



# **POLICY FOR THE MANAGEMENT OF WHISTLE-BLOWING REPORTS INTERPUMP GROUP S.p.A.**

## **CONTENTS**

1. Introduction
2. References
3. Definitions
4. Description of the whistle-blowing procedure
  - 4.1. Methods of communication
  - 4.2. Contents of the report
  - 4.3. Tasks and responsibilities
  - 4.4. Guarantees and principles
5. Recipients of this policy
6. Entry into force

Attachment 1 Protection of personal data

Attachment 1-bis Privacy information

## 1. INTRODUCTION

By this policy (hereinafter “**Policy**”), Interpump Group S.p.A. intends to govern at group level the methods used to report and manage alleged improper or illegal actions that become known to whistle-blowers in the course of their working activities.

Taking account of the recommendations made by the Corporate Governance Committee of Borsa Italiana S.p.A., which amended and supplemented the Code of Self-Regulation for listed companies on July 9, 2015, Interpump group companies adopt procedures for the management of whistle-blowing reports that are consistent with the related regulations and best practices. In particular, as described in more detail later, each Interpump group company takes all necessary steps to protect all parties who, on a case-by-base basis, are involved in the management of these reports, in full compliance with the regulations that govern the processing of personal data.

## 2. REFERENCES

### EXTERNAL:

- Royal Decree no. 262, March 16, 1942 - "Civil Code"
- Royal Decree no. 1938, October 19, 1930 - "Criminal Code"
- Decree no. 231/01 - "Governance of the administrative responsibility of legal entities, companies and associations, including those without legal status"
- Decree no. 196/2003 - "Code for the protection of personal data"
- Law no. 287/1990 - "Regulations for the protection of the market and competition"
- Decree no. 152/2006 - "Regulations on environmental matters"
- Decree no. 231/2007 - “Implementation of Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and Directive 2006/70/EC laying down the related implementing measures and subsequent amendments and additions”.
- Decree no. 81/2008 - "Consolidated law on the protection of health and safety"
- Draft law no. 2208 dated February 3, 2016 - "Instructions for the protection of persons who report crimes or irregularities in the public interest"
- "Code of Self-Regulation" of Borsa Italiana S.p.A. for listed companies - latest version July 2015

### INTERNAL:

- Decree 231 Organizational Model of Interpump Group S.p.A.
- Code of Ethics of Interpump Group S.p.A.
- Protocols approved pursuant to Decree no. 231/2001
- Procedures regarding health and safety in the workplace and the environment
- Procedures regarding accounting and financial management prepared to ensure compliance with Law no. 262/2005

## 3. DEFINITIONS

For the purposes of this Policy, the following terms have the meanings indicated below:

- a) **Group**, means the companies within the Interpump group
- b) **Whistle-blowing reports**, means (i) any information about suspected/alleged violations of criminal law and/or (ii) any conduct or practice that does not comply with the Code of Ethics of Interpump Group S.p.A., the Organization and Management Model adopted by each Group company pursuant to Decree no. 231/2001 or the set of procedures adopted by the Group. The last mentioned includes, but is not limited to:
- Manual for environmental management;
  - Manual for managing safety in the workplace;
  - Procedures adopted pursuant to Decree no. 231/2001;
  - Procedures for managing the security of IT systems;
  - Procedures regarding accounting and financial management prepared to ensure *compliance* with Law no. 262/2005;
- c) **Whistle-blower**, means the person who make the Whistle-blowing report, whether employee (including *top management*), collaborator, member of corporate bodies, third party (*partner*, customer, vendor, consultant, collaborator) and, in general, anyone who has business relations with the Group;
- d) **Supervisory Body (“SB”)**, means the body appointed by the Board of Directors pursuant to Decree no. 231/2001;
- e) **Internal Audit Manager (“IA”)**, means the person appointed to carry out independent and objective *assurance* activities for the purpose of assessing and improving controls, risk management and *corporate governance* and, therefore, the effectiveness and efficiency of the business organization.

## 4. DESCRIPTION OF THE WHISTLE-BLOWING PROCEDURE

### 4.1. METHODS OF COMMUNICATION

Suitable communication channels guarantee that the identity of the Whistle-blower is kept confidential and that the related Whistle-blowing reports are managed properly.

Whistle-blowing reports must be sent to the Supervisory Body using the following channels:

- via e-mail to: [organismodivigilanza@interpumpgroup.it](mailto:organismodivigilanza@interpumpgroup.it);
- by ordinary mail to the following postal address: Interpump Group S.p.A., Supervisory Body, via E. Fermi 25 - 42049 S. Ilario d'Enza, Reggio Emilia;
- verbally.

### 4.2. CONTENTS OF THE REPORT

The report must relate to alleged violations that are highly likely to have occurred in the opinion of the Whistle-blower (so-called reports made in "good faith") and that, directly or indirectly, may cause an economic, financial or reputational loss for the Group.

The Whistle-blower must support the Whistle-blowing report with all useful details, so that the necessary verification work and checks can be carried out to determine its validity.

