

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2019. For any difference between the two texts, the Italian text shall prevail.

SAES Getters S.p.A.

FIRST SECTION OF THE REMUNERATION REPORT

Drawn up pursuant to article 123-*ter*, paragraph 3, of Italian Legislative Decree no. 58/1998 and article 84-*quater* and related Annex 3A, Schedule 7-*bis* - section I of CONSOB resolution no. 11971/1999 on Regulations for Issuers.

SAES GETTERS S.P.A.

2019 Strategic Resources Remuneration Policy

Introduction

The remuneration of the directors and Executives with Strategic Responsibilities of SAES Getters S.p.A. (hereafter “**SAES**” or the “**Company**”) is defined adequately to attract, motivate and retain resources with the professional skills (both managerial and technical) required to manage the Company successfully.

The Company defines and updates, usually annually, the remuneration policy (the “**Policy**”) which summarises the principles and procedures with which the SAES Group (as defined below) complies in order to:

- **correctly apply** the remuneration practices;
- guarantee an adequate level of **transparency** with regard to the remuneration policies and fees paid;
- encourage **the correct involvement** of the competent corporate bodies in assessing and approving the Policy.

The Policy is drafted in light of the recommendations contained in Article 6 of the Borsa Italiana S.p.A. Corporate Governance Code, as amended in July 2018, to which SAES adhered, and takes account of the provisions contained in article 123-ter of Italian Legislative Decree no. 58 dated 24 February 1998, as amended (the “**Consolidated Financial Law**”), in article 84-*quater* of the Consob Regulation approved with resolution no. 11971 dated 14 May 1999, as amended (the “**Issuers' Regulation**”), and Annex 3A to the Issuers' Regulation, Scheme 7-*bis*; as well as the provisions contained in the procedure for transactions with related parties, approved by the Company's Board of Directors on 11 November 2010, in accordance with the regulation adopted by Consob with resolution no. 17221 dated 12 March 2010, as amended and supplemented.

The Policy applies to Directors and Executives with Strategic Responsibilities, as explained in more detail below.

Below is a technical glossary of some recurrent terms:

Executive Directors: the Directors of SAES Getters S.p.A. holding the offices of Chairman or Managing Director.

Non-Executive Directors, not vested with particular roles: they are directors of SAES Getters S.p.A. appointed by the Shareholders' Meeting, not having particular delegations and not covering operational roles in the Company or its subsidiaries.

Independent Directors: they are directors of SAES Getters S.p.A. who meet the requirements of independence defined by article 3 of the Corporate Governance Code.

Executives with Strategic Responsibilities: those resources that hold organisational roles which result in powers and responsibilities, directly or indirectly, relating to planning, management and control of the Company activities. The definition includes directors (executive or otherwise) of the Company itself and also includes the statutory members of the Board of Statutory Auditors, as defined by the regulation adopted by Consob with resolution no. 17221 dated 12 March 2010, as amended and supplemented, on transactions with related parties.

Strategic Managers: The managers, identified at the sole discretion of the Board of Directors among those reporting directly and hierarchically to the Executive Directors who are members of the so-called *Corporate Management Committee* and other executives who the Board of Directors again, at its sole discretion, deems to cover organisational roles of strategic significance within the Company; in both cases they have overall service seniority in the Company of at least three years.

Code/Corporate Governance Code: the Corporate Governance Code of listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A.

Remuneration and Appointment Committee: the Remuneration and Appointment Committee established by the Company in incorporation of article 6 of the Code.

Corporate Management Committee: a committee established by the Company within which the Executive Directors provide guidelines and share objectives with their direct hierarchical inferiors.

Group or SAES Group: the group of companies controlled by or connected to SAES pursuant to article 2359 of the Italian Civil Code.

MBO (Management by Objectives): means the annual variable component of remuneration (**Annual Incentive**) obtainable against the achievement of predefined company targets. That plan is reserved to the Executive Directors.

PFS (Partnership for Success): means the annual variable component of remuneration (on target bonus of 40% of base salary) that can be obtained when achieving predefined company targets for the population of employees who participate in that Plan.

Asset Disposal Plan: means the Plan illustrated in paragraph 7 of this Policy relating to the extraordinary remuneration payable under the conditions established by the Plan to the Executive Directors, to members of the *Corporate Management Committee* and to participants of the PFS plan upon the extraordinary Disposal of company Assets.

LTI Plan: means the “Long Term Incentive” Plan illustrated in paragraph 7 of this Policy, for Executive Directors, and in paragraph 9 for Executives with Strategic Responsibilities (excluding members of the Board of Statutory Auditors). The component of remuneration payable based upon the LTI Plan is paid with a three-year deferment.

Phantom Shares Plan: means the Plan illustrated in paragraph 7 of this Policy which incentivises the Executive Directors and selected managers to achieve long-term results.

GAS (Gross Annual Salary): means the annual fixed remuneration for Executive Directors (**Base remuneration**) and the gross annual fixed component of remuneration for personnel recruited under an employment relationship.

GAR (Global Annual Remuneration): for directors it means the GAS increased by the average of variable remuneration (as defined below) actually paid in the last two years. For personnel recruited under an employment relationship, it means the GAS increased by the variable remuneration items paid in the last year.

