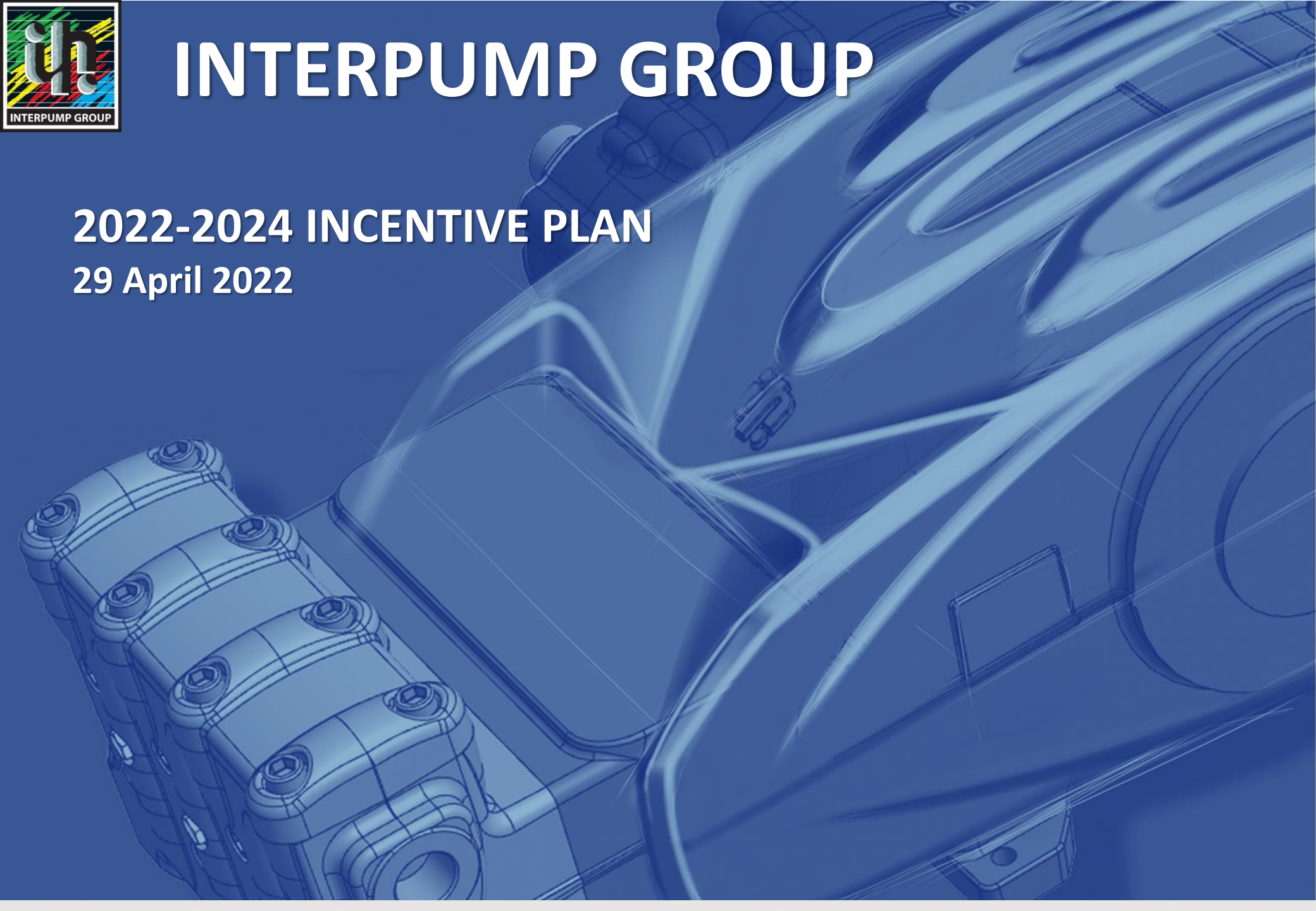




# INTERPUMP GROUP

**2022-2024 INCENTIVE PLAN**

**29 April 2022**



- Previous steps
  - 2019: approval of “2019-2022 Stock Option Plan”
  - 2020: approval of First Section of Group Remuneration Policy
  
- 2022 steps
  - Approval of “2022-2024 Stock Option Plan”
  
- 2023 steps
  - Finetuning of First Section of Group Remuneration Policy according to future regulatory evolutions

- Main objectives pursued by the new Incentive Plan
  - Confirmed of the already present “involvement and retention management” approach
  - Introduction of an ESG involvement target
  
- “Minimum holding” period
  - Confirmation of the “3 years period” by the exercise date <sup>(1)</sup>
    - 6 years from Stock Option approval date <sup>(2)</sup>
  - For the Directors with particular powers – e.g. dott. F. Montipò, pro tempore Group Chairman and CEO – the minimum holding last until they maintain the role
  
- Introduction of ESG targets and better definition of performance targets to be achieved for the vesting and consequent exercisability of the Options
  - Specific “Environmental”, “Social” and “Governance” targets
  - Definition of precise financial parameters, i.e. sales and EBITDA
  
- Introduction of a “claw back” clause
  
- Foresight of a clause which will allow the Board to align the new Stock Option Plan to I Section Group Remuneration Policy evolution

<sup>(1)</sup> In line with the actual I Section of Group “Remuneration Policy and previous “Codice di Autodisciplina - For at least 20% of the Shares purchased further to the exercise of the Options - <sup>(2)</sup> 3 years of vesting period and 3 years by exercise date



## IP 2019-2022 INCENTIVE PLAN

### 2. REASONS FOR ADOPTING THE PLAN

#### 2.1 Objectives that the Plan is intended to achieve

The Plan is deemed to be an efficient instrument for building the loyalty of the persons considered most significant for the growth of Group companies.

##### *Omissis*

The principal aims pursued by the Board of Directors in adopting the Plan include:

- (i) developing an entrepreneurial approach by management;
- (ii) involving Employees, Directors and/or Collaborators more in the progress of the Group and focusing activities on long-term strategic success factors;
- (iii) strengthening the loyalty of Employees, Directors and/or Collaborators;
- (iv) increasing the climate of confidence in the growing value of the business;
- (v) promoting a spirit of identification with the Group among Employees, Directors and/or Collaborators.

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- (i) developing an entrepreneurial approach by management;
- (ii) involving Employees, Directors and/or Collaborators more in the progress of the Group and focusing activities on long-term strategic success factors;
- (iii) increasing the involvement of Employees, Directors and/or Collaborators regarding topics that are relevant for the Group from the point of view of ESG (Environmental, Social, Governance);**
- (iv) strengthening the loyalty of Employees, Directors and/or Collaborators;
- (v) increasing the climate of confidence in the growing value of the business;
- (vi) promoting a spirit of identification with the Group among Employees, Directors and/or Collaborators.



