 December 2020, the Board approved the plan for the financial year 2021;
- b) is not in charge of any operational area and hierarchically reports to 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 its 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

evaluation of the suitability of the Internal Control and Risk Management System based on the results of the actions taken;

- e) promptly prepares reports on events of particular importance (also at the request of the Board of Statutory Auditors, the Supervisory Body or the Control, Risk and Sustainability Committee);
- f) sends the reports, regular and not, to the chairpersons of the Board of Statutory Auditors, the Audit, Risk and Sustainability Committee and the Board of Directors, as well as to the Director in Charge (except if the subject matter of these reports is the activity of one or more recipients);
- g) assesses the reliability of the IT systems within the audit plan, including the accounting systems.

In compliance with application criterion 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. During the Financial Year the Company did not make use of this power, and Internal Audit activities were entrusted to an internal resource.

During the Financial Year, the Internal Audit Department took care of the activities set forth in the Audit plan, and more specifically:

- Operational, compliance and financial audit activities, several requested by the Officer in Charge and the Supervisory Body;
- The systematic updating of the Audit, Risk and Sustainability Committee and the Board of Directors every six months on the status of the Audit Plan;
- The drafting of a 2020 Audit Plan proposal for the Audit, Risk and Sustainability Committee and the Board of Directors;
- The performance of the Risk Assessment provided for in Accounting Model 262;
- The performance of follow-up activities on the actions emerging from concluded audits.

11.3. Organisational Model pursuant to Italian Legislative Decree no. 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 with no legal status*", introduced an administrative liability system applied to companies for offences committed in the interest or to the advantage of the companies themselves, by directors, managers or employees, into the Italian legal system.

The Board, with its resolution of 22 December 2004, approved and adopted its own "Organisational, Management and Control Model" pursuant to and in accordance with

Italian Legislative Decree no. 231/2001 ("Model 231") and simultaneously the "Code of Ethics and Business Conduct" that form an integral part of the Model, in order to clearly define the set of values that the SAES Getters Group recognises, accepts and shares, as well as the set of rules of conduct and the principles of legality, transparency and correctness to be applied in the performance of its business and in its various dealings with third parties.

The General Part of the Model and the Code of Ethics can be found on the Company website www.saesgetters.com/investor-relations/corporate-governance.

Model 231 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, also represents indispensable means for preventing the risk of committing 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 in relevant types of offences.

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 approved the revision of Model 231 in order to adapt it to the legal amendments that were made in 2007 aimed at extending the range of offences protected pursuant to Italian Legislative Decree no. 231/2001. In particular, the following offences were introduced:

- the offences of receiving stolen goods, money laundering or using money, goods or benefits of unlawful origin (article 25-*octies* of Italian Legislative Decree no. 231/2001) introduced by Italian Legislative Decree of 16 November 2007 in implementation of the III Anti-Money Laundering Directive 2005/60/EC.
- article 9 of Italian Law no. 123 of 3 August 2007 introduced article 25-*septies* in Italian Legislative Decree no. 231/2001, concerning offences related 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 no. 94 of 15 July 2009;
- (article 25-*bis*) offences against the industry and commerce - Italian Law no. 99 of 23 July 2009;
- (article 25-*novies*) offences related to the violation of copyright - Italian Law no. 99 of 23 July 2009;

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 business activities significant 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 process, it was considered appropriate to set out a new procedure on patents called "*Procedure for the management of new corporate IP assets*".

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 offences set forth in Italian Legislative Decree no. 231/2001.

On 20 December 2012, the Board of Directors updated the Model following the introduction of "Offences relating to the employment of foreign workers".

On 19 December 2013, the Board of Directors updated the Model following the entry into force of Italian Law no. 190/2012, which introduced new offences, such as private bribery and extortion by persuasion, into the Italian legal system.

On 13 May 2015, the Board of Directors updated the Model based on the broadening of the list of offences pursuant to Italian Legislative Decree no. 231/2001 in order to include the crimes of receiving stolen goods, money laundering and using money, goods or benefits of unlawful origin, self-laundering and transnational offences.

Finally, on 11 May 2017, also following the merger by incorporation of the subsidiary SAES Advanced Technologies S.p.A. with SAES Getters S.p.A., the Board of Directors

updated the Model in consideration of the subsequent interventions of the legislator aimed at extending the scope of Italian Legislative Decree no. 231/2001, new case law that had become established in the meantime and the organisational amendments made to the structure of the Company and the Group. Furthermore, in agreement with the Supervisory Body, the Company opted for a Model 231 structured per process and no longer per category of offence, as it was originally, and composed of a general descriptive part, and a special part that, in turn, is composed of 25 protocols. The decision to amend the structure of the Model 231 arises from the need and desire to render the Model 231 of SAES more and more user-friendly and efficient in terms of "risk analysis", and identification of the "areas of risk mitigation" and control measures.

On 19 December 2018, the Board approved the update of the Organisational Model on the basis of improvement areas identified by some audits and in compliance with the new whistleblowing regulations.

During the first half of 2019, the Risk, Compliance & Internal Audit Department updated the Organizational Model on the basis of the areas for improvement that emerged as part of certain audits and in compliance with the offence "Trafficking in unlawful influences". The amendments were discussed and shared in advance with the Supervisory Body and approved in the Board of Directors' meeting of 20 June 2019.

On 10 September 2020, the Board approved the update of the Organizational Model as regards both the General Part and the Protocols.