Variable Remuneration: it represents, for the Executive Directors, remuneration linked to achievement of the targets established by the MBO plan and that provided by the LTI Plan, paid on a deferred basis; in the case of employment relationships, it refers to payments deriving from the PfS plan.

Yearly Total Direct Compensation Target: means the sum (i) of GAS, (ii) of the gross annual variable component that the beneficiary would receive when achieving the targets (MBO/PfS); (iii) of the annualising of the gross variable component in the medium/long-term (known as LTI Plan) which the beneficiary is entitled to receive when achieving the medium/long-term targets.

1. Principles and Purposes

The Company defines and applies a remuneration Policy on an annual basis.

The Policy is aimed at attracting, motivating and retaining resources in possession of the professional qualities required to pursue the objectives of the Group, which operates in complex, diverse and very competitive technological markets, taking account of labour market dynamics.

In recent years, the SAES Group's business model has undergone and continues to undergo profound changes, requiring a frequent realignment of the Policy. The Company operates in diversified international markets with dedicated Business Units, in different technological contexts and, although the Headquarters are located in Italy, the management of the Group requires a multi-business approach with markets and sectors at differentiated speeds needing complex skills and significant cultural-managerial flexibility.

The Policy is defined with the aim of aligning management's interests with those of the shareholders and pursuing the priority objective of creating value sustainable in the medium to long-term. One fundamental aspect in that regard is represented by the coherence and by the respect, over time, of the stance that underlies it. It follows that a particularly significant aspect in defining the remuneration is represented by the creation of mechanisms that produce an identification between management and the company, that are adequate to the existing situation of the relevant global markets and that guarantee organisational stability.

In 2018 the Remuneration Policy was reviewed, and some innovations were made with a view to enhancing the achievement of the shareholders' objectives.

2. Remuneration and Appointment Committee

The Board of Directors has established within it, since 17 December 1999, the “*Compensation Committee*” now Remuneration and Appointment Committee, with advisory and consulting functions. In particular, the Remuneration and Appointment Committee, as regards the management of the remuneration issue, in compliance with article 6 of the Corporate Governance Code entitled “Directors' Remuneration”:

- 1) develops and defines a Remuneration Policy and proposes its adoption to the Board of Directors;
- 2) assesses the adequacy, overall coherence and concrete application of the Policy for the remuneration of directors and Executives with Strategic Responsibilities;
- 3) provides to the Board of Directors proposals and opinions on the remuneration Policy, suggesting any adjustments and improvements;
- 4) examines proposals relating to the remuneration of Executive Directors and Executives with Strategic Responsibilities;
- 5) expresses opinions or presents proposals to the Board of Directors on the remuneration of directors vested with particular roles, taking account of the Policy;
- 6) verifies the adequacy and correct application of the criteria for the remuneration of the Company's Executives with Strategic Responsibilities and their coherence over time;
- 7) contributes to determining and suggesting targets relating to the variable remuneration plans for Executive Directors;
- 8) verifies the achievement of the variable remuneration targets defined for Executive Directors;
- 9) verifies the application of decisions made by the Board of Directors on remuneration.

Currently, the Remuneration and Appointment Committee, regulated by article 6, P.3 of the Corporate Governance Code, is made up of non-executive Independent directors in the persons of: Gaudiana Giusti, Luciana Rovelli and Adriano De Maio¹.

All Committee members possess adequate experience in economic/financial matters and remuneration assessed by the Board of Directors upon their appointment.

The Committee meetings (number, main matters discussed, duration and attending percentage of the members) are reported in the Corporate Governance Report, to which reference is made for further details.

3. Process for Defining, Approving and Implementing the Policy

The Policy is defined through a transparent process in which a central role is played by the Remuneration and Appointment Committee and the Company's Board of Directors, which are responsible for the initiative and for submitting proposals to the Board of Directors, which ultimately defines and approves the Policy and its additions and updates.

¹ He is an independent director in the sense that he meets only the independence requirements set forth by articles 147-ter para 4 and 148 para 3 of the Consolidated Finance Law.

The Remuneration and Appointment Committee, in carrying out its tasks, ensures that there are suitable functional and operational connections with the competent Company structures. In particular, the Company's Human Resource Department, with the assistance, where needed, of specialised consulting firms identified and independently chosen by the Remuneration and Appointment Committee, provides the Remuneration and Appointment Committee with all the information and analyses it requires.

The Chairman of the Board of Statutory Auditors or other auditor appointed by the Chairman attends the meetings of the Remuneration and Appointment Committee. Such meetings can be attended also by the other Statutory Auditors.

Once defined, the proposals developed by the Remuneration and Appointment Committee are submitted for approval by the Board of Directors which, having heard from the Board of Statutory Auditors, resolves on a final basis on those proposals and on the Policy, also approving – annually – the Remuneration Report described in the paragraph below.

The Remuneration and Appointment Committee approved the Policy proposal for the financial year 2019 on 20 November 2018. During that meeting, the Committee also assessed the adequacy, overall coherence and concrete application of the 2018 Policy.

