Annex "C" to the resolution adopted by the Board of Directors of Interpump Group S.p.A. on 18 March 2016

REPORT DESCRIBING THE PROPOSALS OF THE BOARD OF DIRECTORS OF INTERPUMP GROUP S.p.A. TO THE ORDINARY SHAREHOLDERS' MEETING OF 28 APRIL 2016.

Sant'Ilario d'Enza, 18 March 2016

Shareholders,

This report has been prepared in compliance with art. 125-*(3)*, subsection 1, of Italian legislative decree no. 58, 24 February 1998 (the "**Consolidated Finance Act**" or "**TUF**"), arts. 72, 73 and 84-(2) of the regulation adopted by Consob Decision no. 11971 of 14 May 1999 and subsequent amendments (the "**Issuers' Code**"), as well as, *mutatis mutandis*, with Annex 3A, Formats 3, 4 and 7, of the Issuers' Code, in order to describe to the shareholders of Interpump Group S.p.A. ("**Interpump**" or the "**Company**") the proposals that the Board of Directors intends to present for your approval in relation to the matters indicated in points 2, 4, 5, 6 and 7 on the agenda for the Ordinary Shareholders' Meeting and in the sole point on the agenda for the Extraordinary Shareholders' Meeting, to be held in a single call on **28 April 2016** at the registered offices of Interpump Group S.p.A., via Einstein 2, Sant'Ilario d'Enza (RE), at **10.30 am**.

The meeting agenda is as follows:

Ordinary session

1. Approval of the Annual financial statements at 31 December 2015, accompanied by the Board of Directors' Report, the Report of the Board of Statutory Auditors and the additional accompanying documentation required by statutory regulations; presentation of the Group Consolidated Financial Statements at 31 December 2015, with the Board of Directors' Report and the accompanying documentation required by statutory regulations; related and consequent resolutions.
2. Distribution of profit for the year; related and consequent resolutions.
3. Remuneration report ex art. 123-(3) of Italian legislative decree no. 58 of 1998; related and consequent resolutions.
4. Appointment of directors.
5. Determination of the remuneration of the directors for 2016 and the total remuneration of those directors assigned special duties; related and consequent resolutions.
6. Approval of the "2016/2018 Interpump Incentive Plan" for the benefit of employees, directors and/or collaborators of the Company and its subsidiaries and delegation of powers to the Company's Board of Directors.
7. Authorization, pursuant to articles 2357 and 2357-(3) of the Italian Civil Code, to purchase treasury shares and possibly to sell any treasury shares held or purchased, after revoking, in whole or in part, any unexercised portion of the authorization granted by resolution of the shareholders' meeting held on 30 April 2015; related and consequent resolutions.

Extraordinary session

1. Proposal to amend article 14 of the Bylaws. Related and consequent resolutions.

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On the second point on the agenda of the Ordinary Shareholders' Meeting - Resolution concerning the allocation of profit for the year

This section of the report describes the proposal that the Board of Directors of Interpump Group S.p.A. (the "**Company**") intends to submit for your approval in relation to the distribution of profit for the year.

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The financial statements at 31 December 2015, which are subject to approval at the Shareholders' Meeting pursuant to the previous point on the agenda, show a net profit for the year of Euro 28,529,378 (twenty-eight million fivehundredandtwenty-nine thousand threehundredandseventy-eight).

Taking account of the consolidated financial statements and the economic and financial outlook for the current year, the Board of Directors considers it opportune to recommend as follows:

(i) declare a dividend of Euro **0.19** (zero point one nine) for each of the shares in circulation including the right as per art. 2357-*(3)* sub-section 2 of the Italian Civil Code; It should be noted that for tax purposes the provisions of Italian decree D.M. 2 April 2008 will be applied, since the entire dividend of Euro **0.19** per share is taxable in the hands of the recipient and is considered to have been taken from the profit reserves accumulated subsequent to the tax year in progress at 31/12/2007.

(ii) allocate the remaining amount to the Extraordinary Reserve, since the legal reserve has already reached the limit of one-fifth of the fully paid up and subscribed share capital.

In consideration of this premise, we submit for your approval the following

resolution proposal

"The Ordinary shareholders' meeting of Interpump Group S.p.A.:

- given that the financial statements at 31 December 2015 show a net profit for the year of Euro 28,529,378 (twenty-eight million fivehundredandtwenty-nine thousand threehundredandseventy-eight);

- given the resolution proposed by the Board of Directors;

resolves

1) to allocate said profit as follows:

   (i) to declare a dividend of Euro **0.19** (**zero point one nine**) for each of the shares in circulation including the right as per art. 2357-*(3)* sub-section 2 of the Italian Civil Code;

   (ii) to allocate the remaining amount to the Extraordinary Reserve, since the legal reserve has already reached the limit of one-fifth of the fully paid up and subscribed share capital.

2) to determine the legitimacy of paying out profits, pursuant to article 83-*(13)* of the Consolidated Finance Act by reference to the accounting records a the end of the accounting day on **24** May 2016 (the "record date"), with payment of the dividend from **25** May 2016, following detachment on **23** May 2016 of coupon no. **23**;

to vest in the Chairman and *pro tempore* Chief Executive Officer, separately and with the faculty to delegate to third parties, all the widest possible powers required to implement the matters set down above".

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On the fourth point on the agenda of the Ordinary Shareholders' Meeting - Appointment of Directors

This section of the report describes the resolution proposed by the Board of Directors for your approval regarding the appointment of two new Directors, since the appointments of Stefania Petruccioli and Marcello Margotto, who were co-opted by the Board of Directors by resolutions adopted on 30 June 2015 and 6 August 2015 with approval from the Board of Statutory Auditors, to replace Mara Caverni and Carlo Conti, who had resigned, expire at this Shareholders' Meeting pursuant to art. 2386 of the Italian Civil Code.