The amendments made were necessary to evaluate impact of new offences introduced by:

- dalla legge n. 157 del 19 dicembre 2019 (entrata in vigore il 25 dicembre 2019) – dal titolo "Conversione in legge, con modificazioni, del decreto-legge 26 ottobre 2019, n. 124, recante disposizioni urgenti in materia fiscale e per esigenze indifferibili" – che ha sancito l'ingresso nel catalogo dei reati 231 degli illeciti tributari (art. 25-quaterdecies D.Lgs. 231/2001)
- of Italian Legislative Decree no. 75 of 14 July 2020 on "Implementation of Directive (EU) 2017/1371, relating to the fight against fraud affecting the financial interests of the Union through criminal law" (so-called PIF Directive)- that extended the liability of corporate entities also to cross borders tax offences as to VAT, smuggling, fraud in public supplies, misappropriation and abuse of office.

The update regarded in particular the inclusion, where necessary, of specific control points and/or controls of a general nature aimed at monitoring the risk areas in relation to the new types of 231 offences introduced by the legislator (e.g. tax offences, smuggling, embezzlement, etc.). The analysis therefore focused on the assessment of the adoption (or not) of new Protocols and the verification of the completeness of the existing Protocols with respect to the new offences.

Since 2019, the Company has used the following codes:

- "Code of Business Conduct";
- "Anti-corruption Code";
- "Supplier Code of Conduct".

The documents were shared with the Control, Risk and Sustainability Committee, approved by the Board of Directors and made available to the public on the website of SAES Getters S.p.A.

11.4 Supervisory Body

The Company has a supervisory body whose tasks are identified in Italian Legislative Decree no. 231/2001, as specified in Model 231 formalised by the Company, such as supervising the operation, effectiveness, compliance and revision of the Model, as well as preparing the operating procedures to ensure its correct functioning.

On 24 April 2018, subsequent to the Meeting for the appointment of the Board in office, the latter appointed the following persons as members of the Supervisory Body:

- Ms Gaudiana Giusti (as Independent Director);
- Mr Stefano Proverbio (as Independent Director);
- Ms Luciana Rovelli (as Independent Director);
- Ms Sara Anita Speranza (as member of the Board of Statutory Auditors);
- Mr Alessandro Altei (as Group Legal Counsel).

The Supervisory Body has its own Charter and also elected its Chairwoman internally, namely Ms Luciana Rovelli.

The Supervisory Body shall remain in office until the approval of the financial statements for the Financial Year.

The Supervisory Body met six times during the Financial Year with the average attendance rate of 90% of its members at all the meetings (full attendance at 3 out of 6 meetings), compared with an average attendance of approximately 88.57% in 2019 (and seven meetings). The minutes of the meetings were duly recorded.

The Supervisory Body, with the support of the Internal Audit Department, has prepared an audit plan for sensitive activities.

Among the activities carried out during the Financial Year, the Supervisory Body:

- analysed the information flows received from Department managers, without finding any critical issues;
- examined the results of the audits directed by the Body or in any case carried out by Internal Audit on the basis of the annual audit plan;
- set out the 231 Audit Plan with reference to the Financial Year, on the basis of audits carried out in previous years, and shared with the Internal Audit Department tasked with the execution of effectiveness audit on the risk areas identified;
- met with company personnel (Information Systems Manager, General Counsel and Chief Financial Officer, IP Department Manager, "Employer" according to the HSE system) to investigate issues relating to sensitive areas;
- analysed the Report on Safety and Environment of SAES Getters S.p.A prepared on the basis of article 35 of Italian Legislative Decree 81/2008 (from which no remark or red flag was raised);
- reviewed of the Risk Assessment, the Model 231 and its updated Protocols with respect to the new types of offences introduced in July 2020, relating to tax offences and smuggling offences;
- carried out an extraordinary audit, through the Internal Audit Department, on compliance with the rules of conduct indicated in the "Regulatory Protocol for the containment of the spread of Covid-19" by the internal and external personnel of the Lainate Production Unit of SAES Getters S.p.A.; monitored the initiatives undertaken by the Company to guarantee the health and safety of workers in the context of the Covid-19 health emergency in accordance with the instructions contained in the circulars and in the decrees published by the competent Authorities, noting that no critical events occurred in the Company;
- reported to the Board with the half-year report: on 13 February 2020, it reported on the second half of the 2019 financial year; on 10 September 2020, it reported in relation to the first half of the Financial Year and on 11 February 2021 it reported on the second half of the Financial Year;
- monitored the dedicated reporting channels in order to verify any cases of non-compliance and/or whistleblowing reports;
- monitored the development of the regulatory framework and the analysis of possible impacts on the Company's Model;
- participated to the plenary meeting of the Company's Control Bodies for an exchange of information of mutual interest.

The Board of Directors, taking also account of the activities of the Supervisory Body, 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. Any budget overrun due to specific requirements shall be communicated by the Supervisory Body to the Board of Directors.

11.5 Audit Firm

The statutory audit is carried out by an appointed audit firm that operates in accordance with the provisions of law. On 23 April 2013, the Shareholders' Meeting resolved to entrust Deloitte & Touche S.p.A. with the auditing task pursuant to the Italian Legislative Decree 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 consolidated half-year financial report of the Company, for the financial years 2013-2021.

The current year will be the last one assigned to the statutory audit of Deloitte & Touche S.p.A. In 2021, the Company will start the process of selecting the new audit firm, in compliance with legislative and regulatory provisions. In 2022, the proposal will be subject to resolution by the Shareholders' Meeting for the approval of the 2021 financial statements.

The Shareholders' Meeting of 24 April 2018 resolved with regard to the increase of the consideration paid to Deloitte & Touche S.p.A. in relation to the appointment as audit firm for the financial years 2017-2021, as well as regarding the proposal of Deloitte & Touche S.p.A. to perform the limited review of the consolidated non-financial statement.

On 18 April 2019, the Shareholders' Meeting resolved with regard to an increase of the remuneration for Deloitte & Touche S.p.A. in relation to additional activities (amendment of the scope of consolidation, IFRS application).

The Shareholders' Meeting of 21 April 2020 resolved on a further supplement to the remuneration of Deloitte & Touche S.p.A. in relation to supplementary activities that the same is required to carry out (relating to the performance of the limited examination of the consolidated non-financial statement following the update of the materiality analysis promoted by the Company for alignment with the industry best practices, application of IFRS 16).

