SAES Getters S.p.A.

FIRST SECTION OF THE REMUNERATION REPORT

drawn up pursuant to article 123-ter, para 3 and 3-bis, of Italian Legislative Decree no.58/1998 and to article 84-quater and related Annex 3A, Schedule 7-bis of CONSOB resolution no.11971 of 14/05/1999 concerning the regulations for issuers.

SAES GETTERS S.P.A.

2020 Strategic Resources Remuneration Policy

Introduction

The remuneration of the Directors and Managers with Strategic Responsibilities of SAES Getters S.p.A.(hereafter "**SAES**" or the "**Company**") is defined so as to attract, motivate and retain resources with the professional skills (both managerial and technical) required to manage the Company and its strategies successfully, as defined by the Board of Directors, as well as to help pursue long-term interests and the sustainability of the Company.

The Company defines and updates its remuneration policy (the "**Remuneration Policy**" or simply "**Policy**") which summarises the principles and procedures which SAES Group (as defined below) follows in order to:

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

This Policy is valid from the date of its approval to the approval of the Annual Financial Report relating to the financial year closed as at 31 December 2020.

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, which SAES has signed up to, 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 Finance Law**"), in article 84-*quater* of the Consob Regulation approved with resolution no. 11971 dated 14 May 1999, as amended (the "**Regulations for Issuers**"), and Annex 3A of the Regulations for Issuers, Schedule 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 Managers with Strategic Responsibilities, as explained in more detail below. Below is a technical glossary of some recurrent terms:

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

Non-Executive Directors, not holding special offices: these are the Directors of SAES Getters S.p.A. appointed by the Meeting of Shareholders, not having special delegated powers and not covering operational roles in the Company or its subsidiaries.

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

Managers 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: managers, identified at the sole discretion of the Board of Directors, reporting directly and hierarchically to the Executive Directors and members of the so-called Corporate Management Committee, and other executives who the Board of Directors again at its sole discretion, considers to cover organisational roles of strategic significance within the Company; in both cases they have overall length of service 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 implementation 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 those reporting directly to them hierarchically.

Group or SAES Group: the group of subsidiaries or affiliated companies of SAES pursuant to article 2359 of the Italian Civil Code.

MBO (Management by Objectives): means the annual variable component of remuneration (Annual Incentive) obtained in relation to the achievement of predefined company targets. This plan is exclusively for the Executive Directors.

PfS (Partnership for Success): means the annual variable component of remuneration (on-target bonus of 40% of basic salary) obtained in relation to the achievement of predefined company targets for the population of employees who participate in the Plan.

Asset Disposal Plan: means the Plan discussed in section 7 of this Policy relating to the extraordinary remuneration payable under the conditions established by the Executive Directors' Plan, to members of the Corporate Management Committee and to participants of the PfS plan in relation to the extraordinary disposal of company assets.

LTI Plan: means the "Long Term Incentive" Plan described in section 7 of this Policy for Executive Directors, and in section 9 for Managers 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 outlined in section 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 (Basic Pay) and the gross annual fixed component of remuneration for personnel recruited under an employment relationship.

TAR (Total Annual Remuneration): for directors this refers to GAS increased by the average variable remuneration (as defined below) actually paid in the last two years. For personnel recruited under an employment relationship, this means GAS increased by the variable remuneration items paid in the last year.

Variable Remuneration: for Executive Directors, this is the remuneration linked to the achievement of the targets established by the MBO plan and that provided for 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 of (i) GAS, (ii) the gross annual variable component that the beneficiary receives on the achievement of targets (MBO/PfS); and (iii) the annualisation of the gross variable component in the medium/long-term (LTI Plan) which the beneficiary is entitled to receive on achievement of 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.

In particular, the Group has drawn up a strategic plan which includes, as a key element, the development of innovation, taking the form of an industrial plan aimed at concentrating investments in innovation and achieving results through both organic and inorganic growth.