In order to facilitate the provision of information to the shareholders, these Board resolutions decided that the curriculums of Stefania Petruccioli and Marcello Margotto, containing complete information about their personal and professional characteristics, together with the declarations of suitability as Independent Directors pursuant to the Code of Corporate Governance prepared by the Committee for the Corporate Governance of List Companies promoted by Borsa Italiana S.p.A., should be attached to the minutes and filed at the registered offices until the date of this Shareholders' Meeting.

Given that the two retired directors, Mara Caverni and Carlo Conti were elected at the Shareholders' Meeting held on 30 April 2014, from the sole list of candidate directors presented by the controlling shareholder, Gruppo IPG Holding S.p.A., the Meeting will, pursuant to art. 14, subsection 13, of the Bylaws, either confirm or replace them using the normal majority voting basis, and not by list voting.

The Board of Directors recommends the Meeting to confirm both Stefania Petruccioli and Marcello Margotto as Directors, following the expiry of their previous appointments at this Shareholders' Meeting.

The Board of Directors confirms that the Directors to be appointed will remain in office until the appointments of the other Directors expire, upon approval of the financial statements at 31 December 2016.

In consideration of this premise, we submit for your approval the following

resolution proposal

"The Ordinary shareholders' meeting of Interpump Group S.p.A.:

given the need to either confirm or replace the two directors co-opted to the Board of Directors by Board resolutions adopted on 30 June 2015 and 6 August 2015

resolves

1) to confirm as Directors:

- Stefania Petruccioli, born in Turin on 5 July 1967 and resident at via Solari 23, Milan, tax code PTR SFN 67L45 L219Z;

- Marcello Margotto, born in Bologna on 1 January 1961 and resident at via Bellacosta 26, Bologna, tax code MRG MCL 61A01 A944Z;

until approval of the financial statements at 31 December 2016;

2) to confer powers on the Chairman and Chief Executive Officer Fulvio Montipò and the Chief Executive Officer Paolo Marinsek, separately, to perform all the necessary acts for the complete execution of the above resolutions, with any and all powers that may be necessary and useful to achieve said purpose, excluding none and with the power to delegate to third parties."

** * **

On the fifth point on the agenda of the Ordinary Shareholders' Meeting - Determination of the remuneration of the Directors for 2016 and the total remuneration of the Directors assigned special duties

This section of the report illustrates the proposal that the Board of Directors intends to submit for your approval in relation to the determination of emoluments for the office of Director for 2016, and the overall amount of emoluments due to Directors assigned special duties.

§ 1. On remuneration for the office of Director for 2016

With reference to remuneration to assign to each Director for the office, pursuant to art. 2389, subsection 1 of the Italian Civil Code, the Board of Directors, in response to a commensurate proposal of the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, proposes 2016 remuneration of Euro **45,000.00 (forty-five thousand/00)** for each Director.

§ 2. On the maximum total emoluments to assign to directors with special duties for 2016

Art. 18 of the Company's Bylaws states that the Shareholders' Meeting shall resolve on the maximum total emoluments that can be assigned to the members of the Board of Directors with special duties in compliance with art. 2389, subsection 3, of the Italian Civil Code, including the Chairman and the members of the Audit Committee and the Remuneration Committee.

The Ordinary Shareholders' Meeting held on 30 April 2015 established such maximum emoluments for 2015 to be Euro 2,650,000.00 (two million sixhundredandfifty thousand/00).

Acting on a proposal from the Remuneration Committee and having received the favorable opinion of the Board of Statutory Auditors, the Board of Directors recommends the Shareholders' Meeting to fix at Euro 2,900,000.00 (two million ninehundred thousand) the total maximum amount of the compensation payable for 2016 to the directors with special duties.

§ 3. On the remuneration to assign for the period 1 January 2017 - approval of the 2016 financial statements

On the basis of an identical proposal of the Remuneration Committee and having heard the opinion in favor of the Board of Statutory Auditors, the Board of Directors proposes that the remuneration for the office of director and the total emoluments of assigned special duties, attributed for 2016, as at the previous points § 1 and § 2, also be disbursed, in compliance with the procedures already in force in previous years, in the period between 1 January 2017 and the date of approval of the 2016 financial statements, without prejudice to any subsequent higher amount decided, within the limits of the amount established at the Shareholders' Meeting.

In consideration of this premise, we submit for your approval the following

resolution proposal

"The Ordinary Shareholders' Meeting of Interpump Group S.p.A.:

- having heard and approved the Board of Directors' Report and the favorable opinion of the Board of Statutory Auditors,

resolves

1) to fix the 2016 remuneration assigned to each Director for the office, in compliance with art. 18 of Bylaws and art. 2389, subsection 1 of the Italian Civil Code, in the amount of Euro **45,000.00 (forty-five thousand/00)**;

2) to fix, for 2016, the total maximum amount assigned and to be assigned to the Directors with special duties, pursuant to art. 18 of the Bylaws and art. 2389, subsection 3 of the Italian Civil Code, including the Chairman and the members of the Audit Committee and the Remuneration Committee, at Euro 2,900,000.00 (two million ninehundred thousand);

3) to fix, in the amount specified in the previous points 1 and 2, calculated on a time-apportioned basis, the emoluments and remuneration to be assigned to the Directors for the period between 1 January 2017 and the date of approval by the Shareholders' Meeting of the 2016 financial statements, without prejudice to any subsequent higher amount decided, within the limits of the amount established at the Shareholders' Meeting;

4) to vest in the Chairman and *pro tempore* Chief Executive Officer, separately and with the faculty to delegate to third parties, all the widest possible powers required to implement the matters set down above".

