

Explanatory Report by the Directors drawn up in accordance with article 125-ter, first paragraph, of the Consolidated Law on Finance, on point 2 of the agenda for the sole call of the ordinary General Shareholders' Meeting of SAES Getters S.p.A., at the Company's office in Milan, Piazza Castello 13, on 28 April 2023 at 14.30

— . — . — . — . — . — . —

## **Report on the remuneration policy and the payments made;**

**2.1 Approval of the remuneration policy in accordance with article 123-ter, paragraph 3-bis, of Italian Legislative Decree 58/1998;**

**2.2. Decisions on the second section of the report in accordance with article 123-ter, paragraph 6 of Italian Legislative Decree no. 58/1998;**

Dear Shareholders,

The 2023 Policy has been drafted in light of the Standards and Recommendations contained in article 5 of the Code of Corporate Governance of Borsa Italiana S.p.A. of January 2020, to which SAES adheres and which takes into account the provisions of article 123-ter of Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "TUF" - Consolidated Finance Law), article 84-quater of the Consob Regulation approved with resolution No. 11971 of 14 May 1999, as amended (the "Issuers' Regulation"), and Annex 3A of the Issuers' Regulation, Scheme 7-bis; as well as the provisions contained in the procedure for related party transactions, lastly updated with resolution of the Board of Directors on 22 June 2021, pursuant to the regulations adopted by Consob with Resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented, and which aims to provide shareholders, investors and the market with a clear and full illustration of the policy in terms of remuneration of the members of the Company's Board of Directors, Board of Statutory Auditors and the Manager with Strategic Responsibilities.

We wish to inform you that the 2023 Remuneration Policy (which is represented by Section I of the Report) was approved by the Remuneration and Appointment Committee on 7 March 2023 and by the Board of Directors on 14 March 2023.

On the same date, on the proposal of the Remuneration and Appointment Committee, the Board of Directors, having consulted the Board of Statutory Auditors, approved the Remuneration Report, which is divided into the following sections:

- Section I, which illustrates the Company's Policy in relation to the remuneration of the members of its Board of Directors, the General Managers and the Managers with Strategic Responsibilities for the 2023 financial year and – save for provisions set forth in article 2402 of the Italian Civil Code – of the control bodies together with the procedures used for the adoption and implementation of this policy;
- Section II, which with regard to 2022 provides an adequate representation of each of the items that make up remuneration, including the elements envisaged in case of termination of office or termination of the working relationship, highlighting its consistency with the company policy on remuneration in relation to the reference year; with reference to 2022, the year of application of the 2022 Policy, it illustrates the payments received by the members of the administrative and control bodies (with specific indication of their names) and by the Managers with Strategic Responsibilities (in aggregate form, considering also that SAES falls within the size parameters of a "smaller" company pursuant to CONSOB Regulation 17221 of 12 March 2010 on related party transactions). Furthermore, Section II contains information on the shares held in the Company and in its subsidiaries by the members of the administrative and control bodies, by Managers with Strategic Responsibilities, by spouses who are not legally separated and by minor children, in compliance with the provisions of article 84-quater, paragraph 4, of the Issuers' Regulations, in addition to the information on Phantom Shares assigned as per Plan implemented on 17 October 2018 as per Table 3A, Scheme 7-bis of the Issuers' Regulation, as well as the LTIP information pursuant to Table 3B, Scheme 7-bis of the Issuers' Regulation; as well as, again pursuant to article 123-ter, paragraph 4, letter b-bis of the TUF, on how the company has taken into account the vote expressed the previous year on the second section of the Report on Remuneration.

The Report will be made available to the public at the registered office of the Company in Lainate, Viale Italia 77, as well as on the Company website, <https://www.saesgetters.com/investor-relations/area-investors/shareholders-meeting>.

Finally, we remind you that the Board of Directors has summoned you, and that the shareholders' meeting is called to resolve:

- pursuant to section 123-ter, para 3-bis and 3-ter, on the first section of the Remuneration Report, by casting a binding affirmative or negative vote; in the event the Shareholders do not approve the Remuneration Policy which forms the first section of the Remuneration Report, the Company will continue to apply the remuneration compliant with the most recent Policy approved by the Shareholders or existing practices;
- pursuant to section 123-ter, para 4 and 6, on the second section of the Remuneration Report, by casting a non-binding affirmative or negative vote.

Now, therefore, we submit the following resolution proposal for your approval:

As to point 2.1. on the agenda:

*"The Ordinary Meeting of the Shareholders of SAES Getters S.p.A.:*

*- having acknowledged the information received;*

*resolves*

*a) to approve the Company's Policy in relation to the remuneration of the members of its Board of Directors, the General Managers and the Managers with Strategic Responsibilities for the subsequent financial year and – save for provisions set forth in article 2402 of the Italian Civil Code – of the control bodies, as described in the first section of the Remuneration Report drawn up pursuant to article 123-ter, paragraph 3, 3-bis and 3-ter of Italian Legislative Decree no. 58/1998;*

*b. to authorise the Chairman and the Vice-Chairman and Managing Director, jointly and severally, to complete the formalities required by the laws in force, as well as to take all the necessary action to fully implement the resolution stated above, granting them all the powers necessary and appropriate for this purpose, none excluded, as well as the powers to delegate tasks to third parties".*

As to point 2.2. on the agenda:

*"The Ordinary Meeting of the Shareholders of SAES Getters S.p.A.:*

*- having acknowledged the information received;*

*resolves*

*a. to approve the second section of the Remuneration Report drawn up pursuant to article 123-ter para 4 of Italian Legislative Decree no. 58/1998 and article 84-quater and related Annex 3A, Schedule 7-bis of CONSOB resolution no. 11971 of 14/5/1999 concerning the regulations for issuers;*

*b. to authorise the Chairman and the Vice-Chairman and Managing Director, jointly and severally, to complete the formalities required by the laws in force, as well as to take all the necessary action to fully implement the resolution stated above, granting them all the powers necessary and appropriate for this purpose, none excluded, as well as the powers to delegate tasks to third parties".*

Lainate, 14 March 2023

on behalf of the Board of Directors

Massimo della Porta

Chairman

# SAES GETTERS S.P.A.

## Report on the Remuneration Policy and the payments made - 2023 financial year

### Introduction

SAES Getters S.p.A. (hereinafter referred to as “**SAES**” or the “**Company**”) approved its Remuneration Policy by resolution of the Ordinary Shareholders' Meeting held on 28 April 2023 (hereinafter the “**2023 Policy**”). The Policy is valid from the date of its approval to the approval of the Annual Financial Report relating to the financial year closed at 31 December 2023.