The Company operates in diversified international markets with dedicated divisions, in different technological contexts and, although the Headquarters are located in Italy, Group management requires a multi-business approach with markets and sectors at differentiated speeds, requiring 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 sustainable value in the medium to long-term. One fundamental aspect in this regard is the consistency and respect of the underlying approach over time. It follows that a particularly significant aspect in defining remuneration is the establishment of mechanisms that create an alignment between management and the company, that are tailored to the existing situation of the relevant global markets and that guarantee organisational stability.

In 2018 the Remuneration Policy was reviewed, and some important changes were made with a view to enhancing the achievement of the shareholders' objectives. The Asset Plan (see section 7.3 below) was thus implemented, as well as the Phantom Shares Plan (see section 7.4 below), both still ongoing.

For the procedures put in place for the adoption and implementation of the Remuneration Policy as well as the conditions for the Company in relation to temporary exceptions from the Policy itself, please refer to section 3 below.

2. Remuneration and Appointment Committee

The Board of Directors set up the Compensation Committee, now the Remuneration and Appointment Committee, within the Board on 17 December 1999, with advisory and consulting functions. In particular, with regard to the management of the subject of remuneration, the Remuneration and Appointment Committee, 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 consistency and practical application of the Policy for the remuneration of Directors and Managers with Strategic Responsibilities; 3) provides proposals and opinions on the Remuneration Policy to the Board of Directors, suggesting any adjustments and improvements; 4) examines proposals relating to the remuneration of Executive Directors and Managers with Strategic Responsibilities; 5) expresses opinions or presents proposals to the Board of Directors on the remuneration of directors holding special offices, taking account of the Policy; 6) verifies the adequacy and correct application of the criteria for the remuneration of the Company's Managers with Strategic Responsibilities and their consistency 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 and 10) verifies the existence of exceptional circumstances permitting temporary exceptions to the Remuneration Policy.

Currently, the Remuneration and Appointment Committee, regulated by article 6.P.3 of the Corporate Governance Code, is made up of the following non-executive independent directors: Gaudiana Giusti, Luciana Rovelli and Adriano De Maio. All Committee members have adequate experience in economic/financial matters and their remuneration is assessed by the Board of Directors on their appointment.

The Committee meetings (number, main items discussed, duration and percentage of attending members) are reported in the Corporate Governance Report, which should be referred to for further details.

3. Process for defining, approving and implementing the Policy - definition of any exceptions

3.1 Approval procedure

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. The former is responsible for the initiative and for submitting proposals to the Board of Directors, which defines and approves the Policy and its additions and updates. The Remuneration and Appointment Committee, in carrying out its tasks, ensures that there are suitable functional and operational links with the competent Company structures including, with greater emphasis and frequency, the Company's Human Resources Department. It may also call on selected specialist advice, providing the Committee with all the information and analyses it requires to perform its functions effectively. 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 also be attended by the other Statutory Auditors. Once defined, the proposals developed by the Remuneration and Appointment Committee are submitted to the Board of Directors for approval which, after consulting the Board of Statutory Auditors, resolves on the proposals and on the Remuneration Policy.

The Remuneration Policy, as approved by the Board of Directors, is submitted to the Meeting of Shareholders for its approval by binding vote, according to article 123-*ter*, paragraph 3-*bis* of the Consolidated Finance Law, at the same time as the resolution regarding the Annual Financial Report.

Pursuant to article 123-*ter*, paragraph 3-*ter*, whenever the Meeting of Shareholders does not approve the Policy or its amendments subject to voting by the Meeting of Shareholders, the remuneration in line with the most recent Policy approved by the Meeting of Shareholders will continue to apply or, in its absence, current practices.

3.2 Duration

This Remuneration Policy is valid from the date of its approval to the date of approval of the Annual Financial Report regarding the financial year as at 31 December 2020, notwithstanding its amendments approved by the same procedure indicated above and approved by the Meeting of Shareholders.

3.3 Amendments and Exceptions

This Remuneration Policy is valid and binding for the period indicated above, notwithstanding any amendments approved by the Meeting of Shareholders, according to the procedure specified in section 3.1.

