



**REPORT ON CORPORATE GOVERNANCE  
AND THE OWNERSHIP STRUCTURE**

Pursuant to art. 123-(2) of the Consolidated Finance Act (TUF)  
(traditional administration and control model)

Interpump Group S.p.A.

Website: [www.interpumpgroup.it](http://www.interpumpgroup.it)

Year 2022

Date of approval: 17 March 2023

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## GLOSSARY

**Corporate Governance Code/Code/CG Code:** the Corporate Governance Code, approved in January 2020 by the Corporate Governance Committee, adopted by the Company.

**Civil Code / c.c.:** the Italian civil code.

**Committee/CG Committee/Corporate Governance Committee:** the Italian Committee for the Corporate Governance of listed companies, promoted by Borsa Italiana S.p.A., as well as by ABI, Ania, Assogestioni, Assonime and Confindustria.

**Board/Board of Directors:** the Issuer's Board of Directors.

**Issuer/Company/Interpump/Parent Company:** Interpump Group S.p.A., with registered office Via E. Fermi 25, Sant'Ilario d'Enza, share capital 156,617,232.88 euro issued and fully paid, tax code and Reggio Emilia Companies Register no. 11666900151.

**Year to which the report refers:** 2022.

**Group/Interpump Group:** Interpump Group S.p.A. and its subsidiaries.

**Gruppo IPG Holding S.p.A.:** the principal direct shareholder of the Issuer that, at 31 December 2022, held 25.075% of the shares in the Issuer.

**Regulation of the Board of Directors/Board Regulation:** the Regulation of the Board of the Directors of the Company governing its establishment, composition and functioning, adopted by the Board on 18 March 2022 and published on the corporate website

([https://www.interpumpgroup.it/ip\\_regolamento\\_consiglio\\_di\\_amministrazione\\_interpump\\_group\\_spa\\_18\\_marzo\\_2022.pdf](https://www.interpumpgroup.it/ip_regolamento_consiglio_di_amministrazione_interpump_group_spa_18_marzo_2022.pdf)).

**CONSOB Issuers' Regulation:** the Regulation published by CONSOB resolution no. 11971 of 14 May 1999 (as amended) governing the issuance of listed securities.

**CONSOB Markets Regulation:** the Regulation published by CONSOB resolution no. 20249 of 28 December 2017 governing market matters.

**CONSOB Related Parties Regulation:** the Regulation published by CONSOB resolution no. 17221 of 12 March 2010 (as amended) governing related-party transactions.

**Report:** this report on corporate governance and the ownership structure that companies are required to prepare and publish pursuant to art. 123-(2) TUF.

**Report on remuneration:** the report on remuneration policy and compensation paid that companies are required to prepare and publish pursuant to art. 123-(3) TUF and 84-(4) of the Consob Issuers' Regulation.

**Bylaws:** the current Bylaws of Interpump Group S.p.A., last amended at the Extraordinary Shareholders' Meeting held on 29 April 2022 and published on the corporate website (<https://www.interpumpgroup.it/statuto.aspx>).

**Consolidated Finance Act/TUF:** Decree 58 of 24 February 1998 (as amended).

Unless stated otherwise, reference is made to the definitions of the following terms contained in the Corporate Governance Code for listed companies: directors, executive directors, independent directors, significant shareholder, chief executive officer (CEO), administrative body, control body, business plan, company with concentrated ownership, large company, sustainable success, top management.

## 1.0 ISSUER'S PROFILE

Interpump Group manufactures and markets high and very high pressure plunger pumps, pumping systems used in various industrial sector to transport fluids, high pressure homogenizers, mixers, agitators, piston pumps, valves and other machines, principally for the food processing industry, but also for the chemicals and cosmetics industries (Water Jetting Sector), power take-offs, gear pumps, hydraulic cylinders, directional controls, valves, hydraulic hoses and fittings, gears, orbital motors and steering systems, and other hydraulic components (Hydraulic Sector).

Interpump Group S.p.A., listed on the Milan Stock Exchange since 1996, was admitted to the Euronext STAR Milan segment of Borsa Italiana (the Italian Stock Exchange) at its launch on 1 April 2001, and the shares have been included in the FTSE-MIB index since 22 June 2020.

Since the capitalization of the Company has exceeded Euro 1 billion on the last trading day of each of the past three calendar years, Interpump Group S.p.A. is deemed to be a "Large Company", as defined in the Corporate Governance Code.

The corporate governance of a business comprises a set of rules and procedures that form the system of management and control of limited companies. Interpump Group S.p.A. has adopted a traditional form of administration and control; accordingly, the business is managed by a Board of Directors and supervisory functions are carried out by the Board of Statutory Auditors, while the statutory audit of the financial statements is performed by the independent auditors appointed at the Shareholders' Meeting.