This document defines the terms and conditions of the Remuneration Policy relating to the 2023 financial year, to be submitted to the SAES Shareholders' Meeting for approval with a binding vote (hereinafter the “**2023 Policy**”).

The remuneration of the Directors and Managers with Strategic Responsibilities of SAES 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.

In addition, the 2023 Policy was designed for the following purposes:

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

The 2023 Policy has been drafted in light of the Standards and Recommendations contained in article 5 of the Code of Corporate Governance of Borsa Italiana S.p.A. of January 2020, to which SAES has adhered and takes into account the provisions of article 123-ter of Italian Legislative Decree No. 58 of 24 February 1998, as amended (the “**TUF**”), article 84-*quater* of the Consob Regulation approved with resolution No. 11971 of 14 May 1999, as amended (the “**Issuers' Regulation**”), and Annex 3A of the Issuers' Regulation, Scheme 7-*bis*; as well as the provisions contained in the Procedure for Related Party transactions, lastly updated with resolution of the Board of Directors on 22 June 2021, pursuant to the regulations adopted by Consob with Resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented.

The 2023 Policy will be applied to Directors and Managers with Strategic Responsibilities, intended as those resources holding organisational roles from which derive powers and

responsibilities, directly or indirectly, inherent to the activities of planning, management and control of the Company's activities, as identified at the unquestionable discretion of the Board of Directors from among those reporting directly to the Executive Directors, who are members of the Board of Directors, who at their unquestionable discretion hold strategic organisational roles within the Company; in both cases, with a duration of global service of at least three years with the Company.

This document consists of the 2023 Policy (Section I) and guidance regarding payments made in 2022 (Section II). For ease of reading, definitions of words indicated by capital letters are provided at the end of this document.

The Company believes that a variable incentive system, balanced with a fixed component, is a fundamental element to guarantee company performance, its development and managers' retention.

On a programmatic basis, the Board of Directors of the Company may assess changes in the variable component of non-recurring remuneration for the future, both through the provision of maximum limits on these bonuses, and through the introduction of any time dilutions in the disbursement of the same, while preserving the maximization of value creation for the Company and its stakeholders as well as business continuity; all this is in compliance with international benchmarks of similar companies operating in the world of technology and research.

## **SECTION I: Remuneration policy - 2023 financial year**

### **1. Bodies involved in the approval of the Policy**

The definition of the 2023 Policy is the result of a transparent process in which the Remuneration and Appointment Committee, with advisory and proposal-making functions, and the Board of Directors of the Company have played a central role.

The former is responsible for the initiative and for submitting proposals to the Board of Directors, which defines and approves the remuneration policy and any 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. With reference to the tasks and prerogatives of the Remuneration and Appointment Committee, please refer to the SAES Corporate Governance Report.

The Remuneration and Appointment Committee was advised by Fabio Ambrosiani, a partner at Studio Associato Servizi Professionali Integrati - Fieldfisher, in the drafting of the text of the 2023 Policy and Section II of this document, relating to payments made in 2022. The Remuneration and Appointments Committee, on the other hand, did not make use any consultancy service with reference to the technical contents of the 2023 Policy.

The Remuneration and Appointment Committee, including in 2023, as in past years, if required, may apply its recommendation not to have Executive Directors present at discussions and deliberative votes relating to the remuneration of the latter in order to avoid obvious conflicts of interest.

The Chairperson of the Board of Statutory Auditors or another Statutory Auditor designated by them attended the meetings of the Remuneration and Appointment Committee and may do so during the 2023 financial year. The proposals prepared by the Remuneration and Appointment Committee were submitted for approval to the Board of Directors which, having consulted the Board of Statutory Auditors, resolved on them and on the 2023 Policy.

The Remuneration Policy, thus approved by the Board of Directors, is submitted to the Meeting of Shareholders at the time of the resolution concerning the 2022 Annual Financial Report.

The execution of the 2023 Policy is entrusted to:

- i. the Board of Directors, with reference to the remuneration and contractual proposals of the Executive Directors at the time the delegating powers were granted, as well as any subsequent amendments or adjustments;
- ii. the Company's Human Resources Department, with the approval of the managing directors, with reference to proposals for the adjustment of the remuneration of Managers with Strategic Responsibilities (excluding statutory members of the Board of Statutory Auditors);
- iii. the Meeting, with reference to the remuneration of the Board of Statutory Auditors.

## **2. Remuneration and Appointment Committee**

On the basis of what is defined in the 2023 Policy, the Remuneration and Appointment Committee has consultative and propositional functions. In particular, the Remuneration and Appointment Committee, with regard to the management of the remuneration issue, also in compliance with article 5 of the Corporate Governance Code entitled "Remuneration": 1) assists the Board in the definition of 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 the Board of Directors with proposals and opinions on the Remuneration Policy in relation to Executive Directors as well as the definition of performance targets linked to the variable component of remuneration in accordance with the Policy, making use in this regard of the information provided by the executive directors and by the competent HR function, 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) verifies the achievement of the variable remuneration targets defined for Executive Directors; 8) verifies the application of decisions made by the Board of Directors on remuneration; 9) verifies the existence of exceptional circumstances permitting

temporary exceptions to the 2023 Remuneration Policy; 10) reports to the Board on the activities carried out, at least annually and by the deadline for the approval of the financial statements, during the dedicated Board meeting indicated by the Chairperson of the Board of Directors.