The Shareholders' Meeting scheduled for 20 April 2021 shall be called to resolve on an increase of the remuneration of Deloitte & Touche S.p.A. in relation to additional activities to be carried out for the verification of the impacts from the Coronavirus (Covid-19) in compliance with the recommendations of ESMA and CONSOB and the limited audit of the half-yearly reporting package prepared by SAES Investments S.A. as well as the limited review of the consolidated non-financial statement following the update of the materiality analysis promoted by the Company for alignment with the industry best practices.

For further information please refer to the Board of Directors' Report on this agenda item, published in compliance with the law.

11.6 Officer in charge of the preparation of the Company's accounting documents and other corporate roles and functions

On 17 October 2018, the Board appointed Mr Giulio Canale, who already holds the position of Chief Financial Officer, as Officer in Charge. The Supervisory Body acknowledged the planned succession of the previous Officer in Charge on 25 September 2018; the Audit, Risk and Sustainability Committee acknowledged it on 17 October 2018, when the Board of Directors made also the appointment, with the favourable opinion of the Board of Statutory Auditors.

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

The appointment of the Officer in Charge expires at the end of the mandate of the Board that appointed him (approval of the financial statements for the Financial Year). The Officer in Charge can be re-elected. The Officer in Charge has autonomous spending and signature rights. The Board ensures that Mr Canale is granted 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 as well as 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, as described in section 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 Italian 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 Board of Statutory Auditors in the fulfilment of its functions, of the Board of Statutory Auditors, the Audit, Risk and Sustainability Committee, the Audit firm, the Internal Audit Department, the Officer in charge of the preparation of the Company's accounting documents according to Italian Legislative Decree no. 262/05, the Director in Charge 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 and risk management system, the statutory auditing of yearly accounts and consolidated accounts, the independence of the statutory audit firm, particularly in connection with the performance of non-auditing services to the entity subject to statutory audit.

During the Financial Year, the meeting was held on 10 March. For the current financial year the meeting took place on 9 March.

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, 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 "RPT Regulations") and CONSOB Communication of 24 September 2010 (hereinafter "Communication"), aimed at ensuring the transparency and the substantial and procedural correctness of the transactions with related parties, identified pursuant to the revised IAS 24 international accounting standard.

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

The other transactions, unless they fall within the residual category of transactions of minor value - transactions of less than €250,000 - are defined as "of minor significance" and may be carried out subject to the reasoned and non-binding opinion of the aforesaid Committee. Furthermore, the Procedures identify cases of exemption to their application, including, in particular, the ordinary transactions concluded under conditions equivalent to those of the market or standard, transactions with or between subsidiaries and those with associated companies, provided that the other related parties of the Company have no significant interest in them, and transactions of minor value.

The Procedures came into force on 1 January 2011 and are published on the Company website www.saesgetters.com/investor-relations/corporate-governance/policies-procedures/related-party-o.

CONSOB, with resolution 21624 of 10 December 2020, amended the RPT Regulations; the amendments will enter into force on 1 July 2021. The Company will adjust the internal procedures, *weighing up*, as pointed out by CONSOB, the potential organisational and management repercussions and involving the Related Parties Committee for the related prior opinion.

13. APPOINTMENT OF AUDITORS

The appointment of the Board of Statutory Auditors is expressly governed by the By-laws, which set forth list-based voting 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.

Current article 22 of the By-laws sets forth that the minority - that is not part of a relevant connection, even indirectly, as per article 148, paragraph 2, of Consolidated

Finance Law and related regulatory rules - is entitled to the appointment of one Standing Auditor, who is the Chairman of the Board, and of one Alternate Auditor.

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

Only those Shareholders who, with reference to the shares registered in their account on the day of deposit of the lists at the Company offices, alone or together with other Shareholders, own voting shares representing 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 4.5% of the share capital with voting rights (as established by CONSOB with Management Resolution no. 44 of 29 January 2021).

A Shareholder may not submit nor vote for more than one list, even through intermediaries or trust companies.

Shareholders that are part of the same group and Shareholders who entered a shareholders' 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 enroll in only one list, under penalty of ineligibility.

The lists, to be signed by all those that submitted them, must be lodged at the Company offices 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, at the Company offices (Viale Italia, 77, Lainate - Milan) and on the 1Info system at www.1info.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 Alternate Auditor. The names of the candidates are marked in each section (Standing Auditors section, Alternate Auditors section) by a progressive number and in numbers not exceeding the members to be elected.

The lists also contain, as an annex:

- a) the information relative to the identity of the Shareholders that submitted them with an indication of their overall shareholding percentage; 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 by the Shareholders other than those that hold, even jointly, a controlling or majority shareholding, certifying the absence of associative

relationships, as 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 by the candidates certifying that non-existence of causes for ineligibility and incompatibility, as well as the fulfilment 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 report 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 third 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.

The election of Auditors takes place as follows: (i) two Standing Auditors and one Alternate 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) one standing Auditor, who will be the Chairman of the Board of Statutory Auditors ("Minority Auditor"), and one Alternate Auditor ("Minority Alternate 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.

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

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

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

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

The Shareholders' Meeting, as set forth in article 2401, paragraph 1, of the Italian Civil Code appoints or replaces 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, letters d) and d-bis), of Consolidated Finance Law)

The Board of Statutory Auditors holding office was appointed by the Shareholders' Meeting on 24 April 2018 and will remain in office until the approval of the 2020 financial statements. The following are members: Mr Vincenzo Donnamaria, Chairman of the Board of Statutory Auditors, Ms Sara Anita Speranza and Mr Maurizio Civardi (Standing Auditors), as well as Mr Massimo Gabelli and Ms Mara Luisa Sartori (Alternate Auditors).