## IP 2019-2022 INCENTIVE PLAN

### 3. APPROVAL PROCEDURE AND TIME FRAME FOR ASSIGNMENT AND GRANTING OF THE INSTRUMENTS

*Omissis*

#### 3.3. Procedures for revising the Plan, having regard for any changes in the underlying objectives

*Omissis*

Any roundings necessary due to the existence of fractions will be made downwards and, therefore, the Beneficiary will be entitled to one less Share irrespective of the magnitude of the fraction and without prejudice to all other applicable conditions.

## IP 2022-2024 INCENTIVE PLAN

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**In addition to the above, the Board of Directors may change the Plan and the correlated Regulation if the remuneration policy, which will be approved from time to time by the Shareholders' Meeting pursuant to art. 123-(3) TUF, contains provisions that contrast with what is set forth herein. These changes can be adopted for the sole purpose of aligning the Plan and/or the correlated Regulation with what otherwise specified in the Remuneration Policy that is approved from time to time**

## IP 2019-2022 INCENTIVE PLAN

### 4. CHARACTERISTICS OF THE OPTIONS

*Omissis*

**4.5. Plan implementation procedures and clauses, specifying whether actual granting of the instruments is subordinate to the occurrence of conditions or the achievement of specific performance or other results; description of the related conditions and results**

*Omissis*

The Board of Directors must apply the following parameters when establishing these performance targets:

- i. for 80% of the Options offered to each Beneficiary, the objectives must consist of reaching certain results, in terms of Balance Sheet and Profit&Loss on the consolidated Group level during each year of reference.

## IP 2022-2024 INCENTIVE PLAN

### 4. CHARACTERISTICS OF THE OPTIONS

*Omissis*

**4.5. Plan implementation procedures and clauses, specifying whether actual granting of the instruments is subordinate to the occurrence of conditions or the achievement of specific performance or other results; description of the related conditions and results**

*Omissis*

The Board of Directors must apply the following parameters when establishing these performance targets:

- i. for **70%** of the Options offered to each Beneficiary, the objectives must consist of reaching certain results on the consolidated Group level during each year of reference. In particular, the Board of Directors must define the objectives correlated to economic parameters conditioned **by the obtainment of two different indicators consisting of Net Sales and EBITDA. Within the said 70% of the total of the Options assigned to each Beneficiary, the obtainment of the relative amount of Net Sales will attribute the right to exercise 50% of the said 70% of the options, obtaining the amount related to EBITDA will attribute the right to exercise 50% of the said 70% of the Options.**



## IP 2019-2022 INCENTIVE PLAN

## IP 2022-2024 INCENTIVE PLAN

- ii. for 15% of the Options offered to each Beneficiary, the objectives must contribute toward the development and consolidation of the ESG topics relevant for the Group. In particular, the objectives can concern, for example, the Environmental, Social and Governance areas and in relation to the activities considered relevant for the Group from time to time, that are measurable and/or measured also for the purposes of the information provided in the NFD (Non-Financial Declaration):
  - 1. in the “Environmental” area, the adoption of solutions aimed at obtaining a reduced impact of the business activities on the environment, such as, for example, the reduction of emissions to the atmosphere, the reduction in production of waste, a reduction in energy consumption, the installation of photovoltaic systems/increase in energy purchased from producers who use renewable sources and/or the reduction in water consumption;
  - 2. in the “Social” area, the adoption of policies aimed toward improving the social impact of business activities, such as, for example, initiatives related to diversity, inclusion and/or the professional development of employees, the adoption of guidelines for the assessment of suppliers, the definition of policies, procedures or strategies related



## IP 2019-2022 INCENTIVE PLAN

ii. for the remaining 20% of the Options offered to each Beneficiary, the performance targets must be qualitative in nature, reflecting the performance of the individual Beneficiary with respect to such parameters as collaboration, commitment and value added to the Group. This will be assessed by a) the Board of Directors for Beneficiary who is Board member or, even if is not Board member, is reporting hierarchically and/or functionally to the Board itself or b) by the direct superior - who will inform the Board - of the Beneficiary, if the Beneficiary does not collaborate directly with the Board

## IP 2022-2024 INCENTIVE PLAN

to the development of sustainable products, the extension of ISO 45001 certification the reduction in the incidence of accidents at work and/or the definition of a policy that supports local communities; certification, the reduction in the incidence of accidents at work and/or the definition of a policy that supports local communities;

3. in the “Governance” area, the adoption of policies and/or measures aimed toward improving the management and government of the company and/or the group, such as, for example, the adoption of ESG risk management, the improvement in the organizational and/or functional structure of the Board of Directors and/or the management on a Group level, the definition of Policies that communicate the Group's commitment to ESG, and/or training on the Whistleblowing Policy.

iii. for the remaining 15% of the Options offered to each Beneficiary, the performance targets must be qualitative in nature, reflecting the performance of the individual Beneficiary with respect to such parameters as collaboration, commitment and value added to the Group. This will be assessed by the Board of Directors or, if the Beneficiary does not collaborate directly with the Board, by the direct superior of that person.



## IP 2019-2022 INCENTIVE PLAN

**4.10. Any redemption clauses enforceable by the Company**

The Company does not have any redemption rights.

## IP 2022-2024 INCENTIVE PLAN

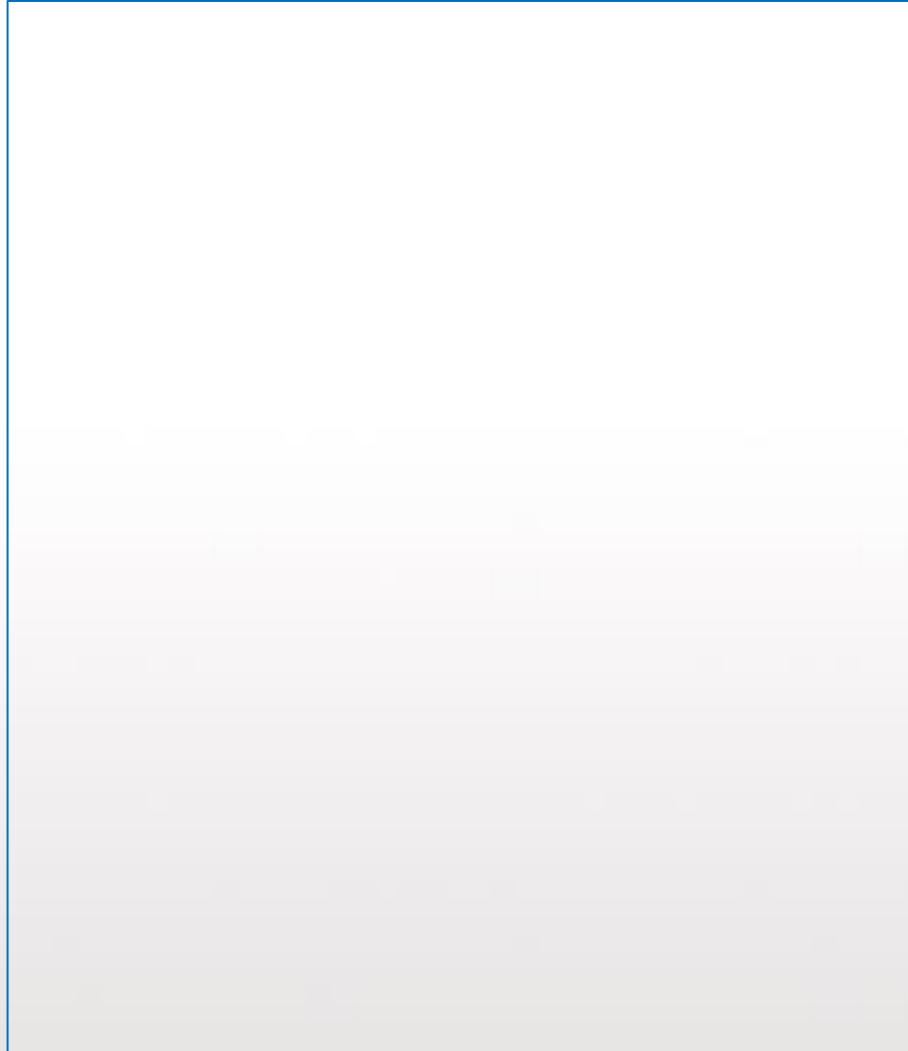
**4.10. Any redemption clauses enforceable by the Company**