The system of corporate governance adopted by Interpump Group S.p.A., determined by the Board of Directors, is founded on a series of laws and rules for good governance based on the principles and recommendations contained in the most recent version of the Corporate Governance Code, issued by the Corporate Governance Committee of Borsa Italiana in January 2020. This system pursues an ethical business model focused on sustainable success, via the creation of long-term value for shareholders and stakeholders.

As stated in both the Code of Ethics and the Global Compliance Program, the Interpump Group dedicates particular attention to the various aspects of sustainability and corporate social responsibility, since they play an important role in the context of conducting business.

Sustainability is recognized as an essential development factor in the growth strategy of the Interpump Group, whose core mission is to create value in economic, financial and corporate social responsibilities terms. In order to give effect to this approach, on 5 October 2022 the Board of Directors of Interpump Group S.p.A. approved the ESG Strategic Plan for the three-year period 2023-2025 ("ESG Plan 2023-2025"), which sets out the ambitions and commitments identified and made by the Group to assure sustainable economic growth over the long period. The journey taken by Interpump Group will combine business success with the principles of sustainability and value creation for all stakeholders.

Interpump Group has adopted the OECD Guidelines for multinational enterprises and the United Nations Guiding principles for business and human rights, committing to recognize and promote human rights, with respect for the dignity, privacy and rights of individuals. Interpump Group is also committed to disseminating and consolidating a culture of occupational safety and respect for the environment, without deviating in any way from compliance with local regulations, while also promoting responsible conduct by all collaborators. Especially by taking preventive action, the Group works to protect the health and safety of workers, the environment and the interests of all stakeholders.

To this end, the Interpump Group conducts its activities in compliance with the conventions of the International Labour Organization (ILO) on occupational health and safety, freedom of association and collective bargaining, the abolition of forced labor and child labor, as well as on combating discrimination.

As a large Public-Interest Entity (PIE), Interpump Group S.p.A. is subject to the provisions of Decree 254 of 30 December 2016 and, accordingly, is required to prepare a consolidated non-financial statement (NFS) that specifically covers environmental, social and personnel-related matters, as well as human rights and the fight against active and passive corruption, to the extent required to assure understanding of its corporate activities, performance, results and impact generated. In the context of the above NFS, Regulation (EU) 2020/852 (the Taxonomy Regulation), applicable from 2022, has also come into force; accordingly, the Group has disclosed the actions taken in relation to the specified objectives. The consolidated non-financial statement is available on the website of Interpump Group S.p.A. (<https://www.interpumpgroup.it/uk/default.aspx>) in the Governance section.

The Issuer does not fall within the definition of an SME pursuant to art. 1, subsection 1, letter w-(4.1) TUF and art. 2-(3) of the CONSOB Issuers' Regulation.

This Report describes the system of corporate governance adopted by Interpump Group S.p.A. and the ownership structure, as required by current regulations. This Report, submitted to Borsa Italiana through the established methods and by the established date, is available on the website of Interpump Group S.p.A. (<https://www.interpumpgroup.it/uk/default.aspx>, in the Governance section, Reports on corporate governance).

## **2.0 INFORMATION ON THE OWNERSHIP STRUCTURE (ex art. 123-(2), subsection 1, TUF) AT 31 DECEMBER 2022**

### **a) Structure of share capital (ex art. 123-(2), subsection 1 letter a) TUF)**

The issued and fully-paid share capital amounts to 56,617,232.88 euro and is represented by 108,879,294 ordinary shares, nominal value 0.52 euro each, having all the rights and obligations envisaged by law. The ordinary shares, which are registered, endow voting rights in the company's ordinary and extraordinary shareholders' meetings in compliance with the articles of law and the Bylaws, and assign the administrative and capital entitlements awarded by the law for shares with voting rights.

See Table 1 annexed to this Report for more detailed information.

The stock-based incentive plans ("stock option plans"), comprising the "Interpump Group Incentive Plan 2019/2021" and the "Interpump Group Incentive Plan 2022/2024", require each beneficiary to pay the exercise price proposed by the Board of Directors in order to exercise their options and, therefore, purchase or subscribe for shares. The stock option plans envisage, at the discretion of the Board of Directors, the payment of a differential equivalent to the possible increase in the market value of the Company's ordinary shares (consult the Notes accompanying the annual Financial Report at 31 December 2022 and the Report on Remuneration Policy and Compensation Paid pursuant to art. 123-(3) TUF and art. 84-(2) of the Issuers' Regulation, both published on 31 March 2022).

### **b) Restrictions on the transfer of securities (ex art. 123-(2), subsection 1 letter b) TUF)**

The Bylaws of Interpump Group S.p.A. do not restrict the transfer or ownership of Company securities.