Exceptions can only be approved in exceptional circumstances. This includes situations where the exceptions are necessary for the pursuit of long-term interests and sustainability of the Company as a whole or to ensure its ability to survive in the marketplace.

Any exceptions shall be examined by the Remuneration and Appointment Committee, which verifies i) the existence of exceptional conditions, i.e. situations not provided for at the time the Policy was approved, the occurrence of which does not allow the Company to stay in the market with regard to the benchmarks that the market offers at that time, and (ii) the consistency of the exceptions with the terms set out in this Policy. The Remuneration and Appointment Committee can make use of the internal advice of the company functions involved, first and foremost the Company's Human Resources Department, as well as any other corporate function considered useful for the assessment, in application of the powers and responsibilities established in the Remuneration and Appointment Committee Regulation. The only elements of the Policy that can be subject to exceptions are as follows:

i. fixed remuneration, when the change is necessary in order to retain a key resource;
ii. variable remuneration;
iii. benefits related to the office;
iv. approval of *ad-hoc* retention plans;
v. percentages of the supplementary pension aimed at maintaining spending power on retirement.

Once the Remuneration and Appointment Committee has performed the checks indicated above, the proposed exceptions are discussed by the Company's Board of Directors which, in the case of approval, ensures that they are made available to the public as privileged information. The exceptions and related reasons are also communicated to the first Meeting of Shareholders held after their approval.

The public disclosure regarding the exceptions to this Policy relates to the following aspects for each exception:

i. the specific elements for which there is an exception and the specific disclosure where the elements indicated above were included in;
ii. information regarding the nature of the exceptional circumstances and the reasons for which the exception is necessary for the purposes of pursuing the long-term interests and sustainability of the Company as a whole or to ensure its ability to survive in the marketplace;
iii. information regarding the procedure followed and confirmation of the compliance of this procedure with the procedural conditions specified in this Policy;
iv. information concerning the remuneration paid in exceptional circumstances.

3.4 Remuneration Report

Every year, the Board of Directors also approves the Remuneration Report described below. The Remuneration and Appointment Committee approved the Policy proposal for the 2020 financial year on 14 November 2019 and 24 February 2020. During those meetings, the Committee also assessed the adequacy, overall consistency and practical application of the Policy approved for the 2019 financial year.

Every year, the Meeting of Shareholders, pursuant to the law, must resolve on the second section of the report, which outlines the remuneration paid during the reference financial year in any capacity and in any form by the Company and its subsidiaries or affiliated companies. The vote of the meeting is advisory and not binding. In the event of a negative vote by the Meeting of Shareholders on this part of the Remuneration Report, the Remuneration and Appointment Committee, at a special meeting, analyses the items subject to a negative vote and the related reasons, expressing its comments and, if necessary, any corrective proposals to the Board of Directors. The Board of Directors analyses the report of the Remuneration and Appointment Committee, making any necessary amendments or applying specific exceptions to the Remuneration Policy and reporting the choices in the next Remuneration Report.

3.5 Enforcement of the Policy

Based on the Policy, the following are approved:

- by the Board of Directors: the remuneration and contractual proposals of the Executive Directors at the time of delegating powers, as well as any subsequent amendments or adjustments;

- by the Company's Human Resources Department, with the approval of the managing directors: the proposed adjustment of the remuneration of Managers with Strategic Responsibilities (excluding statutory members of the Board of Statutory Auditors);

- by the Meeting of Shareholders': the remuneration of the Board of Statutory Auditors (see section 11 below).

4. Transparency

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

The Remuneration Report is made available to the public at the Company's head office, on its website and on the authorised storage mechanism (1INFO) at least 21 days before the annual Meeting of Shareholders, usually coinciding with the Meeting of Shareholders to approve the financial statements, so as to allow the shareholders to express their binding vote for or against the Policy. The outcome of the vote expressed by the Meeting of Shareholders on the Policy must be made available to the public on the Company's website within 5 days of the date of the Meeting of Shareholders. The Remuneration Report remains published on the Company's website in compliance with current regulatory provisions.