** * **

On the sixth point on the agenda of the Ordinary Shareholders' Meeting – Approval of the "2016/2018 Interpump Incentive Plan" for the employees, collaborators and directors of the group and conferral of the related powers to the Board of Directors

This section of the report was prepared also pursuant to art. 125-*(3)*, subsection 1, and art. 114-*(2)*, subsection 1, of the Consolidated Finance Act (TUF) and art. 84-*(2)* of the Issuers' Code, to illustrate the proposal at point six on the agenda to approve the new "2016/2018 Interpump incentive plan" (the "**Plan**").

In this regard, given the success of the incentive plans adopted so far by the Company, the Board of Directors deems it appropriate to set up a new efficient tool for rewarding and retaining the persons considered to be of greatest significance for the growth of the Company and the group it heads and, therefore, intends to submit the guidelines of the new Plan for your approval, pursuant to the provisions of art. 114-(2) of the Consolidated Finance Act (TUF).

In particular, below we illustrate the main characteristics of the Plan, which will be explained in full in the informative document that, pursuant to the combined provisions of art. 114-(2) TUF and art. 84-*(2)* of the Issuers' Code, must be prepared and placed at the disposal of the public, together with this report, at the Company's registered office and on its website www.interpumpgroup.it, and also forwarded to CONSOB, Borsa Italiana S.p.A. and two press agencies (the "**Informative Document**").

If the Plan is approved by the Shareholders' meeting, the precise and detailed definition of the relative terms and conditions will be deferred to a specific regulation, including the Options Acceptance and Exercise Notification form, (the "**Code**") that will be approved by the Board of Directors – acting on a recommendation from the Remuneration Committee and with the favorable opinion of the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code – in compliance with the guidelines approved by the Shareholders' Meeting.

1. Reasons for adopting the Plan

The Plan is designed to reward beneficiaries of the Company and the Group while simultaneously creating a tool for the retention of the beneficiaries, promoting a culture of value creation.

Specifically, the aims pursued by the Company directors in adopting the Plan are mainly as follows:

(i) development of the business approach of management;

(ii) greater involvement of employees, directors and/or collaborators in the progress of the Group and focus of the business on long-term strategic success factors;

(iii) strengthening of the loyalty of directors, employees and collaborators;

(iv) increase of the climate of trust in the growth in the value of the company;

(v) promotion of the spirit of identification of the employees, directors and/or collaborators with the Group.

2. Beneficiaries of the Plan

The Plan is reserved for employees, directors and/or collaborators of the Interpump Group, identified – at the sole discretion of the Board of Directors – from among the parties occupying or performing significant roles or functions in or on behalf of the Company and/or the companies it controls, pursuant to the provisions of art. 93 TUF (the "**Subsidiaries**") and for which an action that strengthens loyalty is justified in the drive to create value (the "**Beneficiaries**").

The names of the persons concerned and the other information specified by heading 1, Format 7 of Annex 3A to the RE, will be supplied at the time of implementation of the Plan in compliance with the methods envisaged in art. 84-*(2)*, subsection 5, letter a), of the Issuers' Code and, in any case, in compliance with the laws and regulations that are applicable from time to time.

3. Methods and clauses of implementation of the Plan, with the specification that implementation shall be subordinate to the fulfillment of certain conditions and, in particular, to the accomplishment of certain results

On 18 March 2016, the Board of Directors approved - acting on a recommendation from the Remuneration Committee and with the favorable opinion of the Board of Statutory Auditors – the guidelines for the Plan that envisages the free assignment of a maximum of 2,500,000 options (the "**Options**"), each of which granting the Beneficiaries the right – on reaching certain targets identified by the Board of Directors - to, at the discretion of the Company, (i) purchase 1 (one) ordinary Interpump treasury share ("**Share**") (already in the treasury shares portfolio or purchased at a later date); or (ii) subscribe for 1 (one) newly-issued Share at an exercise price of Euro 12.8845 (twelve point eight eight four five) per Option, corresponding to the official price calculated at the end of the trading day on 17 March 2016 and reported on the website of Borsa Italiana (the "**Exercise Price**").

The Board of Directors will act after seeking the non-binding opinion of the Remuneration Committee and after hearing – in the cases regulated by the terms of art. 2389, subsection zero, Italian Civil Code - the Board of Statutory Auditors will establish the number of Options to assign to each Beneficiary, to be attributed gratuitously, on a personal basis and with the prohibition of transfer by inter vivos deed under any whatsoever title.

To make the Plan as flexible as possible and allow it to respond efficiently to the situation existing if and when the Options are exercised, it has also been proposed to grant the Board of Directors the power to meet exercise requests simply by paying the individual Beneficiaries the gross amount (capital gain) obtained, if applicable, by multiplying the number of Options exercised by the difference between:

- the market value of a Share at the time of exercise of the Options, corresponding to the simple arithmetic average of the official prices for the Shares struck on the trading days included between the 1st and 30th days (inclusive) prior to the date of exercise of each Option, and
- the exercise price of each Option exercised (proposed to be Euro 12.8845, as mentioned).

The Options in relation to which the goals established by the Board of Directors have been accomplished can be exercised by the Beneficiaries, in whole or in part, but for not less than 500 Options, in the period between 30 June 2019 (or a different date established by the Board of Directors) and 31 December 2022 (or different later date established by the Board of Directors). The Options must be exercised by this last date,

when they will expire. The Board of Directors is entitled to establish specific exercise windows within the exercise period.

The Plan does not specify a maximum number of options assignable each year.

The exercise of the Options will be subordinate: (i) for Directors, to continuation of the office of director, (ii) for Employees, to maintenance of the employment contract, and (iii) for External Contractors, to continuation of the independent collaboration agreement.