### **c) Significant interests held in share capital (ex art. 123-(2), subsection 1 letter c) TUF)**

Based on the entries in the Shareholders' Register, from the notifications received in compliance with the law, and from the other information available at today's date, the shareholders who hold stakes in excess of 3% of the voting capital are as shown in Table 1 annexed to this report.

The principal direct shareholder of Interpump Group S.p.A. is Gruppo IPG Holding S.p.A., with registered office at Via Bianca Maria 24, Milan, which held 25.075% of the Issuer's shares at 31 December 2022.

See Table 1 annexed to this Report for more detailed information.

### **d) Securities that carry special rights (ex art. 123-(2), subsection 1 letter d) TUF)**

The Company has not issued securities that carry special rights of control.

### **e) Employee equity interests: mechanism for the exercise of voting rights (ex art. 123-(2), subsection 1 letter e), TUF)**

There is no system for equity ownership by employees.

### **f) Restrictions on voting rights (ex art. 123-(2), subsection 1 letter f) TUF)**

There are no restrictions on voting rights.

### **g) Shareholder Agreements (ex art. 123-(2), subsection 1 letter g) TUF)**

At the date of this report, the Company has no knowledge of any agreements among shareholders pursuant to art. 122 TUF.

### **h) Change of control clauses (ex art. 123-(2), subsection 1 letter h) TUF) and statutory provisions concerning takeover bids (ex articles 104, subsection 1-(3), and 104-(2), subsection 1)**

Interpump Group S.p.A. has entered into loan agreements with a number of financial institutions that contain specific clauses that apply in the event of a change of control over the Company. In particular, these clauses envisage the right of the financial institution to request early repayment of the principal and

all amounts due, should one or more parties other than Gruppo IPG Holding S.p.A. acquire effective control over Interpump Group S.p.A. At 31 December 2022, the residual exposure under those loan agreements totaled 675 million euro, of which:

- 233 million euro due in 2023;
- 190 million euro due in 2024;
- with the residual amount due between 2025 and 2027.

The Bylaws do not envisage exceptions, with regard to public offers, to the passivity rule provisions contained in art. 104, subsections 1 and 2, TUF. In addition, the Bylaws do not contemplate application of the neutralization rules contained in art. 140-(2), subsections 2 and 3, TUF.

**i) Mandates to increase share capital and authorizations to purchase treasury stock (ex art. 123-(2), subsection 1 letter m) TUF)**

The Extraordinary Shareholders' Meeting of 30 April 2020 resolved to grant the Board of Directors a mandate, pursuant to art. 2443 of the Italian civil code, to increase share capital for cash on one or more occasions by 29 April 2025, on a divisible basis pursuant to art. 2439 of the Italian civil code and with the exclusion of option rights pursuant to art. 2441, subsection 4, of the Italian civil code, by the issue of ordinary shares up to a maximum of 10% of the share capital of Interpump existing on the date of exercising the mandate, with the right of the Board of Directors to establish the amount of any additional paid-in capital. For this purpose, the Board of Directors was also granted all powers to fix, for each tranche, the number, unit issue price (including any premium) and enjoyment rights of the new ordinary shares, establish the deadline for subscription for the new ordinary shares in the Company, and execute and exercise the above mandate and powers, within the limits and in accordance with the provisions of art. 5 of the Bylaws of the Company, to which reference is made.

The Ordinary Shareholders' Meeting held on 29 April 2022 revoked the resolution authorizing the purchase and disposal of treasury shares adopted at the Shareholders' Meeting held on 30 April 2021 and, pursuant to arts. 2357 and 2357-(3) of the Italian civil code, authorized the Board of Directors, via specifically authorized Directors or an authorized intermediary, to purchase treasury shares up to the maximum number of ordinary shares allowed by the legislation in force at the time, for a period of eighteen months from the date of such authorization. Purchases may be made at a unit purchase price ranging from a minimum equal to the nominal value of 0.52 euro to a maximum of 85.00 euro, in compliance with the methods and in respect of the limits set down in the legislation and regulations in force at the time.

The same resolution adopted at the above Shareholders' Meeting also authorized the Board of Directors, via specifically authorized Directors or an authorized Intermediary, to sell or transfer, in one or more transactions, for a period of eighteen months starting from 29 April 2022, the treasury shares held, whether already purchased or to be purchased, at a price not lower than their nominal unit value of 0.52 euro.

The Shareholders' Meeting also authorized disposal by means of: (i) a public offering, (ii) sale of treasury shares to employees, Directors and collaborators of the Company and/or of Group companies in execution of incentive plans that have been approved beforehand at the Shareholders' Meeting, (iii) servicing of warrants or deposit certificates representing shares or similar securities, (iv) exchange for the purchase of equity investments or assets of interest to the company, and (v) in the framework of any agreements with strategic partners. The Board of Directors may also establish all additional conditions, methods and terms of the disposal of the treasury shares held.