The Board of Statutory Auditors holding office was appointed on the basis of a single list submitted to the Company by the Majority Shareholder S.G.G. Holding S.p.A., in compliance with the methods and within the time limits set forth in regulations and the By-laws.

The list and accompanying documentation (as described above) were also promptly published on the Company website. The Company did not deem it necessary, at the time of submission of lists, to ask for additional information regarding the correspondence or otherwise of the list to diversity objectives, not having put in place any specific policies at this regard, believing that information on gender and age is sufficient, in addition to the CV and positions of each candidate.

Due to the expiry of the three-year period, with the approval of the financial statements, the mandate of the Board of Statutory Auditors, appointed on 24 April 2018, is also expiring. The upcoming Shareholders' Meeting shall therefore be called upon to pass resolution on the appointment of the Board of Statutory Auditors.

Pursuant to the aforesaid article 22 of the Company By-laws, the Board of Statutory Auditors shall consist of three Standing Auditors and two Alternate Auditors, appointed using a list voting system and with methods that guarantee compliance with gender balance regulations, pursuant to article 148, paragraph 1-bis, of the Consolidated Finance Law.

At the Board meeting of 11 November 2020, the Company amended article 22 of the By-laws to align it to the further amendment of articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the Consolidated Finance Law on gender balance in the management bodies of listed companies. Starting from the next mandate, which will begin with the appointment of the new Board of Statutory Auditors by the Shareholders' Meeting to be convened on 20 April 2021, the selection of the members of the Board of Statutory Auditors must be carried out in such a way that the less represented gender obtains at least two fifths of the number of Statutory Auditors elected, with rounding, in the case of a fractional number, down to the next lower unit. This criterion applies for six consecutive mandates starting from the first renewal after 1 January 2020.

All the Statutory Auditors in office during the Financial Year were appointed by the Shareholders' Meeting of 24 April 2018 and therefore their mandate shall expire at the date of the convened Shareholders' Meeting. There were no resignations or terminations of office during the expiring mandate.

The Board carries out an annual inspection on the continuance of the experience and integrity requirements that the Auditors must satisfy pursuant to the Italian Decree of the Ministry of Justice no. 162 of 30 March 2000, as well as that of independence pursuant to article 148, paragraph 3 of the Consolidated Finance Law and application criterion 8.C.1. of the Code. During the Financial Year, with reference to the 2019 financial year, this assessment was performed on 13 February 2020. With reference to the Financial Year, this assessment was performed on 11 February 2021.

In addition to the requirements set forth in 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 the application criterion 8.C.1. of the Code and Recommendation 9 of the New 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 required to indicate the possible suitability of the candidates to qualify as independent, leaving the evaluation of the importance of this qualification to the Shareholders' Meeting.

In compliance with application criterion 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 as set forth

in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, pursuant to 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.

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 criterion 8.C.5. of the Code. No communication of this type was received during the Financial Year.

The remuneration of the Board of Statutory Auditors is decided by the Shareholders' Meeting 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 have been correctly applied. The outcome of these checks is announced to the market within the context of this Report or the Auditors' Report to the Shareholders' Meeting.

The Board of 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 of Directors 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 24 April 2018) and during the Financial Year. In carrying out the inspections stated above the Board did not apply any further criteria for the independence of the Directors, but only laws and regulations.

The Board of Statutory Auditors is responsible for evaluating the proposals made 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 Statutory Auditors 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 no. 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 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 criterion 8.C.6. of the Code. The Board of Statutory Auditors did not make use of this option during the Financial Year.

In accordance with application criterion 8.C.7. of the Code (and Recommendation 37 of the New Code), the Board of Statutory Auditors and the Audit, Risk and Sustainability Committee promptly 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, Risk and Sustainability Committee (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 Board of Directors, Committees and the Supervisory Body, through the Virtual Data Room.

During the Financial Year the Board of Statutory Auditors met six times with the constant participation of all members. The Board meetings lasted on average four hours (compared to 3 hours in 2019). For the 2021 financial year, the Board of Statutory Auditors has planned four meetings.

In relation to principle 8.P.3. 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 Standing Auditor is provided below:

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 (1984).

He has been registered in the Register of Auditors since its formation (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 was a founding member and national manager of the Studio Associato di Consulenza Legale e Tributaria KStudio Associato law firm.

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.

He published for the IPSOA publishing house in 1985, together with Mr Francesco Rossi Guys, the text "Disciplina fiscale degli ammortamenti" (Tax regulations on amortisation).

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.

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 to 2006. From 2006 until 2015 he held the position of Chairman of the Board of Statutory Auditors. In 2015 he was appointed Statutory Auditor. In 2018 he was appointed Chairman of the Board of 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 19/04/2001, O.G. supplement no. 36 – IV special series of 08.05.2001.

Ms Speranza is a partner in the firm Cornelli Gabelli e Associati and over a period of almost twenty years she has acquired a wealth of experience and skills in the assistance and consultancy of leading companies and industrial, real estate and commercial groups, both in Italy and abroad, on the subject of direct and indirect taxation within the context of ordinary company activities, as well as in extraordinary transactions. She has also acquired significant experience in corporate law consultancy: planning, programming and management control; and the reorganisation, restructuring and winding-up of companies.

She is a member of the Board of Statutory Auditors and Board of Directors of a large number of leading national and international companies, including those listed on regulated markets, such as Mylan S.p.A., BGP Products S.r.l., companies of the Klepierre group and companies of the Philips Saeco group.

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

Maurizio CIVARDI – Born in Genoa on 30 July 1959

He was awarded a degree in Economics and Business from the Università degli Studi of Genoa.

Registered with the Association of Chartered Accountants and Accounting Experts in the district of the Court of Genoa since 13.3.1985.

Registered in the Register of Statutory Auditors (Italian Ministerial Decree 12/4/1995 O.G. 31 bis – IV Special Series of 21/4/1995).

