

*The present is the English translation of the Italian official report approved by the Board of Directors on March 12, 2020. For any difference between the two texts, the Italian text shall prevail.*

**Explanatory Report from the Board of Directors of SAES Getters S.p.A. on point 3 of the agenda of the Ordinary Shareholders' Meeting of SAES Getters S.p.A., convened at the registered office at Viale Italia 77, Lainate as a single call on 21 April 2020 at 10:30 a.m.**

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**Additional remuneration of Deloitte & Touche S.p.A. with regard to the regulatory audit assignment for FY19; additional remuneration of Deloitte & Touche S.p.A. with regard to the assignment of the limited scope examination of the consolidated non-financial statement for FY19; and related and ensuing 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 regulatory audit of the separate and consolidated financial statements pursuant to Italian Legislative Decree 39/2010 and Italian Legislative Decree 58/1998, and the limited scope regulatory audit of the half-year condensed consolidated financial statements of the SAES Getters Group for the nine-year period 2013-2021 ("Regulatory Audit Assignment").

The *Fee Updating* section of the relevant Financial Offer states that with regard to the Regulatory Audit Assignment, if circumstances arise which result in an increase in the estimated working time indicated by the auditing firm (including, and specifically in relation to changes in the regulations, accounting standards and/or auditing standards or the performance of additional activities), Deloitte has the right to communicate the resulting additional remuneration.

In accordance with this provision, on 24 April 2018, the Company Shareholders' Meeting approved, following a substantiated proposal of the SAES Getters Board of Statutory Auditors, an adjustment of the fees to be paid to Deloitte (as requested by the latter in its letter dated 11 December 2017) in view of the changes introduced to the reference regulatory framework, which would have involved new and additional obligations for regulatory auditors as part of their professional assignments, starting from the audit of financial statements as at 31 December 2017.

On 18 April 2019, the Company Shareholders' Meeting approved, following a substantiated proposal of the SAES Getters Board of Statutory Auditors, a further adjustment of the fees to be paid to Deloitte (as requested by the latter in its letter dated 11 January 2019) in view of the entry into force of the new IFRS 9 accounting standard concerning the classification and measurement of financial instruments, activities regarding the transfer of the company branch relating to the gas management and purification systems (and the resulting application of the IFRS 5 accounting standard) and undertaking the Assignment of the Examination of the Non-Financial Statement, taking into account the additional activities planned by the Company with reference to the preparation of the Non-Financial Statement for FY18.

In view of the above, with its letter dated 2 August 2019, Deloitte requested an additional fee adjustment relating to the Regulatory Audit Assignment, indicating that:

- starting from 1 January 2019, the new IFRS 16 - *Leases* accounting standard entered into force and that, as a result, as part of the audit as at 31 December 2019, it will be necessary to perform additional and specific audit activities in order to verify the impact of the first time application (so-called FTA), as well as the completeness of the required information notice (anticipating, moreover, that the application of the abovementioned accounting standard will also require additional recurring checks to be performed in the subsequent financial years), with the resulting increase in the estimated working time with reference to the performance of the auditing assignment;
- following the establishment of SAES Investments S.A., for which the auditing of the separate financial statements and reporting package was awarded with a separate letter of assignment to Deloitte Audit Société à responsabilité limitée, it became necessary to perform limited scope audit procedures on the reporting package prepared by the same firm as part of the limited scope audit activities on the half-year consolidated financial statements of SAES Group as at 30 June 2019.

The aforementioned letter from Deloitte is attached to this report, and through this letter, the auditing firm has requested:

- the payment of a one-off fee of € 16,000.00, for FY19 only, in relation to the activities connected to the first application of the IFRS 16 accounting standard;
- the payment of a fee of € 4,000.00 for FY19 in relation to the activities connected to the limited scope audit procedures on the reporting package prepared by the same firm as part of the limited scope audit activities on the half-year consolidated financial statements of SAES Group as at 30 June 2019.