In the cases of: (a) retirement or dismissal without just cause of the Employee, (b) revocation or non-renewal without just cause of the Director, (c) loss of the condition of subsidiary of the Company by the company of appointment of the Director / Beneficiary or employer of the Employee / Beneficiary, the Options already matured but not yet exercised can be exercised by the Beneficiaries in compliance with the obligations, methods and terms that will be established by the Code. On the contrary, the Options that – at the date on which the event as at the previous letters (a), (b) or (c) – are not yet matured, will be finally lost and can no longer be exercised.

In any event the faculty of the Board of Directors is retained, further to the non-binding opinion of the Remuneration Committee, to regulate special cases establishing time by time the number of Options to exercise and the term of exercise of the same.

The Board of Directors proposes that the maturity, and consequent exercisability of the Options be subordinate to the attainment of performance targets to be established by the Board of Directors, further to the non-binding opinion of the Remuneration Committee, for each of the single reference years of the Plan (hence for 2016, 2017 and 2018).

The Board of Directors must establish said targets in compliance with the following parameters:

(i) for 70% of the Options offered to each Beneficiary, the targets must be constituted by the achievement of specific results, in terms of the balance sheet and the income statement, achieved on the Group consolidated level in each of the reference years; and

(ii) for 30% of the Options offered to each Beneficiary, the targets must be constituted by the increase in value for the shareholders of Interpump (Total Return) in the relative reference period.

The Board of Directors, after hearing the non-binding opinion of the Remuneration Committee, will establish the results that must be reached for each of the reference years, the significance of each of said items in the context of the parameter of 70% as at the previous point (i), and the minimum percentage of the Total Return of the shareholders of Interpump as at the previous point (ii).

The guidelines of the Plan also envisage that failure to achieve – entirely or partly – the objectives established in relation to the 2016 exercise and/or the 2017 exercise shall not result in the definitive loss of the right to exercise the Options the maturity of which is connected to said objectives. In fact, the eventual achievement of the objectives established for the subsequent exercise will result also in the maturing of the Options assigned with reference to the prior year or years, which will thus become entirely exercisable.

Likewise, it is envisaged that the eventual achievement of the objectives established with reference to 2018 in a prior year (2016 or 2017) will result in the immediate maturing of all the Options assigned to the Beneficiary, which will thus become entirely exercisable. Such early vesting will not, in any case, result in changes in the Exercise Period.

The Board of Directors is awarded the faculty to make any necessary amendments or integrations to the Code in order to maintain the essential contents of the Plan and the benefits for the beneficiaries of the plan as constant as possible in the following cases:

(i) payment of of extraordinary dividends;

(ii) purchase of treasury stock;

(iii) special transactions involving the capital of Interpump not connected with the Plan or with any similar plans;

(iv) regulatory changes (including in the code of corporate governance);

(v) events that may affect the rights of Beneficiaries or the possibility of exercising the Options (such as, by way of example, grouping or fragmentation of shares, mergers, break-ups, revocation of the quotation of the Shares, promotion of public offers for the purchase or exchange of Shares).

In particular, the Board of Directors may, by mere and incomplete way of example, amend, increase or decrease: (i) the definition and/or number and/or characteristics of the Options and/or the Shares covered by the Plan; (ii) the Exercise Price; (iii) the objectives and/or other vesting and exercise conditions applying to the Options.

In making said amendments and integrations the Board of Directors must adhere, wherever possible and applicable, to the generally accepted mathematical formulas utilized by Stock Market operators.

Any rounding that becomes necessary due to the existence of fractions will be performed in a downward direction and hence the Beneficiary will be entitled to one less Share irrespective of the magnitude of the fraction and in accordance with all the other applicable conditions.

The Plan shall run from the date of approval until 31 December 2022 (or the different term established by the Board of Directors), without prejudice to the minimum holding Commitments as at the following heading 6, which will remain in force until the expiry of the specified terms. After said term any unexercised Options can no longer be exercised

4. Any support of the Plan by the Special Fund for rewarding participation of workers in companies, as at art. 4, subsection 112, of law no. 350 of 24 December 2003

The Plan does not receive any support from Special Fund for rewarding participation of workers in companies, as at article 4, subsection 112, of law no. 350 of 24 December 2003.

5. Method for determination of the prices and criteria for the determination of the prices for subscription or for purchase of the shares

As indicated above, it is proposed that the price that each Beneficiary must pay to exercise an Option and consequently purchase (or subscribe for) a Share, be Euro 12.8845.

6. Inalienability constraints encumbering the shares or the Options, with particular reference to the terms within which the subsequent transfer to the company or to third parties is permitted or prohibited.

The Options will be attributed to the Beneficiaries free of charge, on a personal basis, and they cannot be transferred by inter vivos deed, nor subjected to liens or constitute the subject of other conveyances under any whatsoever title.

The following minimum holding commitments are envisaged for certain categories of Beneficiaries:

(i) Beneficiaries who are "executive directors" pursuant to the terms of art. 2 of the Code of Corporate Governance of Listed Companies, as identified by the Board of Directors, will be obliged to hold continuously, until the date of termination of the office of director, a number of Shares equivalent to at least 20% of the Shares purchased further to the exercise of the Options;

(ii) Beneficiaries who are "managers with strategic responsibilities", as identified by the Board of Directors, will be obliged to hold continuously for a period of 3 years from the date of exercise of the related Options, a number of Shares equivalent to at least 20% of the Shares purchased further to the exercise of the Options

(hereinafter the "**Minimum Holding Commitments").**

The Shares covered by Minimum Holding Commitments will be subject to the lock-up constraint – and hence they cannot be sold, contributed, exchanged, offered in a resale agreement, or constitute the subject of other inter vivos conveyances – until the expiry of such Commitments, unless otherwise authorized in writing by the Board of Directors.

No further lock-up constraints are envisaged encumbering the Shares assigned further to the exercise of the Options.