Accordingly, it is important that the Whistle-blower:

- states where and when the reported facts took place, in a clear, complete and detailed manner;
- indicates personal details or other information for the identification of those who did the reported deeds;
- names any other persons who may be able to comment on the reported facts;
- indicates/provides supporting documentation to confirm the validity of the report;
- provides any other useful information or evidence to support the validity of the matter reported.

### 4.3. TASKS AND RESPONSIBILITIES

The Internal Audit Manager is responsible for applying, updating and amending this Policy.

The Supervisory Body is mandated to receive and manage the Whistle-blowing reports addressed by this Policy.

The Supervisory Body is responsible for:

- the preliminary verification/analysis of the Whistle-blowing reports received, for the purpose of evaluating their validity and the need for any further investigation;
- deciding whether or not to carry out additional checks or move to the next phase of verification. Following the initial verification stage, the Supervisory Body classifies the Whistle-blowing reports as:
  - Type A reports: detailed and significant Whistle-blowing reports that require action (investigation or *remediation*) on a prompt basis (within 48 hours);
  - Type B reports: detailed and significant Whistle-blowing reports that require action (investigation or *remediation*) on an urgent basis (within 5 working days);
  - Type C reports: detailed and significant Whistle-blowing reports that require action (investigation or *remediation*) that is not urgent (within 10 working days);
  - N.A. reports: unreliable Whistle-blowing reports to be filed (those without sufficient/significant information to warrant further investigation);
  - "Bad faith" reports: Whistle-blowing reports that are blatantly opportunistic and/or made solely to damage other persons, to be forwarded to the competent functions for determination of the action to be taken against the Whistle-blower, if any.

If a report warrants further analysis, the Supervisory Body activates the investigation phase by sending the documentation received to the functions that it deems necessary to involve.

The contacted functions are responsible for carrying out all necessary checks and sending a report to the Supervisory Body about the investigative work performed and the outcome of the checks made.

Based on the information provided, the Supervisory Body considers:

- whether or not to file the Whistle-blowing report, given the objective absence of any illegal or improper conduct, or any evident and/or reasonable basis for carrying out further investigations;
- whether or not to commence an *audit* or *fraud investigation*;
- whether or not to involve the judicial authorities;
- whether or not to involve administrative bodies or independent authorities responsible for supervision and control (e.g. Consob);

- which business functions to involve, if any, in the case of Whistle-blowing reports made in "bad faith", in order to determine what action to take against the Whistle-blower, if any.

If a Whistle-blowing report is found to be valid, Interpump Group S.p.A. takes all necessary measures and actions to protect the company.

The Supervisory Body also considers whether or not it is appropriate to give feedback to the Whistle-blower.

The Supervisory Body must ensure:

- the traceability of the Whistle-blowing reports and the related investigative activities;
- the retention in hard-copy/electronic files of the documentation regarding the Whistle-blowing reports and the related verification work, ensuring an appropriate level of security/confidentiality;
- the retention of the documentation and the Whistle-blowing reports for no longer than necessary for the purposes for which the data was collected or subsequently processed and, in any case, in accordance with the privacy procedures adopted by the company.

The functions involved in the activities envisaged in this document to verify the validity of the Whistle-blowing reports ensure, to the extent of their responsibilities, the traceability of the data and the information, and arrange to retain and file the hard-copy and electronic documentation produced so that the various phases of the verification process can be reconstructed.

The personal data of the individuals involved and/or mentioned in the Whistle-blowing reports is protected and processed in accordance with current regulations and the privacy procedures adopted by the company.<sup>1</sup>

Without prejudice to the requirement to disclose certain events on a timely basis, the Supervisory Body provides an annual summary of Whistle-blowing reports received and managed:

- to the Board of Directors;
- to the Board of Statutory Auditors;
- to the Audit and Risk Committee;
- to the firm appointed to perform the legal audit of the accounts.

#### **4.4. GUARANTEES AND PRINCIPLES**

Each Group company ensures the confidentiality of the information in every phase subsequent to receipt of the Whistle-blowing report, as well as the anonymity of the Whistle-blower, in order to avoid all risk of reprisals and/or discrimination against the latter.

Each Group company ensures that no direct or indirect reprisals and/or discrimination with effects on the working conditions of the Whistle-blower are allowed for reasons related, directly or indirectly, to the Whistle-blowing report. Reprisals and discrimination are understood to mean all unjustified disciplinary action, and all other reprisals that result in a downgrade in the Whistle-blower's working conditions.

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<sup>1</sup> See Attachments 1 and 1-bis for details about the protection of personal data and the related privacy information

Violation of the confidentiality requirement and/or reprisals or discrimination against the Whistle-blower are punished by disciplinary action, without prejudice to any additional liabilities arising under the law.

Reprisals or discrimination with an effect on the working conditions of those who collaborate in checking the validity of the Whistle-blowing report are also prohibited.

Without prejudice to the above, all forms of abuse of this Policy, such as Whistle-blowing reports that are blatantly opportunistic and/or made solely to damage other persons (so-called "Bad faith" reports), are also punished by disciplinary action.

## **5. RECIPIENTS OF THIS POLICY**

This policy is disseminated as widely as possible.