\* \* \*

Furthermore, on the abovementioned SAES Getters Shareholders' Meeting of 24 April 2018, following the implementation of EU Directive 2014/95 by Italian Legislative Decree 254/2016, the awarding to Deloitte of an additional assignment regarding the limited scope examination of the consolidated non-financial statement of SAES Getters and its subsidiaries for the financial years 2017-2021 ("Assignment of the Examination of the Non-Financial Statement") was approved, in line with the proposal submitted by Deloitte on 19 December 2017.

Similarly to the Regulatory Audit Assignment, with regard to the Assignment of the Examination of the Non-Financial Statement, the *Fee Updating* section also provides that, if circumstances arise which result in an increase in the estimated working time indicated by the auditing firm (including, and specifically in relation to additional audit procedures or supplementary obligations), Deloitte has the right to communicate the resulting additional remuneration.

On 18 April 2019, the Company Shareholders' Meeting approved, following a substantiated proposal of the SAES Getters Board of Statutory Auditors, a further adjustment of the fees to be paid to Deloitte (as requested by the latter in its letter dated 11 January 2019) for the activities planned by the Company with reference to the preparation of the Non-Financial Statement for FY18.

In view of the above, with the additional letter dated 20 December 2019 (attached to this report), Deloitte has requested an adjustment of the agreed fees for FY19 for undertaking the Assignment of the Examination of the Non-Financial Statement, following the decision of the Company to undertake a path of continual improvement and alignment with industry best practices. These activities will specifically relate to the updating of the materiality analysis with the involvement of external stakeholders (suppliers) and Top Management, and the updating of the materiality matrix. This will require Deloitte to conduct additional audit activities, with a resulting increase in the estimated working times.

Therefore, through the abovementioned communication, Deloitte has requested the payment of a fee of € 5,000.00 for FY19 for the performance of the additional activities set out above.

\* \* \*

Given that, pursuant to Art. 13, paragraph 1 of Italian Legislative Decree no. 39 of 27 January 2010, the awarding of the regulatory audit assignment and the determination of the remuneration of the auditing firm are the responsibility of the Shareholders' Meeting, following the substantiated proposal of the control body, best practice also requires that (i) the adjustment of the abovementioned fees and (ii) the assignment of additional related activities to the auditing firm – or, as far as is relevant here, the adjustment of the related fees – are approved in the same way.

Therefore, the Board of Directors submits the following Board of Statutory Auditors' proposal regarding the issues outlined above for your approval.

**“SUBSTANTIATED PROPOSAL OF THE SAES GETTERS S.P.A. BOARD OF STATUTORY AUDITORS CONCERNING THE ADJUSTMENT OF THE FEES DUE TO DELOITTE & TOUCHE S.P.A. FOR FY19 WITH REFERENCE TO (I) THE REGULATORY AUDIT ASSIGNMENT AND (II) THE ASSIGNMENT OF THE LIMITED SCOPE EXAMINATION OF THE NON-FINANCIAL STATEMENT”**

*Dear Shareholders,*

*The Board of Directors has called you to the ordinary meeting to specifically resolve upon, among other things, (i) the adjustment of the fees to be paid to Deloitte & Touche S.p.A. for FY19 in relation to the regulatory audit assignment for the financial years 2013 to 2021 with the resolution of the General Shareholders' Meeting on 23 April 2013 (“Regulatory Audit Assignment 2013-2021”) and (ii) the adjustment of the fees to be paid to Deloitte & Touche S.p.A. for FY18 in relation to the assignment of the limited scope examination of the consolidated non-financial statement of Saes Getters S.p.A. and its subsidiaries for the financial years 2017 to 2021 with the resolution of the General Shareholders' Meeting on 24 April 2018 (“Assignment of the Limited Scope Examination of the Consolidated Non-Financial Statement 2017-2021”).*

*The Regulatory Audit Assignment 2013-2021 specifically provides that, if circumstances arise which result in an increase in the estimated working time indicated by the auditing firm, the latter can request additional remuneration. With the communication dated 2 August 2019, Deloitte & Touche S.p.A. indicated the need to adjust the previously established remuneration. Deloitte &*