As a tax and corporate consultant for several companies, he also offers assistance in corporate restructuring operations, corporate organisation and requests of admission to insolvency procedures in his additional role as Insolvency Practitioner.

Judicial Commissioner of arrangements with creditors and Extraordinary Commissioner in Extraordinary Administration Procedures.

Manager of Organismo di Composizione delle Crisi OCC – Genoa Chartered Accountants with the Association of Chartered Accountants and Accounting Experts in Genoa, pursuant to article 10, paragraph 2 of Italian Ministerial Decree 202/2014.

Formerly Member of the Study Committee for direct Taxation with the Italian National Council of Chartered Accountants.

Formerly Delegate of the Italian National Council of Chartered Accountants/ACCA Bilateral Committee in the context of the Joint International Committee on behalf of the Italian National Council of Chartered Accountants.

He carries out his professional activity with the Studio Rosina e Associati company, of which he is a partner.

He was a Statutory Auditor of SAES Getters S.p.A. from 2006 to 2015.

He became Alternate Auditor with SAES Getters S.p.A. in 2017.

He has been a Statutory Auditor of SAES Getters S.p.A. since 2018.

In light of the above, the Company believes – also in compliance with Principle VIII of the New Code – that the control body has an adequate composition to ensure the independence and professionalism of its function.

15. INVESTOR RELATIONS

The Chairman and Managing Director, in compliance with procedure for the management of inside information, do their utmost to establish constant dialogue with the Shareholders, the institutional investors, the market and other significant stakeholders of the Company, in order to guarantee the systematic distribution of a complete and timely report on its activities. The New Code (Principle IV) envisages that the dialogue with shareholders and other stakeholders is promoted, in the most appropriate forms, by the management body: the Company considers it more effective, efficient and functional than the Executive Directors – and not the Board of Directors as a whole – to promote and manage dialogue, to avoid risks of information asymmetries and to ensure a more orderly management of dialogue.

The New Code (Recommendation 3) also provides that the management body, on the proposal of the Chairman, adopts and describes “*in the report on corporate governance a policy for the management of dialogue with the generality of shareholders, including taking into account the engagement policies adopted by institutional investors and asset managers. The Chairman ensures that the management body is in any case informed, within the first useful meeting, on the development and on the significant contents of the dialogue with all the shareholders*”. In the coming months, the Board will assess the appropriateness of adopting this policy and will give an account of its assessments in the Corporate Governance Report for the year 2021 (explaining the reasons for non-adoption, according to the comply or explain principle).

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 criterion 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.

Meetings and conference calls were organised during the Financial Year (primarily of digital nature, due to the restrictions imposed by the Covid-19 pandemic) for the purpose of providing periodic financial-economic information. Moreover, the Company has participated in the *Virtual STAR Conference* and *Virtual STAR Conference - Fall Edition*, both organised by Borsa Italiana S.p.A., respectively on 27 May 2020 and 7 October 2020.

For the current year, the *Virtual STAR Conference - Spring Edition* is scheduled for 25 March 2021.

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

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

Furthermore, the Company, in order to facilitate the attendance of the Shareholders in the Shareholders' Meeting, allows the Shareholders to ask questions on the items on the agenda, also before the Meeting, by sending a registered letter with acknowledgement of receipt to the Company offices via certified e-mail to the address saes-ul@pec.it within the terms set by the law. The questions received before the Shareholders' Meeting are answered on the website of the Company or, at the latest, during the Shareholders' Meeting, with the right of the Company to provide a unified response to questions with the same content.

Special attention is to be paid to the Company website (www.saesgetters.com), where financial and economic information (such as financial statements, half-yearly and quarterly financial 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, non-financial information) can be found in Italian and English.

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

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 the Company to satisfy the high information disclosure standards that constitute one of its essential requirements.

16. SHAREHOLDERS' MEETINGS (pursuant to article 123-bis, paragraph 2, letter c), of 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 Shareholders' Meeting is regulated by articles 8, 9, 10, 11, 12 and 13 of the By-laws, which can be found on the Company website at the address www.saesgetters.com/investor-relations/corporate-governance/company-laws.

In sharing principles 9.P.1. and 9.P.2., as well as application criteria 9.C.2. and 9.C.3. of the Code, the Chairman and Managing Director do their utmost to encourage the widest possible attendance of 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 of Directors 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 of Directors reports on the activities carried out and those that are planned and does its utmost to ensure that the Shareholders are provided with adequate information on the necessary topics so that they may make the decisions reserved for the Shareholders' Meeting in full cognition of the facts.

During the Financial Year, the Ordinary and Extraordinary Shareholders' Meeting was held on 21 April 2020 to resolve on the following agenda:

Ordinary session

1. Report by the Board of Directors for the year ended 31 December 2019; financial statements as at 31 December 2019; related resolutions; presentation of the consolidated financial statements as at 31 December 2019; decisions on how to allocate the profit for the year;
2. Report on the remuneration policy and the amounts paid;
 - 2.1. approval of the remuneration policy pursuant to article 123-ter, paragraph 3-bis, of Italian Legislative Decree no. 58/1998;
 - 2.2. resolutions on the "second section" of the report, pursuant to article 123-ter, paragraph 6, of Italian Legislative Decree no. 58/1998;
3. Increase of the remuneration due to Deloitte & Touche S.p.A. in relation to its appointment as the audit firm for the 2019 financial year; Increase of the remuneration due to Deloitte & Touche S.p.A. relating to a limited review of the consolidated non-financial statement for the 2019 period; relevant and ensuing resolutions.

Extraordinary session

1. Alignment of article 11 of the Company By-laws with the provisions of CONSOB (Communication no. 0214548 of 18 April 2019).