The Company does not have any redemption rights.

The Plan has a specific Regulation that will be approved by the Board of Directors, acting on a proposal from the Compensation Committee, that indicates the application of the so-called claw back clause. In particular, the Company – according to the terms and methods that will be defined by the Board of Directors from time to time, after consulting with the Compensation Committee and communicated to the Beneficiaries – reserves the right, within a period of 4 years from the respective vesting date of the Options in reference to (that is the relative Granting Date) and independently of the fact that the relationship with the Beneficiaries is still ongoing or has terminated, to obtain the following from the Beneficiary: (i) the revocation of all or a part of the Options that are already vested, but not yet exercised, or (ii) the return of all or part of the Shares delivered to them, after deducting a number of Shares of a value corresponding to the exercise price of the options and the tax, social security and welfare expenses connected with the exercising of the options that were actually paid, if one of the following cases occurs: (a) fraudulent behavior of the Beneficiary that is damaging to the Group; (b) serious and intentional violations of the law and/or the Code of Ethics; (c) vesting of the options or delivery of the shares based on data that was later found to be obviously



## IP 2019-2022 INCENTIVE PLAN

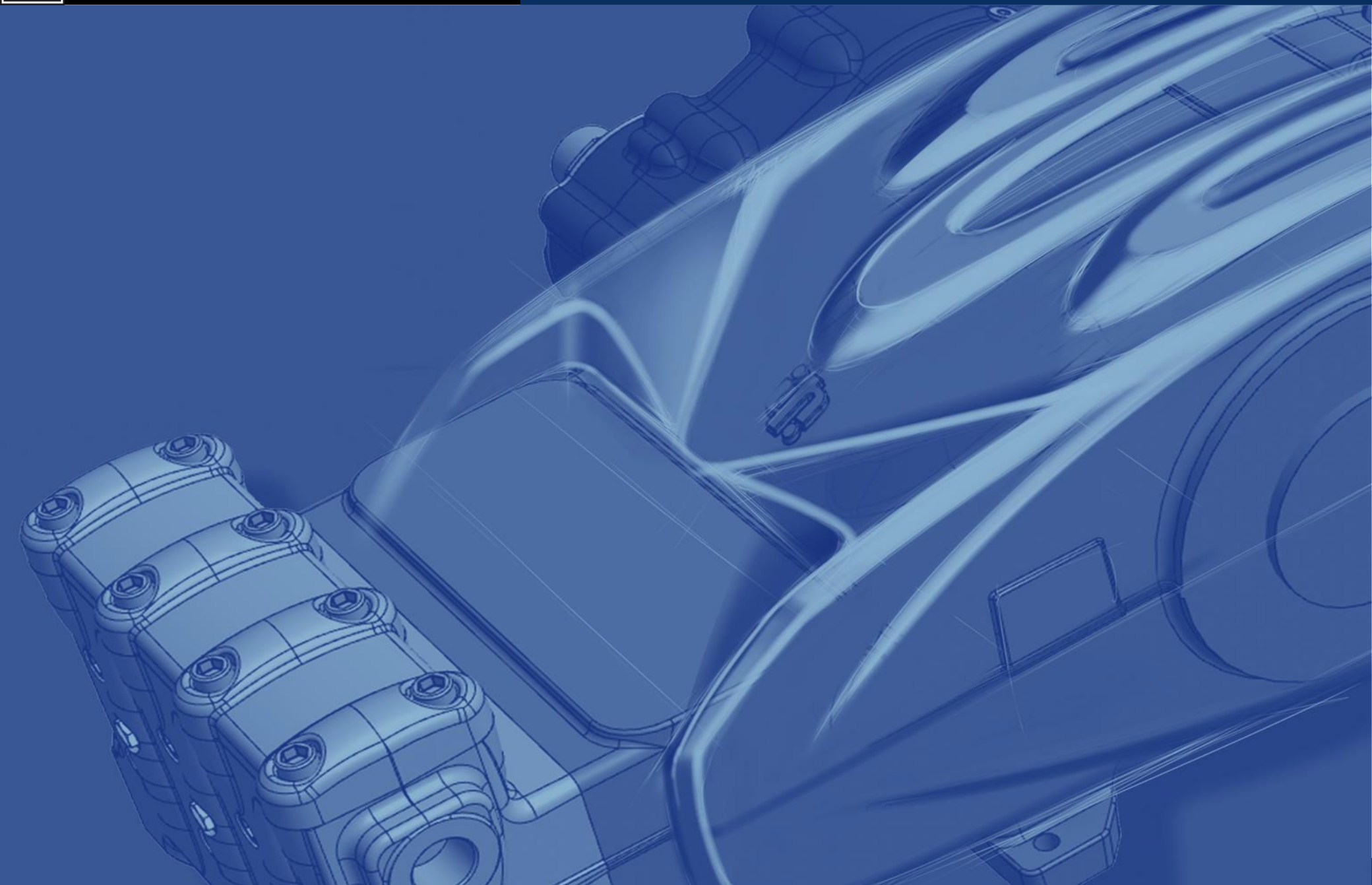


## IP 2022-2024 INCENTIVE PLAN

incorrect or maliciously altered. The Plan foresees that if the Shares were already sold, the Company has the right to have the sale value returned by the Beneficiary, after deducting the amount corresponding to the Exercise Price of the options and the tax, social security and welfare expenses connected with the exercising of the options, possibly also by offsetting them against the Beneficiary's wages and/or severance pay.