5. Directors' Remuneration - general

The Board of Directors includes: (i) Executive Directors and (ii) Non-Executive and/or Independent Directors. There may also be directors holding special offices (members of the Remuneration and Appointment Committee and Control, Risks and Sustainability Committee, the Director(s) forming part of the Supervisory Body, the Lead Independent Director, and members of the Committee for Transactions with Related Parties). As at the approval date of this Policy, the Directors 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.

When appointing the Board of Directors, the Meeting of Shareholders of the Company defined a total remuneration pursuant to article 2389, paragraph 1 of the Italian Civil Code, for the remuneration of directors, attributing the task of determining its distribution to the Board of Directors. In particular, the gross annual total remuneration was determined by the Meeting of Shareholders as the amount of Euro 343,000, which was distributed by the Board of Directors, convened 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 also established the following remuneration for the committees within 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 remuneration is provided for the members of the Committee for Transactions with Related Parties.

The Board also established the following annual remuneration:

- 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 remuneration, which had remained basically 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", a "D&O (Directors & Officers) Liability" insurance policy is in place which covers civil liability towards third parties of the corporate bodies in exercising their functions, also aimed at indemnifying the Group from costs deriving from compensation claims by third parties. This 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, once again, in line with "best practices", the Non-Executive Directors do not receive any variable component of remuneration and they cannot be recipients of remuneration plans based directly or indirectly on shares.

6. Remuneration of Executive Directors

The Remuneration and Appointment Committee makes proposals and/or provides opinions to the Board of Directors on the remuneration to be attributed to the Executive Directors (Chairman and Deputy 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 (MBO), which is obtained on achievement of predefined 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 with 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 the length of service in the role and proportional, in terms of entitlement and 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 a management team of an 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 company performance 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 is largely independent of 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 skills 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 directors' performance (for example, adverse market conditions). The consistency 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 scope of the powers granted to the Executive Directors and the respective length of service in the role. In particular, remuneration is determined based on the following indicative criteria:

a) the fixed component generally has an adequate and sufficient weight with regards to the Yearly Total Direct Compensation Target, with the aim of avoiding excessive 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, in the case of the achievement of targets, may represent a significant component but cannot exceed 120% of GAS for the Chairman and 75% for the other Managing Director;

c) all payments are made after the approval by the Meeting of Shareholders of the relevant financial statements.

Executive Directors who cover roles on the Boards of Directors of subsidiary companies do not receive any additional remuneration to that described in this Policy. See section 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 the following:

- a Severance Indemnity ("**SI**") pursuant to article 17, paragraph 1, letter c) of the Consolidated Law on Income Tax no. 917/1986, having similar characteristics to those typical of employee severance indemnity (ESI) pursuant to article 2120 of the Italian Civil Code, granted, in accordance with the law, to Group executives and including the employer contributions to social security institutions or funds for management employment relationships. The SI was established by the Company's Meeting of Shareholders on 27 April 2006 and by the subsequent Meetings of Shareholders 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, and possibly other Executive Directors identified by the Board of Directors, subject to examination of the remuneration and contribution situation of the individual director. The establishment of the SI is aimed at achieving, at the end of his/her career, a pension in line with Italian and international standards identified as 50% of the last overall remuneration received. The resolutions relating to the SI are implemented by entering into an SI policy with a major insurance company, in line with legal requirements, with an annual premium equal to the share of provisioning provided by the plan, currently 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 non-professional accidents;
- compensation for death and permanent disability 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 known as MBO for Executive Directors and PfS for 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 as a whole constitute the company incentive plan (with a short-term and a deferred component). In 2018, this scheme was supplemented by a strategic remuneration plan based on a Remuneration Plan linked to the Disposal of Assets and a Phantom Shares Plan aimed at remunerating management based upon the value created for shareholders, also thereby establishing a sort of career bonus linked to the generation of value.

Furthermore, the Boards of Directors of subsidiaries can approve specific Incentive Plans for their executives or any other resources identified from time to time by the Boards of Directors.