It should be noted that due to the Covid-19 emergency, and therefore in compliance with the fundamental principles of protecting the health of shareholders, employees, representatives and consultants of the company, as well as, most recently, with Italian Decree Law no. 18 of 17 March 2020, the meeting was held with participation in the Shareholders' Meeting, for the persons attending, also by means of telecommunication and that the share capital was able to attend exclusively through the designated representative pursuant to article 135-undecies of the Consolidated Finance Law, with the methods specified in the call, excluding access to the meeting premises by shareholders or delegates other than the aforementioned designated representative. 8 Directors (out of 9) attended the Shareholders' Meeting on 21 April 2020. With a proxy granted to the Designated Representative connected via videoconference, 75 individuals entitled to vote attended the Meeting representing 6,431,772 ordinary shares giving right to 9,251,545 votes out of the total number of ordinary Shareholders' votes of 17,491,919, taking into account the increase in voting rights.

No additions to the agenda were proposed by the entitled Shareholders.

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

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

"Attendance and representation at the Shareholders' Meeting are governed by the Law.

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

The electronic notice of the proxy 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".

The minutes were made available on the Company website on 14 May 2020, twenty-three days after the Ordinary and Extraordinary Shareholders' Meeting of 21 April 2020, whereas the outcome of the voting was made available on 23 April 2020, two days after the Meeting date.

The Board of Directors, on the occasion of the Shareholders' Meeting, ensured that adequate information was provided, filing the reports on the items on the agenda and the resolution proposals at the registered office, on the 1Info storage system at the address www.1info.it, and first and foremost by publishing them on the Company website. The reports were made available in Italian and English, within the time limits provided for by law.

The Chairwoman of the Remuneration and Appointment Committee did not report to the Shareholders at the Meeting, in the Financial Year, as the Board and the Committee considered the information contained in writing in the the Report on the Remuneration Policy and the amounts paid for the year and in the Corporate Governance Report to be thorough and complete.

16.1. Regulations for the Shareholders' Meeting

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

The Regulations for Shareholders' Meetings can be found on the Company website at the address: www.saesgetters.com/investor-relations/corporate-governance/policies-procedures/shareholders-meeting-regulation.

16.2. Special Meeting of holders of Saving Shares

The special meeting of holders of savings shares is held 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 21 April 2020 in order to appoint the Common Representative, since his mandate had expired. For the 2020-2022 financial years, the special meeting confirmed Mr Massimiliano Perletti as Common Representative of the Holders of Savings Shares (e-mail address: massimiliano.perletti@roedl.it), determining his relative compensation (€5,000.00 per year).

16.3 Significant changes in the market capitalisation of shares

The value of ordinary shares, listed on the STAR Segment of the Mercato Telematico Azionario (electronic equity market) of Borsa Italiana S.p.A., fell by -23.1% during the Financial Year, against a 6.7% decrease recorded by the FTSE MIB index and a 12.3% increase recorded by the FTSE Italia Star index.

Conversely, savings shares have declined to a lesser extent (-12.8%) compared to ordinary shares.

16.4. Significant changes in the company structure

On 10 August 2020, the relative majority shareholder S.G.G. Holding S.p.A. purchased no. 35,000 ordinary shares of SAES Getters S.p.A. As a result of this purchase, S.G.G. Holding S.p.A. holds 34.44% of the total ordinary shares, against 45.01% voting rights.

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.

19. CONSIDERATIONS ON THE LETTER OF 22 DECEMBER 2020 OF THE CHAIRWOMAN OF THE COMMITTEE FOR CORPORATE GOVERNANCE

The recommendations made by the Chairwoman of the Committee for Corporate Governance in the letter of 19 December 2019 were brought to the attention of the Board of Directors at the time of approval of the Corporate Governance Report (12 February 2020). Please refer to the 2019 Corporate Governance Report for further details and comments.

For the purpose of completeness, please note that the previous recommendations of 21 December 2018 were brought to the attention of the Board of Directors on 23 January 2019, at the time of presentation of the results of the 2018 Board Review, and in part on 13 March 2019, at the time of approval of 2018 Corporate Governance Report. Please refer to the 2018 Corporate Governance Report for further details and comments.

Given the above, in light of the results of the Eighth Report on the application of the Code for 2020 and the analysis of the behaviour of the issuers on the matters highlighted in the related cover letter dated 22 December 2020 and considering that 2021 will represent the first year of application of the New Code, the Committee for Corporate Governance deemed it useful to reconsider all the recommendations provided in the last four years and invited the Issuers to express their opinion on the matter.

With regard to sustainability, taking into account the New Code, the Committee invites the Boards of Directors to:

- integrate the sustainability of the business activities in the definition of strategies, of the internal control and risk management system and of the remuneration policy, also on the basis of a relevance analysis of the factors that may affect the generation of value in the long term.

The Company has embarked on a process to develop a sustainability plan first and foremost, which must be coordinated with strategy, enterprise risk management and remuneration policy. Considering the size of the Company and the resources available, the Company expects it to take 12 to 18 months to finalize this plan so that it can be pursued and implemented.

With regard to pre-meeting information, the Committee invites the Boards of Directors to:

- determine explicitly the terms deemed appropriate for sending the documentation;
- provide in the report on corporate governance a clear indication of the terms identified and their actual compliance;
- not envisage that these terms may be derogated for mere reasons of confidentiality.

As also noted in the Corporate Governance Report concerning 2017, 2018 and 2019 financial years, in this regard, the Board considers the information that it receives prior to board meetings to be complete and user-friendly and that it receives the documents (which are uploaded in the Virtual Data Room) well in advance. On this point, please refer to sections 4.3. and 4.6. of the Report, which expressly deal with the matter. The Board has expressed its specific views also on the 2020 Board Review, assigning, on this point, an average score of 4.91 out of 5, higher compared to the score of 4.83 in 2019, 4.77 in 2018 and 4.58 in 2017 (already a very satisfactory assessment);

Having said that, at the time of the drafting of the board regulations envisaged by the New Code (Recommendation 11), the Board will make further assessments regarding the “time limit” for the receipt of the documentation, on the reasons for waiving the deadline and will account for it in the Report for the next year.

