



SAES Getters S.p.A.

FIRST SECTION OF THE REMUNERATION REPORT

Pursuant to article 123-*ter*, paragraph 3, of Legislative Decree no. 58/1998 and article 84-*quater* and related Annex 3A, Schedule 7-*bis* – section I of Consob resolution no. 11971/1999 relating to issuer regulations.

SAES GETTERS S.P.A.

Compensation Policy for Strategic Resources - 2012

Foreword

Remuneration of Directors and other executive officers with strategic responsibilities within SAES Getters S.p.A. (hereafter “SAES” or the “Company”) is determined to be of an amount sufficient to attract, retain, and motivate qualified professionals with the attributes needed to successfully manage the Company.

The Company here defines the general policy on compensation for the year 2012 (the “Policy”), which summarizes principles and procedures which the SAES Group (as defined hereafter) abides by, in order to:

- **consent the correct application** of compensation practice as defined hereafter;
- guarantee an adequate level of **transparency** with regard to compensation policies and the amounts paid out;
- favor the **proper involvement** of the competent Company bodies in the approval of the compensation Policy.

The Policy is drafted in light of the recommendations contained in Art. 6 of the Self-regulating Code of Borsa Italiana S.p.A. - as amended on December 2011, adopted by SAES, and effective as of the beginning of the year 2012 -, and in keeping with the provisions of Art. 123-ter of Legislative Decree No. 58 of February 24, 1998, as amended (the “Consolidated Financial Act”), with Art. 84-*quater* of the Consob Regulations, approved with resolution No.11971 of May 14, 1999, as amended (the “Issuers Regulations”), and with Annex 3A to the Issuers Regulations, Schedule 7-*bis*. The Policies are also drafted in compliance with the regulatory provisions contained in the procedure for transactions with related parties, approved by the Board of Directors of the Company on November 11, 2010, pursuant to the regulations adopted by Consob with resolution No.17221 of March 12, 2010, as amended.

The Policy applies to Directors and Executives with Strategic Responsibilities, as further detailed hereafter.

Some of the terms frequently used herein are defined as follows:

Code/Self-regulatory Code: the Self-Regulatory Code of listed companies, approved in March of 2006, and amended on December 2011, by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A.

Compensation Committee: the Compensation Committee created by the Company in implementing Art. 6 of the Code.

Executives with Strategic Responsibilities: the persons endowed with the powers and with the responsibilities, either direct or indirect, over the planning, direction, and control of the Company’s activities, including directors (whether executive or non-executive) of the Company, and all the regular members of the Audit Committee, as defined in the

regulations adopted by Consob with resolution No. 17221 of March 12, 2010, as amended, on related party transactions.

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

MBO (Management by Objectives): indicates the component, variable annually, of the compensation paid to executives based on the attainment of predefined company objectives.

LTI Plan: indicates the “Long Term Incentive” Plan as illustrated in paragraph 7 of this Policy, with regard to executive directors, and in paragraph 9, with regard to Executives with Strategic Responsibilities. Payment of such long-term component of variable compensation is deferred by three years.

Variable Compensation: compensation connected with the attainment of annual and long-term objectives, a relevant part of which (LTI Plan) is paid in deferred rates, as required by the provisions on company governance in the Code. The MBO and the LTI Plan constitute the overall Variable Compensation.

Yearly Total Direct Compensation Target: it indicates the sum (i) of the gross fixed annuity, (ii) the gross variable annuity which the executive would receive in case of attainment of objectives; (iii) the annualization of the medium/long term gross variable component (so-called LTI Plan) which the executive has a right to receive in case of attainment of the medium/long term objectives.

1. Principles and objectives

The Company defines and applies a Policy, starting on the year 2012 – first year in which said Policy is formalized – in order to attract, motivate, and retain the resources with the professional characteristics required to attain the objectives set by the Group, which are more and more concerned with increasingly more complex, diverse, and highly competitive technological markets, keeping into account the dynamics of the labor market.

The Policy is defined so as to align the interests of the top management with those of the shareholders, and is designed to pursue the priority objective to create sustainable assets in the medium/long term. A fundamental aspect of said objective is represented by the consistent and compliant observance, in time, of the core principles of this Policy.

We must note the peculiar aspect of SAES, which operates in highly technological fields of business, and wholly in international markets, though based in Italy, where the competition among companies in the same business field is not as high. Therefore the most relevant aspect in determining compensation is the creation of mechanisms that allow executives to identify with the Company, and are adequate to the global market or reference.