Based upon the Policy, the following are approved:

- by the Board of Directors, the remuneration and contractual proposals of the Executive Directors upon granting the delegations, according to corporate practices, as well as any subsequent amendment or adjustment;
- by the Company's Human Resources Department, with the approval of the managing directors, the adjustment proposals of the remuneration of Executives with Strategic Responsibilities (excluding statutory members of the Board of Statutory Auditors);
- by the Shareholders' Meeting, the fees of the Board of Statutory Auditors (see, in that regard, paragraph no. 11 below).

4. Transparency

The Policy is included in the Remuneration Report, to be submitted annually to the shareholders' meeting in accordance with article 123-ter of the Consolidated Finance Law, and it must be prepared in conformity with the provisions indicated in article 84-quater of the Issuers' Regulation and Schemes 7-bis and 7-ter, contained in Annex 3A to the Issuers' Regulation (the “**Remuneration Report**”). The Remuneration Report, in Section II, also includes (i) an indication of the remuneration of the members of the management and control bodies, any general managers and, in aggregate form, the Executives with Strategic Responsibilities, and (ii) a report on the investments held by the members of the management and control bodies, by the general managers and by the Executives with Strategic Responsibilities in the Company and in the Group.

The Remuneration Report is made available to the public at the Company's office, on the internet website and on the authorised storage mechanism (1INFO STORAGE) at least 21 days before the annual shareholders' meeting, usually coinciding with the shareholders' meeting to approve the financial statements, so as to allow the shareholders to express their non-binding, favourable or contrary vote on the Policy. The outcome of the vote expressed

by the shareholders' meeting on the Policy must be made available to the public on the Company's internet website within 5 days of the date of the shareholders' meeting.

The Remuneration Report remains published on the Company's internet website in respect of existing regulatory provisions.

5. Directors' Remuneration - in general

The Board of Directors includes:

- (i) Executive Directors;
- (ii) Non-Executive and/or Independent Directors.

There may also be directors vested with particular roles (members of the Remuneration and Appointment Committee and Control, Risks and Sustainability Committee, the Director forming part of the Supervisory Body, the Lead Independent Director, the members of the Committee for Transactions with Related Parties).

At the approval date of this Policy, the following are:

- Executive Directors: the Chairman of the Board of Directors Massimo della Porta (who also covers the role of Chief Technology and Innovation Officer as well as Group CEO) and the Managing Director Giulio Canale (who also covers the role of Chief Financial Officer as well as Deputy CEO);
- Non-Executive Directors: all remaining directors, and, more precisely, Luciana Rovelli, Adriano De Maio, Alessandra della Porta, Luigi Lorenzo della Porta, Andrea Dogliotti, Stefano Proverbio (Lead Independent Director) and Gaudiana Giusti.

The SAES Shareholders' Meeting, when appointing the Board of Directors, defined a total fee pursuant to article 2389, paragraph 1 of the Italian Civil Code, for the remuneration of the directors, attributing to the Board of Directors the duty of determining how it is divided.

In particular, the gross annual total fee was determined by the Shareholders' Meeting as the amount of Euro 343,000 and was divided by the Board of Directors, meeting after the appointment, as follows:

- Euro 20,000 for each director; and
- Euro 30,000 for the Chairman of the Board of Directors.

The Board (essentially replicating without changes a shareholders' meeting resolution dating back to 2006, confirmed in 2009) also established the following fees for the committees internal to the Board of Directors:

- Euro 10,000 for each member of the Control, Risks and Sustainability Committee and Euro 17,000 for its Chairman;
- Euro 10,000 for each member of the Remuneration and Appointment Committee and Euro 15,000 for its Chairman;
- No fee is scheduled for the members of the Committee for Transactions with Related Parties.

The Board also established the following annual fees:

- Euro 18,000 for the two independent directors forming part of the Supervisory Body and Euro 20,000 for its Chairman;
- Euro 25,000 for the Lead Independent Director.

The economic value of the previous fees, which had remained unchanged since 2006, was thereby updated.

The Directors are also entitled to the reimbursement of expenses incurred for reasons connected to their role.

In line with “best practices” an insurance policy is in place known as “*D&O (Directors & Officers) Liability*” which covers civil liability towards third parties of the corporate bodies in the exercise of their functions, also aimed at indemnifying the Group from costs deriving from compensation actions by third parties. That policy covers cases of possible compensation connected to management liability, as provided by the applicable national collective labour agreement, and those deriving from mandate rules, excluding cases of wilful intent and gross negligence.

Finally, again in this case in line with “best practice”, the non-Executive Directors do not receive any variable component of remuneration and they may not be recipients of remuneration plans based directly or indirectly on shares.

6. Remuneration of Executive Directors

The Remuneration and Appointment Committee makes to the Board of Directors proposals and/or provides opinions on the remuneration to be attributed to the Executive Directors (Chairman and Vice Chairman/Managing Director of the Company).

The remuneration of the Executive Directors is made up of the following elements:

- **a fixed gross annual component (GAS)**;
- **a monetary incentive** split into an annual component (known as MBO), which may be obtained by achieving the pre-defined company targets and a three-year component (LTI – Long Term Incentive) focused on a broader timeframe;
- **a strategic remuneration plan** which consists of a plan associated to the disposal of Assets and a Phantom Shares Plan. These schemes are intended to remunerate the contribution to the creation of value also defining, through a Phantom Shares Plan, a loyalty bonus linked to seniority in the role and commensurate, in the entitlement and in the amount, to the achievement of long-term targets.

