

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2018. For any difference between the two texts, the Italian text shall prevail.

Directors' Report drawn up pursuant to art. 125-ter of the Consolidated Finance Law on item 6 (ordinary part) of the agenda of the Ordinary and Extraordinary Meeting of the Shareholders of SAES Getters S.p.A. convened on single call for 24 April 2018 at 10.30 at the registered office of the Company in Lainate, Viale Italia 77.

Supplement to the fees paid to Deloitte & Touche S.p.A. in relation to its appointment as audit firm for the 2017-2021 financial years; proposal of Deloitte & Touche S.p.A. to perform the limited review of the non-financial consolidated statement; related and consequent resolutions.

Dear Shareholders,

On 23 April 2013, the Meeting of Shareholders of SAES Getters S.p.A. appointed Deloitte & Touche S.p.A. ("Deloitte") to perform the statutory audit of the financial statements and consolidated financial statements pursuant to Italian Legislative Decree no. 39/2010 and Italian Legislative Decree no. 58/1998, and the limited review of the half-year condensed consolidated financial statements of the SAES Getters Group for the 2013-2021 nine-year period.

In the *Update of Fees* section of the related Financial Bid this appointment stated that, if circumstances arose involving an increase in the time estimated to perform the tasks that had been indicated by the audit firm (also and specifically in relation to changes in regulations, accounting standards and/or audits or the performance of additional activities), Deloitte would inform the Company of the consequent additional fees.

In view of this, on 11 December 2017, Deloitte requested the adjustment of its fees, pointing out that recent amendments to the legal framework of reference (in force starting from the audit of the financial statements as at 31 December 2017) had introduced new and additional obligations for statutory auditors in the performance of their professional activities and that, starting from 1 January 2018, new IFRS accounting standards would be entering into force, with the consequent need to start to check the effects of their first application already within the context of the audit for the 2017 financial year.

The aforesaid letter of Deloitte is annexed to this report and in it the audit firm requests:

- a steady increase in the fees for the audit activities performed for each of the financial years closing on 31 December 2017 to 31 December 2021 (inclusive) of EUR 28,000.00;
- the payment of a one-off fee of EUR 15,000.00 for the year 2017 alone for the activities connected to the first application of standard IFRS 15;

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- the payment of an additional annual fee of EUR 10,000.00 for the five-year period from 2017 to 2021 for the *specified audit procedures* in the consolidated reporting package of Flexterra Inc. for the purposes of the audit of the consolidated financial statements of the Group.

Furthermore, it is to be noted that, following the transposition of directive EU 2014/95 by Italian Legislative Decree no. 254/2016, starting from the 2017 financial year, public-interest entities (including listed companies) at the head of a large group are obliged to submit a non-financial consolidated statement in relation to environmental, social and hr issues, compliance with human rights and the fight against corruption, which must be certified by a party qualified to perform the statutory audit.

On the request of the Company, therefore, on 19 December 2017, Deloitte also drew up a proposal for the professional services concerning the limited review of the non-financial consolidated statement of SAES Getters S.p.A. and its subsidiaries for the 2017-2021 financial years.

Deloitte's proposal is annexed to this report and indicates in detail the methods of performance of the task and the terms and conditions thereof, requesting the payment of an annual fee for the entire activity of EUR 35,000.00 for the five-year period from 2017 to 2021.

Considering that, pursuant to art.13, paragraph 1, of Italian Legislative Decree no. 39 of 27 January 2010, the assignment of the task of the statutory audit and the determination of the fee of the audit firm is the responsibility of the Meeting of Shareholders, having heard the reasoned proposal of the control body, best practices also set forth that the adjustment of the aforesaid fee and the assignment of further associated activities to the audit firm are also approved by the Meeting of Shareholders.

The Board of Directors therefore submits the following proposal of the Board of Statutory Auditors, on the issues highlighted above, for your approval:

"REASONED PROPOSAL OF THE BOARD OF STATUTORY AUDITORS ON THE ADJUSTMENT OF THE FEES DUE TO THE STATUTORY AUDITOR AND THE GRANTING OF THE TASK OF THE LIMITED REVIEW OF THE NON-FINANCIAL CONSOLIDATED STATEMENT TO THE LATTER"

Dear Shareholders,

the Board of Directors has summoned you in ordinary session to pass resolution, in particular and inter alia, on: (i) the adjustment of the fees to be paid to the company Deloitte & Touche S.p.A. for its appointment to perform the statutory audit for the financial years from 2013 to 2021 with the resolution of the Ordinary Meeting of Shareholders of 23 April 2013 (the "2013-2021 Appointment"); and (ii) to grant Deloitte & Touche S.p.A. the task of performing the limited review of the non-financial consolidated statement of SAES Getters S.p.A. and its subsidiaries for the 2017 to 2021 financial years.

The 2013-2021 Appointment sets forth, in particular, that, in the event of circumstances that involve an increase in the work time indicated by the audit firm, the latter may request an additional fee and, on 11 December 2017, Deloitte & Touche S.p.A. pointed out the need to adjust the fees that had previously been fixed.