7.1. MBO Plan

The annual variable component ("**MBO**") remunerates performance on an annual basis. The MBO targets for Executive Directors are established by the Board of Directors, in line with the Policy, on the recommendation 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 Deputy Chairman/Managing Director/CFO) and the plans involve differentiated targets. For the Chairman/Managing Director, the targets and the incentive are parameterised by the achievement of the consolidated Target Adjusted EBITDA (consolidated pre-tax profit, interest and amortisation, net of all non-recurring costs in the last financial year of reference, in order to avoid a slowdown in investments that could influence the EBITDA, having the opposite effect to value creation in the medium and long term). The consolidated Target Adjusted EBITDA reference value, as defined above, is proposed by the Remuneration and Appointment Committee to the Board of Directors, in reference to a financial year by March of the year that the financial year refers to. The following scale represents the incentive based on different percentages of achievement of the consolidated Target Adjusted EBITDA, as defined above:

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

With reference to the Deputy Chairman/Managing Director/CFO, the targets are established in reference to both a consolidated Target Adjusted EBITDA, according to what has already been described with reference to the Chairman/Managing Director, and a consolidated Target Cash Flow, determined for each financial year in the same way as described above with reference to the consolidated Target Adjusted EBITDA.

Below is a scale of the incentive/percentage achievement in reference to the Deputy Chairman/Managing Director/CFO:

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

7.2. LTI Plan

In order to contribute to achieving its medium and long-term interests, in 2009 the Group adopted an incentive system linked to the achievement of targets contained in the three-year strategic plan known as the LTI (Long-Term Incentive) Plan. According to this plan, confirmed in subsequent years, if the targets of the three-year strategic plan are achieved, the participant accrues an LTI incentive calculated as a percentage of his/her gross fixed annual component/GAS in place when his/her participation in the LTI Plan was established. This variable component with medium to long-term target cannot exceed 100% of the gross fixed annual component/GAS at the time when the target is achieved. 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, expected to correspond to the achievement of 125% of the target according to the following progression:

CONSOLIDATED EBIT TARGET	PARAMETER	LONG TERM INCENTIVE – AS % OF THE BASE COMPENSATION
	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%

In this case, the target is determined by a consolidated Target Adjusted EBIT (i.e. consolidated EBIT net of all non-recurring costs in the last financial year of reference, in order to avoid a slowdown in investments that could influence the EBIT, having the opposite effect to value creation in the medium and long term). The consolidated Target Adjusted EBIT is calculated in the same way as already indicated for setting the consolidated Target Adjusted EBITDA in section 7.1.

The payment of the incentive is deferred to the last financial year of the three-year reference period. The payment is made after the approval by the Meeting of Shareholders 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 the LTI Plan target to the Board of Directors on the presentation and approval of the three-year plan, subsequently verifying the level of achievement. If the access threshold is not achieved, the beneficiary does not accrue any right, even on a pro-rata basis, to payment of the LTI incentive.

The LTI Plan is also in place for 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 cannot be paid, even on a pro-rata basis.

7.3. Disposal of Assets

In April 2018, the Company approved a further remuneration scheme linked to the disposal of company Assets and a Phantom Shares scheme.

The "**Asset Plan**" proposes to remunerate the beneficiaries in relation to the realisation, by the Company, of economic benefits deriving from the disposal of equity investments, fixed assets and other assets. The purpose of the Plan is to retain the beneficiaries and to align their performance with the company interests. The Plan is an autonomous incentive mechanism which considers the skills, length of service and experience of each beneficiary as added value in guiding and supporting the achievement of strategic and outstanding results. In view of its contingent nature, the Plan is not part of the remuneration of directors or the remuneration of employees, and does not form part of the elements for determining the SI for directors and ESI for employees. The latter does not have any effect on the direct or indirect remuneration schemes.