The remuneration package provided for the Executive Directors takes account of the extremely competitive conditions of the global market and is defined to attract and retain management at adequate level. In defining its structure, consideration was given to the need for alignment with the interests of the shareholders and it was therefore decided to link a very important part of the remuneration to the company performances and to the creation of value in the medium to long-term. A short-term imbalance, as well as not being aligned to

best practices, would not be justified in a sector in which the Company's success largely disregards short-term optimisations.

The fixed component is determined proportionally to the complexity of the businesses/markets, the breadth of the role and responsibilities and it reflects the experience and competencies of the recipient so as to remunerate his/her position, commitment and performance even when the Company targets have not been achieved for reasons independent from the directors' performance (for example: adverse market conditions). The coherence with which the Policy is applied over time is also important, to guarantee the necessary organisational stability.

In determining the remuneration and its individual components, the Board of Directors considers the breadth of delegations granted to the Executive Directors and the respective seniority in the role. In particular, the remuneration is determined based upon the following indicative criteria:

- a) the fixed component generally has an adequate and sufficient incidence on the Yearly Total Direct Compensation Target, with the aim of avoiding too wide fluctuations that would not be justified in light of the structure of the labour market indicated above and the specific aspects of the technological business in which the SAES Group operates;
- b) the MBO (annual) target incentive, when achieving the targets, may represent a significant component but may not exceed 120% of the GAS for the Chairman and 75% for the other Managing Director;
- c) all payments are made after the approval by the Shareholders' Meeting of the relevant financial statements.

Executive Directors who cover roles in the Boards of Directors of subsidiary companies do not receive any additional remuneration with respect to the remuneration described in this Policy.

See paragraph 7 below for a more analytical description of the variable remuneration plans.

As regards benefits and perquisites, the company has a policy aligned to best market practices, applied to all management. Since the Executive Directors are not under an employment relationship and therefore do not enjoy the insurance cover for strategic managers, the Board of Directors provides in their favour:

- a Severance Indemnity (the “**SI**”) pursuant to article 17, 1st paragraph, letter c) of the Consolidated Law on Income Tax no. 917/1986, having characteristics analogous to those typical of staff severance pay (SSP) pursuant to article 2120 of the Italian Civil Code, granted, in accordance with the law, to managers of the Group and including the contributions under the employer's remit due to social security institutions or funds for management employment relationships. The SI was established by the shareholders' meeting of SAES Getters S.p.A. on 27 April 2006 and by the subsequent shareholders' meetings of appointment (21 April 2009, 24 April 2012, 28 April 2015 and 24 April 2018). The beneficiaries of the SI are the Chairman and the Managing Director, as well as, possibly, other Executive Directors, identified by the Board of Directors, subject to examining the remuneration and contribution situation of the individual director.

The establishment of the SI is aimed at achieving, at the career end, pension cover in line with Italian and international standards identified as 50% of the last global fee received.

The resolutions relating to the SI are implemented by entering into a SI policy with a major insurance company, in line with legal requirements, with an annual premium in a sum equal to the share of provisioning provided by the plan, currently in the amount of 22% of the remuneration - fixed and variable - paid to the beneficiary directors, as resolved by the Board of Directors in accordance with article 2389 of the Italian Civil Code.

- insurance cover against professional and extra-professional accidents;
- compensation for death and permanent invalidity from sickness;
- medical cover;
- additional benefits typical of the role.

The positioning, composition and, more generally, competitiveness of the remuneration of the Executive Directors is analysed by the Remuneration and Appointment Committee and by the Board of Directors with possible support from external consultants with proven and specific expertise in the sector, subject to verifying their independence.

7. Variable Remuneration Plans: MBO / LTI / Disposal of Assets / Phantom Shares

The Company's **Variable Remuneration** is split into a short-term incentive plan entitled **MBO** for the Executive Directors and **PfS** for the employees, supplemented by a deferred component (**LTI**) linked to the achievement of performance targets over a three-year timeframe.

The MBO/PfS plan and the LTI plan constitute, as a whole, the company incentive plan (with a short-term and a deferred component).

During 2018, this scheme was supplemented by a strategic remuneration plan based upon a remuneration plan linked to the **Disposal of Assets** and a **Phantom Shares Plan** aimed at remunerating management based upon the value created for the shareholders, also thereby establishing a sort of career bonus linked to the generation of value.

7.1. MBO Plan

The annual variable component (“**MBO**”) remunerates the performance on an annual basis. The MBO targets for the Executive Directors are established by the Board of Directors, in line with the Policy, at the proposal of the Remuneration and Appointment Committee, and are connected to the performance, on an annual basis, of the Company and of the Group.

The incentive is subject to a differentiated cap (respectively 120% and 75% for the Chairman/Managing Director and the Vice Chairman/Managing Director/CFO) and the plans involve differentiated targets.