Deloitte & Touche S.p.A. first of all highlighted the recent amendments to the legal framework of reference (in force starting from the audit of the financial statements as at 31 December 2017),

which introduced new and additional obligations for statutory auditors in the performance of their professional activities. In particular, as correctly specified by the audit firm and following the publication of Directive EU 2014/56 of Regulation EU no.537/2014 and Italian Legislative Decree no. 135/2016;

- the information contained in the audit report has been expanded and it is also necessary to draw up an additional report for the internal control and audit committee;*
- new accounting standards have been adopted (revised ISA Italia standards 260, 570, 700, 705, 706 and 710 and new ISA Italia standard 701), which, inter alia, introduced new notification obligations and a new outline for the audit report (which will include a specific section for the indication of key aspects of the audit: the so-called "Key Audit Matters");*
- a new version of the ISA Italia audit standard 720B on the liability of the party appointed to perform the audit shall enter into force, which imposes the auditor to express its opinion on the compliance of the management report and some of the information contained in the Report on Corporate Governance and Ownership Structures with the laws in force and to issue a statement on the possible identification of significant errors in this regard.*

Furthermore, Deloitte & Touche S.p.A. also pointed out that, starting from 1 January 2018, the new accounting standards IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) will enter into force and an information note shall be provided on the effects of the adoption of the latter in the 2017 financial statements. Consequently, already within the context of the audit for the 2017 financial year, specific auditing activities must be performed in order to understand the effects deriving from the first application of these new standards, which shall be integrated and completed within the context of the audit for the 2018 financial year.

Bearing this in mind, Deloitte has, therefore, requested:

- o a steady increase in the fees for each of the financial years from 31 December 2017 to 31 December 2021 inclusive, of EUR 28,000.00 (EUR 20,000.00 of which for the "extended" audit report, including a specific section for the notification of key aspects of the audit, and EUR 8,000.00 for the new opinion on the compliance of the management report and some of the information contained in the Report on Corporate Governance and Ownership Structures);*
- o the payment of a one-off fee of EUR 15,000.00 for the year 2017 alone for the activities connected to the first application of standard IFRS 15;*
- o the payment of an additional fee of EUR 10,000.00 for the five-year period from 2017 to 2021 for the specified audit procedures on the consolidated reporting package of Flexterra Inc. for the purposes of the auditing of the consolidated financial statements of the Group.*

Finally, upon the request of the Company, on 19 December 2017, Deloitte also drew up a proposal for professional services concerning the limited review of the non-financial consolidated statement of SAES Getters S.p.A. and its subsidiaries for the 2017-2021 financial years.

The aforesaid proposal envisages the performance of the activities on the basis of revised standard ISAE 3000 and the payment of an annual fee of EUR 35,000.00 for each of the financial years from 31 December 2017 to 31 December 2021 inclusive.

In consideration of all of the above, the Board of Statutory Auditors considers it appropriate to propose the approval by the Meeting of Shareholders of the adjustment request made by Deloitte & Touche S.p.A. for the 2017 financial year and for the subsequent 2018-2021 financial years, and to grant Deloitte & Touche S.p.A. the task of performing the limited review of the non-financial consolidated statement of SAES Getters S.p.A. and its subsidiaries for the 2017-2021 financial years, for the following reasons:

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(a) the further activities for which Deloitte & Touche S.p.A. has requested additional fees are necessary for the proper performance of the statutory audit of the financial statements, the consolidated financial statements and the half-year condensed consolidated financial statements of SAES Getters S.p.A.;

(b) in making its request for additional fees, the company Deloitte & Touche S.p.A. provided suitable evaluations on its requirements and, in particular and inter alia, the changing financial conditions, with an indication of the an additional commitment considered adequate and hourly costs consistent with those envisaged by the 2013-2021 Appointment;

(c) the limited review of the non-financial consolidated statement of SAES Getters S.p.A. and its subsidiaries is required by Italian Legislative Decree no. 254/2016 and it is considered appropriate to grant the related task to the current statutory auditor (considering the acquired knowledge of the business of the Group and its organisation), which in its own proposal specified the services to be performed and the financial conditions consequently applied;

(d) within this framework and having considered the nature of the latter task, it is considered that the assignment thereof to Deloitte & Touche S.p.A. will not affect the general independence of the latter.

Finally, the Board of Statutory Auditors points out that the technical suitability of Deloitte & Touche S.p.A. to perform the tasks has been proven, as well as the suitability of its organisation in relation to the complexity and size of the Company and the Group.

In view of all of the above, the Board of Statutory Auditors of SAES Getters S.p.A.

proposes the following for your approval:

- the adjustment of the fees paid to Deloitte & Touche S.p.A. for the 2017 financial year and for the subsequent 2018-2021 financial years, as requested by the audit firm on 11 December 2017 as mentioned above and annexed to this report; and

- to grant Deloitte & Touche S.p.A. the task of the limited review of the non-financial consolidated statement of SAES Getters S.p.A. and its subsidiaries for the 2017-2021 financial years, as per the proposal of 19 December 2017, mentioned above and annexed to this report.

The Board of Statutory Auditors

Mr. Angelo Rivolta (Chairman)

Ms. Sara Anita Speranza (Statutory Auditor)

Mr. Vincenzo Donnataria (Statutory Auditor)

Dear Shareholders,

In light of the above, you are therefore invited to approve the following, in accordance with the reasoned proposal of the Board of Statutory Auditors:

- the supplement to the fees for the statutory audit for the 2017-2021 financial years requested by Deloitte & Touche S.p.A., according to the terms specified above; and

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- to grant Deloitte & Touche S.p.A. the task of the limited review of the non-financial consolidated statement of SAES Getters S.p.A. and its subsidiaries for the 2017-2021 financial years, according to the terms specified above.