The Asset Plan is aimed at:

(i) the two Executive Directors with the role of Chairman and Deputy Chairman of the Board of Directors and who, even considering any renewals, have been in office as Chairman or Deputy Chairman for at least three financial years at the Asset Plan approval date;

(ii) the Strategic Managers; and

(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 known as Partnership for Success (PfS) and who, at the Plan approval date, have an overall length of service in the Company of at least three years.

By 30 June of each year, the Board of Directors of the Company may identify other Strategic Managers and/or PfS recipients of the Asset Plan who have accrued the length of service requirements set out by the Plan. The Asset Plan, which has a term of nine years from its approval, grants the beneficiaries the right to receive payment of a cash incentive. The rights deriving from the Asset Plan for each beneficiary are not subject to disposition. Events which, under the terms and conditions of the Asset Plan, may give rise to the payment of an incentive to 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), and of company shareholdings (including affiliates and controlled companies) held by the Company directly or by way of subsidiaries, liable to and subject to disposal.

Amount and distribution of the incentive

For each disposal of Assets finalised within the duration of the Asset Plan, the plan recipients will be entitled to receive a total gross incentive (to be distributed 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 disposal and the book value of the assets, naturally correlated to the percentage subject to disposal, as long as that value is greater than zero. The gross amount thus determined is distributed 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 Deputy 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 distributed among all Strategic Managers entitled to the incentive under the terms and conditions of the Plan, and will be distributed between them equally.
(iii) 15% of the gross incentive is attributed to the PfS recipients entitled to the incentive, and distributed between them equally.

The Remuneration and Appointment Committee is responsible for ascertaining those events which, 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 Asset Plan.

Termination

The Asset Plan shall expire in the ninth year after the approval date, on 23 April 2027. Each beneficiary loses the qualification of beneficiary upon resignation from the role of Chairman or Deputy Chairman or termination of the employment relationship (in the case of Strategic Managers and PfS), with the resulting forfeiture of the right to receive an incentive with the sole exception of cases of revocation of the management mandate without just cause, and dismissal of managers for justifiable reason or without just cause.

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 to the office or employment relationship, wilful or grossly negligent breach of company rules or 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, in 2018 the Company established a Phantom Shares scheme (“**Phantom Shares Plan**”) reserved for Executive Directors and Strategic Managers, as approved by the Meeting of Shareholders on 1 October 2018. During the initial phase, the Strategic Managers can only be chosen 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 the Phantom Shares that can be assigned have not yet been allocated), can identify any additional Managers as beneficiaries. The Plan is intended to incentivise managers able to influence the company results and to increase the Company’s capitalisation. The Phantom Shares Plan is therefore a tool, which is added to the remuneration of the Directors and the remuneration of the executives, aimed at creating an autonomous incentive mechanism that takes account of the skills, length of service and experience of each beneficiary as added value in guiding and supporting the achievement of strategic objectives. The intended aim of the Phantom Shares Plan is to retain the beneficiaries and to best align their performance with the interests of shareholders. The Phantom Shares Plan requires that the free-of-charge allocation 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 on the event date (namely, in the case of a Change of Control following a public takeover bid, or the public purchase price) with respect to the assignment value. The total maximum number of Phantom Shares that can be assigned to the beneficiaries based on the Plan is 12% of the number of ordinary shares on the date of approval of the Plan 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, on the recommendation of the Remuneration and Appointment Committee, the number of Phantom Shares assignable to the recipient and the percentage allocation of the number of shares that can be assigned. If the beneficiaries lose their rights under the Phantom Shares 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 previously assigned Phantom Shares.

In the case of transactions involving ordinary shares or 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 the changes and additions to the Phantom Shares Plan deemed necessary or appropriate to keep the substantial and economic contents of the Plan unchanged. A similar principle will be applied in the event of legislative or regulatory changes and other events likely to alter the substantial and economic contents of the Plan. The assignment value is equal to the weighted average of ordinary share prices measured in the 36 months prior to the identification date of each Plan recipient by the Board of Directors. The ordinary share price as at the event date will be equal to the weighted average of the official ordinary share prices recorded 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 before the payment of the incentive: (a) for an Executive Director: if 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 Deputy Chairman has been revoked or the responsibilities and powers have been substantially modified or the role or organisational positioning has been substantially modified; (b) for a Strategic Manager: if he/she voluntarily resigns or is dismissed for just cause.