*Touche S.p.A. firstly pointed out that, starting from 1 January 2019, the new IFRS 16 (Leases) accounting standard entered into force and that, as a result, as part of the audit as at 31 December 2019, it will be necessary to perform additional and specific audit activities in order to verify the impact of its application, as well as the completeness of the information notice required by the standard. Deloitte & Touche S.p.A. also stated that the application of the abovementioned accounting standard will also require additional recurring checks to be performed in the subsequent financial years. With the same communication, Deloitte & Touche S.p.A. also indicated that following the establishment of SAES Investments S.A., for which the auditing of the separate financial statements and reporting package was awarded with a separate letter of assignment to Deloitte Audit Société à responsabilité limitée, it became necessary to perform limited scope audit procedures on the reporting package prepared by the same firm as part of the limited scope audit activities on the half-year consolidated financial statements of SAES Group as at 30 June 2019. Within this context, Deloitte & Touche S.p.A. has therefore requested:*

- the payment of a one-off fee of € 16,000.00, for FY19 only, in relation to the activities connected to the first application of the IFRS 16 accounting standard;*
- the payment of a fee of € 4,000.00 for FY19 in relation to the activities connected to the limited scope audit procedures on the reporting package prepared by SAES Investments S.A. as part of the limited scope audit activities on the half-year consolidated financial statements of SAES Group as at 30 June 2019.*

*Similarly to what is specified for the Regulatory Audit Assignment 2013-2021, the Assignment of the Limited Scope Examination of the Consolidated Non-Financial Statement 2017-2021 also provides that, if circumstances arise which result in an increase in the estimated working time indicated by the auditing firm, the latter can request additional remuneration. With the communication dated 20 December 2019, Deloitte & Touche S.p.A. indicated the need to also adjust the previously established remuneration in reference to this assignment. Indeed, Deloitte & Touche S.p.A. noted that the additional activities planned by the Company with reference to the preparation of the Non-Financial Statement for FY19 (which will relate, in particular, to the updating of the materiality analysis with the involvement of external stakeholders (suppliers) and SAES Top Management, as well as the updating of the data and information collection forms, in order to come into line with industry best practices), will make it necessary for Deloitte & Touche S.p.A. to perform additional audit activities. Within this context, Deloitte & Touche S.p.A. has therefore requested the payment of a fee of € 5,000.00 for FY19.*

*In consideration of the above, the Board of Statutory Auditors considers it appropriate to propose the approval by the Shareholders' Meeting of the request for a fee adjustment put forward by Deloitte & Touche S.p.A. for FY19 with reference to both the Regulatory Audit Assignment 2013-2021 and the Assignment of the Limited Scope Examination of the Consolidated Non-Financial Statement 2017-2021 for the following reasons:*

- (a) the additional activities referred to in the fee adjustment request by Deloitte & Touche S.p.A. for the Regulatory Audit Assignment 2013-2021 are necessary for the correct performance of the regulatory audit of the separate and consolidated financial statements of SAES Getters S.p.A.;*
- (b) the additional activities referred to in the fee adjustment request by Deloitte & Touche S.p.A. for the Assignment of the Limited Scope Examination of the Consolidated Non-Financial Statement 2017-2021 are appropriate in order to enable SAES Getters S.p.A. to come into line with industry best practices;*
- (c) in submitting the requests for additional remuneration, Deloitte & Touche S.p.A. has provided appropriate assessment information in relation to the assumptions regarding the additional remuneration and the varying financial terms, indicating an appropriate additional effort and hourly*

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*fees in line with those set out in the Regulatory Audit Assignment 2013-2021 and Assignment of the Limited Scope Examination of the Consolidated Non-Financial Statement 2017-2021.*

*Finally, the Board of Statutory Auditors confirms both the technical suitability of Deloitte & Touche S.p.A. to carry out the assignments and the suitability of the organisation with regard to the complexity and scale of the Company and Group.*

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

**recommends that the Shareholders' Meeting**

- approves the adjustment of the fees to be paid to Deloitte & Touche S.p.A. for FY19, as requested by the latter, appointed to perform the external auditing, on 2 August 2019, as referred to above and attached to this document; and*
- approves the adjustment of the fees to be paid to Deloitte & Touche S.p.A. for FY19, as requested by the latter, appointed to perform the limited scope examination of the consolidated non-financial statement, on 20 December 2019, as referred to above and attached to this document.*