In the event of approval of the aforesaid proposal, the following resolution text can therefore be adopted:

"The Meeting of Shareholders,

- *having examined the Directors' report;*
- *having acknowledged the reasoned proposal of the Board of Statutory Auditors;*

resolves

- 1) *to approve the supplement to the fees for the statutory audit for the 2017-2021 financial years requested by Deloitte & Touche S.p.A., with the letter mentioned above of 11 December 2017 and annexed to this Directors' report, within the terms specified therein;*
- 2) *to grant Deloitte & Touche S.p.A. the task of the limited review of the non-financial consolidated statement of SAES Getters S.p.A. and its subsidiaries for the 2017-2021 financial years, according to the terms and conditions indicated in the abovementioned proposal for professional services of 19 December 2017 and annexed to the Directors' report;*
- 3) *to grant the Chairman and the Managing Directors, jointly and severally, the most extensive powers to implement this resolution".*

Lainate, 14 March 2018

for the Board of Directors

Mr. Massimo della Porta
Chairman

11 December 2017

To:

SAES Getters S.p.A.
Viale Italia 77
20010 Lainate (MI)

For the attention of Mr. Giulio Canale, Managing Director

To:

Board of Statutory Auditors
SAES Getters S.p.A.
Viale Italia 77
20010 Lainate (MI)

For the attention of Mr. Angelo Rivolta, Chairman

Dear Sirs,

As discussed in recent meetings, the regulatory framework for statutory audits and the reference audit standards (ISA Italy) have undergone significant changes that, with reference to the companies whose financial year coincides with the calendar year, enter into force starting from the audit of the financial statements as at 31 December 2017.

On 27 May 2014 Directive 2014/56/EU of 16 April 2014, amending Directive 2006/43/EC on the statutory audit of annual accounts and consolidated accounts (hereinafter, the "New VIII Directive"), and Regulation (EU) no.537/2014 of 16 April 2014 on the specific requirements for the statutory audit of public-interest entities (hereinafter, the "European Regulation") were published in the Official Journal of the European Union. Subsequently, on 21 July 2016, Italian Legislative Decree no. 135 of 17 July 2016 (hereinafter, "Lgs. D. 135/2016"), amending Italian Legislative Decree no. 39 of 27 January 2010, which implemented the New VIII Directive (hereinafter, the "Lgs. D. 39/2010"), was published in the Italian Official Journal.

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Among the recent introductions to the new regulations, one of the most significant changes made with regard to the statutory auditing of public-interest entities concerns the expansion of the information contained in the audit report as provided for in art. 10 of the European Regulation. The additional report for the internal control and audit committee must also be drawn up as set forth in art. 11 of the European Regulation, the content of which has been considerably extended compared to the report on fundamental issues provided for in the previous regulations.

Following the aforesaid changes to regulations and the issuance on the part of the IAASB in January 2015 of new auditing standards within the project “Reporting on Audited Financial Statements - New and Revised Auditor Reporting Standards and Related Conforming Amendments”, with the resolution of the Auditor General of Italy protocol no.157387 of 31 July 2017, the following auditing standards have been adopted:

- ISA Italy 260 (Communication with Those Charged with Governance) (revised);
- ISA Italy 570 (Going Concern) (revised);
- ISA Italy 700 (Forming an Opinion and Reporting on Financial Statements) (revised);
- ISA Italy 701 (Communicating Key Audit Matters in the Independent Auditor's Report) (new);
- ISA Italy 705 (Modifications to the Opinion in the Independent Auditor's Report) (revised);
- ISA Italy 706 (Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report) (revised);
- ISA Italia 710 (Comparatives – Corresponding Data and Comparative Financial Statements) (revised).

The main amendments introduced by these auditing standards concern new obligations to notify management and the governance bodies and a new chart in the audit report that, with reference to public-interest entities, will include a specific section for the communication of key audit matters (“KAM”).

As stated in ISA Italy 701, the objective of the communication of Key Audit Matters within the context of the audit report is to provide additional information to potential users of the financial statements to enable them to understand the aspects that, according to the professional judgement of the auditor, have been the most significant in the auditing of the financial statements in question. Furthermore, this notification can help users of the financial statements to understand the company as well as the areas of the financial statements subject to review that have led to significant assessments on the part of the management of the company.

Another important change concerns the entry into force of the new version of auditing standard (ISA Italy) 720B on the liability of the party entrusted with the statutory audit with regard to the management report and specific information contained in the report on corporate governance and ownership structures ordered with the resolution of the Auditor General of Italy in protocol no.129507 of 15 June 2017, through which the amendments to art. 14, paragraph 2, letter e) of Lgs. D. 39/2010, introduced with Italian Legislative Decree no.139 of 18 August 2015 for the transposition of art. 34 of Directive 2013/34/EU into Italian law, became effective.