2. Compensation Committee

The Board of Directors has instituted, as part of the Board, since December 17, 1999, the “Compensation Committee”, with consulting and proposition-oriented tasks. Particularly, in compliance with Art. 6 of the Self-regulatory Code, the Compensation Committee:

- 1) provides the Board of Directors with proposals and opinions with regard to the policies adopted by the Company with regard to compensation, based on the information provided by the executive officers, and suggesting improvements, where needed;
- 2) examines the proposals relative to compensation of executive officers and Executives with Strategic Responsibilities;
- 3) expresses opinions or submits proposals to the Board of Directors over the compensation of executives vested of special appointments, based on the Policy;
- 4) verifies the accuracy and correct application of compensation criteria for the Company’s management and their consistency through time;
- 5) proposes and collaborates in establishing objectives (targets) with regard to the variable compensation plans;
- 6) verifies the attainment of the variable compensation objective defined for executive officers;
- 7) verifies the application of the resolutions taken by the Board of Directors with regard to compensation.

To date, the members of the Compensation Committee are the following: Prof. Adriano De Maio (Lead Independent Director), Prof. Andrea Sironi (Independent Director), and Mr. Stefano Baldi (Non-executive Director).

3. Procedure for the definition, approval, and implementation of the Policy

The Policy was defined following a transparent process in which the Compensation Committee and the Board of Directors have taken a leading role. The Board of Directors, as proposed by the Compensation Committee, defines the Policy.

The Compensation Committee, in carrying out its tasks, ensures suitable functional and operational connections with the competent Company structures. In particular, the Company’s Human Resource Department, with the assistance, where needed, of specialized consulting firms, provides the Compensation Committee with all the information and analyses needed to finalize its contents.

The Chairman of the Statutory Auditors or other auditor appointed by the Chairman participates in the meetings of the Compensation Committee. Such meetings can be attended also by the other Statutory Auditors.

Once defined, the proposed Policy drafted by the Compensation Committee is submitted to the approval of the Board of Directors, who may make the amendments or alterations it may deem necessary.

The Board of Directors, having heard the Statutory Auditors, keeping into account the observations and proposals of the Compensation Committee, reaches a final resolution on the Policy and approves the compensation report detailed in the paragraph below.

The Compensation Committee has approved the proposed Policy with regard to the year 2012 on March 2, 2012.

The Board of Directors has approved the Policy on March 13, 2012.

Based on the Policy, the following are approved:

- by the Board of Directors: the compensation and contract proposals for executive directors upon conferral of their appointment, according to company practice, as well as any modification or adjustment, if needed;
- by the Company's Human Resources Department, with the approval of executive officers: the compensation adjustment proposals for the Executive Officers with Strategic Responsibilities (excluding regular members of the Statutory Auditors);
- by the Shareholders: the compensation of the Statutory Auditors (please see paragraph 11 below on this regard).

4. Transparency

The Policy is part of the compensation report to be submitted annually to the Meeting of the Shareholders pursuant to Art. 123-ter of the Testo Unico, which must be drafted in compliance with the provisions of Art. 84-quater of the Issuers Regulations and with Schedule 7-bis and 7-ter, contained in Annex 3A to the Issuers Regulations (the "**Compensation Report**"). The Compensation Report, in Section II, includes also: (i) indication of the compensation of the members of the control and direction bodies, of managing directors, if any, and, collectively, of the Executive Officers with Strategic Responsibilities, and (ii) reports the shares owned by the members of the directing or control bodies, by managing directors and Executive Officers with Strategic Responsibilities in the Company and in the Group.

The Compensation Report must be made available to the public at the Company's registered offices, on the corporate website, and it is sent and filed with the authorized storage mechanism (NIS) at least 21 days before the annual Meeting of the Shareholders, generally coinciding with the meeting for the approval of the financial statement, so as to allow the Shareholders to express their non-binding vote to approve or disapprove the Policy. The results of the vote of the Shareholders on the Policy must be filed and available to the public on the corporate website of the Company no later than 5 days after the meeting has taken place.

The Compensation Report remains available on the corporate website for a period at least equal to that in which the compensations in line with the Policy are paid out.

5. Directors compensation – general guidelines

Within the Board, Directors are divided as follows:

- (i) executive Directors;

(ii) non-executive and/or independent Directors.

There may also be Directors with special appointments (members of the Compensation Committee or the Audit Committee, the Director part of the Supervisory Body pursuant to Legislative Decree 231/01, the Lead Independent Director, and the members of the Committee for Transactions with Related Parties).