In consideration of this premise, we submit for your approval the following

resolution proposal

"The Ordinary Shareholders' Meeting:

- having taken account of the proposal of the Remuneration committee;
- having taken account of the Board of Directors' Report relative to the proposal for adoption of an incentive plan benefiting, employees, directors and collaborators of the Company and its subsidiaries;
- in consideration of the provisions as at art. 114-(2) of the Consolidated Finance Act and relative regulatory provisions issued by Consob;
- having taken account of the Informative Document drafted by the Board of Directors, in compliance with the provisions of art. 114-(2) of the Consolidated Finance Act and of art. 84-(2) of Consob Regulation no. 11971 of 14 May 1999;
- having assessed the need to implement an incentive plan benefiting the directors and employees of the Company and the Group, in order to build loyalty and incentivize the participants in the Plan, allowing them to participate in the creation of value;

resolves

1) to approve the adoption of the "2016-2018 Interpump Incentive Plan", based on a maximum total of 2,500,000 options, for the directors, employees and collaborators of the Company and the Group it controls, to be identified by the Board of Directors in compliance with the guidelines indicated in the related Informative Document, prepared pursuant to art. 114-(2) of the Consolidated Finance Act and art. 84-(2) of Consob Regulation no. 11971 of 14 May 1999, annexed to this resolution;

2) to delegate the Board of Directors to adopt the regulation of the "Interpump 2016-2018 Incentive Plan", attributing also to the Board of Directors, with the express faculty of delegation, all the broadest necessary or appropriate powers to implement the same in full and to make any necessary or appropriate integrations and proceed with the preparation and/or completion of all necessary or appropriate documents in relation to the same and to the market disclosure, in order to comply with all the applicable articles of law or regulations (including the provisions envisaged by the codes of corporate governance applicable to the company time by time) in compliance with the guidelines as at this Informative Document;

3) to vest in the *pro tempore* Chairman and the Chief Executive Officer, separately, and with the power to delegate to third parties, the widest possible powers required to implement this resolution in compliance with the applicable laws".

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In relation to the seventh point on the Agenda of the Ordinary Shareholders' Meeting – Authorization pursuant to articles 2357 e 2357-*(3)* of the Italian Civil Code, to purchase treasury shares and to sell any treasury shares held or purchased, after revoking, in whole or in part, any unexercised portion of the authorization granted by resolution of the shareholders' meeting held on 30 April 2015; related and consequent resolutions.

This section of the report, prepared also pursuant to article 73 and of Annex 3A of the Issuers' Code, illustrates

the proposal that the Board of Directors intends to submit for Your approval in relation to the authorization, pursuant to the provisions of articles 2357 and 2357-*(3)* of the Italian Civil Code, for purchase of treasury shares and the possible subsequent sale of treasury shares in the portfolio or purchased.

1. Subject of the authorizations requested

The Board of Directors draws your attention to the fact that the Ordinary Shareholders' Meeting of 30 April 2015 authorized, for a period of eighteen months following that date, the purchase of treasury shares up to the maximum number of 9,000,000 (nine million) ordinary shares of nominal value of Euro 4,680,000.00 (four million sixhundredandeighty thousand/00) and thus in total, considering the treasury shares already purchased and not yet sold in execution of the previous resolutions of the Shareholders' Meeting, up to the maximum number of 10,827,805 (ten million eighthundredandtwenty-seven thousand eighthundredandfive) ordinary shares, or in any event within any lower limit imposed by the legislation in force at the time, for a unit price of between a minimum of the nominal value of 0.52 (zero/52) euro and a maximum of 18.00 (eighteen/00) euro.

At the date of this report, the Company holds 2,908,912 (two million ninehundredandeight thousand ninehundredandtwelve) treasury shares having a total nominal value of Euro 1,512,634.24 (one million fivehundredandtwelve thousand sixhundredandthirty-four/24), corresponding to approximately 2.672% of the subscribed and paid-up share capital, which totals Euro 56,617,232.88 and is represented by 108,879,294 ordinary shares.

Said shares were purchased for a total price of Euro 34,736,256.60 (thirty-four million sevenhundredandthirty-six thousand twohundredandfifty-six/60), corresponding to an average unit price of approximately Euro 11.9413 (eleven point nine four one three) per share.

The Board of Directors now considers it to be appropriate, for the reasons illustrated in the following § 2, to request a new authorization to proceed - which will replaced the previous authorization granted by the Shareholders' Meeting of 30 April 2015 - for a period of eighteen months from the relative authorization resolution of the shareholders' meeting: (i) with the purchase of treasury shares up to a maximum number of **9,000,000** (nine million) ordinary shares of nominal value Euro **4,680,000** (four million sixhundredandeighty thousand) hence, overall, considering the treasury shares already purchased and not yet sold in execution of prior resolutions of the Shareholders' Meeting, up to a maximum of **11,908,912** (eleven million ninehundredandeight thousand ninehundredandtwelve) ordinary shares, or, in any event, within any lower limit imposed by current legislation in force at the time, and also (ii) with the sale of treasury shares purchased previously in execution of prior resolutions of the Shareholders' Meeting and to be acquired in execution of the required resolution of the Shareholders' Meeting.

In making the individual purchases the Board of Directors must observe the legislative and regulatory provisions applicable on a time-by-time basis. With regard to the maximum number of shares that the Company can purchase on a time-by-time basis, we invite you to refer to the information given in the following § 3 and 4. In contrast, with regard to spending limits, we invite you to refer to the details given in the following § 5 and 7.

2. Reasons for which authorization is requested for the purchase and sale of treasury stock

In opening, we point out that the latest authorization for the purchase of treasury stock granted by the Shareholders' Meeting expires on 30 October 2016.