According to the provisions of the new regulations and the new auditing standard, with reference to the management report and specific information in the report on corporate governance and ownership structures, where drawn up, in addition to its opinion on the consistency of the aforesaid reports with the financial statements, the party appointed to perform the statutory audit is required to express its opinion on their compliance with the laws in force and to issue a statement on the possible identification of significant errors, based on its its knowledge and understanding of the company and the related context acquired during the audit.

In addition to the changes stated above, starting from January 2018 new accounting standards IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers shall enter into force and in the 2017 financial statements information will be provided on the expected effects from the adoption of the aforesaid standards. Consequently, within the context of the audit as at 31 December 2017 specific auditing activities must be carried out in order to understand and check the effects of the first-time application of the new standards (so-called FTA), which shall be subsequently supplemented and completed in the audit of the financial statements as at 31 December 2018. In this audit the completeness of the information requested by the new standards will also be checked. The adoption of the new accounting standards shall also result in the need to perform recurrent checks in the subsequent financial years.

The application of the new auditing standards and, in particular, of the new international auditing standard (ISA Italy) 701 and the new version of auditing standard (ISA Italy) 720B for the purposes of expressing the opinion set forth in art. 14, paragraph 2, letter e) of Lgs. D. 39/2010, as well as the auditing activities related to the adoption of new accounting standards IFRS 9 and 15 starting from 1 January 2018, will have a significant impact on the scale of the statutory audit of the financial statements and consolidated financial statements of Saes Getters S.p.A. and will lead to an increase in the time estimated for the performance thereof for each of the financial years during the 2017-2021 period.

As the circumstances have arisen for the adjustment of our fees, according to the provisions in the paragraph "Updating of Fees" in our statutory audit proposal for the financial statements and consolidated financial statements of Saes Getters S.p.A. for the nine-year period 2013-2021, as agreed, our fees for each of the financial years from 31 December 2017 to 31 December 2021 inclusive shall be increased by EUR 43,000 for the 2017 financial year and EUR 28,000 for the subsequent financial years, detailed as follows:

	Hours	Fees (EURO)
"Extended" audit report (so-called "Key Audit Matters")	150	20,000
Opinion on compliance of the management report and specific information in the report on corporate governance and ownership structures	60	8000
Specified audit procedures in the consolidated reporting package of Flexterra Inc. for the purposes of the statutory audit of the consolidated financial statements of the Group	78	10,000

One-off fee in 2017 only for the first-time application of new accounting standard **IFRS 15**:

	Hours	Fees (EURO)
First-time application of new accounting standard (IFRS 15), in relation to the consolidated financial statements of the Group	109	15,000

Details on the hours and the fees per professional category for each type of audit work performed as stated above are provided in Annex 1.

Our proposal of 18 December 2012 (and its subsequent additions of 5 February 2013) is therefore understood to have been amended correspondingly, and the other conditions provided for therein remain unchanged.

Please do not hesitate to contact me if you require any further information on the contents of this letter.

Best regards.

DELOITTE & TOUCHE S.p.A.

[handwritten signature]

Giovanni Gasperini

Partner

Annex

ANNEX 1

Details on the additional time and fees per professional category estimated for the audit of the financial statements and consolidated financial statements of SAES GETTERS S.p.A. for each of the financial years from 2017 to 2021 are as follows:

SAES GETTERS S.p.A. – “Extended” audit report and opinion on compliance (separate financial statements)

EURO

Professional category	Estimated no. of hours	Mix	Hourly rate	Total
Partner	14	13%	450	6300
Senior	32	31%	295	9440
Manager	59	56%	160	9440
Gross Total	105	100%		25,180
Reduction				(11,180)
Net fees				14,000

SAES GETTERS S.p.A. – “Extended” audit report and opinion on compliance (consolidated financial statements)

EURO

Professional category	Estimated no. of hours	Mix	Hourly rate	Total
Partner	14	13%	450	6300
Senior	32	31%	295	9440
Manager	59	56%	160	9440
Gross Total	105	100%		25,180
Reduction				(11,180)
Net fees				14,000

SAES GETTERS S.p.A. – specified audit procedures on consolidated reporting package of Flexterra Inc.

EURO

Professional category	Estimated no. of hours	Mix	Hourly rate	Total
Partner	6	8%	450	2700
Senior	24	31%	295	7080
Manager	48	61%	160	7680
Gross Total	78	100%		17,460
Reduction				(7460)

Net fees

10,000

The estimate of our work hours is based on the assumption that we can rely on the collaboration of Company personnel for making all data and documents available that will be required for the performance of the specific auditing procedures in the Reporting Package.

Refunds for the costs incurred for the performance of the auditing activities are to be added to the above fees for the Specified Audit Procedures in the Reporting Package of Flexterra Inc., such as out-of-office visits and transfers, at the same rate at which they were incurred. Furthermore, the additional costs related to technology (databases, software, etc.) and secretary and communication services will be charged at the flat-rate of 7%, plus VAT.

The number of hours and therefore the fees stated above refer to the current situation and, therefore, may be subject to change depending on changes to the company structure, the internal organisation and the size of the activities carried out, as well as due to the effect of the application of new accounting or auditing standards or new regulatory provisions.

If during the auditing activities it is rendered necessary to amend the fees initially estimated, we will inform you so that we can agree on the necessary action and the possible adjustment of our fees. In this case, an addition shall be made to this annex.