On the date of approval of this Policy, the Directors are divided as follows:

- Executive Directors: the Chairman of the Board of Directors, Massimo della Porta (also serving as Chief Technology and Innovation Officer and as Group CEO) and the Managing Director Giulio Canale (serving also as Chief Financial Officer as well as Deputy CEO);
- Non-executive Directors: all the remaining Directors, and namely Stefano Baldi, Adriano De Maio, Giuseppe della Porta, Andrea Dogliotti, Andrea Gilardoni, Pietro Mazzola, Roberto Orecchia, Andrea Sironi, and Gianluca Spinola.

The Meeting of the Shareholders of SAES of April 21, 2009, on occasion of the appointment of the Board of Directors, had defined an overall compensation pursuant to Art. 2389, paragraph 1, of the Civil Code, as wages and remuneration for the Directors, appointing the Board of Directors with the task of dividing said overall amount among its members.

In particular, the overall annual gross compensation was established by the Shareholders in the measure of Euro 120,000.00, and was subdivided by the Board of Directors, upon their meeting following their appointment, as follows:

- Euro 10,000.00 per each Director; and
- Euro 20,000.00 for the Chairman of the Board of Directors.

The Shareholders also resolved the following compensations for the committees part of the Board of Directors:

- Euro 9,000.00 per each member of the Audit Committee, and Euro 16,000.00 for the Chairman of the Audit Committee;
- Euro 4,000.00 per each member of the Compensation Committee, and Euro 7,000.00 for the Chairman of the Compensation Committee.
- no additional compensation was resolved for the members of the Committee for Transactions with Related Parties.

The additional compensation for Directors invested of special appointments was determined by the Board of Directors.

The Board determined the following yearly compensations:

- Euro 16,000.00 for the Independent Director part of the Supervisory Body;
- Euro 20,000.00 for the Lead Independent Director.

Directors are also entitled to the refund for all expenses incurred in the performance of their duties.

In line with best practice, an insurance policy, the so-called D&O (Directors and Officers) Liability is entered into, covering for third party liability of corporate bodies acting in their capacity as directors or officers. Said insurance policy is aimed at holding the Group harmless from the losses deriving from any damages connected and attributable to the events foreseen in the applicable National Collective Labor Agreement and as defined in the relevant provisions of the appointment contract, excluding any willful misconduct or gross negligence.

Furthermore, in line with best practice, non-executive Directors are not entitled to a variable compensation adjustment, nor are they entitled to any bond or stock-based compensation plan.

6. Executive Directors Compensation (Chairman and Managing Director)

The Compensation Committee submits to the Board of Directors proposals and/or opinions relative to the compensation to be attributed to Executive Directors.

Executive Directors compensation is comprised of the following elements:

- a gross, fixed annuity;
- a variable component divided in two parts:
 - ✓ one payable annually (called MBO), to which directors are entitled upon the attainment of a specific company objective;
 - ✓ a medium/long term component with deferred payment (so-called LTI Plan).

The Company believes that compensation should be connected with company performances. Nonetheless the competitive aspect of compensation should be based on an excessive emphasis on short-term results alone, but rather find a balanced middle-ground between fixed and variable compensation, avoiding unbalanced highs or lows that would hardly be justified in a business where the success of the Company is not always directly linked to short-term performance.

The fixed component is determined proportionally to the range of the tasks to which each executive is appointed and the responsibilities undertaken, and it must also reflect the experience and competence of each executive officer, so as to justly compensate the position, efforts, and performance even in case the Company's objectives are not attained due to causes outside of the Executive Directors' sphere of influence (i.e., adverse market conditions). Equally important is the consistency with which the Policy is applied through time, to ensure the necessary organizational stability.

In determining the compensation and its single components, the Board of Directors keeps into account the scope of the appointments conferred upon the executive Directors. Particularly, compensation is determined based on the following criteria:

- a) the fixed component weighs upon the Executive Direct Compensation Target in a generally adequate and sufficient measure, in order to avoid excessive fluctuations which could not be justified in light of the labor market structure indicated above;
- b) the (yearly) MBO target incentive, assigned to Executive Directors upon attaining company objectives, may represent a significant component of compensation, but it may not exceed the total amount of the Gross Annuity (RAL);

- c) all payments are payable only after the approval by the Shareholders of the relevant Financial Statements.

Please refer to section 7 below for a more detailed description of the MBO and LTI Plan.