# APPENDIX



This document has been prepared by Interpump Group S.p.A for use during meetings with investors and financial analysts and is solely for information purposes. The information set out herein has not been verified by an independent audit company.

Neither the Company nor any of its subsidiaries, affiliates, branches, representative offices (the “Group”), as well as any of their directors, officers, employees, advisers or agents (the “Group Representatives”) accepts any responsibility for/or makes any representation or warranty, express or implied, as to the accuracy, timeliness or completeness of the information set out herein or any other related information regarding the Group, whether written, oral or in visual or electronic form, transmitted or made available.

This document may contain forward-looking statements about the Company and/or the Group based on current expectations and opinions developed by the Company, as well as based on current plans, estimates, projections and projects of the Group. These forward-looking statements are subject to significant risks and uncertainties (many of which are outside the control of the Company and/or the Group) which could cause a material difference between forward-looking information and actual future results.

The information set out in this document is provided as of the date indicated herein. Except as required by applicable laws and regulations, the Company assumes no obligation to provide updates of any of the aforesaid forward-looking statements.

Under no circumstances shall the Group and/or any of the Group Representatives be held liable (for negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise in connection with the document or the

aforesaid forward-looking statements. This document does not constitute an offer to sell or a solicitation to buy or subscribe to Company shares and neither this entire document or a portion of it may constitute a recommendation to effect any transaction or to conclude any legal act of any kind whatsoever.

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- **“Directors”**: the directors of Group companies in office or appointed on the Options assignment date.
- **“Meeting”**: The Shareholders' Meeting of the Company convened for 29th April 2022 in a single call.
- **“Shares”**: the ordinary Interpump shares with a nominal value of Euro 0.52 each, listed on EURONEXT STAR Milano indexes FTSE All-Share Capped, FTSE Italia All-Share, FTSE Italia STAR, FTSE MIB, ISIN code IT0001078911.
- **“Beneficiaries”**: the Directors, Employees and/or Collaborators of the Group identified - at the sole and final discretion of the Board of Directors - from among the parties that occupy significant positions or perform significant functions within or on behalf of the Group and for which action that strengthens their loyalty is justified in the context of value creation.
- **“Capital Gain”**: the gross amount obtained by multiplying the number of Options exercised by the difference between: (i) the Market Value of a Share on the exercise date, and (ii) the Exercise Price.
- **“Collaborators”**: the collaborators of Group companies who, on the Option assignment date, maintain an independent working relationship with those companies.
- **“Board of Statutory Auditors”**: the Company's *pro tempore* Board of Statutory Auditors.
- **“Compensation Committee”**: the Company's *pro tempore* Compensation Committee.
- **“Board of Directors”**: the Company's *pro tempore* Board of Directors, which will make all measurements associated with the Plan, adopt the Regulation and implement the matters set down therein, directly or by specific delegation to one or more directors, with the abstention of any interested parties.
- **“Assignment Date”**: indicates the sending date of the document of appointment with which the Company communicates to the Beneficiary the number of Options that will be allocated to them if the objectives are reached. **“Grant Date”**: indicates the date on which the Board of Directors, or the Chairman, depending on the situation, checks that the objectives were reached, therefore with the recognition, in the case of a positive outcome, of the Options to the Beneficiary.
- **“Exercise date”**: the date the company receives the notice of exercise sent by the Beneficiary

- **“Employees”**: the employees of Group companies who, on the Option assignment date, have a permanent employment contract with those companies.
- **“Information Document”** this information document prepared pursuant to art. 84-2, par. 1 of the Issuers' Code
- **“EXM”**: the Euronext Milano market organized and managed by Borsa Italiana S.p.A.
- **“Group”**: collectively, Interpump and its subsidiaries pursuant to article 93 of the Consolidated Finance Act (TUF).
- **“Minimum Holding”**: indicates the minimum Shares that must be held pursuant to article 4.6 below.
- **“Options”**: all the maximum of 2,250,000 options that are the subject of the Plan.
- **“Exercise Period”**: the period from 30 June 2025 (or another date established by the Board of Directors) and 31 December 2028 (or different later date established by the Board of Directors), during which the Options that have become exercisable, following achievement of the related targets, can be exercised by the Beneficiaries, possibly in several stages
- **“Plan”**: the *stock option* plan for certain Directors, Employees and/or Collaborators of the Group, governed by the Regulation and known as the “2022/2024 Interpump Incentive Plan”.
- **“Option Vesting period”**: indicates the period of time between the Grant Date and the moment in which the Options can be exercised.
- **“Exercise Price”**: the price equal to Euro 46.4713 for each option or, if lower (i) during the first year following the Shareholders’ Meeting that approved the Plan and therefore until 29 April 2023, the official price of the share determined by the Italian Stock Exchange on the day prior to the day on which the Shareholders’ Meeting that approved the plan, and (ii) for the options assigned after 29 April 2023, the official price of the share determined by the Italian Stock Exchange on the day prior to the granting of the options. The Exercise Price corresponds to (i) the price that each Beneficiary must pay to Interpump to exercise an Option and purchase, or subscribe for, one Share, or (ii) in the event of Cash Settlement, the initial amount for the determination of any *Capital Gain*.

- **Regulation**: the regulation – including the options acceptance and exercise notification form – which will be adopted by the Board of Directors on proposal of the Compensation Committee and with the favorable opinion of the Board of Statutory Auditors, and which will define the criteria, methods and terms of actuation of the Plan
- **Issuers' Code**: the code of implementation of the Consolidated Finance Act concerning the regulation of issuers adopted by Consob with resolution no. 11971 of 14 May 1999, as amended.
- **Format**: Format 7 presented in Annex 3 to the Issuers' Code.
- **Company** or **Interpump**: Interpump Group S.p.A., with registered offices at Via E. Fermi 25, Sant'Ilario d'Enza (RE), enrolled in the Reggio Emilia Companies Register no. 11666900151.
- **TUF**: the Consolidated Finance Law, being Decree 58 dated 24th February 1998, as subsequently amended.
- **Market Value**: case by case, the market value of each Share corresponding to the simple arithmetic average of the official prices for the Shares established by Borsa Italiana S.p.A. in compliance with the Stock Market Regulatory Code, on each of the days they were actually traded between the 1st and the 30th day (both inclusive) prior to the Exercise Date of each Option.

## **1. RECIPIENT PARTIES**

### **1.1. Names of the Beneficiaries who are members of the Board of Directors of the Company, of the parent companies, and of the companies directly or indirectly controlled by the Company**

In addition to the parties referred to in Heading 1.2 below, the Plan is addressed to the directors of Group companies identified by the Board of Directors from among the parties that occupy significant positions or perform significant functions within or on behalf of the Group and for which action that strengthens their loyalty is justified in the context of value creation.