With regard to the application of the independence criteria, the Committee invites the Boards of Directors to:

- always justify on an individual basis the possible non-application of one or more independence criteria;
- define ex ante the quantitative and/or qualitative criteria to be used to assess the significance of the relationships under examination.

As already indicated in the Corporate Governance Reports for the years 2018 and 2019, in the case of the Company, the Board believes that this recommendation does not apply since the provisions of the Code are complied with. In fact, as already clearly indicated above, the Company has three directors (Mr Stefano Proverbio, Ms Gaudiana Giusti and Ms Luciana Rovelli) who fully meet the independence criteria of the Corporate Governance Code. The Board also has a fourth director (Mr Adriano de Maio) who complies with the independence criteria jointly established pursuant of articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Finance Law but not those of the Corporate Governance Code as he has been a Board Director for more than nine of the last twelve years (his first appointment dates back to 2001 and therefore he is a Director of the Company for more than 19 years) but this is the only reason for failing to qualify as Independent Director. In fact, he does not, nor has he recently maintained, not even indirectly, relationships with the Company or with subjects linked to it, such as to affect his autonomy of judgement. In spite of this, the Company has opted for a rigorous application of the criteria of the Corporate Governance Code and does not view him as an Independent Director pursuant to the Code and in all communication it specifies the limited application of his qualification.

Therefore, in the case of the Company, there is no non-application of the independence criteria.

With regard to the self-assessment of the management body, the Committee invites the Boards of Directors to:

- assess the contribution of the Board to the definition of strategic plans;
- supervise the Board Review process.

The Company considers the strategic plan definition process as effective and efficient as it currently is: the plans are drawn up by the Executive Directors, with the involvement of all company functions (division managers, sales, operations, research and innovation, administration and finance, and managers of the subsidiaries). It is a long process that requires direct knowledge of the business and of the organisation to achieve maximum internal agreement and alignment of objectives, as well as the pursuit of the interests of all stakeholders. The draft is submitted to and discussed in the Board: all non-executive directors have the right to request further information, formulate suggestions or raise objections and, therefore, provide their contribution. If necessary, at the request of the Non-Executive Directors, a second session of discussion and approval can be organised.

As for the Board Review process, it has always been effectively supervised by the Remuneration and Appointment Committee and the Company deems it appropriate not to change the process and the players involved. The Committee has the right to propose to the Board – as the ultimate decision-maker - which methodology to adopt for the purposes of the self-assessment. Where the questionnaire is chosen, the

Company Secretary submits a draft questionnaire to the Committee to be provided anonymously to the directors and acknowledges the Committee's comments and feedback. When the results are presented and discussed by the Board (after being presented and discussed by the Committee), the Directors may propose changes to the questionnaire and make suggestions for the following year.

With regard to the appointment and succession of directors, the Committee invites the Boards of Directors to:

- report in full on the activities carried out by the Appointment Committee in the event that it is unified with the Remuneration Committee or its functions are assigned to the full Board;
- ensure the completeness and timeliness of the resolution proposals functional to the process of appointment of the corporate bodies and express, at least in non-concentrated ownership companies, a guideline on its optimal composition;
- provide, at least in large companies, a succession plan for executive directors that identifies at least the procedures to be followed in the event of an early termination of office.

The Company believes that it has acted in line with these recommendations, except for the last one, which is not applicable as it cannot be classified as a large company.

With regard to remuneration policies, the Committee invites the Boards of Directors to:

- provide clear indications on the identification of the weight of the variable component, distinguishing between components linked to annual and multi-year time horizons;
- strengthen the link between variable remuneration and long-term performance objectives, including, where relevant, also non-financial parameters;
- limit to exceptional cases, subject to adequate explanation, the possibility of disbursing amounts not linked to predetermined parameters (i.e. ad hoc bonuses);
- define criteria and procedures for the assignment of termination benefits;
- verify that the amount of remuneration paid to non-executive directors and members of the control body is adequate for the skills, professionalism and commitment required by their office.

The Board merely refers to what is indicated in the 2020 Remuneration Policy and in the Report on the Remuneration Policy and on the amounts paid - financial year 2021, firmly convinced that the Company is more than transparent in expressing the weight of the variable component and its connection with the performance objectives. The Board, as in the previous year, remarks that it has established the remuneration for the Board committees made up of non-executive directors, essentially replicating without

changes a Shareholders' Meeting resolution dating back to 2006, confirmed in 2009; the Board also established the annual fees for the two independent directors forming part of the Supervisory Body and its Chairman as well as for the Lead Independent Director. No further fees are envisaged. The economic value of the previous fees, which had remained unchanged since 2006, was updated. The Directors are also entitled to reimbursement of expenses incurred for reasons connected with their role. Note that there is no variable remuneration component for non-executive directors, nor are they the recipients of remuneration plans based directly or indirectly on shares.