At 31 December 2022, Interpump Group S.p.A. held a total of 1,987,863 treasury ordinary shares in the portfolio corresponding to 1.8257% of the share capital, acquired at an average unit cost of 38.7871 euro.

**j) Management and coordination activities (ex art. 2497 et seq. c.c.)**

Interpump Group S.p.A. is not subject to management and coordination by any other parties. In particular, the Board of Directors has made an assessment in this regard and considers overcome the presumption made in art. 2497-(6) of the Civil Code since, despite preparing consolidated financial statements that include those of Interpump Group S.p.A., Gruppo IPG Holding S.p.A. actually performs the functions of an investment holding company and, therefore, Interpump Group S.p.A. and its parent, Gruppo IPG Holding S.p.A., do not share common operational objectives. Further in this regard, Gruppo IPG Holding S.p.A. does not control the Issuer pursuant to art. 2359 of the Italian civil code. The company named "Leika Montipò e Sorelle S.A.p.A.", incorporated on 6 November 2020, holds a controlling interest pursuant to art. 2359, paragraph 2 of the Italian Civil Code in "Gruppo IPG Holding S.p.A."; this company does not

carry out management and coordination activities of the investee company "Gruppo IPG Holding S.p.A." nor is it itself subject to such management and coordination activities.

\* \* \*

The information required by art. 123-(2), subsection 1, letter i) (*"agreements between the company and the directors....envisaging indemnity of the directors in case of resignation, dismissal without just cause or lapsing of the office further to a takeover bid"*) is contained in the Remuneration report prepared pursuant to art. 123-(3), TUF, and published on the website of Interpump Group S.p.A. (<https://www.interpumpgroup.it/uk/default.aspx> in the Remuneration policy part of the Governance section) and in the section of the Report dedicated to remuneration (Section 8.1).

The information required by art. 123-(2), subsection 1, letter l) in relation to both the first and the second part (*"the rules applicable to the appointment or replacement of directors ... and to the amendment of the Bylaws, if different from the legislative or regulatory provisions applicable on a supplementary basis"*) is contained in the section of this Report dedicated to the Board of Directors (Section 4.2) and in the section of this Report dedicated to the Shareholders' Meeting (Section 13).

### **3.0 COMPLIANCE (ex art. 123-(2), subsection 2, letter a), first part, TUF)**

By resolution of the Board of Directors on 15 January 2021, Interpump Group S.p.A. has adopted the latest version of the Corporate Governance Code, promoted by the Corporate Governance Committee of Borsa Italiana S.p.A. and issued in January 2020, which is available to the public on the website of the Corporate Governance Committee at: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>. This Report describes the alignment procedures and the reasons - in accordance with the "comply or explain" principle - for any failure to adopt the principles and recommendations contained in the above Code.

Interpump Group S.p.A. and its subsidiaries of strategic importance are not subject to non-Italian legislation that might influence the corporate governance structure of the Issuer.

## 4.0 BOARD OF DIRECTORS

### 4.1. ROLE OF THE BOARD OF DIRECTORS

Consistent with the principles and recommendations contained in the Corporate Governance Code, the Board of Directors has been assigned a central role in the corporate governance of Interpump Group S.p.A., with broad powers and responsibilities regarding governance and the system of internal control and risk management, as well as for the definition of sustainability policies in pursuit of sustainable success, via the creation of long-term value for shareholders and significant stakeholders.

The Board of Directors exercises the widest powers for the ordinary and extraordinary administration of the Company, without any limitations except for the powers reserved by law for the Shareholders' Meeting. In compliance with the recommendations contained in the Code and in the context of the activities carried out, the exclusive responsibilities of the Board of Directors include:

- examination and approval of the business plans of the Issuer and the Group that it leads, having regard for the analysis of topics significant for the generation of long-term value (Recommendation 1.a);
- periodic monitoring of the implementation of the business plan, as well as assessment of the general results of operations, comparing periodically the results achieved with those planned (Recommendation 1.b);
- definition of the nature and level of risk compatible with the strategic objectives of the Issuer, including assessment of all elements that may be important to the sustainable success of the Issuer (Recommendation 1.c);
- definition of the system of corporate governance of the Issuer and the structure of the Group that it leads (Recommendation 1.d, first part);
- assessment of the adequacy of the organizational, administrative and accounting structure of the Issuer and its subsidiaries of strategic importance, with particular reference to the system of internal control and risk management (Recommendation 1.d, second part) (See Section 9 of the Report for more detailed information);
- adoption of resolutions on the transactions of the Issuer and its subsidiaries that are of strategic, economic or financial importance for the Issuer, establishing general criteria for the identification of significant transactions (Recommendation 1.e);
- adoption, on a proposal from the Chairman (who is also the Chief Executive Officer), of a procedure for the internal management and external communication of documents and information about the Issuer, with particular reference to inside information (Recommendation 1.f) (See Section 5 of the Report for more detailed information).