The details of the one-off additional times and fees per professional category estimated for the year 2017 alone for the first-time application of new accounting standard **IFRS 15** are as follows:

Professional category	Estimated no. of hours	Mix	Hourly rate	EURO	
					Total
Partner	14	13%	450		6300
Senior	35	32%	295		10,325
Manager	60	55%	160		9600
Gross Total	109	100%			26,225
Reduction					(11,225)
Net fees					15,000

19 December 2017

To:

SAES Getters S.p.A.
Viale Italia 77
20010 Lainate (MI)

Dear Sirs,

Further to your request, we hereby submit our proposal (hereinafter, the “Engagement Letter”) for the performance of the limited review of the non-financial consolidated statement (hereinafter, the “Non-financial Statement”) of Saes Getters S.p.A. (hereinafter also the “Company”) and its subsidiaries (the “Group”) for the 2017-2021 financial years pursuant to Italian Legislative Decree no.254/16 (the “Decree”), according to the methods and conditions stated below.

SUBJECT AND METHODS OF PERFORMANCE

Subject of the engagement

Following the entry into force of the Decree with which EU Directive 2014/95 on non-financial information was transposed into the Italian legal system, starting from the 2017 financial year public-interest entities that exceed certain size thresholds are obliged to prepare and publish a non-financial statement on an individual or consolidated basis by adopting a recognised standard of reporting or an autonomous reporting methodology. According to the provisions of art.3, paragraph 10, of the Decree, this statement must be certified by a party qualified to perform the statutory audit.

Within this context, you have requested the professional services stated in this Engagement Letter aimed at the performance of a limited assurance engagement on the Non-financial Statement that will be prepared by the Company on the basis of “GRI Sustainability Reporting Standards”, defined in 2016 by the GRI – Global Reporting Initiative (hereinafter, “GRI Standards”).

The engagement subject of this proposal will involve the performance of the activities stated in the following paragraph “Methods of performance” in order to conclude if any information has come to our attention that leads us to believe that the Non-financial Statement prepared by the Company has not been drawn up to include all the significant aspects in compliance with the requirements of articles 3 and 4 of Decree and the GRI Standards.

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As set forth in the Decree, the standards and methods for performing the audit of non-financial statements shall be regulated by CONSOB regulations. Our Engagement Letter may therefore be subject to possible amendments on the basis of the provisions of these regulations, which are currently being prepared.

Methods of performance

With regard to the contents and the purposes of the engagement, as well as the specific role of the audit firm, our work will be performed on the basis of the provisions of standard ISAE 3000 revised – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 Revised”) for engagements that consist of a limited review. This standard requires the planning and performance of procedures in order to acquire a limited level of assurance that the Non-financial Statement does not contain any significant errors.

The approach that will be adopted is based on the methodology that Deloitte has developed worldwide for assurance engagements for sustainability reports and greenhouse gas emissions, known as: “Deloitte Sustainability Assurance Methodology”.

For the purposes of understanding the Non-financial Statement and the additional circumstances of the engagement, the auditor takes the process used by the Company to draw up the Non-financial Statement into consideration.

The procedures chosen depend on the professional judgement of the auditor and will include interviews - especially with the personnel of the Group responsible for the preparation of the Non-financial Statement - analysis of documents, recalculations, meetings and reconciliations with the accounts and other procedures aimed at the acquisition of any evidence considered useful.

The audit of the Non-financial Statement, as defined above, can bring significant problems regarding the Non-financial Statement to the attention of the auditor, but does not provide the assurance that the auditor is aware of all the problems that would have arisen from a complete review.

Furthermore, due to the limitations found in the procedures described and in all internal control systems, there is the inevitable risk that several possible problems, including significant problems, may not be identified.

Our checks will include the data and information of a quantitative nature contained in the Non-financial Statement. The qualitative information contained herein will be checked by us to the extent necessary in order to check: (1) consistency with the other parts of the Non-financial Statement; (2) correspondence with the contents required or suggested by GRI Standards and the criteria selected by the Company and indicated in the Non-financial Statement; (3) correspondence with the requirements of articles 3 and 4 of the Decree.

The procedures that we will carry out for the purposes of the performance of this engagement are as follows:

- Preliminary analysis of the Non-financial Statement and its compliance with the provisions of Italian Legislative Decree no.254/16;
- Interviews and discussions with personnel of the Group involved in the drawing up of the Non-financial statement;
- Analysis, through interviews, of the governance system and management process of topics connected to the sustainable development of the Group strategy and operations;
- Analysis of the process for defining the significant aspects reported in the Non-financial Statement, with reference to the methods for identifying and prioritising the significant aspects for each category of stakeholder and the internal approval of the results of the process;
- Collection of information on the information, accounting and reporting system in place for the preparation of the Non-financial Statement;
- Critical analysis of the processes and procedures that support the collection, grouping, processing and transmission of data and information to the department responsible for the preparation of the Non-financial Statement;
- Analysis of the involvement process of stakeholders, with reference to the methods used and the completeness of the parties involved, through the analysis of the summary records or any other documentation existing on the most salient aspects emerging from a comparison with the latter;
- Analysis of documents supporting the preparation of the Non-financial Statement, for the purpose of obtaining evidence of the adoption of processes implemented for the correct processing of data and information on the objectives described in the Non-financial Statement;
- Analysis of the completeness and consistency of the qualitative and quantitative information given in the Non-financial Statement;
- At least 3 site visits at the subsidiaries/premises of the group in order to check the local systems in place relating to non-financial information;
- Comparison of economic-financial information and data reported in the Non-financial Statement and the data and information included in the consolidated financial statements of the Company;
- Obtaining of the letter of certification, signed by the legal representative of the Company, on the correctness and completeness of the information indicated in the Non-financial Statement and the information provided by us for the purposes of the performance of our work;
- Critical analysis of the Non-financial Statement as a whole, in relation to the correct application of the “GRI Sustainability Reporting Standards” defined in 2016 by the GRI – Global Reporting Initiative, with, where applicable, the issue of a Management Letter aimed at addressing risks and critical issues.