For the Chairman/Managing Director, the targets and the incentive are parameterised to the achievement of the EBITDA (Pre-Tax Profit, Interest and Amortisation) according to the following outline:

CONSOLIDATED EBITDA	ACHIEVEMENT RATE				
	<80%	80%	100%	120%	>120%
	Range: 80 - 120				
INCENTIVE	0%	40%	80%	120%	120%
	Range: 40 - 120 (- 50% / + 50% compared to the target of 80% of Base Salary)				

For the Vice Chairman/Managing Director/CFO the target is determined by the average between the target EBITDA in the budget and that of the Cash Flow generated, according to the following outline:

AVERAGE PARAMETERS EBITDA and CASH FLOW	ACHIEVEMENT RATE				
	<80%	80%	100%	120%	>120%
	Range: 80 - 120				
INCENTIVE	0%	25%	50%	75%	75%
	Range: 25 - 75 (- 50% / + 50% compared to the target of 80% of Base Salary)				

7.2. LTI Plan

In order to contribute to achieving the medium to long-term interests, the Group has adopted, since 2009, an incentive system linked to the achievement of targets contained in the three-year strategic plan entitled LTI (Long-Term Incentive) Plan.

According to that plan, confirmed in subsequent years, if the targets of the three-year strategic plan are achieved, the participant accrues an LTI incentive determined as a percentage of his/her gross fixed annual salary/GAS in place when his/her participation in the LTI Plan was established. This variable component with medium to long-term target may not exceed 100% of the gross annual fixed component/GAS upon achieving the target.

The accrual begins upon achieving 80% of the target and, if the target is exceeded, it increases proportionally up to the maximum amount (*cap*) of 200% of the GAS, scheduled

in correspondence with achieving 125% of the target according to the following progression:

CONSOLIDATED EBIT TARGET	PARAMETER	LONG-TERM INCENTIVE EXPRESSED AS A PERCENTAGE OF THE BASIC SALARY
	75	0.00%
	80	20.00%
	85	40.00%
	90	60.00%
	95	80.00%
	100	100.00%
	105	120.00%
	110	140.00%
	115	160.00%
	120	180.00%
	125	200.00%

Its payment is deferred to the last financial year of the three-year period of reference. The payment is made after the approval by the Shareholders' Meeting of the relevant financial statements.

On an annual basis, the Remuneration and Appointment Committee proposes to the Board of Directors the MBO targets and verifies, in the next financial year, the performance of the Executive Director in order to define the achievement of the MBO targets for the previous year. The Committee also proposes to the Board of Directors, against the presentation and approval of the three-year plan, the target of the LTI Plan, subsequently verifying its level of achievement.

If the access threshold is not achieved, the beneficiary does not accrue any right, even pro rata, to payment of the LTI incentive.

The LTI Plan also has retention purposes. In fact, if the mandate is terminated in any circumstance prior to the end of the three-year period, the recipient ceases his/her participation in the Plan and the three-year incentive may not be paid, even pro rata.

7.3. Disposal of Assets

In April 2018 the Company approved a strategic remuneration plan divided into a scheme linked to the disposal of company Assets and a Phantom Share scheme.

The so-called “Assets” plan proposes to remunerate the beneficiaries in relation to the realisation, by the Company, of economic benefits deriving from the disposal of shareholding, fixed assets and other assets. The purposes of the Plan are to retain the beneficiaries and to align their performances with the company interests. The Plan represents an autonomous incentive mechanism which takes account of the skills, seniority and experience of each beneficiary, as added values in guidance and support in achieving strategic and excellent results.

In view of its contingent nature, the Plan does not constitute an element of the compensation of the directors or the remuneration of employees and does not form part of the elements for determining the SI for directors and SSP for employees. It does not, for the latter, have any effect on the direct or indirect remuneration institutions.

The Plan is aimed at:

- (i) the two Executive Directors with the role of Chairman and Vice Chairman of the Board of Directors and who, even considering any renewals, have been in office as Chairman or Vice Chairman for at least three financial years at the Plan approval date;
- (ii) the Strategic Managers;
- (iii) the employees of the Company, other than the Strategic Managers, identified, at the sole discretion of the Board, from those who participate in the variable remuneration plan entitled *Partnership for Success (PfS)* and who, at the Plan approval date, have total company seniority of at least three years within the Company.

By 30 June of each year, the Board of Directors of the Company may identify other Strategic Managers and/or PfS recipients of the Plan who have accrued the seniority requirements required by the Plan.

The Plan, which has a term of nine years from its approval, grants in favour of the beneficiaries the right to receive payment of a cash incentive. The rights deriving from the Plan in favour of each beneficiary may not be subject to acts of disposition.

Events that, under the terms and conditions of the Plan, may give rise to the payment of an incentive in favour of the beneficiaries are disposals (sale, merger, exchange, contribution or similar operations) of assets (any tangible or intangible fixed assets, capital assets, including patents and other intellectual property rights), of businesses or business branches (such as a business, production unit, division), of corporate shareholding (including affiliates and controlled companies) held by the Company directly or by way of subsidiaries, susceptible and subject to Disposal.