The Bylaws of Interpump Group S.p.A. define the powers reserved for the Board of Directors with regard to the transactions of the Issuer and its subsidiaries that, depending on the purpose of the transaction, are of strategic, economic or financial importance. In addition, the provisions contained in the individual bylaws of subsidiaries or, in any case, specific resolutions adopted by the Board of Directors, establish limits for the transactions that must be approved by the respective Boards of Directors on which directors of the parent company are present. The parent company's Board of Directors is entitled to resolve on the votes to be cast at the extraordinary meetings of direct subsidiaries and on the appointment of the directors of direct subsidiaries.

Lastly, with regard to delegation of the powers reserved for the Board of Directors, reference is made to the Bylaws (art. 14) governing the matters that must be examined exclusively by the Board of Directors of Interpump Group S.p.A.

Interpump Group S.p.A. recognizes the fundamental importance of discussions with existing and potential shareholders, institutional investors and the market in general, facilitating constant dialog beneficial to both investors and the Company, with a view to creating value over the medium-long term. In particular, at the meeting held on 4 October 2021, the Board of Directors adopted the "Policy for managing dialog

with the Shareholders” in order to govern, in compliance with Principle IV and Recommendation 3 of the Corporate Governance Code, the most appropriate forms of dialog with the shareholders and significant stakeholders of the Issuer. See *Section 12* of this Report for more detailed information.

Assisted by the Control, Risks and Sustainability Committee and acting on a proposal from the Chairman and Chief Executive Officer, the Board of Directors of Interpump Group S.p.A. defines the strategies and objectives of the Company and the Group, including the sustainability policies that may be important when pursuing the sustainable success of the Issuer. With particular reference to the strategic and organizational importance of pursuing the sustainability goals, on 5 October 2022 the Board of Directors of Interpump Group S.p.A. approved the ESG Plan “2023-2025”, which sets out the ambitions and commitments identified and made by the Group to assure sustainable economic growth over the long term.

The additional responsibilities of the Board of Directors for the composition, functioning, appointment and self-assessment of the Board, as well as for remuneration policy and the system of internal control and risk management, are described in later sections of this Report.

During 2022, the Board of Directors of the Company did not consider it necessary to prepare reasoned proposals for the Shareholders’ Meeting regarding the definition of a more functional system of corporate governance responsive to the needs of the Issuer.

In accordance with the requirements of Recommendation 1.d) of the Corporate Governance Code and art. 2381, subsection 3, of the Civil Code, on 15 February 2023 the Board of Directors assessed the adequacy of the organizational, administrative and accounting structure of Interpump Group S.p.A. and the subsidiaries of strategic importance, with particular reference to the internal control and risks management system, which is described in a document prepared by the competent departments and was subjected to preliminary examination by the Control, Risks and Sustainability Committee.

The subsidiaries in the Water Jetting Sector considered to be of strategic importance with reference to size criteria are Hammelmann GmbH and NLB Corporation Inc., while those in the Hydraulics Sector are Walvoil S.p.A., Muncie Power Products Inc., I.M.M. Hydraulics S.p.A., Interpump Hydraulics S.p.A., Reggiana Riduttori S.r.l. and White Drive Motors & Steering Sp. ZOO.

As required by Recommendation 1.b) of the Code, the Board of Directors assessed during 2022 the general results of operations, considering in particular the information received from delegated bodies and comparing periodically, at least every quarter, the results achieved with those planned.

See Section 4.4 of this Report for further information about the principal activities carried out by the Board of Directors during the year.

#### **4.2. APPOINTMENTS AND REPLACEMENTS (ex art. 123-(2), subsection 1, letter l), first part, TUF)**

Consistent with the legislation governing the “traditional” administration and control model adopted by the Company and the related current regulations, art. 14 of the Bylaws in force at the date of approving this Report governs as described below the composition of the Board, appointments by list voting and the replacement of directors, in proper compliance with the gender-balance principle.

The Company is administered by a Board of Directors composed of a minimum of three and a maximum of thirteen members, who need not be shareholders, appointed at the Shareholders’ Meeting after determining their number. The Board of Directors comprises both executive and non-executive directors. With regard to the composition of the Board of Directors, (i) a number of directors, identified in compliance with legal and regulatory provisions and the code of conduct of Borsa Italiana adopted by the Company time by time, must be in possession of the independence attributes required therein, and (ii) gender balance must be assured in compliance with the provisions of the law, the regulations, and the code of conduct of Borsa Italiana adopted by the Company time by time.

