

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

## **Directors' Report on item 3 on the agenda of the ordinary Shareholders' Meeting of SAES Getters S.p.A. convened at the registered office at Viale Italia 77, Lainate, in single call on 18 April 2019, at 10.30 a.m.**

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### **Supplement of Deloitte & Touche S.p.A.'s fee for the audit assignment for the year 2018; supplement of Deloitte & Touche S.p.A.'s fee for the assignment for limited review of the consolidated non-financial statement for the year 2018; consequent and related resolutions.**

Dear Shareholders,

On 23 April 2013, the Shareholders' Meeting of SAES Getters S.p.A. ("SAES Getters" or the "Company") entrusted Deloitte & Touche S.p.A. ("Deloitte") with the assignment to audit the separate and consolidated financial statements pursuant to Italian Legislative Decree 39/2010 and Italian Legislative Decree 58/1998 and to conduct a limited review of the condensed half-year consolidated financial statements of the SAES Getters Group for the nine-year period 2013-2021 (the "Audit Assignment").

The Audit Assignment provides – in the section *Review of Fees* of the relevant Financial Proposal – that, if circumstances should arise that increase the estimated working times stated by the audit firm (also, and specifically, in relation to changes in legislation, accounting and/or auditing standards or to the performance of additional activities), Deloitte will be entitled to communicate the consequent fee supplements.

In accordance with this provision, on 24 April 2018 the Company's Shareholders' Meeting approved, on the basis of a substantiated proposal by the Board of Statutory Auditors of SAES Getters, an adjustment to the fees to be paid to Deloitte (equal to the amount requested by Deloitte in its letter of 11 December 2017) in view of the amendments introduced to the reference legislative framework that required further new obligations to be met by auditors when performing their professional assignments, with effect from the audit of the financial statements as at 31 December 2017.

That said, in a letter dated 11 January 2019, Deloitte requested a further adjustment to its fees for the Audit Assignment, pointing out that:

- on 1 January 2018 the new IFRS 9 accounting standard concerning financial instrument classification and measurement came into force and consequently, when auditing the accounts as at 31 December 2018, it will be necessary to carry out specific additional auditing activities to verify the effects of its first application, as well as the completeness of the relevant disclosure requirement (advising that application of this accounting standard will also mean that further regular checks will have to be carried out in the following years), with a consequent increase in the estimated working times for carrying out the audit assignment;

- following the Company's recent sale of the gas purification and handling systems business (Systems for Gas Purification & Handling), there was a further increase in the estimated working times for carrying out the audit assignment, as this transaction meant that it was necessary to apply the IFRS 5 accounting standard and therefore to state separately the assets and liabilities and results of the business sold.

Deloitte's letter of 11 January 2019 is attached hereto and in it the audit firm requested:

- payment of a lump-sum fee, for the year 2018 only, for the activities associated with the first application of the IFRS 9 accounting standard, equal to Euro 12,000.00;
- payment of a lump-sum fee, for the year 2018 only, for the activities associated with the sale of the gas purification and handling systems business (and consequent application of the IFRS 5 accounting standard), equal to Euro 12,000.00.

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Furthermore, during the aforesaid Shareholders' Meeting of SAES Getters held on 24 April 2018, following the assimilation of Directive EU 2014/95 by Italian Legislative Decree 254/2016, the shareholders approved the proposal made by Deloitte on 19 December 2017 to entrust it with an additional assignment concerning the performance of the limited review of the consolidated non-financial statement of SAES Getters and of its subsidiaries for the years 2017-2021 (the "Assignment for Review of the Non-Financial Statement").

As was the case for the Audit Assignment, the Assignment for Review of the Non-Financial Statement also provides – in the section *Review of Fees* – that, if circumstances should arise that increase the estimated working times stated by the audit firm (also, and specifically, in relation to additional audit procedures or supplementary obligations), Deloitte will be entitled to communicate the consequent fee supplements.