Lainate, 11 March 2021

on behalf of 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	Date of first appointment * (no. of years in SAES)	In office since	In office until	List (M / m) **	Executive	Non-Executive	Independence based on the Code	Independence based on Consolidated Finance Law	Number of other positions ***	Attendance at BoD meetings (*)	Audit and Risk Sustainab-ility Committe e (**)	Remun. and Appointmen t Committee (**)
President ◊	Massimo della Porta	1960	1994 (26)	24.04.18	Shareholder s' Meeting for the approval of the 2020 financial statements	M	X				1	15/15		
Vice Chairman, Managing Director and Chief Financial Officer ●	Giulio Canale	1961	1994 (26)	24.04.18	Shareholder s' Meeting for the approval of the 2020 financial statements	M	X				-	15/15		
Director	Adriano De Maio	1941	2001 (19)	24.04.18	Shareholder s' Meeting for the approval of the	M		X		X	-	15/15		3/4 M

BOARD OF DIRECTORS														
Position	Members	Year of birth	Date of first appointment * (no. of years in SAES)	In office since	In office until	List (M / m) **	Executive	Non-Executive	Independence based on the Code	Independence based on Consolidated Finance Law	Number of other positions ***	Attendance at BoD meetings (*)	Audit and Risk Sustainab-ility Committe e (**)	Remun. and Appointmen t Committee (**)
					2020 financial statements									
Director	Alessandra della Porta	1963	2013 (7)	24.04.18	Shareholder s' Meeting for the approval of the 2020 financial statements	M		X			-	14/15		
Director	Luigi Lorenzo della Porta	1954	2012 (8)	24.04.18	Shareholder s' Meeting for the approval of the 2020 financial statements	M		X			-	15/15		
Director	Andrea Dogliotti	1950	2006 (14)	24.04.18	Shareholders' Meeting for the approval of the 2020 financial statements	M		X			-	15/15		

BOARD OF DIRECTORS														
Position	Members	Year of birth	Date of first appointment * (no. of years in SAES)	In office since	In office until	List (M / m) **	Executive	Non-Executive	Independence based on the Code	Independence based on Consolidated Finance Law	Number of other positions ***	Attendance at BoD meetings (*)	Audit and Risk Sustainability Committee (**)	Remun. and Appointment Committee (**)
Director	Gaudiana Giusti	1962	2015 (5)	24.04.18	Shareholders' Meeting for the approval of the 2020 financial statements	M		X	X	X	2	14/15	4/6 M	4/4 P
Director°	Stefano Proverbio	1956	2015 (5)	24.04.18	Shareholders' Meeting for the approval of the 2020 financial statements	M		X	X	X	2	15/15	6/6 M	
Director	Luciana Rovelli	1973	2015 (5)	24.04.18	Shareholders' Meeting for the approval of the 2020 financial statements	M		X	X	X	-	14/15	6/6 P	4/4 M
Directors leaving office during the Financial Year														

BOARD OF DIRECTORS														
Position	Members	Year of birth	Date of first appointment * (no. of years in SAES)	In office since	In office until	List (M / m) **	Executive	Non-Executive	Independence based on the Code	Independence based on Consolidated Finance Law	Number of other positions ***	Attendance at BoD meetings (*)	Audit and Risk Sustainab- ility Committe e (**)	Remun. and Appointmen t Committee (**)
Number of meetings held during the Financial Year						Board of Directors		Audit, Risk and Sustainability Committee		Remun. and Appointment Committee		Appointment Committee		
						15		6		4		N/A		
Quorum required for the submission of the lists by minorities for the election of one or more members (pursuant to article 147-ter of the Consolidated Finance Law): 4.5%														
On the date of this Report, the requested share is 4.5% of the share capital with voting rights (as established by CONSOB with Management Resolution no. 44 of 29 January 2021).														

NOTES

The symbols below must be entered in the column "Position":

• This symbol indicates the Director in charge of the Internal Control and Risk Management System.

◊ This symbol indicates the main person in charge of the management of the issuer (Chief Executive Officer or CEO).

○ This symbol indicates the Lead Independent Director (LID).

* The date of the first appointment of each director means the date on which the director was appointed for the first time (ever) to the Board of Directors of the issuer.

** The list from which each director was selected is indicated in this column ("M": majority list; "m": minority list; "BoD": list presented by the Board of Directors).

*** This column indicates the number of positions as director or statutory auditor held by the person in question in other companies listed in regulated markets, even abroad, in financial, banking, insurance or large companies. These positions are explained in detail in the Report on Corporate Governance.

(*) This column indicates the attendance of the directors at the meetings of the BoD and committees respectively (indication of the number of meetings that he/she has attended compared to the total number of meetings that he/she could have attended (e.g. 6/8; 8/8, etc.)).

(**) This column indicates the position held by the director within the Committee: "C": Chairperson; "M": member.

TABLE 2 - STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Position	Members	Year of birth	Date of first appointment	In office since	In office until	List M / m	Independence based on the Code	Attendance at Board meetings	Other positions
Vincenzo Donnamaria	President	1955	1997	24/04/2018	Shareholders' Meeting for the approval of the 2020 financial statements	M	n.a.	6/6	20
Sara Anita Speranza	Standing Auditor	1972	2015	24/04/2018	Shareholders' Meeting for the approval of the 2020 financial statements	M	n.a.	6/6	30
Maurizio Civardi	Standing Auditor	1959	2017	24/04/2018	Shareholders' Meeting for the approval of the 2020 financial statements	M	n.a.	6/6	53
Massimo Gabelli	Alternate Auditor	1970	2018	24/04/2018	Shareholders' Meeting for the approval of the 2020 financial statements	M	n.a.	n.a.	n.a.
Mara Luisa Sartori	Alternate Auditor	1971	2018	24/04/2018	Shareholders' Meeting for the approval of the 2020 financial statements	M	n.a.	n.a.	n.a.
AUDITORS LEAVING OFFICE DURING THE FINANCIAL YEAR									
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):								4.5%	
On the date of this Report, the requested share is 4.5% of the share capital with voting rights (as established by CONSOB with Management Resolution no. 44 of 29 January 2021).									
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	-	-
Adriano De Maio	-	-
Alessandra della Porta	-	-
Luigi Lorenzo della Porta	-	-
Massimo della Porta	Alto Partners SGR S.p.A.	Independent Director
Andrea Dogliotti	-	-
Gaudiana Giusti	A2A S.p.A. Carige S.p.A.	Non-Executive Director
Stefano Proverbio	Angelini Holding Coesia S.p.A.	Non-Executive Director
Luciana Rovelli	-	-