Pursuant to the Bylaws, the directors remain in office for a maximum of three years, as established when appointed at the Shareholders’ Meeting, and may be re-elected. The current Board of Directors, appointed on 30 April 2020, will remain in office until the Shareholders’ Meeting called to approve the financial statements at 31 December 2022.

Pursuant to art. 14 of the Bylaws, the directors are appointed on the basis of lists submitted by the shareholders, except for the cases in which the Bylaws require the use of ordinary methods and majorities and those in which appointment by list voting is not permitted or is not possible.

Again pursuant to art. 14 of the Bylaws, lists may be submitted exclusively by shareholders who, within the limits established by statutory legislation are either individually or together with other shareholders

globally in possession of shares with voting rights representing at least 2.5 % (two point five percent) of the subscribed and paid-up capital having voting rights in the ordinary Shareholders' Meeting for appointments of corporate offices, or any different higher or lower percentages established by statutory legislation and regulations. In this regard, the participation threshold established pursuant to the Consob Issuers' Regulation in Consob decision no. 60 of 28 January 2022 is 1.00%, without prejudice to any lower percentage envisaged in the Bylaws.

Each candidate may appear in a single list on pain of ineligibility. In addition, each shareholder who intends to propose (or join in proposing) candidates for the office of director must file (or join in filing) the following at the registered offices, by the deadline envisaged in the current regulations and pursuant to the Bylaws in force at the date of approving this Report:

- a) a list of candidates, not exceeding 13 (thirteen) persons, giving each a sequence number; at least the first candidate in sequence on the list must satisfy the independence requirements established in art. 147-(3), subsection 4, TUF, and the criteria for qualification as independent pursuant to the code of conduct of Borsa Italiana S.p.A., adopted by the Company time by time; without prejudice to the above, lists comprising at least 3 (three) candidates must contain candidates from different genders, as specified in the notice of Shareholders' Meeting, in order to ensure compliance with current regulations governing gender balance;
- b) the curriculum vitae of each candidate, containing full information on their personal and professional characteristics, with indication, if applicable, of their satisfaction of the independence requirements established in art. 147-(3), subsection 4, TUF, and the criteria for qualification as independent pursuant to the code of conduct of Borsa Italiana S.p.A., adopted by the Company time by time, as well as: (i) the non-executive directorships and memberships of control bodies held in companies listed on regulated stock markets (including foreign stock markets), in finance companies, banks, insurance companies, or companies of significant size, these latter being construed as companies whose most recent annual financial statements report assets or sales in excess of 500,000,000.00 euro (five hundred million); (ii) the executive directorships of any company, including companies not covered by the categories specified in the previous point (i), with the sole exception of companies engaged in the "mere utilization" of property, shareholdings or other assets, and companies whose most recent annual financial statements reported sales of not more than 50,000,000.00 euro (fifty million); (iii) the offices pursuant to art. 2390, subsection 1, Civil Code that require the Shareholders' Meeting to make an exception to the legal ban on competition, with the added specification that it is not necessary to disclose offices in companies directly or indirectly controlled by the Company, which are generally assumed to have been approved by the Company in advance. For each company in which offices are held, it is necessary to specify its name, location, company registration number or equivalent, and the nature of the position held (including status as executive director, non-executive director, or independent director);
- c) the declarations of each candidate expressing their willingness to take office in the event of election and attesting, under their personal responsibility, to the absence of any causes for ineligibility or incompatibility, the possession if applicable of the independence requirements and the criteria for qualification as independent pursuant to the code of conduct of Borsa Italiana S.p.A., adopted by the Company time by time, and the existence of any other requirements prescribed for the office, whether in law or in the Bylaws;
- d) details of the shareholders submitting the list, with their name, company name, location, company registration number or equivalent, and the percentage of the capital they hold in total, accompanied by a declaration consistent with that envisaged in art. 144-(6), subsection 4, letter b) of the CONSOB Issuers' Regulation, attesting to the absence of relations of association pursuant to art. 144-(5) of that CONSOB Regulation. Those submitting a list are obliged to indicate the minimum number of candidates complying with the independence criteria and the other requirements specified by law and to act in such a way as to ensure that the composition of the list, if comprising at least 3 (three) candidates, complies with the proportionality criterion for gender balance envisaged in current regulations. Also the specific certificate issued by an authorized broker, proving ownership, at the time of filing of the list with the Company, of the number of shares necessary for submission of the list, must be filed within the term envisaged by statutory regulations.

Each shareholder cannot submit (or join in submitting) more than one list nor can they vote for different lists, even by means of an intermediary or trust company. Shareholders from the same group and shareholders subscribing to a shareholders' agreement based on treasury shares, cannot submit or vote for more than one list, even by means of an intermediary or trust company.