*Board of Statutory Auditors*

*Vincenzo Donnamaria (Chairman)*

*Maurizio Civardi (Statutory Auditor)*

*Sara Anita Speranza (Statutory Auditor)*

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Dear Shareholders,

In view of the above, you are invited to approve the following, in accordance with the substantiated proposal of the Board of Statutory Auditors:

- the additional remuneration for the Regulatory Audit Assignment for FY19, requested by Deloitte & Touche S.p.A., according to the terms set out above and specified in the substantiated proposal of the Board of Statutory Auditors; and
- the additional remuneration for the Assignment of the Examination of the Consolidated Non-Financial Statement for FY19, according to the terms set out above and specified in the substantiated proposal of the Board of Statutory Auditors.

Lainate, 12 March 2020

on behalf of the Board of Directors

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Massimo della Porta  
Chairman



August 2, 2019

Messrs.  
Saes Getters S.p.A.  
Viale Italia, 77  
20010 Lainate (MI)

*For the attention of Mr. Giulio Canale, Managing Director*

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

*For the attention of Mr. Vincenzo Donnamaria, Chairman*

Dear Sirs,

As discussed in recent meetings, starting from January 1<sup>st</sup>, 2019 the new accounting standard IFRS 16 – Lease entered into force. Consequently, within the context of the audit as at December 31, 2019 specific audit procedures must be carried out in order to understand and verify the effects deriving from the first-time adoption of the new standard (so-called FTA) as well as the completeness of the disclosure notes requested by the new standard. The adoption of the new accounting standard will also request the need to perform recurrent audit procedures in the following financial years.

The application of the new accounting standard IFRS 16 starting from January 1<sup>st</sup>, 2019 will have a significant impact on the scale of the audit procedures that will be performed on the statutory audit of the separated and consolidated financial statements and Saes Getters S.p.A. and will lead to an increase in the estimated time for the audit thereof.

Furthermore, as a result of the establishment of the company SAES Investments S.A., whose audit engagement on the financial statement and Reporting Package is assigned to Deloitte Audit Société à responsabilité limitée with a separate letter of assignment, it has been identified the need to carried out limited audit procedures on the Reporting Package of SAES Investments S.A. as part of the limited review of the half-year consolidated financial statements of SAES Group at June 30, 2019.

As the circumstances have arisen for the adjustment of our fees, according to the provisions in the paragraph "Updating of Fees" in our statutory audit proposal for the financial statements and consolidated financial statements of Saes Getters S.p.A. for the nine-year period 2013-2021 issued on date December 18, 2012 (and its subsequent additions issued on February 5, 2013 and December 11, 2017), as agreed, our audit fees shall be increased by EUR 20,000 for the 2019 financial year, detailed as follows:

August 2, 2019  
SAES Getters S.p.A.

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	<u>Ore</u>	<u>Fees (Euro)</u>
One-off fee in 2019 only for the first-time adoption of new accounting standard (IFRS 6)	140	16.000
Limited audit procedures on the Reporting Package of SAES Investments S.A. carried out for the limited review of the half-year consolidated financial statements of SAES Group at June 30, 2019.	35	4.000

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

Our proposal of 18 December 2012 (and its subsequent additions of 5 February 2013 and 11 December 2017) is therefore understood to have been amended correspondingly, and the other conditions provided for therein remain unchanged.

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

Best regards,

DELOITTE & TOUCHE S.p.A.

  
**Giovanni Gasperini**  
Partner

Annex 1

For acceptance:  
Saes Getters S.p.A.