The engagement will be performed by a team with proven experience in sustainability issues. Based on the complexity or atypical nature of the problems found, it may be rendered necessary to employ external specialist consultants, such as, for example, legal and IT experts, who of course will be subject to confidentiality obligations.

Access to documentation

For the purposes of the performance of the engagement, as stated above, it is necessary for the Company to send us a copy of the Non-financial Statement signed by the legal representative. It is also necessary for us to be allowed access to documents (in both paper and electronic format) and all other information useful for the performance of our work, also through interviews with people of reference (employees and/or external partners).

We wish to point out that the failure to provide or any delay in the provision of the documentation stated above, as well as the non-availability of the persons of reference, may restrict the performance of the procedures with consequent effects on the drafting of the Report (as defined hereafter) or the times for the issuance of the latter.

It is to be noted that the worksheets prepared throughout this engagement (in both paper and electronic format) are the exclusive property of our Company, constitute information of a confidential nature and will be stored by us in accordance with our internal procedures.

STATEMENTS OF DIRECTORS

The Directors of the Company are responsible for the preparation and transmission of the Non-financial Statement pursuant to Italian Legislative Decree no.254/16.

The Directors of the Company are also responsible for setting up and maintaining an internal control system capable of allowing the drafting of a Non-financial Statement that does not contain significant errors, also due to fraud or unintentional conduct or events.

The Directors and the Management are also responsible for providing us with the following:

- access to all the relevant information for the drafting of the Non-financial Statement that they are aware of, such as registrations, documentation and other aspects;
- additional information that we may request of them for the purposes of the performance of this engagement;
- the possibility to contact the people within the company from whom we consider it necessary to acquire evidence without any restrictions.

At the end of the engagement, we will ask the Directors for a letter of certification signed by the legal representative also in the name and on behalf of the Board of Directors.

Given the importance of the completeness, accuracy and truthfulness of the information and statements provided to us by the Directors and the Management of the Company for the correct performance of the activities subject of this Engagement Letter, the Company agrees and acknowledges that under no circumstances can Deloitte and its associates, Directors, employees, partners and consultants, or the other entities that are members of the Deloitte Touche Tohmatsu Limited network, its associates, Directors, employees, partners and consultants that have participated in the work subject of this Engagement Letter be held liable for any loss or damage of any kind deriving from data or information required for the performance of this engagement that has been omitted, concealed or represented in an incomplete, incorrect or untruthful manner to Deloitte by the Company and/or by its Directors, trade unions, managers, employees, consultants and partners. Consequently, you hereby undertake to indemnify and hold Deloitte and its associates, Directors, employees, partners and consultants, and the other entities that are members of the Deloitte Touche Tohmatsu Limited network, its associates, Directors, employees, partners and consultants harmless against all requests for compensation, costs or damages that may derive from the actions taken by third parties for reasons that stem from data or information required for the performance of this assignment that has been omitted, concealed or represented in an incomplete, incorrect or untruthful manner to Deloitte by the Company and/or by its Directors, trade unions, managers, employees, consultants and partners.

LIMITS TO THE ENGAGEMENT

Our activities in relation to this Engagement Letter will consist of the performance of the activities referred to in the paragraph “Methods of performance”.

A limited review involves an engagement less than that required for a complete review according to ISAE 3000 Revised (“reasonable assurance engagement”) and, consequently, does not provide the assurance that all the significant facts and circumstances that could have been identified with the performance of this review have been brought to our attention.

Given the nature and purposes of the engagement, it is clearly understood that we will not have meetings and perform checks aimed at assessing the adequacy and effective operation of the internal control system underlying the preparation of the Non-financial Statement. Consequently, we will not express any opinions or conclusions on the adequacy and reliability of the internal control system of the Group.

FINAL DOCUMENTS

At the end of the engagement we will issue our report (the “Report”), addressed to the Board of Directors of the Company.

The Report will state that the engagement has been carried out in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised “Assurance Engagements Other than Audits or Reviews of Historical Financial Information “ issued by IAASB.

The conclusions of the Report will state whether, on the basis of the work carried out, any elements have been brought to our attention that lead us to believe that the Non-financial Statement has not been drawn up to include all the significant aspects in compliance with the requirements of articles 3 and 4 of the Decree and GRI Standards. The conclusions may need to be amended in specific circumstances due to possible limitations and/or exceptions discovered during the performance of the procedures.