That said, in a second letter dated 11 January 2019 (attached hereto), Deloitte requested for the year 2018 an adjustment of the fees agreed for carrying out the Assignment for Review of the Non-Financial Statement, taking into account the additional activities scheduled by the Company for drawing up the Non-Financial Statement for 2018. These activities will specifically concern the updating of the materiality analysis with involvement of the Group's stakeholders and the updating of the data and information collection sheets, in order to comply with sector best practices. These activities will require Deloitte to carry out additional auditing activity, with a consequent increase in estimated working times.

In the aforesaid letter Deloitte therefore requested the payment of a lump-sum fee for the year 2018, equal to Euro 13,000.00, for carrying out these supplementary activities.

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Considering that, pursuant to Article 13(1) of Italian Legislative Decree 39 of 27 January 2010, the Shareholders' Meeting is responsible for entrusting the audit assignment and determining the audit firm's fee, on the basis of a substantiated proposal by the control body, best practice also provides that (i) the adjustment of the aforesaid fee and (ii) the assignment of additional associated activities to the audit company – or, insofar as is relevant here, the adjustment of the relevant fees – are to be approved by following the same procedures.

The Board of Directors therefore submits to your approval the following proposal by the Board of Statutory Auditors on the issues set forth above.

**“SUBSTANTIATED PROPOSAL BY THE BOARD OF STATUTORY AUDITORS OF SAES GETTERS S.P.A. ON ADJUSTMENT OF THE FEE DUE TO DELOITTE & TOUCHE S.P.A. FOR THE YEAR 2018 WITH REGARD TO (I) THE AUDIT ASSIGNMENT AND (II) THE ASSIGNMENT FOR THE LIMITED REVIEW OF THE CONSOLIDATED NON-FINANCIAL STATEMENT”**

*“Dear Shareholders,*

*You have been called to an ordinary meeting by the Board of Directors to resolve, in particular and among other matters, on (i) the adjustment, for the year 2018, of the fees to be paid to the company Deloitte & Touche S.p.A. for the audit assignment previously entrusted for the years 2013 to 2021 by resolution of the ordinary Shareholders’ Meeting passed on 23 April 2013 (the “Audit Assignment 2013-2012”) and (ii) the adjustment, for the year 2018, of the fees to be paid to said Deloitte & Touche S.p.A. for the assignment concerning the limited review of the consolidated non-financial statement of Saes Getters S.p.A. and of its subsidiaries previously entrusted for the years 2017 to 2021 by resolution of the ordinary Shareholders’ Meeting passed on 24 April 2018 (the “Assignment for Limited Review of the Consolidated Non-Financial Statement 2017-2021”).*

*The Audit Assignment 2013-2021 specifically provides that when circumstances arise that increase the working times stated by the audit firm, said firm can request a supplementary fee. In a letter dated 11 January 2019, Deloitte & Touche S.p.A. pointed out the need to adjust the fees originally established. Deloitte & Touche S.p.A. firstly stated that on 1 January 2018 the new IFRS 9 (Financial Instruments) accounting standard came into force and this meant that, when auditing the accounts as at 31 December 2018, it would be necessary to carry out specific additional auditing activities to verify the effects of its application, as well as the completeness of the disclosure required by said standard. Deloitte & Touche S.p.A. also advised that application of that accounting standard would mean that further regular checks would have to be carried out in the following years. In the same letter Deloitte & Touche S.p.A. also pointed out that the sale of the gas purification and handling business (Business of Systems for Gas Purification & Handling) had led to a further increase in the estimated commitments for the audit assignment, in view of the consequent application of the IFRS 5 accounting standard, which provides that the related assets and liabilities and the related results are to be stated separately. In this context, Deloitte & Touche S.p.A. therefore requested:*