In relation to this definition, Beneficiaries will be identified from among the directors of the Group in office, or appointed, at the Option Assignment Date. In this regard, note that certain Directors of the Company who may be identified as Beneficiaries are also members of the administrative body of Gruppo IPG Holding S.p.A., the de facto parent company of Interpump

### **1.2. Categories of Beneficiaries who are employees or collaborators of the parent companies or subsidiaries**

In addition to the parties referred to in Heading 1.1 above, the Plan is addressed to the Employees and Collaborators of Group companies identified by the Board of Directors from among the parties that occupy significant positions or perform significant functions within or on behalf of the Group and for which action that strengthens their loyalty is justified in the context of value creation.

With regard to this definition, the Beneficiaries will be identified from among: (i) the employees of Group companies who, on the Option Assignment Date, have a permanent employment contract with those companies, and (ii) the collaborators of Group companies who, on the Option assignment date, maintain an independent working relationship with those companies.

### **1.3. Names of the Beneficiaries belonging to the groups indicated in point 1.3, letters a), b), and c) of Annex 3, Format 7 of the Issuers' Code**

In consideration of the matters specified in Headings 1.1 and 1.2 above, the Beneficiaries may also include parties belonging to the groups indicated in point 1.3, letters a), b), and c) of Annex 3, Format 7 of the Issuers' Code. The names of the Beneficiaries belonging to those groups will be supplied on assignment of the Options and as communicated during the phase of actuation of



the Plan, in accordance with the procedures indicated in art. 84(2), para. 5.a), of the Issuers' Code, or in any case pursuant to the laws and regulations applicable at the time

#### **1.4. Description and number of Beneficiaries, analyzed into the categories indicated in point 1.4, letters a), b), c) and d) of Annex 3, Format 7 of the Issuers' Code**

The Regulation does not identify any specific categories of Employees or Collaborators to whom the Plan is addressed. The Plan does not have different characteristics depending on the position of the Beneficiaries or envisage different Exercise Prices for the Options depending on their roles.

Detailed information will be supplied on implementation of the Plan in accordance with the procedures indicated in art. 84-bis, para. 5.A), of the Issuers' Code, or in any case pursuant to the laws and regulations applicable at the time.

## **2. REASONS FOR ADOPTING THE PLAN**

### **2.1 Objectives that the Plan is intended to achieve**

The Plan is deemed to be an efficient instrument for building the loyalty of the persons considered most significant for the growth of Group companies.

Given the success of the incentive plans adopted so far by the Company, the Board of Directors deems it appropriate to recommend to the Shareholders' Meeting a new efficient tool for incentivizing and building the loyalty of the persons considered most significant for the growth of the Group.

More specifically, in the session of 18 March 2022 the Board of Directors proposed that the Shareholders' Meeting resolve the approval of the Plan for rewarding and loyalty-building of the parties that, in consideration of the positions occupied and functions performed, are or will be in the future able to contribute to improving the Group's results, simultaneously connecting a part of their remuneration to growth of the value of the company.

The principal aims pursued by the Board of Directors in adopting the Plan include:

- (i) developing an entrepreneurial approach by management;
- (ii) involving Employees, Directors and/or Collaborators more in the progress of the Group and focusing activities on long-term strategic success factors;
- (iii) increasing the involvement of Employees, Directors and/or Collaborators regarding topics that are relevant for the Group from the point of view of ESG (Environmental, Social, Governance);
- (iv) strengthening the loyalty of Employees, Directors and/or Collaborators;
- (v) increasing the climate of confidence in the growing value of the business;
- (vi) promoting a spirit of identification with the Group among Employees, Directors and/or Collaborators.

Adoption of the Plan would also further align the interests of the persons considered most significant for the Group with those of all shareholders in the Company, incentivizing Beneficiaries to achieve the best economic results for the Group.

The Plan proposed to the Shareholders' Meeting covers a time horizon of 3 years (2022, 2023 and 2024) and envisages the right to exercise Options that have become exercisable in the period from 30th June 2025 (or a different date established by the Board of Directors) to 31st December 2028 (or a different later date established by the Board of Directors).

## **2.2 Key variables, including performance indicators, considered for the purposes of assignment**

As described in Heading 4.5 below, the Board of Directors proposes that the vesting and consequent exercisability of the Options be subordinate to the achievement of performance targets to be established by the Board of Directors for each of the reference years of the Plan (and, therefore, for 2022, 2023 and 2024).

The Option exercise conditions will apply to the entire group of Beneficiaries and, accordingly, the various categories of Beneficiary will not be subject to differentiated or special conditions

### **2.3. Elements underlying determination of the amount of compensation based on financial instruments or the criteria for making that determination**

The Shareholders' Meeting is asked to grant the Board of Directors powers to identify Beneficiaries and determine the number of Options to be assigned to each of them.

The Plan, approved by the Board of Directors on 18th March 2022, acting on a proposal from the Compensation Committee and with a favorable opinion from the Board of Statutory Auditors, envisages the free assignment of up to 2,250,000 Options, each carrying the right, on the achievement of specific performance targets identified by the Board of Directors, to purchase one treasury Share held by the Company or, at the discretion of the Company, to subscribe for one newly-issued Share.

The Board of Directors proposes that the price that each Beneficiary must pay to exercise an Option and consequently acquire (or subscribe for) a Share, be equal to the Exercise Price (as indicated in the Definitions).

To make the Plan as flexible as possible and thereby allow the Company to respond efficiently to the situation applying if and when the Options are exercised, it is also proposed to grant the Board of Directors the power to satisfy exercise requests by paying any Capital Gain directly to the individual Beneficiaries.

### **2.4. Reasons underlying any decision to assign compensation plans based on financial instruments not issued by the issuer, namely financial instruments issued by subsidiaries, parent companies or parties outside of the group; if the foregoing instruments are not traded in regulated markets, disclosures on the criteria utilized to determine the value attributable to them**

Not applicable, since the Plan is based exclusively on financial instruments issued by the Company.

### **2.5. Consideration given to any significant taxation and accounting implications that affected definition of the Plan**

Definition of the Plan was not affected by any significant taxation or accounting implications.

## **2.6. Any support for the Plan by the Special Fund for incentivizing worker participation in firms pursuant to art. 4, para. 112, of Law 350 dated 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.

## **3. APPROVAL PROCEDURE AND TIME FRAME FOR ASSIGNMENT AND GRANTING OF THE INSTRUMENTS**

### **3.1. Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors of the Company in order to implement the Plan**

The Board of Directors on 18 March 2022, acting on a proposal from the Compensation Committee of 15 March 2022, resolved to submit the Plan to the approval of the Shareholders' Meeting.

The Shareholders' Meeting is asked to authorize the Board of Directors to adopt the Regulation that includes what is indicated in the Plan and to grant the Board of Directors all necessary or appropriate powers to implement the Regulation, in compliance with the principles contained in this Information Document.