In 2022, the Remuneration and Appointment Committee was composed of Independent Non-Executive Directors pursuant to the Corporate Governance Code and the TUF in the persons of Gaudiana Giusti, Luciana Rovelli and an Independent Non-Executive Director only pursuant to the TUF in the person of Adriano De Maio. Director De Maio resigned from the Committee on February 1, 2023 and the Board of Directors, who met on the same date, in compliance with the provisions of the Regulation of the Committee itself and of the Corporate Governance Code and subject to verification of the requirements of professionalism required, proceeded to appoint director Alessandra della Porta, non-executive and non-independent director, in their place. On 6 March 2023, the Chairperson Luciana Sara Rovelli resigned from the office of Independent and non-executive Director of SAES and consequently from the office of Chairperson and member of the Remuneration and Appointments Committee.

On 7 March 2023, the Board of Directors appointed the Independent and non-executive Director Stefano Proverbio as replacement for Luciana Sara Rovelli as member and Chairperson of the Remuneration and Appointments Committee.

At the date of approval of the 2023 Policy, therefore, the Remuneration and Appointments Committee is composed as follows:

- Stefano Proverbio (Chairperson) - Independent and non-executive Director;
- Lawyer Gaudiana Giusti - Independent and non-executive Director;
- Lawyer Alessandra della Porta - non-executive and non-independent Director.

All Committee members have adequate experience in economic/financial matters and their remuneration is assessed by the Board of Directors on their appointment. It is understood that the Chairperson of the Board of Statutory Auditors also participates in the Committee meetings, as suggested by the Corporate Governance Code and provided for above, and is permanently invited to the Committee.

The Remuneration and Appointments Committee has its own Regulations, which was last updated in February 2022. This document, drawn up in compliance with the Corporate Governance Code, supports the Committee in managing its meetings and summarises its duties and functions.

For further information on the tasks and powers of the Remuneration and Appointment Committee, please refer to the SAES Corporate Governance Report.

### **3. Principles and purposes**

The Company has specified that the 2023 Policy will run for one year. The Policy aims to attract, motivate and retain staff with the professional qualities required to pursue the strategic

objectives of the Group, by which is meant the group of companies controlled by or associated with SAES pursuant to Art. 2359 of the Italian Civil Code, which operates in complex, diverse and highly competitive technological markets, taking into account the dynamics of the labour market worldwide. 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's strategic plan includes, as a fundamental and qualifying element, the development of innovation, taking the form of a business plan aimed at concentrating investments in innovation and achieving results through both organic and inorganic growth.

The Group operates in diversified international markets with dedicated divisions, in different technological contexts and, as it is known, the Group management requires a multi-business approach with markets and sectors at differentiated speeds, requiring complex skills and significant cultural-managerial flexibility.

In particular, the Group operates through different divisions, all united by research in technological innovation; it invents and produces in-house new families and new compounds of "functional" materials, i.e. materials with special usage characteristics used in various sectors: consumer electronics, home automation, automotive, particle accelerators, gas purification and medical. Each of the business units has its own business model and uses different technological platforms.

Therefore, the 2023 Policy has also been 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 an aspect of particular importance in defining remuneration is represented by the development of mechanisms that create an identification between management and the company, which are appropriate to the reality of global reference markets and that ensure organisational stability.

The remuneration structure referred to in this 2023 Policy is based on medium/long-term monetary *bonuses*, as illustrated below, and not on financial instruments which, as is known, can be monetised on the basis of share performance in the short term. In this sense, the choice made by the Company was also dictated by the desire to encourage directors and management to operate on the basis of medium-long term planning, which makes it possible, among other things, to respect the interests of all stakeholders and to encourage staff motivation and consequently a calmer and, ultimately, better working environment. The Company therefore believes that its 2023 Policy is such as to respect the working conditions and welfare, employment and employability of its employees.

#### **4. Changes compared to the previous Remuneration Policy**

This 2023 Policy is substantially aligned with the 2021 Policy, differing from it only for updates due to organisational changes, or the indication of more detailed information relating to existing contracts with Executive Directors.



In the development of the 2023 Policy, the Company was unable to consider any comments or requests from shareholders regarding the issues involved, as the meeting held to approve the 2022 Policy did not provide any insights that needed to be considered nor did the Company receive any requests or communications from shareholders from the date of the meeting to the date hereof. Should this occur in the future, the Company will take these elements into consideration when drafting and approving future remuneration policies.

## **5. Amendments and Exceptions**

The 2023 Policy can only be amended on the basis of an "enhanced" process provided for in the 2023 Policy itself, as already set out in the policies relating to previous financial years.

In particular, exceptions can only be approved in unique 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 must 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 2023 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. It is understood that any changes or exceptions must take into consideration acquired rights or expectations legitimately accrued by the beneficiaries of the remuneration, in consideration of the contracts entered into between them and the Company.

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 2023 Policy that may 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 Appointments Committee has performed the checks indicated above, the proposed amendments or exceptions are discussed by the Company's Board of Directors which, in case of approval, ensures that they are made available to the public as privileged information. The amendments or exceptions and related reasons are also communicated to the first Shareholders' Meeting held after their approval.

The public disclosure regarding the exceptions to the 2023 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.