The Board of Directors therefore asks the Shareholders' Meeting to issue a new authorization for the purchase and the possible subsequent sale of the treasury stock already purchased or that will be purchased in implementation of the new authorization resolutions requested. Said new authorization will revoke, for the non-executed part, and replace the latest authorization for the purchase of treasury stock granted by the Shareholders' Meeting of 30 April 2015 which will consequently lapse.

The authorization for purchase is required in order to allow the Company to purchase additional lots of treasury stock, also through public takeover bids or equity swaps, for the purpose of investment, stabilization of the stock price in situations of reduced stock market liquidity, and in order to obtain equity investments to be allocated for possible exchanges following acquisitions and/or commercial agreements with strategic partners.

The authorization for sale is also requested in order to allow the company to Company to realize equity resources, to act on the market to stabilize the price of stock in situations of reduced stock market liquidity, and in order to make possible exchanges following acquisitions and/or commercial agreements with strategic partners.

The authorization to purchase treasury shares, and the authorization for their sale, will also be valid for the purposes of the purchase and subsequent sale of shares to be placed at the service of the incentive plans in existence and potentially to be adopted in the future by the Company.

3. Maximum number, category, and nominal value of the shares to which the authorization refers

The Company's ordinary shares belong to a single category. The nominal value of the shares is Euro 0.52 (zero/52) each.

The Board of Directors asks the Shareholders' Meeting to authorize the purchase of treasury shares up to the maximum number of **9,000,000** (nine million) ordinary shares of nominal value Euro **4,680,000** (four million sixhundredandeighty thousand) hence, overall, considering the treasury shares already purchased and not yet sold in execution of prior resolutions of the Shareholders' Meeting, up to a maximum of **11,908,912** (eleven million ninehundredandeight thousand ninehundredandtwelve) ordinary shares, or, in any event, within any lower limit imposed by current legislation in force at the time.

4. Useful information for the purposes of complete assessment of compliance with the provision pursuant to art. 2357, subsection 3 of the Italian Civil Code

The maximum limit within which the Company, further to authorization of the shareholders' meeting, can purchase treasury shares is currently defined by art. 2357, subsection 3 of the Italian Civil Code, whereby the nominal value of treasury shares cannot exceed one fifth of the share capital, taking account for this purpose also of the shares held by subsidiaries.

With reference to the incidence of the above limit with respect to the authorization requested, we draw your attention to the fact that:

(i) the treasury shares currently held by the Company total 2,908,912 (two million ninehundredandeight thousand ninehundredandtwelve) for a total nominal value of Euro 1,512,634.24 (one million fivehundredandtwelvethousand sixhundredandthirty-four/24), corresponding to approximately 2.672% (two point six seven two percent) of the current subscribed and paid-up share capital;

(ii) the treasury shares currently subject to the proposed authorization described herein total 9,000,000 (nine million) ordinary shares of nominal value Euro 4,680,000 (four million sixhundredandeighty thousand), corresponding to approximately **8.266**% (eight point two six six percent) of the current subscribed and paid-up share capital.

Note also that, at today's date, none of the company's subsidiaries are holding treasury stock.

5. Useful information for the purposes of complete assessment of compliance with the provision pursuant to art. 2357, subsection 1 of the Italian Civil Code

With reference to the maximum spending limit that must be observed when purchasing the stock, the Board of Directors draws your attention to the fact that art. 2357, subsection 1 of the Italian Civil Code allows the purchase of treasury shares within the limits of distributable profit and available reserves resulting from the latest duly approved financial statements, being obliged also to consider any lock-up constraints that have emerged subsequently.

Because, at the date of the present report, the 2015 draft financial statements had been approved only by the Board of Directors and will be submitted for the approval of the next Shareholders' Meeting as the first topic on the agenda (i.e. appearing before the resolution concerning the purchase of treasury stock), the Board, for the purpose of appraisal of spending limits, has taken account of the contents of the 2015 draft financial statements and the proposal to assign the net profit for 2015 as described in explanatory report to the second point on the agenda for the next Shareholders' Meeting, on the assumption that the shareholders will express their approval.

The above 2015 draft financial statements report a *share premium reserve* of Euro 125,129,731.38 (from which it is necessary to deduct: (i) Euro 1,261,221.15 not available since it relates to a reserve for the stock options granted to the directors and employees of other Group companies; (ii) Euro 21,862,414.87 restricted in relation to the treasury shares purchased from 1 January 2016 to date; and add: (i) Euro 91,547.00 representing increases in the share premium reserve following the use of treasury shares to purchase equity investments and service the exercise of options by the beneficiaries of the Company's incentive plans from 1 January 2016 to date) and an *extraordinary reserve* of Euro 67,876,148.34 (including allocation of the 2015 profit of Euro 28,529,377.55, and excluding use of the reserve to service payment of the dividend for 2015 recommended to the next Shareholders' Meeting, as well as the non-distributable reserve for IFRS adjustments, the non-distributable reserve for the fair value of hedging derivatives, the non-distributable TFR re-measurement reserve([1]) and a *merger surplus* of Euro 698,016.45 (net of non-distributable estimated amounts totaling Euro 164,925.79).

For the purpose of determining the amount of distributable profits and available reserves, it must be considered that:

- pursuant to the terms of art. 2426, subsection 1, no. 5 of the Italian Civil Code, dividends can be distributed only if sufficient available reserves remain to cover the unamortized amount of costs for plant and expansion, research, development and advertising of multi-annual utility; in the Company's draft financial statements for 2015 said costs total Euro 5,679,684.29;
- in compliance with art. 2431 of the Italian Civil Code, the share premium reserve cannot be distributed until the legal reserve has reached one fifth of the share capital; subscribed and paid-up share capital resulting from the draft 2015 financial statements approved by the Board of Directors, stands at Euro 56,617,232.88; the amount of the legal reserve has reached one fifth of the share capital, and consequently, pursuant to art. 2431 of the Italian Civil Code, the share premium reserve is available.