- payment of a lump-sum fee, for the year 2018 only, for the activities associated with the first application of the IFRS 9 accounting standard, equal to Euro 12,000.00;*
- payment of a lump-sum fee, for the year 2018 only, for the activities associated with the sale of the gas purification business (and consequent application of the IFRS 5 accounting standard), equal to Euro 12,000.00.*

*As stated for the Audit Assignment 2013-2021, the Assignment for Limited Review of the Consolidated Non-Financial Statement 2017-2021 also provides that when circumstances arise that increase the working times stated by the audit firm, said firm can request a supplementary fee. In a letter dated 11 January 2019, Deloitte & Touche S.p.A. pointed out the need to adjust the fees originally established also with regard to this assignment. Deloitte & Touche S.p.A. observed that the additional activities scheduled by the Company for drawing up the Non-Financial Statement for*

*2018 (which will specifically concern the updating of the materiality analysis with involvement of the Group's stakeholders and the updating of the data and information collection sheets, in order to comply with sector best practices) would require Deloitte & Touche S.p.A. to carry out additional auditing activity. In this context, Deloitte & Touche S.p.A. therefore requested payment of a lump-sum fee for the year 2018, equal to Euro 13,000.00.*

*In view of the above, the Board of Statutory Auditors deems it appropriate to propose the approval by the Shareholders' Meeting of the request for adjustment of the fees submitted by Deloitte & Touche S.p.A. for the year 2018 with regard to both the Audit Assignment 2013-2021 and the Assignment for Limited Review of the Consolidated Non-Financial Statement 2017-2021, on the following grounds:*

*(a) the additional activities referred to in the request for supplementation of Deloitte & Touche S.p.A.'s fee for the Audit Assignment 2013-2021 are necessary to ensure proper performance of the audit of the separate and consolidated financial statements of SAES Getters S.p.A.;*

*(b) the additional activities referred to in the request for supplementation of Deloitte & Touche S.p.A.'s fee for the Assignment for Limited Review of the Consolidated Non-Financial Statement 2017-2021 are advisable to enable SAES Getters S.p.A. to comply with sector best practices;*

*(c) when submitting its requests for supplementary fees, the company Deloitte & Touche S.p.A. provided suitable elements for assessing the basis for the supplements and the changed economic conditions, with specification of an appropriate additional commitment and of hourly costs consistent with those established in the Audit Assignment 2013-2021 and in the Assignment for Limited Review of the Consolidated Non-Financial Statement 2017-2021.*

*Lastly, the Board of Statutory Auditors points out that Deloitte & Touche S.p.A. is confirmed as being technically suitable to carry out the assignments and that its organisation is confirmed as being suited to the complexity and size of the Company and the Group.*

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

**proposes that the Shareholders' Meeting**

- approves the adjustment of Deloitte & Touche S.p.A.'s fees for the year 2018, as per the request submitted by said firm entrusted to audit the accounts on 11 January 2019, referred to above and attached hereto; and*
- also approves the adjustment of Deloitte & Touche S.p.A.'s fees for the year 2018, as per the request submitted by said firm entrusted to carry out the limited review of the consolidated non-financial statement on 11 January 2019, referred to above and attached hereto.*

*The Board of Statutory Auditors  
Vincenzo Donnamaria (Chairman)  
Maurizio Civardi (Standing Auditor)  
Sara Anita Speranza (Standing Auditor)".*

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Dear Shareholders,

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in light of the above, you are invited to approve, in respect of the substantiated proposal put forward by the Board of Statutory Auditors:

- the supplementary fee relating to the Audit Assignment for the year 2018, requested by Deloitte & Touche S.p.A., according to the terms specified above and stated in the Board of Statutory Auditors' substantiated proposal; and
- the supplementary fee relating to the Assignment for Review of the Consolidated Non-Financial Statement for the year 2018, according to the terms specified above and stated in the Board of Statutory Auditors' substantiated proposal.

Lainate, 13 March 2019

for the Board of Directors

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Massimo della Porta  
Chairman