## **6. Directors' remuneration - in general**

Within the Board of Directors it is possible to distinguish between: (i) Executive Directors; (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). At the approval date of this Policy, the Directors are as follows:

- Executive Directors: the Chairperson 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 specifically, Adriano De Maio, Alessandra della Porta, Luigi Lorenzo della Porta, Andrea Dogliotti, Stefano Proverbio, Gaudiana Giusti (Lead Independent Director) and Francesca Corberi.

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 210.000,00, 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 Chairperson of the Board of Directors.

The Board (substantially repeating without change a resolution passed by the Meeting in 2006) 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 Chairperson;

- Euro 10,000 for each member of the Remuneration and Appointment Committee and Euro 15,000 for its Chairperson;
- Euro 18,000 for the two independent directors forming part of the Supervisory Body and Euro 20,000 for its Chairperson;
- Euro 25,000 for the Lead Independent Director.

The Remuneration and Appointment Committee has proposed to allocate, starting from the 2021 financial year, the sum of Euro 5,000.00 for each member and Euro 10,000.00 to the Chairperson of the Committee for Transactions with Related Parties. These sums were recognized by resolution of the Board of Directors of April 20, 2021 starting from the 2021 financial year and for the subsequent financial years, until the expiry of the mandate.

Directors are also entitled to the reimbursement of expenses incurred for reasons related 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.

## 7. Remuneration of Executive Directors

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 (Asset Plan) and a Phantom Shares Plan.

These schemes, which, as already indicated in paragraph 3 above, are essentially monetary, in order to incentivise medium-long term growth, aim to remunerate the contribution to the creation of value by also defining, through a Phantom Shares plan, a loyalty bonus linked to seniority in the role and commensurate, both in *nature* as in *quantity*, to the achievement of long-term objectives. 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 regard 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 paragraph 7 below for a more analytical description of the variable remuneration plans.

With reference to non-financial performance objectives, sustainability, understood as economic-financial sustainability, is taken into account by the 2023 Policy, as mentioned above, by providing incentives to directors and managers to decide on investments with a return in the medium-long term, instead of monetisation, for beneficiaries, in the short term.

With regard to sustainability in environmental and social terms, the Company will continue a process of analysis of these issues, and in 2024 this analysis will take the form of actual ESG objectives, to which a portion of management's variable remuneration will be linked. For further details, please refer to the Corporate Governance Report.

As regards *benefits* and *prerequisites*, 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 for the following:

- a Severance Indemnity (the "SI"); see paragraph 16;
- 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.

## **8. 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 consideration of the peculiar characteristics of the Company, which is a multibusiness company with a high focus on technological innovation, since 2018 the remuneration scheme (fixed and variable recurring) has been supplemented by non-recurring components. In detail, this is a strategic remuneration plan based on the Disposal of Assets and a Phantom Shares Plan, both aimed at remunerating management on the basis of the value created for shareholders, also thereby establishing a sort of career bonus in any case linked to the generation of value.

Please refer to the following paragraphs for details on the remuneration instruments indicated above.

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.

## **9. 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 the Group. The incentive is subject to a differentiated cap (respectively 120% and 75% for the Chairperson/Managing Director and the Deputy Chairperson/Managing Director/CFO) and the plans involve differentiated targets. For the Chairperson/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 (a) "non-recurring costs", whether budgeted or unbudgeted, as well as (b) provisions (accruals) relating to the various Executive Directors' bonuses, annual and three-year, and to the PfS bonus pool and LTIP of strategic managers, i.e. net of all non-recurring costs in the last financial year of reference, in order to avoid a slowdown in investments that could affect EBITDA, with an adverse effect on value creation in the medium and long term), in numerical value or as a percentage, on the basis of the case by case assessment by the Board of Directors, that will assess the opportunity to assign a numerical or corresponding percentage target. 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:

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

With reference to the Deputy Chairperson/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 Chairperson/Managing Director/CFO:

AVERAGE EBITDA AND 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 the Target of 80% of the base remuneration)				

It should be noted that the contracts of both Executive Directors include a "claw back" clause which provides for, in certain serious cases of non-compliance and intentional and grossly negligent violation of procedures and of the Company's Code of Ethics or Model pursuant to Italian Legislative Decree 231/01, the termination of their contracts and compensation for any damages suffered by the Company.

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.

If the BoD approves a sustainability plan and deems it appropriate to include one or more sustainability objectives in the annual incentive plan, the Executive Directors have undertaken to agree in good faith and to include these additional objectives in the incentive plan; in the event of no agreement, despite the reasonable commitment of the parties to negotiate in good faith, only the objectives set at the date of approval of the 2023 Policy will continue to apply.

Finally, in the event of termination of the office during the reference financial year due to revocation or failure to renew without just cause or due to resignation for just cause, the variable remuneration is paid in an amount corresponding to its maximum amount, equal to 120% of the fixed remuneration, with reference to the Chairman, and 75% of the fixed remuneration, with reference to the Deputy Chairman/Chief Executive Officer/CFO. In any other case of termination of office, including failure to renew upon expiry, the Executive Directors will not have any right to variable remuneration, not even pro-rata, relating to the current financial year at the date of termination, without prejudice to the right to any variable remuneration already accrued in relation to previous financial years.

## 10. LTI Plan

Also in order to contribute to the achievement of medium/long-term interests, since 2009, the Group has adopted an incentive system, known as the LTI (Long Term Incentive) Plan, linked to the achievement of objectives at the time contained in the three-year strategic plan. The LTI Plan has the purpose of retention and promotion of loyalty of its beneficiaries. According to this plan, confirmed in subsequent years, if the targets of the three-year strategic plan are achieved, assuming that the participant reaches the natural expiry of their three-year mandate and that the target determined by the Board of Directors has been reached (with an access threshold of 75% of the target, as indicated in the table below), the participant accrues an LTI incentive calculated as a percentage of their gross fixed annual component/GAS in place when their 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 (% of target achievement)	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 determined on the basis of consolidated EBIT net of (a) "non-recurring costs", whether budgeted or unbudgeted, as well as (b) provisions (*accruals*) relating to the various Executive Directors' bonuses, annual and three-year, and to the PfS bonus pool and LTI of strategic managers, i.e. net of all non-recurring costs in the last financial year of reference, in order to avoid a slowdown in investments that could affect EBIT with an adverse effect on value creation in the medium and long term.