For Executive Directors not under top-management labor agreements, the Board of Directors generally provides, with the purpose of ensuring comparable work conditions as those provided by the Law and/or by the National Collective Labor Agreement to the Italian executive officers of the Group:

- a Directors' Severance Indemnity (the "TFM") pursuant to Art. 17, paragraph 1, letter c) of the T.U.I.R., No. 917/1986, having analogous characteristics with those typical of a regular Severance Indemnity (TFR) pursuant to art. 2120 of the Civil Code, due, pursuant to the Law, to the Italian executive officers of the Group, inclusive of all contributions borne by the employer, normally payable to social security Institutes or Funds for manager-level employment contracts. The TFM was regularly instituted by the Shareholders of SAES Getters S.p.A. on April 27, 2006, and by the Shareholders on their Meeting held April 21, 2009. The Chairman and the Managing Director are entitled to such TFM, as well as additional Directors with operative/executive appointments, as indicated by the Board of Directors, after having examined the compensation and social contribution status of each Director.

- the institution of a TFM is aimed at obtaining, upon retirement, a sufficient retirement fund – in line with Italian and international standards, which is conventionally indicated in the measure of 70% of the last salary received.

The resolutions relating to the TFM were implemented by purchasing a TFM insurance policy, with a major insurance company, in the name of the Company, in compliance with the requirements of Law, alimeted by an annual premium of amount equal to the provision for severance indemnity, in order to reach company objectives. Said provision is made in the measure of 18% of compensation – both fixed and variable – paid to Directors, as resolved by the Board of Directors pursuant to Art. 2389 of the Civil Code.

- an insurance policy covering work and non-work related injuries, with premiums paid by the Company;
- indemnity for permanent invalidity or death caused by illness;
- health insurance;
- additional benefits typically awarded to top management officers.

As of the date of validity of this Policy the Company has no incentive plans based on financial instruments.

The Board of Directors, upon request by the Compensation Committee, may award Executive Directors discretionary bonuses in relation to specific operations of exceptional import, in terms of strategic relevance and consequence affecting the Group's results.

An analysis of the positioning, composition, and, more generally, of the competitiveness of the Executive Directors' compensation is carried out by the Compensation Committee and by the Board of Directors, with the assistance, where needed, of external consultants with proven and specific competences in the field, and ascertained independence.

7. MBO and LTI Plan

The annual variable component of compensation (“**MBO**”) requires an evaluation of an officer’s performance on a yearly basis. The MBO objectives for Executive Directors are established by the Board of Directors, in line with the Policy, upon a proposal by the Compensation Committee, and are connected with the performance, on an annual basis, of the Company and the Group.

Accrual of the annual variable component is subordinated to reaching a specific access threshold (so-called *on/off*) on a financial scale (in the year 2012 the Net Financial Position) in compliance with the triennial strategic plan, and it is proportional to a quantitative parameter of annual net income (EBIT for the year 2012) in compliance with the triennial strategic plan.

In particular, the amount of MBO awarded to Executive Directors may never amount to more than 1 (one) time the gross fixed annuity/RAL. In order to contribute to the attainment of medium/long term interests, the Group adopted, since 2009, a medium/long term incentive system connected with the attainment of the objectives contained in the triennial strategic plan (first the “2009/2011”, and then the following “2012/2014”), called LTI Plan.

In case the objectives of said triennial strategic plan is reached, the executive officer participating in such objectives accrues an LTI incentive determined as a percentage of the gross fixed annuity/RAL awarded at the time in which his participation in the LTI Plan was established. This medium/long term variable component based on a target can in no case be in excess of 75% of the gross fixed annuity/RAL (Policy 2012-2014) upon reaching the target. Should results not only reach but go beyond the target, the incentive shall increase up to a maximum cap of 2 (two) times the gross fixed annuity/RAL.

Payment of this incentive is deferred to the last year of the triennial period. Payment is subject to the Shareholders’ approval of the Financial Statements for the relevant year.

With regard to the variable components of Executive Directors compensation please note that the Compensation Committee elaborates and presents to the Board of Director, on an annual basis, the MBO objectives and, during the following year, verifies the performance of each Director in order to verify the attainment of the MBO objectives of the previous year.

The Compensation Committee is also in charge of evaluating the proposal to award and the exact quantification of the LTI Plan, with regard to the attainment of the objectives previously assigned in said Plan.

In case the objectives are not reached, the competent Director receives no incentive, including *pro-quota*, with regard to the LTI Plan.

The LTI Plan is also aimed at promoting retention: in case of severance of the appointment, for any reason, before the end of the triennial period, Directors cannot claim any right over the LTI Plan, and consequently the triennial incentive, including *pro-quota*, will not be paid out.

8. Indemnity in case of resignation, dismissal, or severance

With regard to Executive Directors, the Company does not pay out any extraordinary indemnity linked to severance.

No indemnity is due in case of revocation of appointment for just cause.

A specific indemnity may be awarded in case of revocation by the Meeting of the Shareholders or revocation, by the Board of Directors, of the powers granted to a Director, without just cause, or termination of the work agreement upon initiative of the Director for just cause, such as, by way of example, a substantial modification of the role or powers of such Director, and/or in case of hostile take-over.