Amount and allocation of the incentive

For each Disposal of Assets which is finalised within the period of duration of the Plan, the Plan recipients will be entitled to receive a total gross incentive (to be allocated between the beneficiaries according to the criteria indicated in the Plan Regulation and illustrated below) calculated on the basis of 10% of the difference between the fee for the transfer and the book value of the assets, naturally correlated to the percentage subject to sale, provided that that value is higher than zero.

The gross amount thus determined is to be allocated as indicated below:

- (i) 60% of the gross incentive is attributed to the Executive Directors so that the Chairman is granted 35% of the gross incentive and the Vice Chairman 25% of the gross incentive. If, under the terms and conditions of the Plan, only one Executive Director is entitled to the incentive, 60% of the gross incentive will be attributed to that Executive Director.

- (ii) 25% of the gross incentive is attributed to all Strategic Managers entitled, under the terms and conditions of the Plan, to the incentive and it will be allocated between the same equally.
- (iii) 15% of the gross incentive is attributed to the PfS entitled to the incentive and allocated between the same equally.

The Remuneration and Appointment Committee is responsible for ascertaining those events that, under the terms and conditions of the Plan, may give rise to the payment of an incentive, quantifying the incentive due to each beneficiary as well as completing each and any act, fulfilment, formality and communication necessary for the purposes of implementing the Plan.

Termination

The Plan ceases to produce its effect at the expiry of the ninth year after the approval date.

Each beneficiary loses the qualification of beneficiary upon the termination, as appropriate, from the role of Chairman or Vice Chairman or the employment relationship (in the case of Strategic Managers and PfS), with consequent forfeiture of the right to receive an incentive with the sole exception of cases of revocation of the management mandate without just cause, dismissal for justifiable reason or without just cause of managers.

The Company reserves the right to receive the return of the incentive where (i) circumstances are ascertained that would have prevented its payment (for example: wilful or grossly negligent breach by a beneficiary of the legal or contractual obligations applicable, as appropriate, to the role or employment relationship, wilful or grossly negligent breach of rules or company procedures, the Code of Ethics or the organisation, management and control model of the Company), or (ii) it is ascertained that it was paid on the basis of intentionally altered data.

7.4. Phantom Shares Plan

As a complement to the strategic remuneration plan linked to the Disposal of Assets, since 2018 the Company has established a Phantom Shares scheme reserved to the Executive Directors and Strategic Managers, as approved by the shareholders' meeting on 1 October 2018.

At an initial phase, the Strategic Managers may be identified only from those reporting directly to the Executive Directors who are members of the so-called *Corporate Management Committee*. Subsequently, the Board of Directors, by 30 June of each year (provided that all assignable *Phantom Shares* have not yet been assigned), may identify as beneficiaries any additional Managers.

The Plan is intended to incentivise managers able to affect the company results and to increase the Company's capitalisation. The Plan thus constitutes a tool, which is added to the compensation of the Directors and the remuneration of the managers, aimed at creating an autonomous incentive mechanism that takes account of the skills, seniority and experience of each beneficiary as added values in guidance and support in achieving the strategic

objectives. The purposes pursued by the Plan are, at the same time, to retain the beneficiaries and to best align their performances with the interests of the shareholders.

The Plan provides that the free assignment of Phantom Shares is not linked to the achievement of specific performance targets. The incentive that the beneficiaries are entitled to receive under the terms and conditions of the Plan is based upon the number of Phantom Shares assigned to each beneficiary and on the increase of the stock exchange price of the shares registered at the event date (namely, in the case of a Change of Control following a public takeover bid, the public purchase price) with respect to the assignment value.

The maximum number of *Phantom Shares* that may, in total, be assigned to the beneficiaries based upon the Plan is 12% of the number of ordinary shares at the Plan approval date by the Board.

The Board of Directors, with the same resolution with which it identifies a certain person as a recipient of the Plan, also determines, at the proposal of the Remuneration and Appointment Committee, the number of Phantom Shares assignable to the same and the allocation percentage of the number of shares assignable.

If the beneficiaries lose their rights under the Plan, the Phantom Shares previously assigned to them will be considered not to have been assigned and may therefore, at the discretion of the Board of Directors, be offered to new beneficiaries or to those who are already beneficiaries, at the same assignment value as that of the Phantom Shares previously assigned.

In the case of transactions on ordinary shares or on Company capital, such as the conversion to ordinary shares of other share categories, the grouping or splitting of shares, capital increases, mergers, demergers, capital reductions, share cancellations, reductions of the nominal value of the ordinary shares, the Board of Directors, with the advisory support of the Remuneration and Appointment Committee, will make to the Plan the changes and additions deemed necessary or opportune to keep unchanged the substantive and economic contents of the Plan. A similar principle will be applied in the event of legislative or regulatory changes and other events likely to alter the substantive and economic contents of the Plan.

The assignment value is equal to the weighted average of the Share prices measured in the 36 months prior to the identification date of each Plan recipient by the Board of Directors.

The share price at the event date will be equal to the weighted average of the official ordinary share prices measured on the trading days that fall within the 90 calendar days prior to the event date (except in the case of a Change of Control following a voluntary or compulsory public takeover bid).