The Target for the 2021 - 2023 mandate was assigned by the Company's Board of Directors in 2021, on the proposal of the Remuneration and Appointments Committee, as per the approved business plan.

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 and, therefore, of the financial statements relative to the financial year closed at 31 December 2023. In the event of non-renewal in 2024, only the amount calculated at 31 December 2023 will be due upon expiry of the mandate.

With reference only to the Chairman, the disbursement of 50% of the incentive accrued will be conditional on the achievement of the break-even (EBIT equal to or greater than zero) relating to the Adjusted EBIT of the company SAES Coated Films SpA, calculated according to the same methodology used in the calculation of consolidated EBIT, without recharging of costs by the corporate structure.

With reference to both Executive Directors, the three-year bonus will be paid, when conditions are met, following the approval of the consolidated financial statements at December 31, 2023 by the Shareholders' Meeting of the Company.

In this case too, if the BoD approves a sustainability plan and deems it appropriate to include one or more sustainability objectives in the incentive plan, the Executive Directors have undertaken to agree in good faith and to include these additional objectives in the incentive plan; in the event of no agreement, despite the reasonable commitment of the parties to negotiate in good faith, only the objectives set at the date of approval of the 2023 Policy will continue to apply.

The Remuneration and Appointment Committee checks the extent of the achievement of the target of the LTI plan; if the access threshold is not achieved, the beneficiary does not accrue any right, not even on a pro-rata basis, to payment of the LTI incentive.

In the event of termination of the mandate before 31 December 2023, in the event of revocation or failure to renew without just cause or due to resignation for just cause, the LTI will be paid to



the extent actually accrued on the date of termination and for the reference period. In particular, the accrual of the incentive relating to the year in which the termination of the mandate occurs will be assessed on the basis of the results achieved up to the quarter (January-March, April-June, July-September) preceding the date of termination, such as resulting from the data (certified or verified by the Company's auditors) of the last approved quarterly or half-yearly report, or, in the event of termination in the first quarter, on the basis of the expected amount in the event that 100% of the target is achieved; in both cases the amount will be projected and recognized pro-rata up to the date of termination. The amount thus calculated will be added to the amounts accrued in previous years. Payment will be made within 30 days of the termination date.

## **11. 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 “**Assets 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 Chairperson and Deputy Chairperson of the Board of Directors and who, even considering any renewals, have been in office as Chairperson or Deputy Chairperson for at least three financial years at the Asset Plan approval date;
- (ii) the Strategic Managers, as better specified below; 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 Chairperson is granted 35% of the gross incentive and the Deputy Chairperson 25% of the gross incentive. If, under the terms and conditions of the Plan, only one Executive Director is entitled to the incentive, 60% of the gross incentive will be attributed to that Executive Director;
- (ii) 25% of the gross incentive is attributed to all the Strategic Managers already members of the Corporate Management Committee ("CMC"; in this regard, see also paragraph 17 below) before its dissolution and which took place in December 2021 and having, according to the terms and conditions of the Plan, right to the incentive and equally divided between them;
- (iii) 15% of the gross incentive is attributed to the PfS recipients entitled to the incentive, and distributed between them equally.

It will be the Board's responsibility - with the involvement of the Remuneration and Appointments Committee (which may for the purpose of making proposals or in an advisory capacity, depending on the case) - 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 useful or necessary for the purposes of implementing the Plan and its provisions.

#### ***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 Chairperson or Deputy Chairperson 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.

## 12. 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 up to the time of its actual existence. 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 managers, 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 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 its payment: (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 Chairperson or Deputy Chairperson 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 Chairperson or Deputy Chairperson 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 Chairperson or Deputy Chairperson 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, be 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, 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 accordance with the criteria established by the plan's 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).

### **13. 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/long-term variable component (LTI plan) linked to specific objectives, with deferred payment with a maximum limit of one year on the 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.

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 managers. The amount varies depending on the length of service in the managerial role (length of service calculated with exclusive reference to SAES).

For 2022, the sums are as follows: Euro 4,000 for managers with a length of service in SAES of over 6 years and Euro 3,000 for the other managers. These values, and the same assignment method, are therefore also intended to be applied for the year 2023.

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 several 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.

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.

If the conditions of the Phantom Shares Plan are met, as indicated in paragraph 12 above, payments may be made to Managers with Strategic Responsibilities who are beneficiaries of the Plan in certain cases of termination of the relationship with the Company.

#### **14. Non-Monetary Benefits**

As already indicated in paragraph 7, Executive Directors are granted the following non-monetary benefits:

- insurance cover against professional and non-professional accidents;
- compensation for death and permanent disability from sickness;
- D&O policy;
- medical cover;
- additional benefits typical of the role.

With reference to Managers with Strategic Responsibilities, see section 13.

#### **15. Rules governing cases of loss of incentives**

The preceding paragraphs explain, for each form of incentive remuneration, the conditions that determine the loss of rights by the beneficiaries.

#### **16. Indemnity for resignation, dismissal or termination of contract**

With reference to Executive Directors, who are not bound by a subordinate employment relationship, and as such do not have insurance coverage similar to that guaranteed to strategic managers, the Board of Directors has provided them with a Severance Indemnity (“SI”) pursuant to Article 17, paragraph 1, letter c) of the Consolidated Law on Income Tax (TUIR) No. 917/1986, having similar characteristics to those typical of the 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 SAES Getters S.p.A.'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, 24 April 2018 and 20 April 2021).