The reproduction or publication of the Non-financial Statement, accompanied by our Report, must be authorised in advance by us and preceded by a check of the pre-publication draft for our quality control. Any translations of the Report into other languages must be done directly by us.

FEES

The determination of our fees for the performance of the engagement subject of this proposal is based on an estimate of working hours for each professional category and the related hourly rates.

The fees for the activities to be performed for the procedures described in this Engagement Letter amount to a total of **EUR 35,000** for the reports on the Non-financial Statement for the 2017-2021 financial years.

The estimate of our fees is based on the assumption that we can rely on the collaboration of Company personnel for making all data and documents available that will be required for the performance of our audits, as well as the assumption that our staff can make use of the assistance necessary to face and solve the problems connected to the performance of the task assigned to us.

Refunds for the costs incurred for the performance of the engagement are to be added to the above fees, such as out-of-office visits and transfers, at the same rate at which they were incurred. Furthermore, the additional costs related to technology (databases, software, etc.) and secretary and communication services will be charged at the flat-rate of 7%, plus VAT.

The fees will be invoiced as follows: 40% at the beginning of the review, 55% at the beginning of the review phase carried out after the closing of the financial year and 5% upon completion.

Payments must be made upon the presentation of the related invoices.

UPDATING OF FEES

The fees stated above refer to the current situation and, therefore, may be subject to change.

If circumstances arise such as to result in an increase in the time to be employed compared to the amount estimated in this proposal, such as, for example, the change in the structure and size of the Company and/or the Group, amendments to the controls in place within the internal control system, changes in legislation, reporting and/or review standards, the performance of complex transactions by your Company and/or by companies of the Group or additional review procedures or supplementary obligations related to the performance of the engagement, we will inform you of the consequent adjustment to our fees. In the same way, if less time than predicted is employed, the fees will be reduced proportionally.

Furthermore, the fees stated above must be adjusted to take into account any changes to our rates over time. The annual adjustment will be equal to the percentage variation of the ISTAT index for the cost of living (taking December 2017 as a base month) and will start from the review activities for the 2018 financial year.

LIABILITY AND EXCLUSIVE JURISDICTION

With reference to the professional services stated in this Engagement Letter, it is clearly understood that we will not be held liable for any consequent damage that you may suffer exceeding the maximum limit of double the fees payable to us, according to the provisions in the "Fees" section, for the specific part of the activities that has given rise to the liability, except in the case of gross negligence or wilful misconduct.

In any event the recipients of this proposal acknowledge that any claim against Deloitte & Touche S.p.A. can be exercised only for the damages or claims that the latter has not managed to recover after having diligently exercised all the actions and acts (including compensatory acts) against all potentially liable parties.

Deloitte performs the activities subject of this Engagement Letter exclusively in the interest of the Company. The Company is therefore obliged to indemnify and hold Deloitte, its associates, Directors, employees, partners and consultants, as well as the other entities that are members of the Deloitte Touche Tohmatsu Limited network (hereinafter, "Deloitte") that have participated in the engagement subject of this proposal, and its associates, Directors, employees, partners and consultants harmless against all damages, costs or expenses (including legal costs) deriving from any third-party claim related or in any event connected to the services subject of this Engagement Letter. This indemnity obligation is applicable insofar as it is not prohibited by mandatory provisions of law. This clause shall remain in force also subsequent to the completion of the engagement or the cancellation thereof and while any dispute between the parties is under way.

Under no circumstances will Deloitte & Touche S.p.A. be held liable and under no circumstances will it be obliged to pay compensation for any damages that are unforeseeable upon the conclusion of

this Engagement Letter, as well as any consequential, incidental damages or damages connected to any loss in profits, saving or business opportunities.

No party may transfer any right or claim against the other party, either directly or indirectly, that may arise from this Engagement Letter to any third party.

This Engagement Letter, including the respective rights and duties of the parties and all the disputes that may arise from, or in relation to, this Engagement Letter or its subject, must be regulated and interpreted according to Italian law, without the application of the rules on the conflict of laws.

The Courts of Milan shall have exclusive jurisdiction over all disputes related to this Engagement Letter, its subject and its interpretation.

This Engagement Letter has been stipulated only between the signatories thereof, without the assignment of any liability to the associates, employees and consultants of Deloitte. During the performance of the work related to the issue of our Report on the requested activities, Deloitte may, at its discretion, use resources in the other entities or companies in the international Deloitte Touche Tohmatsu Limited network, without this involving any assignment of liability to these entities or companies, its associates, Directors, employees and consultants.

DATA CONFIDENTIALITY

All the data and information obtained during the performance of this engagement shall be considered strictly private and confidential. This data and information shall therefore be used within the limits and only for the task assigned to us and, in addition to the notifications laid down by the laws in force to governance parties and bodies, may be disclosed exclusively to:

- Associates, professional staff (employees and otherwise) and indirect support personnel belonging to all the member companies of the international Deloitte & Touche S.p.A. network, as well as any external partners involved in the performance of the engagement and in our internal control procedures, within the limits necessary for the performance of the respective tasks. In this regard we inform you that all the associates and professional personnel of the companies belonging to the international Deloitte & Touche S.p.A. network are subject to our internal procedures on information confidentiality and privacy;
- Italian or foreign supervisory authorities;
- Administrative, judicial or tax authorities, in the cases and within the limitations provided for by law;
- Other audit companies, within the limits provided for by the laws in force and reference audit standards, and trade associations within the context of the performance of quality control procedures. In these cases we will obtain your prior written approval.