Lists for which the foregoing instructions are not observed are treated as not submitted.

Notification is provided of the lists submitted in the cases and with the methods established by current provisions, and with any other method considered to be fitting by the Board of Directors.

The shareholder or shareholders who have submitted (or joined in submitting) a list associated, even indirectly, with one or more shareholders who have submitted (or joined in submitting) another list, are required to provide a statement to this effect at the beginning of the Shareholders' Meeting called to appoint the directors, and said statement must be recorded in the minutes of the Meeting. A relation of association is deemed to exist in the cases envisaged in art. 144-(5) of the CONSOB Issuers' Regulation.

The Board of Directors is elected as follows:

- a) all the directors to be elected less one will be taken, on the basis of the sequential number with which the candidates are listed, from the list that receives the highest number of votes; all the directors of the least represented gender, as required by statutory legislation concerning the gender balance, will also be taken from that list except if the remaining director, taken from the list that received the second highest number of votes, is of the least represented gender: in that case all the directors of the least represented gender, as required by statutory legislation, will be taken from the list that obtained the highest number of votes, except for one;
- b) the remaining director will be taken from the list that obtains the second highest number of votes, being the person indicated with the first sequential number in the list, without prejudice to the matters established in the preceding letter a) concerning gender balance;
- c) in the case of a tied vote (i.e., if two lists both receive the highest number of votes, or the second highest number of votes) the Shareholders' Meeting will repeat the ballot, with list voting, to appoint the entire Board of Directors;
- d) the candidates from the lists will be elected in compliance with the criteria indicated in the foregoing letters a), b) and c), without prejudice to the provisions set down under the following letters e), f) and g);
- e) if just one list is duly submitted, all the directors to be appointed will be taken from that list, on the basis of the sequential order with which the candidates appear in the list, again in compliance with the statutory legislation on the independence of directors and gender balance;
- f) if the list that received the second highest number of votes fails to obtain a percentage of the votes equivalent at least to half of those necessary for submission of the lists envisaged in art. 14, subsection 3, of the Bylaws, all the directors to be appointed will be taken from the list that receives the highest number of votes cast by the shareholders, on the basis of the sequential number with which the candidates appear in the list;
- g) if the list that received the second highest number of votes has received votes cast by one or more shareholders considered to be associated, pursuant to art. 14, subsection 9, of the Bylaws, with one or more of the shareholders that submitted (or joined in submitting) the list that received the highest number of votes, such votes will not be counted. Consequently, if without considering such votes, another list emerges as the second most voted list, the remaining director will be the candidate with the first sequential number appearing in that other list;
- h) if no list is submitted, including in application of the provisions of art. 14, subsection 7, of the Bylaws, or if, for any reason, the appointment of one or more directors cannot be made in accordance with art. 14, subsection 10, of the Bylaws, the Shareholders' Meeting will adopt a resolution with the majorities required by law, anyway ensuring the presence of the necessary number of directors in possession of the legal requirements of independence and in compliance with statutory legislation concerning gender balance.

Pursuant to the Bylaws in force at the date of approving this Report, the independent directors must notify the Board of Directors immediately about their loss of the independence requirements established by law and, with regard to the directors indicated first on the lists, their failure to satisfy the criteria for qualification as independent pursuant to the code of conduct of Borsa Italiana S.p.A., adopted by the Company time by time. The loss of said requirements or suitability will result in expiry of their term of office.

Without prejudice to the provisions of art. 14, subsection 15, the Bylaws of the Issuer also envisage that: (i) should, during the financial year, one or more directors taken from the list that received the highest number of votes or elected with the ordinary methods and majorities cease to be available for whatsoever reason, and should such unavailability not result in loss of the majority of the directors appointed at the Shareholders' Meeting, the Board of Directors will replace the unavailable director or directors by means of co-option, pursuant to art. 2386 Civil Code. The co-opted director will remain in office until the next

Shareholders' Meeting, which will confirm or replace that director using the ordinary procedures and majorities, without recourse to list voting; and (ii) should, during the financial year, the director taken from the list that received the second highest number of votes cease to be available for whatsoever reason, and should said unavailability not result in loss of the majority of the directors appointed at the Shareholders' Meeting, the Board of Directors will replace the unavailable director by means of co-option of the candidate appearing with the second sequential number in such list, provided that candidate is still eligible and willing to accept the office, or otherwise, by co-option of the candidate appearing with the third sequential number in the same list, and so forth, until all the candidates appearing in the list have been exhausted. Should it not be possible to co-opt any director from this last list, the candidate indicated with the first sequential number on the list that obtained the third-largest number of votes will be co-opted, on condition that such list reached the minimum quorum envisaged in art. 14, subsection 10, letter f), of the Bylaws, and that the candidate is still eligible and willing to accept the office; otherwise, the candidate indicated with the second sequential number on the same list will be co-opted, and so forth, until all the candidates appearing in the lists reaching the minimum quorum envisaged above in subsection 10, letter f), have been exhausted. Should it prove impossible to co-opt a director from the lists indicated above, the Board of Directors will co-opt a director of its own choosing.