The Phantom Shares are assigned according to the principle of equal allocation, for the same overall length of service, 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 to the Executive Directors or to one of them (and his/her heirs) are as follows: (i) Change of Control; (ii) failure to renew the office of Director on expiry of the mandate; (iii) revocation without just cause of the office of Director by the Meeting of Shareholders; (iv) revocation of the office of Chairman or Deputy Chairman or a substantial change to the responsibilities or powers or a substantial change to the role or organisational positioning without the occurrence of a just cause; (v) resignation of the Director for just cause, attributable to, for example, a change of powers, organisational positioning and the role of Director without there being any just cause; (vi) death of the Director; (vii) permanent disability which prevents the exercising of the office of Chairman or Deputy Chairman of the Board of Directors; and (viii) termination of office due to reaching retirement age.

The events that may give rise to the payment of an incentive to the Strategic Managers or to one of them (or his/her heirs) are as follows: (i) Change of Control; (ii) resignation for just cause; (iii) dismissal for an objective justifiable reason; (iv) death or permanent disability which prevents the continuation of the employment relationship; (v) delisting; and (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, in relation to the event date, has an overall length of service of less than 10 years; (ii) increased by 10% if the beneficiary, in relation to the event date, has an overall length of service of more than 15 years; (iii) increased by 20% if the beneficiary, in relation to the event date, has an overall length of service of more than 20 years; (iv) increased by 30% if the beneficiary, in relation to the event date, has an overall length of service of more than 25 years; and (v) increased by 50% if the beneficiary, in relation to the event date, has an overall length of service of more than 30 years.

The Phantom Shares cannot be transferred and, more generally, subject to disposition. On 17 October 2018, the Board of Directors formally approved the plan regulations, without making any amendments to the draft already attached to the report to the Meeting of Shareholders of SAES Getters S.p.A., and initiated the implementation of the plan, by identifying, according to the recommendation of the Remuneration and Appointment Committee, the beneficiaries of the plan by name and determining the number of Phantom Shares to be assigned without charge to each beneficiary. In compliance with the criteria established by the plan regulations, the assignment value of each Phantom Share was determined as Euro 16.451. The press release issued on the same date included all the information as per table 1 of Annex 3A of the Issuers' Regulation, Schedule 7 (including the names of beneficiaries and amounts).

8. Indemnity for Resignation, Dismissal or Termination of Contract

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 remuneration of an 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 Meeting of Shareholders or revocation of powers by the Board, without just cause, as well as termination by the director in the case of the substantial modification of the role, organisational positioning or assigned powers and/or a "hostile" public takeover bid or, more generally, resignation for just cause for reasons other than those mentioned by way of example. In those cases, the indemnity amounts to 3.5 years of the gross annual remuneration, thereby meaning the Total Annual Remuneration (comprising the fixed remuneration to which the average of the variable remuneration received in the previous two years is added). This amount is defined with the aim of guaranteeing the uniform treatment of Executive Directors and Managers with Strategic Responsibilities and is aligned with the prevalent market practices of listed companies. In the event of non-renewal of the office, an indemnity equal to 2.0 years of the gross annual remuneration is paid, meaning the sum of the total remuneration (gross annual remuneration defined as the sum of the annual fixed remuneration increased by the average variable remuneration received in the previous two years). In the event of resignation from the office, no indemnity is due to the Executive Directors, who are bound by a notice period of six months, failing which the resigning Director will be required to pay the Company an indemnity equal to 25% (twenty-five per cent) of the fixed annual remuneration. In the case of resignation from the office for just cause (for example, change of powers, organisational positioning and role or assignment of those powers, organisational positioning or role to other persons or committees and/or in the case of a "hostile" public takeover bid which results in a change of ownership and control structure of the Company), the Director will not be required to respect the notice period and will be entitled to receive an indemnity equal to 3.5 times the Total Annual Remuneration, as defined above. In the event of sickness or an accident which prevents the performance of the function of the Directors holding special offices, an indemnity will be paid for a period of no more than twelve (12) consecutive months amounting to one year of the annual basic remuneration. After this period, the Company can withdraw with prior notice of three months, paying an indemnity of Euro 2,500,000 gross.