The beneficiaries of the SI are the Chairperson 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 their career, a pension in line with Italian and international standards identified as 22% 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. No overall cap has been set (in terms of amount or per year with reference to the SI) in addition to the percentage amount indicated above.

Lastly, 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 the 2023 Policy.

The payment of a specific indemnity, in addition to the SI, is recognized: i) in case of revocation by the Shareholders' Meeting before the expiry of the mandate, and/or ii) revocation or substantial modification of the powers delegated by the Board, without just cause, and/or in the event of a substantial change in the role or organizational position and/or iii) in the event of failed re-election to office for the years 2024-2026 and/or iv) in the event of failed re-election to office for the years 2024-2026 at conditions at least equivalent to those in place. 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 or due 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 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 Executive Director is not required to comply with the notice period and will be entitled to receive an indemnity equal to 3.5 times the total annual remuneration, as defined above. No indemnity is due to the Executive Directors in the event of resignation without just cause; in this case the Executive Directors are required to observe 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 percent) of the fixed annual remuneration. In the event of illness or accident, which prevent the performance of the function of the directors vested with particular offices, payment is envisaged for a period not exceeding twelve (12) consecutive months of an indemnity equal 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.



If the conditions set out in the Phantom Shares Plan are met, as indicated in paragraph 12 above, payments may be made to the Executive Directors or one of them (or their respective heirs) even in certain cases of termination of the relationship with the Company.

Lastly, no consultancy contract shall be signed at the end of the term of office, nor is there any provision for the retention of non-monetary benefits after termination of office.

#### **17. 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 parameterised 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.

With reference to the Executive Directors, a non-competition agreement has been established for the period of two years from the termination of office for the territories of the United States, Europe and Asia against which the Executive Directors are paid an amount equal to 20% of the sum of the fixed remuneration received in the last three years of the assignment for each of the two years of validity of the commitment increased by the share of SI. In the event of termination before the expiry of the mandate, the consideration for the non-competition agreement is calculated in the amount of 40% of the sum of the fixed remuneration received, pro rata.

With reference to Executives with Strategic Responsibilities, former members of the Corporate Management Committee ("CMC"), as a more favourable condition to that set out by Article 13 of the NCLA, it was envisaged that 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", should the Company decide to terminate the employment relationship of the Managers with Strategic Responsibilities forming part of the CMC, 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, LTIP), as well as the right to indemnity in lieu of notice envisaged by art. 23 of the NCLA in case of resolution. "Change of control" referred to any event that, directly or indirectly, modifies the ownership structure and the chain of command of the Company and the parent company. Those provisions deviated positively and fully replaced the rules of the NCLA for industry managers, and were an integral and substantive part of the individual employment contracts. With the Organizational Communication of January 22, 2022, the new organizational structure of the Group was disclosed which no longer expressly provides for the CMC but established a new *Group Business Management Committee* to support the CEO, with different organizational tasks, compatible with the ever-increasing complexity of the business, having



components in part different from the previous CMC. The aforementioned Organizational Communication expressly provides that the members of the new Group Business Management Committee who were already members of the previous CMC (and therefore Massimo Della Porta, Giulio Canale, Filippo Cutillo and Paolo Vacca) retain "*rights, benefits and responsibilities*" attributed to them as members of the CMC, together with the qualification of Managers with Strategic Responsibilities of the Company. For these members, therefore, the conditions of greater favour with respect to the applicable national collective bargaining agreements indicated above for the members of the CMC continue to apply.

#### 18. Remuneration of non-executive directors and remuneration of special offices

See paragraph 6 above.

#### 19. Reference peer

SAES is *unique* in the Italian and international market. In fact, it is a multibusiness company, producing multi-technology products; it is therefore extremely difficult to find companies comparable to SAES both in size and in production activities in the high innovation technology sector. For this reason, also with reference to the remuneration of Executive Directors and management, SAES should be considered a *market leader*. As the Company has not identified any comparable organisations to SAES, it has not used any other companies as a basis for determining the 2023 Policy.

#### 20. 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 20 April 2021 determined the aforementioned annual remuneration in the amount of Euro 40,000.00 (forty thousand) for the Chairperson 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.

The Board of Statutory Auditors, whose term of office expires with the approval of the financial statements for the year ended 31 December 2023, has not provided the Company with any details on the quantification of the required commitment, pursuant to standard Q.1.6 of the rules of conduct for the Board of Statutory Auditors of listed companies, issued by the Italian National Council of Chartered Accountants and Accounting Experts.

#### 21. Remuneration summary table

**Chairperson: Massimo della Porta**

Fixed	MBO	LTI	Asset Plan	Phantom Shares	Other

<ul style="list-style-type: none"> <li>• €880,000: fixed</li> <li>• €30,000: office of Chairperson</li> </ul>	<ul style="list-style-type: none"> <li>• Present; conditional on the achievement of objectives;</li> <li>• cannot exceed 120% of the fixed amount</li> </ul>	<ul style="list-style-type: none"> <li>• Present;</li> <li>• conditional on the achievement of long-term objectives;</li> <li>• maximum amount (cap) equal to 200% of the GAS, envisaged when 125% of the target is reached</li> </ul>	In the event of the sale of Assets, the Company pays the beneficiaries 10% of the difference between the consideration and the Asset's carrying amount. The Chairperson is entitled to a total of 35% of 100% of the gross incentive distributed by the Company	513,497.5 Phantom Shares, assigned to a specified carrying amount. Monetary incentive paid on the occurrence of certain events, calculated by multiplying the capital gain by the number of Phantom shares assigned.	<ul style="list-style-type: none"> <li>• Non-monetary Benefits</li> <li>• Indemnity for termination of contract</li> <li>• Change of control</li> <li>• Non-competition agreement</li> <li>• Fringe benefits</li> </ul>
---	--	--	---	--	---