For the purposes of the engagement proposed to us, we wish to inform you that, in compliance with the provisions of Italian Legislative Decree no.196 of 30 June 2003, your data that has already been collected by our Company or that will be communicated to us will be used for the sole purpose of the performance of this engagement. This data will be stored partially in paper archives and partially on electronic archives in compliance with the security measures laid down in Italian Legislative Decree no. 196 of 30 June 2003 and will not be disseminated or communicated externally, except to the people, bodies and entities that exercise supervisory functions within our Company. We also inform you that your data will also be processed for the purposes set forth by the laws in force on money-laundering.

In the cases where the performance of our activities requires the acquisition of information or data from third parties and that this requires obtaining the consent of the parties in question, you shall be responsible for procuring this consent in such a way as to enable us to properly perform the activities envisaged in this Engagement.

The non-availability of the data required for the purposes of the lawful, correct and complete performance of our activities may render the tasks assigned to us more difficult, more costly and, in certain circumstances, impossible.

The acceptance of this engagement proposal requires your consent so that we can access and use the data that will be necessary for the performance of the activities subject of this Engagement Letter.

We inform you that the data controller shall be Deloitte & Touche S.p.A. with registered office in Milan, Via Tortona 25, and that the data processor shall be the associate that will take on the responsibility for the engagement.

We finally inform you that article 7 of the aforesaid law grants the parties in question the power to exercise specific rights to protect their interests: to obtain information on the data in our possession; to have the data cancelled, blocked, updated, corrected or supplemented, as well as to obtain the certification that the aforesaid operations have been brought to the attention of those to whom the data has been communicated; to oppose, for legitimate reasons, the processing of the data and, in particular, its processing for commercial or advertising purposes.

The Company accepts that: (i) Deloitte & Touche S.p.A. and the Company may exchange correspondence or send documents by email via the internet, without prejudice to the express request to the contrary by the Company; (ii) neither of the parties has control over the implementation, reliability, validity or security of emails sent over the internet; and (iii) Deloitte & Touche S.p.A. cannot be held liable for any loss, damage, expense or inconvenience resulting from the loss, delay, interception, damage or alteration to any email caused for any reason beyond the reasonable control of Deloitte & Touche S.p.A.

OTHER ASPECTS

Money-laundering regulations

Deloitte & Touche S.p.A. is subject to the following obligations laid down in Italian Legislative Decree no.231 of 21 November 2007 as amended by Italian Legislative Decree no. 90 of 25 May 2017 (the “**Money-Laundering Decree**”):

- a) to identify and check the identity of the Client;
- b) to check, through the legal representative or, if other, through the signatory of the professional services proposal, the actual existence of the powers of representation, through official documents, handed over by the Client, stating the granting of the powers of assignment of the engagement or legal representation;
- c) to identify and check the identity of any “beneficial owners” and to acquire the identification data of the latter, therein including their personal details from an identification document;
- d) to obtain information on the purpose and nature of the professional service envisaged;
- e) to store the data, information and documents acquired during the fulfilment of the aforesaid obligations;
- f) to report any suspicions of money-laundering or terrorist financing to the Financial Information Unit (F.I.U.);
- g) to inform the Ministry of the Economy and Finance of any violations of the provisions of the Money-Laundering Decree on the limitations of use of cash and bearer securities.

The obligations referred to in previous letters a) to e) are not applicable if the Client falls into one of the subjective categories for which simplified obligations can be applied, such as, for example, the parties listed in art. 25 of the version of Italian Legislative Decree no.231 of 21 November 2007 preceding Italian Legislative Decree no.90 of 25 May 2017 (for example, but not limited to: banks, life insurance companies, financial intermediaries, CONFIDI, public administrations or institutions or bodies that perform public functions, or companies listed on a regulated market of an EU country or a non-EU country that provides for corporate notification obligations in compliance with those provided for by Community law). In this case, we are obliged to collect information to establish whether the Client falls into one of the aforesaid categories.

The reporting of any suspicions is confidential, also with regard to your Company, and does not constitute the breach of any confidentiality obligations or restrictions on the reporting of information and, if any reports are made for the purposes set forth herein and in good faith, the reporting party will not be held liable in any way.

Regulations on Health and Safety in the workplace

In consideration of the fact that the professional services of an intellectual nature subject of the engagement referred to in this proposal shall be provided mainly on your premises, please refer to

Deloitte

19 December 2017
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the provisions of Italian Legislative Decree no. 81 of 9 April 2008 (Consolidated Law on health and safety in the workplace) applicable to you, and we invite you to provide detailed information on any specific risks existing in the work environments to be accessed by our personnel simultaneously to the acceptance of this proposal and in any event no later than the date agreed for the commencement of the activities, as well as to specify the most appropriate prevention measures to adopt in order to eliminate these risks.

We thank you for this opportunity, and we can assure you that we will perform our services with the utmost care and confidentiality.

Best regards.

DELOITTE & TOUCHE S.p.A.

[handwritten signature]

Giovanni Gasperi

Associate