Taking account of the foregoing situation, the effectively distributable profits and effectively available reserves total Euro 164,992,122.86 (onehundredandsixty-four million ninehundredandninety-two thousand onehundredandtwenty-two point eight six).

Before making individual purchases, the Board of Directors undertakes to first ascertain that the distributable profits and available reserves effectively exist at the time of the relative purchases.

6. Time for which the authorizations are requested

Authorization for purchase and for sale of treasury shares is requested for the maximum duration permitted by art. 2357, subsection 2 of the Italian Civil Code, and hence for eighteen months from the date of the shareholders' meeting convened to pass a resolution on said authorization.

7. Minimum price and maximum price

The Board of Directors proposes that:

([1]) Data calculated on the basis of the number of treasury shares held by the Company at 18 March 2016, which was 2,908,912.

- the minimum purchase price of treasury stock be established in an amount that corresponds to the nominal value of Euro 0.52 (zero/52) per share, as already resolved at the Shareholders' Meeting of 30 April 2015, cited in the previous point § 1;
- the maximum purchase price be established as Euro **18.00 (eighteen/00)** per share, thereby making it possible to purchase stock also in the event of significant rises in the stock market value of the shares and taking account of the necessary flexibility required in this type of transaction.

The Board of Directors further proposes that the Shareholders' Meeting establish Euro 0.52 (zero point five two) per share as the minimum price for the sale of the treasury stock held by the Company.

8. Methods that will be adopted for purchases and sales of treasury stock

With regard to the methods of treasury stock purchase transactions, the Board of Directors proposes that said transactions be performed by means of purchases on the market or by means of public takeover bids or equity swaps in compliance with the methods established by the legislative provisions and regulations in force on a time-by-time basis, notably, in compliance with the provisions of art. 132, subsection 1, of the Consolidated Finance Act (TUF), and art. 144-*(2)*, subsection 1, letters a), b) and c) of the Issuers' Code.

With regard to the methods of any sale of treasury stock acquired in this manner, in consideration of the aims illustrated in the previous point § 2, it is proposed that the Shareholders' Meeting authorize the Company's Board of Directors to sell treasury stock also by means of a public offering, sale of shares to the employees or directors of the company or of group companies in execution of the incentive plans approved beforehand by the Shareholders' Meeting, placement with warrants or deposit certificates representing shares or similar securities, or exchange for the acquisition of equity investments or assets of interest to the company, and in the framework of the drafting of possible agreements with strategic partners.

Finally, it is proposed that the Board of Directors and the directors specifically delegated by the latter, be authorized to establish all other conditions, methods and terms for the sale of the treasury stock held.

9. Execution of the transaction in order to reduce the share capital

The purchase of treasury stock in relation to which authorization is requested complies with the corporate aims illustrated in the previous § 2, and it shall not be instrumental in achieving a reduction of the company's share capital.

10. Exemption from the obligation to make a public offer deriving from the approval of a resolution authorizing the purchase of treasury shares

In general, any treasury shares held directly or indirectly by the Company are excluded from the share capital on which the interest of significance is calculated for the purposes of article 106, subsections 1 and 3, letter b), of the Consolidated Finance Act (TUF) governing takeover bids.

However, pursuant to the provisions of article 44-*(2)* of the Issuers' Code, the above-mentioned provision is not applicable if the limits indicated in article 106, subsections 1 and 3, letter b) of the Consolidated Finance Act (TUF) are exceeded as a result of the direct or indirect purchase of treasury shares by the Company, in execution of a resolution approved by the majority of the shareholders of the Issuer present at the Shareholders' Meeting, other than the shareholder or shareholders who, jointly or alone, hold a relative majority interest of more than 10% (i.e. Gruppo IPG Holding S.p.A.).

Consequently, if the resolution proposed today is approved by the majority of the Issuer's shareholders present in the meeting, other than Gruppo IPG Holding S.p.A., the latter would be exempt from the obligation to launch a takeover bid if, due to the purchase of treasury shares thus authorized, the significant interest thresholds for the purposes of article 106, subsections 1 and 3, letter b), of the Consolidated Finance Act (TUF) are exceeded.

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In consideration of this premise, we submit for your approval the following

proposed resolution

"The Ordinary Shareholders' Meeting of Interpump Group S.p.A.:

- in view of the resolution of the Ordinary Shareholders' Meeting of 30 April 2015;
- in consideration of the proposal of the Company's Board of Directors;
- considering that, if the resolution proposed below is approved by the majority of the shareholders of Interpump Group S.p.A. present in the meeting, other than the shareholder or shareholders who, jointly or alone, hold a relative majority interest of more than 10 percent (i.e. Gruppo IPG Holding S.p.A.), the exemption envisaged by the combined provisions of article 106, subsections 1 and 3, of the Consolidated Finance Act and article 44-*(2)*, subsection 2, of the Issuers' Code will be applied in relation to Gruppo IPG Holding S.p.A.,

resolves

1) to authorize the Board of Directors, by means of the Directors delegated for this purpose, to purchase treasury shares up to the maximum number of **9,000,000** (nine million) ordinary shares of nominal value Euro **4,680,000** (four million sixhundredandeighty thousand) and thus in total, considering the treasury shares already purchased and not yet sold in execution of prior resolutions of the Shareholders' Meeting, up to a maximum number of **11,908,912** (eleven million ninehundredandeight thousand ninehundredandtwelve) ordinary shares, or, in any event, within any lower limit imposed by the legislation in force at the time, for the period of eighteen months starting from the date of this resolution, with the proviso that said new authorization will replace the last authorization for the purchase of treasury stock granted at the Shareholders' Meeting of 30 April 2015, which will therefore lapse. The purchase may take place at a unit price of between a minimum equal to the nominal value of zero point five two (0.52) euro and a maximum of Euro **18.00 (eighteen/00)**. Purchases must be made in accordance with the methods and the limits established by legislative and regulatory provisions in force time by time, notably by art. 132, subsection 1, Consolidated Finance Act and by art. 144-*bis*, subsection 1, letters a), b) and c) of the Issuers' Code;