#### Executive Director: Giulio Canale

Fixed	MBO	LTI	Asset Plan	Phantom Shares	Other
<ul style="list-style-type: none"> <li>• €650,000: fixed</li> <li>• €20,000: office of Director</li> </ul>	<ul style="list-style-type: none"> <li>• Present; conditional on the achievement of objectives;</li> <li>• cannot exceed 75% of the fixed amount</li> </ul>	<ul style="list-style-type: none"> <li>• Present;</li> <li>• conditional on the achievement of long-term objectives;</li> <li>• maximum amount (cap) equal to 200% of the GAS, envisaged when 125% of the target is reached</li> </ul>	In the event of the sale of Assets, the Company pays the beneficiaries 10% of the difference between the consideration and the Asset's carrying amount. The executive director is entitled to a total of 25% of 100% of the gross incentive distributed by the Company	366,783.5 Phantom Shares, assigned to a specified carrying amount. Monetary incentive paid on the occurrence of certain events, calculated by multiplying the capital gain by the number of Phantom shares assigned.	<ul style="list-style-type: none"> <li>• Non-monetary Benefits</li> <li>• Indemnity for termination of contract</li> <li>• Change of control</li> <li>• Non-competition agreement</li> <li>• Fringe benefits</li> </ul>

#### Managers with Strategic Responsibilities

Fixed	PfS	LTI	Asset Plan	Phantom Shares	Other
<ul style="list-style-type: none"> <li>• Based on the employment contract</li> </ul>	<ul style="list-style-type: none"> <li>• variable component with annual payment which is obtained on the achievement of predefined Company/role targets with an on-target bonus of 40% of the basic salary;</li> </ul>	<ul style="list-style-type: none"> <li>• Present;</li> <li>• conditional on the achievement of long-term objectives;</li> <li>• maximum amount (cap) equal to 1 year pay</li> </ul>	In the event of the sale of Assets, the Company pays the beneficiaries 10% of the difference between the consideration and the Asset's carrying amount. Managers with strategic responsibilities are entitled to a total of 25% of 100% of the gross	Managers with strategic responsibilities received 195,618 Phantom Shares each, assigned to a specified carrying amount. Monetary incentive paid on the occurrence of certain events, calculated by multiplying the capital gain by the number of	<ul style="list-style-type: none"> <li>• Flexible Benefits, whose amount varies according to seniority in the managerial position;</li> <li>• Compensation in the event of dismissal without just cause pursuant to the applicable National Collective Labour Agreement</li> </ul>

			incentive distributed by the Company	Phantom shares assigned.	<ul style="list-style-type: none"> <li>• Better conditions (compared to those of the National Collective Labour Agreement) in the event of a change of control</li> <li>• Fringe benefits</li> </ul>
--	--	--	--------------------------------------	--------------------------	--

## SECTION II: Payments made - 2022 financial year

### Part one

This Section II illustrates, with reference to 2022, the year of application of the 2022 Policy, the payments received by the members of the administrative and control bodies (with specific indication of their names) and by the Managers with Strategic Responsibilities (in aggregate form, considering also that SAES falls within the size parameters of a "smaller" company pursuant to CONSOB Regulation 17221 of 12 March 2010 on related party transactions).

#### 1. Executive Directors

With reference to the Executive Directors, the payments made during the 2022 financial year were as follows:

The fixed remuneration paid in the year 2022 to the two Executive Directors was as follows: the CEO, Mr. Massimo della Porta, was paid a fixed remuneration of Euro 880,000.00 in addition to Euro 30,000.00, recognised for the office of Chairperson of the Board of Directors and the Deputy Chairperson/Chief Executive Officer/ CFO, Mr. Giulio Canale, was paid a fixed remuneration of Euro 650,000.00 in addition to Euro 20,000.00 as remuneration for being a member of the Board of Directors.

With reference to variable compensation, in 2022, the following were paid:

- i. to the CEO, Massimo della Porta: Euro 809,600.00 for MBO;
- ii. to the Deputy Chairperson/Managing Director/CFO, Giulio Canale: Euro 316,875.00 for MBO.

The Consolidated Target Adjusted EBITDA, for 2021, was set at 20.4% and the Company's achieved result, as reflected in the Consolidated Financial Statements, and after making the adjustments set forth in paragraph 9 of Section I of this document, was equal to 21.5%, which exceeded the pre-set target.

Applying the over-performance mechanisms, set out in paragraph 9 of the 2022 Policy, the aforementioned variable remuneration for CEO and Deputy Chairperson/Managing Director/CFO, paid during the 2022 financial year, was calculated.

Finally, it should be noted that the annual determination of Targets, carried out in accordance with the procedure provided for in the Remuneration Policy in force from time to time, is carried out by analysing the consolidated budget and strategic plan.

Therefore, the total remuneration paid during the 2022 financial year to the Executive Directors was as follows:

- i. to the CEO, Massimo della Porta: Euro 1,719,600.00, with variable remuneration accounting for approximately 47% of total remuneration;
- ii. to the Deputy Chairperson/Managing Director/CFO, Giulio Canale: Euro 986,875.00, with variable remuneration accounting for approximately 32% of total remuneration.

See Table 1 of this Section II for calculation details.

## **2. Managers with Strategic Responsibilities**

With reference to the data relating to the remuneration paid in the 2022 financial year to Managers with Strategic Responsibilities, please refer to Table 1 of this Section II.

The remuneration awarded to Managers with Strategic Responsibilities was in line with the 2022 Policy.

## **3. Information in the event of termination of office of Directors**

No cases occurred in 2022.

## **4. Information on exceptions in the application of the 2022 Policy**

No cases occurred in 2022.

## **5. Information on the application of ex-post correction mechanisms for variable components**

No cases occurred in 2022.