In making the related decisions, the Board of Directors will act after obtaining the investigative and advisory support of the Compensation Committee and - in cases governed by art. 2389, para. 3, of the Italian Civil Code - after having heard the opinion of the Board of Statutory Auditors.

The information on the criteria that will be adopted by the Board of Directors for the purposes of the decisions with which the Plan will be implemented and the contents of said decisions will be communicated in accordance with the methods as at art. 84-(2), subsection 5, letter a) of the Issuers' Code, or in any case in compliance with the articles of law and regulations applicable time by time.

### **3.2 Parties appointed to administer the Plan and their functions and duties**

As indicated in Heading 3.1 above, the Plan will be administered by the Board of Directors of the Company which, when making the related decisions, will act after obtaining the investigative and advisory support of the Compensation Committee and - in cases governed by art. 2389, para. 3, of the Italian Civil Code - after having heard the opinion of the Board of Statutory Auditors.

Within the limits imposed by the laws and regulations in force at the time, the Board of Directors may delegate specific powers for the execution of one or more Plan administration activities

### **3.3. Procedures for revising the Plan, having regard for any changes in the underlying objectives**

Without prejudice to the responsibilities of the Shareholders' Meeting in the cases specified by law, 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 extraordinary dividends;
- (ii) purchase of treasury shares;
- (iii) special transactions in the capital of Interpump not connected with the Plan or with any similar plans;
- (iv) regulatory changes (including to the corporate governance code);
- (v) events that may affect the rights of Beneficiaries or the ability to exercise their Options (such as, by way of example, the consolidation or splitting of shares, mergers, break-ups, revocation of the market listing, 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 performance targets and/or other vesting and exercise conditions applying to the Options and (iv) the Minimum Holding. In making these amendments and additions, the Board of Directors must apply, wherever possible and applicable, the generally accepted mathematical formulas used by Stock Market operators.

Any roundings necessary due to the existence of fractions will be made downwards and, therefore, the Beneficiary will be entitled to one less Share irrespective of the magnitude of the fraction and without prejudice to all other applicable conditions.

In addition to the above, the Board of Directors may change the Plan and the correlated Regulation if the remuneration policy, which will be approved from time to time by the Shareholders' Meeting pursuant to art. 123-(3) TUF, contains provisions that contrast with what is set forth herein. These changes can be adopted for the sole purpose of aligning the Plan and/or the correlated Regulation with what otherwise specified in the Remuneration Policy that is approved from time to time

### **3.4. Description of the procedures for determining the availability and assignment of the Shares servicing the Plan**

As indicated in Heading 4.1 below, the Plan envisages the free assignment of Options that each entitle their Beneficiaries, on achievement of the related performance targets, to (i) purchase treasury Shares in the Company (already held by the Company or acquired at a later date), or (ii) at the discretion of the Company, subscribe for newly-issued Shares.

The Board of Directors is also entitled to satisfy exercise requests made by individual Beneficiaries by paying an amount equal to the Capital Gain, if any, calculated at the Exercise Date of each Option

### **3.5. Role of each director in determining the characteristics of the Plan; any conflicts of interest involving the directors concerned**

The Plan was prepared on the basis of the proposal made to the Board of Directors by the Remuneration Committee, which is composed of non-executive directors, and approved by the Board of Directors in the meeting held on 18 March 2022 and with the favorable opinion of the Board of Statutory Auditors, in compliance with the matters envisaged by articles 2389 and 2391 of the Italian civil code.

The established duties of the Compensation Committee include submitting recommendations to the Board of Directors on the use of medium-term incentive systems. Specifically, the Compensation Committee may make proposals to the Board of Directors about the incentive system deemed most appropriate, monitoring application over time of the plans approved at the Shareholders' Meeting following proposals from the Board of Directors

In relation to potential conflicts of interest, the Chairman and CEO Fulvio Montipò and the Executive Director Fabio Marasi abstained from the discussion and the relative voting for the approval of the proposal illustrated in this Information Document.

### **3.6. Date of the decision made by the competent body to approve the Plan and of any proposal made by the Compensation Committee**

The Plan is submitted before the Shareholders' Meeting for approval, on a proposal of the Board of Directors resolved on 18 March 2022 further to the proposal of the Remuneration Committee made on 15 March 2022 and with the favorable opinion of the Board of Statutory Auditors.

### **3.7. Date of the decision made by the competent body about assignment of the Options and of any proposal made by the Compensation Committee**

The resolution submitted to the Shareholders' Meeting for approval envisages that the decisions about the assignment of Options will be taken by the Board of Directors. In making the related resolutions, the Board of Directors will act after obtaining the investigative and advisory support of the Compensation Committee and - in cases governed by art. 2389, para. 3, of the Italian Civil Code - after having heard the opinion of the Board of Statutory Auditors.

### **3.8. Market price of the Shares at the date of the decision of the Board of Directors to recommend adoption of the Plan to the Shareholders' Meeting**

At the end of the stock market trading day on 17 March 2022, the day before the date when the Company's Board of Directors – on a proposal of the Remuneration Committee – resolved to propose the adoption of the Plan to the Shareholders' Meeting, the Company's shares had an official market price of Euro 46.4713 each.

### **3.9. Basis and procedures adopted by the Company to take account of the elements described in Heading 3.9 of the Format when identifying the timing for the assignment of Options**

The decisions about the timing for the granting of Options will be taken by the Board of Directors after obtaining the investigative and advisory support of the Compensation Committee

In this regard, given that the Options to be assigned will not be exercisable immediately, but only on achievement of the specific performance targets to be defined by the Board of Directors – after obtaining the investigative and advisory support of the Compensation Committee – for each of the individual reference years of the Plan (see Heading 4.5 below), the Company does not consider it necessary to establish any particular controls over the situations referred to in Heading 3.9 of the Format. In fact, any disclosure of inside information on or around the Option Granting Date will have no effect on the general group of Beneficiaries, since they will be unable to exercise the Options assigned to them under Plan at that time.

#### 4. CHARACTERISTICS OF THE OPTIONS

##### 4.1. Description of the forms in which the Plan is structured

The Plan envisages the free assignment of Options to Beneficiaries, with it being understood that each Option grants the right to, at the discretion of the Company, to (i) purchase 1 (one) treasury Share in the Company (already held by the Company or acquired at a later date) or (ii) subscribe for 1 (one) newly-issued Share.

The Board of Directors is also entitled to satisfy exercise requests made by individual Beneficiaries by paying an amount equal to the Capital Gain, if any, calculated at the Exercise Date of each Option.

The Options will be assigned to the Beneficiaries without charge, on a personal basis, and cannot be transferred by inter vivos deed for whatsoever reason.

The Board of Directors will establish the number of Options to be assigned to each Beneficiary, after obtaining the non-binding opinion of the Compensation Committee and - in cases governed by art. 2389, subsection 3, of the Italian Civil Code - after consulting the Board of Statutory Auditors.