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Details on the additional time and fees per professional category for the first-time adoption of the new accounting standard IFRS 16, applicable for the year 2019 only, is the following:

Professional category	Estimated n. of hours	Mix	Euro	
			Hourly Rate	Total
Partner	18	13%	450	8.100
Manager	46	33%	295	13.570
Senior	76	54%	160	12.160
<b>Gross Total</b>	<b>140</b>	<b>100%</b>		<b>33.830</b>
Reduction				(17.830)
<b>Net fees</b>				<b>16.000</b>

The details of the additional times and the fees per professional category for the limited audit procedures on the Reporting Package of SAES Investments S.A. carried out for the limited review of the half-year consolidated financial statements of SAES Group at June 30, 2019, is the following:

Professional category	Estimated n. of hours	Mix	Euro	
			Hourly Rate	Total
Partner	5	14%	450	2.250
Manager	12	34%	295	3.540
Senior	18	52%	160	2.880
<b>Gross Total</b>	<b>35</b>	<b>100%</b>		<b>8.670</b>
Reduction				(4.670)
<b>Net fees</b>				<b>4.000</b>

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

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



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

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

20 December 2019

To:  
SAES Getters S.p.A.  
Viale Italia 77  
20020 Lainate (MI)

Dear Sir/Madam,

Following the recent contacts between us, we hereby submit an integration of the fees provided for carrying out additional activities in relation to the limited assurance engagement on the consolidated Non Financial Statement (hereinafter also referred to as the "Non Financial Statement") as indicated in the proposal we issued on 19 December 2017 (hereinafter also referred to as the "Contract") signed between your Company (SAES Getters S.p.A.) and our company (Deloitte & Touche S.p.A.).

## REQUIREMENT AND CONDUCT OF THE DUTY

### Deliverables of the assignment

As per the Decree 254/2016, in which the EU Directive 2014/95 on non-financial information was implemented in the Italian legal system, starting from financial year 2017, SAES Group is required to prepare and publish the consolidated Non Financial Statement.

SAES Getters S.p.A. at the end of the financial year 2018 has prepared the second consolidated Non Financial Statement in compliance with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by the GRI - Global Reporting Initiative.

In regards to the preparation by the Company of the Non Financial Statement relating to the financial year 2019, SAES Getters S.p.A. has decided to undertake a process of continuous improvement and alignment with industry best practice, starting the following project areas:

- Update the materiality analysis by involving the Group's stakeholders. In particular, the activities will include:
  - the involvement of suppliers (as external stakeholders) through the compilation of a questionnaire;
  - the involvement of SAES Getters S.p.A.'s Top Management through the compilation of a questionnaire;
  - the update of the materiality matrix.

### Delivery method of the assignment

The aim of the assignment is to carry out the additional assurance activities listed above and conducted by your Company. In particular, these activities will be carried out through the analysis and verification of the activities related to the update the materiality analysis and stakeholder engagement.

## FEES

The determination of our fees for the performance of the assignment included in this proposal is based on an estimate of the working times for each professional category and the related hourly rates.

20 December 2019  
Saes Getters S.p.A.

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On the basis of the information received from you, the planned activities and the resources identified for the delivery of the activities reported above, the fees included in the Contract will be integrated for the financial year 2019 by an amount equal to **Euro 5.000**.

The estimate of our fees is based on the assumption that we will be able to rely on the collaboration of the Company's personnel for the provision of all the data, documents and processing that will be necessary to carry out our tasks, as well as on the assumption that our personnel can rely on the assistance necessary to address and resolve the problems connected with the successful delivery of the task assigned to us.

Reimbursement will be added to the above-mentioned fees for the expenses incurred for the performance of the work, such as expenses for the stay away from home and transfers to the same extent as they are incurred. In addition, the ancillary costs relating to technology (databases, software, etc.) and secretarial and communication services will be charged at a flat rate of 7% and VAT.

The billing of the fees will take place in the following ways: 40% at the beginning of the verification activity, 55% at the beginning of the verification phase carried out after the end of the fiscal year and 5% upon completion of the work.

Payment must be made upon presentation of the relevant invoices.

All amounts referred to taxes and / or fees due in connection with this Agreement will be charged to the Customer.

Except as expressly modified by this Agreement, all other terms and conditions of the Contract dated 19 December 2017 remain unaffected.

\* \* \* \* \*

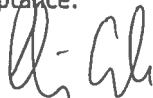
If you agree with the above, please return the attached copy of the Modifications Document, signed by you for acceptance and confirmation.

Kind Regards,

DELOITTE & TOUCHE S.p.A.

**Carlo Laganà**  
Partner

For acceptance:



**SAES GETTERS S.p.A.**

Date: January 8, 2020