Each beneficiary irrevocably loses the right to receive an incentive where, before the payment of the incentive:

- (a) if an Executive Director: he/she voluntarily resigns; the role of Director is revoked, for just cause; if a just cause is in place, the role of Chairman or Vice Chairman has been revoked from him/her or the delegations and powers have been substantially modified or the role or organisational positioning has been substantially modified;

(b) if a Strategic Manager: he/she voluntarily resigns or is dismissed for just cause.

The Phantom Shares are assigned in respect of the principle of equality of assignment, with equal Global Service Seniority, between the Strategic Managers who are invited to participate in the Plan at the same time.

The events that may give rise to the payment of an incentive in favour, as appropriate, of the Executive Directors or of one of them (and his/her heirs) are the following:

- (i) Change of Control;
- (ii) lack of renewal of the role of Director at the expiry of the mandate;
- (iii) revocation without just cause from the role of Director by the Shareholders' Meeting;
- (iv) revocation from the role of Chairman or Vice Chairman or substantial modification of the delegations and powers or substantial modification of the role or organisational positioning without the occurrence of a just cause;
- (v) resignation of the Director for just cause, to be attributed, for example, to a modification of powers, organisational positioning and the role of Director without there being any just cause;
- (vi) death of the Director;
- (vii) permanent invalidity which prevents the exercise of the role of Chairman or Vice Chairman of the Board of Directors;
- (viii) termination from the role due to reaching retirement age.

The events that may give rise to the payment of an incentive in favour, as appropriate, of the Strategic Managers or of one of them (or his/her heirs) are the following:

- (i) Change of Control;
- (ii) resignation for just cause;
- (iii) dismissal for objective justifiable reason;
- (iv) death or permanent invalidity which prevents the continuation of the employment relationship;
- (v) delisting;
- (vi) termination of the employment relationship due to reaching retirement age.

Solely for beneficiaries who are Strategic Managers, the amount of the incentive will be:

- (i) reduced by 50% if the beneficiary, with regard to the event date, has global service seniority of less than 10 years;
- (ii) increased by 10% if the beneficiary, with regard to the event date, has global service seniority of more than 15 years;
- (iii) increased by 20% if the beneficiary, with regard to the event date, has global service seniority of more than 20 years;
- (iv) increased by 30% if the beneficiary, with regard to the event date, has global service seniority of more than 25 years;

- (v) increased by 50% if the beneficiary, with regard to the event date, has global service seniority of more than 30 years.

The Phantom Shares may not be transferred and, more generally, subject to acts of disposition.

On October 17, 2018 the Board of Directors formally approved the regulations of the plan, without making any modifications to the draft already attached to the report to the Shareholders' Meeting of SAES Getters S.p.A., and initiated the implementation of the plan, by identifying, on the proposal of the Remuneration and Appointment Committee, the beneficiaries of the plan by name and determining the number of phantom shares to be assigned free of charge to each beneficiary.

In compliance with the criteria established by the plan regulations, the assignment value of each phantom share was determined in Euro 16.451.

The press released issued on the same date included all the information as per table 1 of Annex 3A to the Issuers' Regulation, Scheme 7 (including name of beneficiaries and amounts).

8. Indemnity for Resignation, Dismissal or Termination of the Relationship

As regards the Executive Directors, no indemnity is due if the mandate is revoked for just cause. Moreover, the Company does not pay any indemnities or fees of extraordinary nature linked to the end of the mandate other than those indicated in this policy.

A specific indemnity is paid in the case of revocation by the Shareholders' Meeting or revocation of the delegations by the Board, without just cause, as well as termination by the directors in the case of the substantial modification of the role, organisational positioning or delegations attributed and/or cases of “hostile” public takeover bid or, more generally, of resignation for just cause motivated by reasons other than those mentioned by way of example.

In those cases, the indemnity amounts to 3.5 years of gross annual remuneration, thereby meaning the Global Annual Remuneration (constituted by the fixed fee to which the average of the variable fees received in the previous two years is added).

This amount is defined with the aim of guaranteeing homogeneous treatment between the Executive Directors and Executives with Strategic Responsibilities and is aligned with the prevalent market practices of listed companies.

In the event of non-renewal of the role, an indemnity is paid equal to 2.0 years of the gross annual remuneration, thereby meaning the sum of the global fee (gross annual remuneration defined as the sum of the annual fixed fee increased by the average variable remuneration received in the previous two years).

In the event of resignation from the role, no indemnity is due to the Executive Directors, who are bound by a prior notice period of six months, failing which the resigning director

will be required to pay to the Company an indemnity equal to 25% (twenty-five per cent) of the annual fixed compensation.

In the case of resignation from the role for just cause (for example: modification of powers, organisational positioning and role or attribution of those powers, organisational positioning or role to other persons or committees and/or in the case of a “hostile” public takeover bid which materialises in a change of the ownership and control structure of the Company) the Director will not be required to respect the prior notice period and will be entitled to receive an indemnity equal to 3.5 times the Global Annual Remuneration, as defined above.

In the event of sickness or accident, which prevents the conduct of the functions of directors vested with particular roles, an indemnity will be paid for a period not exceeding twelve (12) consecutive months amounting to one year of the annual base remuneration. Once that period is exceeded, the Company may withdraw from the relationship, with prior notice of three months, paying an indemnity of Euro 2,500,000 gross.