Accordingly, it is made available on the company intranet, posted on noticeboards and sent to all employees of Interpump Group S.p.A. and Group companies who have an e-mail address.

The methods of contacting the Supervisory Board are also made available on the company website ([www.interpumpgroup.it](http://www.interpumpgroup.it)).

The Supervisory Body identifies the most appropriate action to ensure the maximum dissemination of this Policy and the proper understanding of its contents.

## **6. ENTRY INTO FORCE**

This Policy comes into force on March 18<sup>th</sup>, 2016.

## PROTECTION OF PERSONAL DATA

The information and other personal data acquired in application of this Policy are processed in accordance with the current privacy regulations (Decree no. 196/03). In particular, Interpump group companies (hereinafter the "Companies") guarantee that personal data is processed in compliance with fundamental rights and freedoms, including the dignity of all data subjects, with particular reference to the confidentiality and security of the data, in accordance with the following instructions.

Pursuant and consequent to art. 11 of Decree no. 196/03, the personal data obtained by the Companies for the purposes of this Policy must be:

- limited to that strictly and objectively needed in order to check the validity of the Whistle-blowing reports and manage them;
- processed in a legal and proper manner.

In addition, it is mandatory for:

- all functions/organizational positions within the Group and its subsidiaries involved in the receipt and processing of Whistle-blowing reports to ensure the absolute confidentiality of the Whistle-blowers. In this regard and in compliance with the Code of Ethics, a Whistle-blower acting in good faith is always protected against any form of reprisal, discrimination or penalization and, in all cases, the identity of the Whistle-blower is kept confidential (without prejudice to legal requirements);
- the Supervisory Body to make available to the data subjects the privacy information presented in Attachment 1-bis, which is an integral and essential part of this Policy;
- the Supervisory Body to inform third parties, without direct or indirect business relations with the group, that their personal data is being processed in relation to a Whistle-blowing report received, but only if there is no risk that the communication of such information would make it more difficult to check the validity of the Whistle-blowing report;
- the reported person not to be given information about the identity of the Whistle-blower, without prejudice to legal requirements;
- in the context of any disciplinary action taken against the reported person, the identity of the Whistle-blower not to be revealed, without the latter's consent, on condition that the disciplinary charges are founded on separate and additional checks made with respect to the Whistle-blowing report. If the disciplinary charges are founded, in whole or in part, on the Whistle-blowing report, the identity of the Whistle-blower may be revealed if this information is absolutely essential for the defense of the reported person.

## PRIVACY INFORMATION

Pursuant to art. 13 of the Code for the protection of personal data (Decree no. 196/03), Interpump Group S.p.A. provides the following information about its processing of the personal data of Whistle-blowers, reported persons and any third parties involved (together the "Data subjects") in relation to the management of the Whistle-blowing reports governed by the Interpump "Policy for the management of Whistle-blowing reports".

### *1) Purpose of processing and mandatory provision of the data*

The personal data of the Data subject is processed for purposes related to applying the above Policy and to comply with the requirements established by law, regulations or EU rules.

### *2) Methods of processing and logic*

The data is processed manually (e.g. using paper records) and/or using automated equipment (e.g. using electronic procedures and media), applying logic related to the above-mentioned purposes and, in any case, in a manner that guarantees the security and confidentiality of the data.

### *3) Data Controller and Data Processor*

The Controller of your personal data is the legal representative of the company, Dr. Fulvio Montipò. The Processor of your data is Dr. Maurizio Montanari.

### *4) Categories of third party to which the data might be communicated as independent Data Controllers or that might become aware of it as Data Processors or Persons tasked with processing*

In addition to the internal parties indicated in point 3) above, the personal data of Data subjects might also be processed by third parties, including Group companies. In that case, the parties concerned will be identified as independent Data Controllers or designated as Data Processors or Persons tasked with processing, in compliance with the current laws governing privacy matters. In all cases, Interpump will provide appropriate operating instructions to the Data Processors and Persons tasked with processing, with particular reference to the adoption of minimum security measures, so that the confidentiality and security of data is assured.

These parties, which in some cases may be located abroad, fall into the following categories:

- Consultants (Systems, Credit Collection, Law Firms, etc.);
- Companies appointed to administer and manage personnel matters, to store the personal data of employees or to develop and/or operate the IT systems used for these purposes;
- Companies appointed to manage the company's archives, including the personal data of former employees;
- Auditing firms;
- Public Institutions and/or Authorities, Judicial Authorities, Police, Investigation Agencies.

### *5) Right of access to personal data and other rights pursuant to art. 7 of the Code for the protection of personal data (Decree no. 196/03)*

Data subjects are entitled at any time to obtain the data relating to them - without prejudice to the provisions contained in Attachment 1 to this Policy - and to exercise the other rights envisaged in art. 7 of the Privacy Code, by contacting the Data Processor referred to in point 3) above. In the same way, Data subjects may request the origin of their data, the correction, update or expansion of inexact or incomplete data, or the deletion or blockage of any data processed in violation of the law, or may object to its use for legitimate reasons that must be explained in the request.