## **6. Additional information for the 2019, 2020, 2021 and 2022 financial years**

Additional information relating to the 2019, 2020, 2021 and 2022 financial years is provided below with respect to:

- a) total remuneration of Executive Directors:

<b>Executive Director</b>	<b>Mr Massimo della Porta</b>	<b>Mr Giulio Canale</b>
<b>2019</b>	Euro 1,966,000.00	Euro 1,157,500.00
<b>2020</b>	Euro 1,790,000.00	Euro 1,076,000.00
<b>2021</b>	Euro 2,916,600.00 (**)	Euro 1,870,875.00 (*)
<b>Financial year 2022</b>	Euro 1.719.600,00	Euro 986,875.00

- b) Company results

<b>Consolidated Adjusted Ebitda</b>	<b>Amount Euro</b>	<b>Target</b>	<b>Actually achieved in the previous year (**)</b>
<b>2018 Financial year for 2019 remuneration</b>	31,030,000	13.8%	19.4%
<b>2019 Financial year for 2020 remuneration</b>	38,461,000	19.3%	21.1%
<b>2020 Financial year for 2021 remuneration</b>	36,193,000	20.4%	21.5%
<b>2021 Financial year for 2022 remuneration</b>	45,198,000	17.7%	23.9%

(\*) amount including the recognition of the LTI, disbursed in 2021, following the achievement of the objectives of the 2019-2021 LTI plan.

(\*\*) please note that the variable remuneration to which the Executive Directors' MBO is indexed is calculated on Consolidated Adjusted EBITDA targets for the year prior to the year in which the variable remuneration is actually paid. The Consolidated Adjusted EBITDA parameter is also relevant for the calculation of the variable part of the remuneration of employees who are recipients of the so-called PfS (MBO) described above; for this reason, it is the parameter that the Company has decided to use to highlight the Company's results, pursuant to this paragraph.

- c) average gross annual remuneration measured in relation to full-time employees, of employees other than those whose remuneration is indicated by name in this Section II.

<b>Gross annual salary</b>	
<b>2019</b>	Euro 50,116.83
<b>2020</b>	Euro 50,850.70
<b>2021</b>	Euro 53,755.11
<b>2022</b>	Euro 53,940.61

The remuneration shown refers to the average salary of full-time permanent employees of the Company in the year indicated, for all contractual categories, excluding Executive Directors.

## **7. Information on how the vote expressed by the meeting on the second section of the Report for the previous year was taken into account**

The discussions at the meeting to approve the 2022 Policy did not provide any insights that needed to be considered, nor have any requests or communications from shareholders been received by the Company from the date of the meeting to the present date. Should this occur in the future, the Company will take these elements into consideration when drafting and approving future remuneration policies.

#### **8. Phantom Shares disbursement**

It should be noted that in 2022, approximately 196,000 Phantom Shares attributed to Mr. Fabrizio Doni, were monetised for an amount of Euro 1,648,766. Mr. Doni passed away in 2022. This event gives the right to the payment of the Phantom Shares allocated, pursuant to the Phantom Shares Regulation. It should be noted that Mr. Doni, at the succession opening date, had lost the position of Manager with Strategic Responsibilities, which, however, he had held at the time of their assignment. For this reason, the disbursement is reported in this report.

## DEFINITIONS

The following is a technical Glossary of several recurring terms, used in this document with an initial capital letter:

**Executive Directors**, holding special offices: these are the Directors holding the offices of Chairperson 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.

**Code/Corporate Governance Code**: the Corporate Governance Code of listed companies approved in January 2020 by the Committee for Corporate Governance and promoted by Borsa Italiana S.p.A.

**Remuneration and Appointments Committee**: the Remuneration and Appointments Committee established by the Company in implementation of article 5 of the Corporate Governance 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 in place up to December 2021.

**Managers with Strategic Responsibilities** (or also Top Management under the Corporate Governance Code): these are resources that cover organisational roles with powers and responsibilities, directly and indirectly, relating to planning activities, management and control activities within the Company. The definition includes directors (executive and non) of the Company itself and also includes standing auditors of the Board of Statutory Auditors, pursuant to the Regulation adopted by CONSOB with resolution No. 17221 of 12 March 2010, as amended and supplemented, in relation to operations with related parties. Directors and Managers with Strategic Responsibilities: the directors identified at the unquestionable discretion of the Board of Directors from among those reporting directly to the Executive Directors, who are members of the Corporate Management Committee and other managers that the Board of Directors, also at its unquestionable discretion, deems to hold strategic organisational roles within the Company; in both cases, with a duration of global service of at least three years with the Company.

**Consolidated Adjusted EBITDA**: the amount equal to the consolidated profit before tax, interest and amortisation, net of (a) "non-recurring costs", whether budgeted or unbudgeted, and (b) provisions (accruals) related to the various Executive Directors' annual and three-year bonuses,

and the PfS bonus pool and LTIP of directors and managers with strategic responsibilities, i.e. net of all non-recurring costs in the last reporting period.

**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):** refers to 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:** refers to the Plan discussed in Section I, paragraph 11 of this document relating to the extraordinary remuneration payable under the conditions established by the Executive Directors' Plan, to subjects already members of the Corporate Management Committee and to participants of the PfS plan in relation to the extraordinary disposal of company assets.

**LTI Plan:** refers to the "Long Term Incentive" Plan described in Section I, paragraph 10 of this document for Executive Directors, and in paragraph 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:** refers to the Plan outlined in Section I, paragraph 12 of this document which incentivises the Executive Directors and selected managers to achieve long-term results.

**GAS (Gross Annual Salary):** refers to 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 refers to 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 those 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.

**TUF:** Legislative Decree 58 of 24 February 1998.

**Yearly Total Direct Compensation Target:** refers to the sum of (i) the 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.