9. Remuneration of Executives with Strategic Responsibilities

In order to attract, motivate and retain Executives with Strategic Responsibilities, the remuneration package for that company population is made up as follows:

- a gross annual fixed component/GAS;
- a variable component with annual payment (known as PfS or “*Partnership for success*”) which can be obtained upon achieving predefined Company/role targets with an on-target bonus of 40% on the base salary;
- a medium to long-term variable component (LTI Plan) linked to specific targets, with deferred payment with a maximum limit of one year on the base salary at the time of assignment.

The base salaries/GAS are verified and, where necessary, adjusted annually by the Human Resources Department, with the approval of the Managing Directors, in view of various factors, such as, by way of example but without limitation: a) trend of the labour market; b) work performance; c) level of responsibility/role; d) balance/equality of internal remuneration levels; e) benchmarks of comparable companies for similar positions; f) experience, expertise, potential, career prospects.

The variable components are aimed at motivating Executives with Strategic Responsibilities to achieve the annual targets (MBO/PfS) as well as the longer term strategic objectives.

The LTI Plan for Executives with Strategic Responsibilities is aimed at gaining loyalty and motivating the key resources, leveraging on a remuneration structure modified in some components, which allows for the accumulation of long-term capital. The LTI Plan is aimed at guaranteeing to the Company the enjoyment of greater organisational stability as the result of the permanence of key resources that guarantees management continuity and of the alignment to the strategic objectives also in a medium-term timeframe.

The Executives with Strategic Responsibilities, being positioned as managers, enjoy non-monetary benefits which include medical policies, accident policies (professional and extra-

professional), life insurance policies and pension benefits. During 2013 the Company established for the Executives with Strategic Responsibilities, and for the other Company managers an ad hoc programme of non-monetary benefits known as *Flexible Benefits* whose amount varies depending on the service seniority in the managerial role (seniority calculated with exclusive reference to SAES). For 2018 the sums are the following: Euro 3,000 for managers with seniority in the role in SAES of over 6 years; Euro 2,000 for the other managers. Those sums will be respectively increased to Euro 3,500 and 2,500 for 2019.

Finally, the Executives with Strategic Responsibilities enjoy an indemnity in the event of termination of the employment relationship without just cause by the Company, in accordance with the labour contract (National Collective Labour Agreement for industry managers, NCLA) which establishes the limits, amount and application methods.

Executives with Strategic Responsibilities who cover roles in the Boards of Directors of the subsidiary companies or in other corporate bodies (e.g. Supervisory Body) do not receive, in general, any additional remuneration with regard to the remuneration that they receive in the capacity of employees. This principle also applies to all other non-Executives with Strategic Responsibilities of the Group.

10. Non-Competition Agreements and “Changes of Control”

The Company may enter into with its Executive Directors and with its Executives with Strategic Responsibilities non-competition agreements which schedule, for the termination of the relationship, the payment of a fee correlated to the annual remuneration and parameterised to the duration and breadth of the restriction established in that agreement.

The restriction, to be concluded on a certain date each time, refers to the product/market sector in which the Group operates and may have a geographical extension that covers all countries in which the Group operates.

In case of Executives with Strategic Responsibilities forming part of the so-called Corporate Management Committee, as a condition of better favour with respect to what is dictated by article 13 of the NCLA, upon the occurrence of a “change of control”, the manager may terminate the relationship within 180 days from the legal date of the change, without the obligation of prior notice and with payment of an indemnity equal to 3 global years of remuneration (including the average of variable remuneration paid: PFS, LTI Plan) gross, as well as the right to the indemnity in lieu of prior notice provided by article 23 of the NCLA in the case of termination.

Similarly, in the case of a “change of control”, if the Company decides to terminate the employment relationship with the Executives with Strategic Responsibilities forming part of the so-called Corporate Management Committee, it must provide, within 180 days from the legal date of the change, to the same, as a condition of better favour with respect to what is dictated by Articles 19-22-23 of the NCLA, the payment of an indemnity equal to 3 global years of remuneration (including the average of variable remuneration paid: PFS, LTI Plan) gross, as well as the right to the indemnity in lieu of prior notice provided by article 23 of the NCLA in the case of termination.

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2019. For any difference between the two texts, the Italian text shall prevail.

“Change of control” means any event that, directly or indirectly, modifies the ownership structure and the chain of control of the Company and the parent company.

Those provisions derogate as an improvement and fully replace the rules of the NCLA for industry managers and are an integral and essential part of the individual employment contracts.

11. Remuneration of the Board of Statutory Auditors

The remuneration of the Board of Statutory Auditors is resolved by the shareholders' meeting at the time of appointment based upon professional rates (if applicable) and/or normal market practice.

In that regard, the Shareholders' Meeting on 24 April 2018 determined the aforementioned annual remuneration in the amount of Euro 40,000.00 (forty thousand) for the Chairman and Euro 29,000.00 (twenty-nine thousand) for each other Statutory Auditor.

Depending on their participation in other control bodies (for example, the Supervisory Body), within the limits permitted by existing regulations, the statutory auditors may receive additional fees.