##### 4.2. Period of effective implementation of the Plan considering any different cycles envisaged

The options for which the objectives determined by the Board of Directors are reached can be exercised by the Beneficiaries, also partially and in any case for a minimum amount of 500 options, during the period between 30 June 2025 (or a different date determined by the Board of Directors) and 31 December 2028 (or a different date determined by the Board of Directors). The Options must be exercised by this last date, when they will expire.



The Options must be exercised by this last date, when they will expire.

The Board of Directors is entitled to establish additional windows for exercising the Options.

#### **4.3. End of the Plan**

The Plan will terminate on 31 December 2028 (or on a different later date established by the Board of Directors). After said term any unexercised Options can no longer be exercised.

#### **4.4. Maximum number of Options assigned in each tax year**

The Plan does not specify a maximum number of options assignable each year. The maximum number of Options assignable under the Plan is 2,250,000.

#### **4.5. Plan implementation procedures and clauses, specifying whether actual granting of the instruments is subordinate to the occurrence of conditions or the achievement of specific performance or other results; description of the related conditions and results**

Without prejudice to the information provided below, exercise of the Options, with the timing and limits indicated in Heading 4.2 above, will depend on the Exercise Date of the Options: (i) for Directors, on continuation in office as a director, (ii) for Employees, on maintenance of the employment contract, and (iii) for External Contractors, on continuation of the independent working relationship.

In the event of: (a) retirement or dismissal without just cause of the Employee, (b) revocation or non-renewal without just cause of the Director, (c) the company that appointed the Director-Beneficiary or employed the Employee-Beneficiary no longer being a subsidiary of the Company, any vested Options not yet exercised may be exercised by their Beneficiaries in compliance with the obligations, procedures and timing specified in the Regulation. Conversely, Options that - at the date of events indicated in letters (a), (b) or (c) above - have not yet vested will expire definitively and may no longer be exercised.

In all cases, the Board of Directors is entitled, after obtaining the non-binding opinion of the Compensation Committee, to decide on special cases, establishing each time the number of Options to be exercised and the deadline for their exercise.

The Board of Directors proposes that the vesting and consequent exercisability of the Options be subordinate to the achievement of performance targets to be established by the Board of Directors, after obtaining the non-binding opinion of the Compensation Committee, for each of the reference years of the Plan (and, therefore, for 2022, 2023 and 2024).

The Board of Directors must apply the following parameters when establishing these performance targets:

- i. for 70% of the Options offered to each Beneficiary, the objectives must consist of reaching certain results on the consolidated Group level during each year of reference. In particular, the Board of Directors must define the objectives correlated to economic parameters conditioned by the obtainment of two different indicators consisting of Net Sales and EBITDA. Within the said 70% of the total of the Options assigned to each Beneficiary, the obtainment of the relative amount of Net Sales will attribute the right to exercise 50% of the said 70% of the options, obtaining the amount related to EBITDA will attribute the right to exercise 50% of the said 70% of the Options.
- ii. for 15% of the Options offered to each Beneficiary, the objectives must contribute toward the development and consolidation of the ESG topics relevant for the Group. In particular, the objectives can concern, for example, the Environmental, Social and Governance areas and in relation to the activities considered relevant for the Group from time to time, that are measurable and/or measured also for the purposes of the information provided in the NFD (Non-Financial Declaration):
  1. in the “Environmental” area, the adoption of solutions aimed at obtaining a reduced impact of the business activities on the environment, such as, for example, the reduction of emissions to the atmosphere, the reduction in production of waste, a reduction in energy consumption, the installation of photovoltaic systems/increase in energy purchased from producers who use renewable sources and/or the reduction in water consumption;
  2. in the “Social” area, the adoption of policies aimed toward improving the social impact of business activities, such as, for example, initiatives related to diversity, inclusion and/or the professional development of employees, the adoption of guidelines for the assessment of suppliers, the definition of policies, procedures or strategies related to the development of sustainable products, the extension of ISO 45001 certification, the reduction in the incidence of accidents at work and/or the definition of a policy that supports local communities;

3. in the “Governance” area, the adoption of policies and/or measures aimed toward improving the management and government of the company and/or the group, such as, for example, the adoption of ESG risk management, the improvement in the organizational and/or functional structure of the Board of Directors and/or the management on a Group level, the definition of Policies that communicate the Group's commitment to ESG, and/or training on the Whistleblowing Policy.
- iii. for the remaining 15% of the Options offered to each Beneficiary, the performance targets must be qualitative in nature, reflecting the performance of the individual Beneficiary with respect to such parameters as collaboration, commitment and value added to the Group. This will be assessed by the Board of Directors or, if the Beneficiary does not collaborate directly with the Board, by the direct superior of that person.

The Board of Directors, after obtaining the non-binding opinion of the Compensation Committee, will determine the results that must be reached for each of the years of reference (i), as well as the ESG and qualitative parameters required of the Beneficiaries specified above in points (ii) and (iii).

The Plan envisages that failure to achieve – in whole or in part – the performance targets, which, due to their nature, must be achieved every year, established in relation to the 2022 financial year and/or the 2023 financial year, will not result in definitive loss of the right to exercise Options that vest with reference to them. In fact, achievement of the performance targets established for the following financial year will result in the vesting of the Options assigned with reference to the previous financial year(s), which will therefore become exercisable in full.

Likewise, it is envisaged that achievement of the performance targets established for the 2024 financial year in a prior year (2022 or 2023) will result in immediate vesting of all the Options assigned to the beneficiary, which will therefore become exercisable in full. Such early vesting will not however change the Exercise Period.

#### **4.6 Lock-up constraints on the Options or the Shares resulting from exercise of the Options, with particular reference to the time windows in which their subsequent transfer to the Company or to third parties is either permitted or prohibited**

The Options are registered in the name of the Beneficiary, personal, unavailable and non-transferable through an inter vivos act until they are exercised.

On the death of a Beneficiary, all Options not yet vested at the date of death will expire for all effects. Conversely, vested Options not yet exercised at the date of death may be exercised by the heirs of the deceased, in accordance with the applicable laws of inheritance, without prejudice in all cases to the expiry deadline specified in Heading 4.3 above and compliance with the obligations, procedures and timing specified in the Regulation to be adopted by the Board of Directors.

Beneficiaries who have purchased or subscribed for Shares may make unrestricted use of them, except as specified below and without prejudice to the provisions of any regulations in force at the time or of any corporate governance code adopted by the Company.

Beneficiaries who are "executive directors" pursuant to the Code of Corporate Governance as identified by the Board of Directors, are obliged to continuously hold, until the date on which they cease to be a director, (or for a different period of time defined in the currently applicable Remuneration Plan), a number of Shares equal to at least 20% (or a different amount defined in the currently applicable Remuneration Plan) of the Shares purchased following exercise of the Options.