2) to authorize the Board of Directors, by means of the Directors delegated for this purpose, to sell or transfer, on one or more occasions, for the period of eighteen months starting from the date of this resolution, the treasury shares held by the Company, already purchased or to be purchased in implementation of the authorization as at the prior point 1), with the specification that said new authorization will revoke for the unexecuted portion and replace the last authorization for sale of treasury shares granted by the shareholders' meeting of 30 April 2015 which will therefore lapse. The disposal must be carried out at a price that is not lower than the nominal value of zero point five two (0.52) euro per share. The disposal can occur also by means of a public offering, sale of treasury shares to employees, directors and collaborators of the company and/or of the group companies in execution of incentive plans that have been approved beforehand by the shareholders' meeting, servicing of warrants or deposit certificates representing shares or similar securities, exchange for the purchase of equity investments or assets of interest to the company and in the framework of the drafting of any agreements with strategic partners. The Board of Directors and the directors specifically delegated by the Board are authorized to establish all additional conditions, methods and terms of the disposal of the treasury shares held;

3) to make, pursuant to art. 2357-*(3)*, subsection 3 of the Italian Civil Code, all accounting records that are necessary or advisable, in relation to transactions on treasury shares, in observation of the statutory legal provisions and the applicable accounting principles;

4) to vest the pro-tempore Chairman of the Board and Executive Director, separately and with the faculty to delegate to third parties, with the widest possible powers required to make purchases and sales of treasury shares, also by means of successive transactions, and anyway to implement the resolutions that

precede, also by way of attorneys, complying with all the procedures required in compliance with the law and the rules of the competent authorities."

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With regard to the only point on the agenda of the Extraordinary Shareholders' Meeting - Proposal to amend article 14 of the Bylaws Related and consequent resolutions.

This section of the report illustrates the proposal that the Board of Directors intends to submit for your approval in relation to the amendment of art. 14 of the Bylaws.

1) **Reasons for the proposed amendment of the Bylaws**

Shareholders, taking account of the project described by Fulvio Montipò and approved by the Board of Directors to acquire additional equity investments, including interests in small and medium-sized companies, in order to complete the range of products offered by the Group and strengthen the presence of the Interpump brand in potential growth markets, the Board meeting held on 18 March 2016 proposed amending the Bylaws so that the Executive Directors can be granted powers to: a) form subsidiaries~~,~~ b) take, purchase or sell equity investments whose individual enterprise value, for 100% of capital, does not exceed Euro 10,000,000.00 (ten million); c) purchase lines of business for a price, including their net financial position, that does not exceed Euro 10,000,000.00 (ten million), where "net financial position" means total financial indebtedness net of liquid funds.

The significant amendments proposed therefore relate to article 14, subsection 18, of the Bylaws, as set out below.

2) **Comparison with the existing text of the above article of the Bylaws**

The current text of the Bylaws is compared below with the text submitted for your approval.

Existing text	**Proposed text**
Article 14	**Article 14**
… *omissis* ... 18. In addition to the matters that cannot be delegated in accordance with the law, the Board of Directors has sole responsibility for the matters indicated above and for the following matters: … *omissis* ... c) formation of new subsidiaries; take, purchase or sell equity investments; purchase, sell, exchange or contribute the entire business or lines of business of the Company;	… *omissis* ... 18. In addition to the matters that cannot be delegated in accordance with the law, the Board of Directors has sole responsibility for the matters indicated above and for the following matters: … *omissis* ... c) ~~formation of new subsidiaries;~~ take, purchase or sell equity investments whose individual enterprise value, for 100% of capital, exceeds Euro 10,000,000.00 (ten million); c) purchase

… *omissis* …	lines of business for a price, including their net financial position, that exceeds Euro 10,000,000.00 (ten million); ~~purchase,~~ sell, exchange or contribute the entire business or lines of business of the Company. For the purposes of this article, "net financial position" means total financial indebtedness net of liquid funds. … *omissis* …

3) **Assessment by the Board of Directors regarding possibility of exercising the right to withdraw**

The Board of Directors does not believe that the above amendment of the Bylaws would give the Shareholders a right to withdraw pursuant to art. 2437 of the Italian Civil Code.

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In consideration of this premise, we submit for your approval the following

proposed resolution

"The Extraordinary Shareholders' Meeting of Interpump Group S.p.A.:

- having examined and approved the Illustrative Report of the Board of Directors prepared pursuant to art. 72, subsection 1, of Consob regulation no. 11971 of 14 May 1999 and subsequent amendments and additions;

resolves

1) to amend article 14 of the Bylaws in the manner illustrated.

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This report is available in the "*Corporate Governance - Shareholders' Meeting*" section of the website www.interpumpgroup.it, at Borsa Italiana S.p.A., and at the Company's registered offices. The parties eligible to participate in the Shareholders' Meeting are entitled to obtain a copy of the foregoing documentation.

The Corporate Secretarial Department of Interpump Group S.p.A. is at your disposal on weekdays from Monday to Friday from 9.00 am until 12.00 noon and from 3.00 pm until 5.00 pm for further information, at

the following numbers: phone + 39 0522 9043 11; fax + 39 0522 90 44 44 and at the e-mail address: fgest@interpump.it.

Sant'Ilario d'Enza, 18 March 2016

For the Board of Directors

The Chairman

Fulvio Montipò