In such case the indemnity shall be equal to 2.5 gross annuities, including only the fixed compensation and thus excluding all the variable components.

Said amount is defined with the purpose of guaranteeing a uniform indemnity among Executive Directors and Executives with Strategic Responsibilities, and is in line with the prevailing market practice of listed companies.

In case of revocation of the powers by the Board of Directors, motivated by a significantly substandard company performance (i.e. not under 40%) as compared to the results of comparable companies – in terms of dimension and market of reference – or of a relevant harm to the company's value, unrelated to market fluctuations, said indemnity may be reduced, or, in extreme circumstances, be revoked in full.

In case of non-renewal of the position, the indemnity shall be equal to one annuity, not including variables.

In case of resignation, Executive Directors are not entitled to any indemnity. Executive Directors may resign with a six-month notice.

In case of illness or injury, which may inhibit a Director vested with special appointments to carry out his duties, said Director shall be entitled to receive, for a period not exceeding twelve (12) consecutive months, an indemnity equal to one annuity, excluding variables. Past said period, the Company may choose to terminate the work agreement with said Director, with a three-month prior notice, paying an indemnity of Euro 1,500,000.00 gross.

9. Compensation of Executive with Strategic Responsibilities (excluding regular members of the Statutory Auditors)

In order to motivate and retain Executive officers with Strategic Responsibilities (i.e. first-level managers and members of the so-called Corporate Management Committee, a company committee, outside of the corporate structure that includes first-level officers of the Company with reporting functions, where Executive Directors provide and share guidelines and objectives, and thus excludes all regular members of the Statutory Auditors), compensation guidelines are as follows:

- a gross fixed annuity/RAL;

- a variable component paid annually (called MBO/PFS or “Partnership for success”) which is awarded upon reaching predefined company/personal objectives with a maximum cap of 40% of the base annuity;
- a medium/long term variable component (LTI Plan) connected to specific objectives, with deferred payment and a maximum cap of one annuity, calculated on the base annuity at the time the incentive is assigned.

Base salaries/RAL are verified, and, where needed, adjusted on an annual basis by the Human Resource Department, and approved by the Board of Directors, in consideration of a number of factors, including, by way of example, but not limited to: a) labor market fluctuations; b) work performance; c) level of responsibility/capacity; d) balance/equality of internal retribution levels; e) benchmark of similar positions in comparable companies; f) experience, competence, potential, career opportunities.

Variable components are aimed at motivating Executives with Strategic Responsibilities to reaching annual objectives (MBO/PFS) as well as long term strategic objectives.

The LTI Plan for Executives with Strategic Responsibilities is aimed at promoting the fidelization and motivation of key resources, based on a retribution structure modified in some of its component, allowing the accrual of long-term capital. The LTI Plan is aimed at guaranteeing the Company greater organizational stability as a result of key-positions being held by the same people in time, and thus obtaining managerial continuity and alignment with strategic company objectives of medium time range.

Executives with Strategic Responsibilities, being hired under executive contracts, enjoy non-monetary benefits that include health insurance, injury policies (both work and non-work related), life insurance policies and social security benefits.

Lastly, Executive officers with Strategic Responsibilities enjoy indemnities in case of termination of the work relationship without just cause by the Company, pursuant to the National Collective Labor Agreement (CCNL Dirigenti Industria), which provides quantitative limits and application procedures.

10. Non competition agreements

The Company may enter into non competition agreements with Executive Directors and Executives with Strategic Responsibilities, which may provide the payment of a sum related to compensation with regard to the duration and scope of the obligations deriving from said agreement.

Non-competition obligations shall refer to the market sector in which the Group operates, and may extend to all the Countries in which the Group operates.

11. Compensation of the Statutory Auditors

The compensation to be awarded to the Statutory Auditors is decided by the Shareholders upon appointment of said committee, and is based on professional fees (as long as applicable) and/or normal market practice.

According to their participation in the Company's supervisory bodies (for example, in the Supervisory Board pursuant to Legislative Decree 231/01), and within the limits provided by the applicable laws, Statutory Auditors may be entitled to additional compensation.

SAES Getters S.p.A.

SECOND SECTION OF THE REMUNERATION REPORT

Pursuant to article 123-*ter*, paragraph 4, of Legislative Decree no. 58/1998 and article 84-*quater* and related Annex 3A, Schedule 7-*bis* – section II – Table 1, Table 3B and Schedule 7-*ter* – Table 1 and 2 of Consob resolution no. 11971/1999 relating to issuer regulations.