Based on the above, therefore, these Options will be locked-up until expiry of the restrictions indicated above, unless written authorization is given by the Board of Directors.

#### **4.7. Any termination clauses should Beneficiaries arrange hedging transactions that neutralize any restrictions on sale of the Options**

There are no applicable termination clauses should Beneficiaries arrange hedging transactions that neutralize any restrictions on sale of the Options. Please note what is indicated below in Heading 4.10 with reference to the so-called claw back clauses

**4.8. Description of the effects deriving from termination of the working relationship**

See Heading 4.5 above.

**4.9. Indication of other causes for cancellation of the Plan**

No other causes are envisaged for cancellation of the Plan.

**4.10. Any redemption clauses enforceable by the Company**

The Company does not have any redemption rights.

The Plan has a specific Regulation that will be approved by the Board of Directors, acting on a proposal from the Compensation Committee, that indicates the application of the so-called claw back clause. In particular, the Company – according to the terms and methods that will be defined by the Board of Directors from time to time, after consulting with the Compensation Committee and communicated to the Beneficiaries – reserves the right, within a period of 4 years from the respective vesting date of the Options in reference to (that is the relative Granting Date) and independently of the fact that the relationship with the Beneficiaries is still ongoing or has terminated, to obtain the following from the Beneficiary: (i) the revocation of all or a part of the Options that are already vested, but not yet exercised, or (ii) the return of all or part of the Shares delivered to them, after deducting a number of Shares of a value corresponding to the exercise price of the options and the tax, social security and welfare expenses connected with the exercising of the options that were actually paid, if one of the following cases occurs: (a) fraudulent behavior of the Beneficiary that is damaging to the Group; (b) serious and intentional violations of the law and/or the Code of Ethics; (c) vesting of the options or delivery of the shares based on data that was later found to be obviously incorrect or maliciously altered. The Plan foresees that if the Shares were already sold, the Company has the right to have the sale value returned by the Beneficiary, after deducting the amount corresponding to the Exercise Price of the options and the tax, social security and welfare expenses connected with the exercising of the options, possibly also by offsetting them against the Beneficiary's wages and/or severance pay.

**4.11 Any loans or other help given to subscribe for or purchase the Shares pursuant to art. 2358, para. 3, of the Italian Civil Code.**

No loans or other help are given to subscribe for or purchase the Shares.

**4.12. Consideration given to the expected cost to the Company at the Option assignment date**The cost to the Company of implementing the Plan is not currently measurable. It will be determined following assessment of the economic impact identified from a new actuarial estimate, which must take account of the number of Options assigned and the official market price of the Shares in the Company. The expected cost to the Company at the Option Assignment Date that is identified will be recognized on a time-apportioned basis over the vesting period.

**4.13. Indication of any dilutive effects on capital caused by the Plan**

Should the Plan be approved, all the Options be exercised, and the Company elect to satisfy all exercise requests received by granting the right to subscribe for newly-issued Shares, the total number of outstanding shares would increase by 2,250,000 and would therefore result in a proportional dilution of the share capital.

Should the exercise requests received from the Beneficiaries be satisfied by the Company via the use of treasury Shares (already held by the Company or acquired at a later date), there would not be any dilution of the share capital.

**4.14. Restrictions envisaged on the exercise of voting rights and the assignment of dividend rights**

No restrictions are envisaged on the exercise of voting rights and the assignment of dividend rights.

**4.15. If the Shares are not traded on regulated markets, all useful information for a comprehensive assessment of the value attributable to them**

Not applicable to the Plan.

**4.16 Number of financial instruments underlying each Option**

Each Option carries the right, at the discretion of the Company and if properly exercised, to subscribe for or purchase 1 (one) Share.

**4.15. If the Shares are not traded on regulated markets, all useful information for a comprehensive assessment of the value attributable to them**

Not applicable to the Plan.

**4.16 Number of financial instruments underlying each Option**

Each Option carries the right, at the discretion of the Company and if properly exercised, to subscribe for or purchase 1 (one) Share.

The Board of Directors is also entitled to satisfy exercise requests made by individual Beneficiaries by paying an amount equal to the Capital Gain, if any, calculated at the Exercise Date of each Option

**4.17. Expiry of the Options**

We invite you to refer to the matters discussed in the above Heading 4.3.

**4.18 Methods, times and clauses of exercise**

The Beneficiaries of vested Options that have become exercisable may exercise them – on one or more occasions, but not in blocks of less than 500 Options – by delivering a specific notice of exercise to the Company.

The exercise of each exercisable Option will take effect, for all effects and purposes, on the working day immediately after the date of receipt by the Company of the above notice of exercise.

Except if the Board of Directors decides to satisfy the exercise requests made by individual Beneficiaries via the payment of any related Capital Gain, each Beneficiary must pay to the Company, within 10 working days of submitting the notice of exercise, an amount equal to the Exercise Price multiplied by the number of Options that have been validly exercised. The Beneficiary who has exercised the Options in a valid manner and paid the consideration due will have purchased or subscribed for 1 (one) Share for each validly exercised Option.

On the other hand, should the Board of Directors intend to satisfy exercise requests via the payment of any related Capital Gain, it must notify this intention to the Beneficiary concerned within 5 working days of receipt of the related notice of exercise. In this case, the Capital Gain, calculated with reference to the related Option exercise date, will be paid to the Beneficiary within 10 working days of receipt of the notice of exercise, net of the legally-required withholding taxes.

See also Headings 4.1 and 4.2 above in this regard.

#### **4.19. Exercise Price of the Options and method of determination**

Each Option will carry the right to purchase or subscribe for one Share at a price equal to the Exercise Price (as indicated in the Definitions paragraph).

#### **4.20. If the exercise price is not the same as the market price determined pursuant to point 4.19(b) of the Format (fair market value), explain the difference**

We invite you to refer to the matters discussed in the above Heading 4.19.

#### **4.21. Criteria on the basis of which different exercise prices are envisaged among the various Beneficiaries or categories of Beneficiaries**

There are no different exercise prices envisaged in accordance with the Beneficiaries or categories of Beneficiaries.

#### **4.21. If the financial instruments underlying the options are not negotiable in regulated markets, indication of the value attributable to the underlying financial instruments or the criteria for determining that value**

Not applicable.

#### **4.22. Criteria for adjustments made necessary by special capital transactions and other operations that change the number of underlying instruments**

We invite you to refer to the matters discussed in the above Heading 3.3.



#### **4.23. Table as at Heading 4.24 of the Format**

The table as at Heading 4.24 of the Format will be compiled and attached to the Informative Document at the time that the Company's Board of Directors implements the Plan, as indicated in Heading 3.1.

*The information specified in the Format that is not provided in this Information Document will be supplied at the time when the Plan is implemented, pursuant to art. 84-bis, para. 5.a) of the Issuers' Code.*

*Sant'Ilario d'Enza (RE), March 18, 2022*