9. Remuneration of Managers with Strategic Responsibilities

In order to attract, motivate and retain Managers with Strategic Responsibilities, the remuneration package for these roles within the company 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 is obtained on the achievement of predefined Company/role targets with an on-target bonus of 40% of the basic salary;
- a medium to long-term variable component ("LTI" Plan) linked to specific targets, with deferred payment with a maximum of one year' basic salary at the time of assignment.

The basic 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) labour market performance; b) job performance; c) level of responsibility/role; d) balance/equality of internal remuneration levels; e) benchmarks of comparable companies for similar positions; and f) experience, expertise, potential, and career prospects.

The variable components are aimed at motivating Managers with Strategic Responsibilities to achieve the annual targets (MBO/PfS) as well as longer term strategic objectives. The LTI Plan for Managers with Strategic Responsibilities is aimed at gaining loyalty and motivating key resources, leveraging on a remuneration structure with modification of some components, which allows for the accumulation of long-term capital. The LTI Plan is aimed at guaranteeing the Company greater organisational stability as the result of the permanence of key resources, guaranteeing management continuity as well as alignment to strategic objectives in the medium term. Managers with Strategic Responsibilities, being classified as managers, enjoy non-monetary benefits which include health insurance, accident insurance (professional and non-professional), life insurance and pension benefits. In 2013, the Company established an ad-hoc programme of non-monetary benefits known as Flexible Benefits for Managers with Strategic Responsibilities and for other Company executives. The amount varies depending on the length of service in the managerial role (length of service calculated with exclusive reference to SAES).

For 2020, the sums are as follows: Euro 4,000 for executives with a length of service in SAES of over 6 years; Euro 3,000 for other executives.

Finally, the Managers 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. Managers with Strategic Responsibilities who cover roles on the Boards of Directors of subsidiary companies or in other corporate bodies (e.g. Supervisory Body) do not receive, in general, any additional remuneration to the remuneration they receive in their capacity as employees. This principle also applies to all other Managers of the Group without strategic responsibilities.

10. Non-Competition Agreements and Changes of Control

The Company may enter into non-competition agreements with its Executive Directors and with its Managers with Strategic Responsibilities which provide, on termination of the relationship, for the payment of a consideration correlated to the annual remuneration and parameterized by the duration and extent of the restriction established in that agreement. The restriction, to be concluded on a certain date, refers to the product/market sector in which the Group operates and may extend to all the countries in which the Group operates. In case of Managers with Strategic Responsibilities forming part of the so-called Corporate Management Committee, as a more favourable condition to what is set out 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 years of total gross remuneration (including the average of variable remuneration paid: PFS, LTI Plan), as well as the right to the indemnity in lieu of 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 Managers with Strategic Responsibilities forming part of the so-called Corporate Management Committee, it must guarantee them, within 180 days from the legal date of the change, as a more favourable condition to what is set out by articles 19-22-23 of the NCLA, the payment of an indemnity equal to 3 years of total gross remuneration (including the average of variable remuneration paid: PFS, LTI Plan), as well as the right to the indemnity in lieu of notice provided by article 23 of the NCLA in the case of termination. "Change of control" means any event that, directly or indirectly, modifies the ownership structure and the chain of command of the Company and the parent company. Those provisions deviate positively and fully replace the rules of the NCLA for industry managers, and are an integral and substantive 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 Meeting of Shareholders at the time of appointment based upon professional rates (if applicable) and/or normal market practices. In this regard, the Meeting of Shareholders of 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. The auditors may receive additional remuneration for their participation in other control bodies (for example, the Supervisory Body), within the limits permitted by the laws in force.