As an exception to the provisions of art. 14, subsections 13 and 14, of the Bylaws, subsection 15 envisages that, should the unavailable director be an independent director, said director must be replaced, even by means of co-option, with another independent director, and should the unavailable director have to qualify as independent pursuant to the code of conduct of Borsa Italiana S.p.A., adopted by the Company time by time, said director must be replaced, even by co-option, by another director with equivalent qualifications. Likewise, if the unavailable director is of the less represented gender and cessation results in failure to satisfy the proportionality criterion for gender balance, the director concerned must be replaced, also by co-option, by a director of the same gender, in order to ensure compliance with the relevant statutory legislation at all times.

Additionally, the provisions of art. 14, subsection 16, of the Bylaws state that, should the majority of directors appointed at the Shareholders' Meeting cease to serve, instead of replacing the unavailable director or directors by means of co-option, the entire Board of Directors will be deemed to have resigned and a Shareholders' Meeting must be called without delay so that the Board can be reconstituted by means of list voting.

In terms of gender balance, art. 147-(3) TUF requires the least represented gender to comprise at least two-fifths of the elected directors. The Corporate Governance Code specifies at least one-third of the total. Additionally, CONSOB Communication 1/20 dated 30 January 2020 specifies that, if the board of directors only comprises three members, the result of the two-fifths calculation referred to above must be rounded down. In all other cases, as in the past, the result must be rounded up to the nearest whole number.

Apart from the requirements of the TUF and the Corporate Governance Code, the Issuer is not subject to any other regulations concerning the composition of the Board of Directors.

See Section 7 of this Report for information about the role of the Board of Directors and the Board committees in the self-assessment, appointment and replacement of directors.

#### **4.3. COMPOSITION (ex art. 123-(2), subsection 2, letters d) and d-(2), TUF)**

At the date of this Report, the Board of Directors of Interpump Group S.p.A. is composed of ten executive and non-executive directors, all with the professionalism and skills needed for the duties assigned to them. The current composition and specific skills of the non-executive directors ensure that they have significant weight when Board decisions are made, paying particular attention to monitoring the management of the Company and areas where conflicts of interest may arise.

The Board of Directors is now composed as follows:

<b>Name</b>	<b>Office</b>
Fulvio Montipò	Chairman and Chief Executive Officer <sup>(1)(2)</sup>
Giovanni Tamburi	Deputy Chairman <sup>(1)</sup>
Fabio Marasi	Executive Director <sup>(3)</sup>

Angelo Busani	Non-executive and independent Director
Claudio Berretti	Non-executive Director
Antonia Di Bella	Non-executive and independent Director
Marcello Margotto	Non-executive and independent Director <i>Lead Independent Director</i>
Federica Menichetti	Non-executive and independent Director
Stefania Petruccioli	Non-executive and independent Director
Paola Annunziata Tagliavini	Non-executive and independent Director

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- (1) powers to represent the Company pursuant to art. 17 of the Bylaws
- (2) powers related to ordinary business with limitation of the amount beyond which the decision must be referred to the Board of Directors.
- (3) Executive director pursuant to the definition contained in Corporate Governance Code.

The Shareholders' Meeting held on 30 April 2020 appointed a Board of Directors composed of 10 members, in office until the date of approval of the financial statements at 31 December 2022.

Prior to the appointments at the Meeting held on 30 April 2020, two lists of candidate directors were presented: (i) the first by Gruppo IPG Holding S.p.A., which at the date of presenting the list held 25,406,799 ordinary shares in Interpump Group S.p.A., equivalent to 23.334% of the share capital, deposited and published on 8 April 2020, and (ii) the second by a group of asset management companies and institutional investors, which at the date of the presenting the list held a total of 7,295,453 ordinary shares in Interpump Group S.p.A., equivalent to 6.700% of the share capital, deposited and published on 8 April 2020.

The names of the candidates in the above-mentioned lists are:

List 1 from Gruppo IPG Holding S.p.A.:

- Marcello Margotto, born in Bologna on 1 January 1961 (independent candidate pursuant to the combined provisions of art. 147-[3], subsection 4, and art. 148, subsection 3, TUF);
- Fulvio Montipò, born in Baiso (RE) on 22 October 1944;
- Giovanni Tamburi, born in Rome on 21 April 1954;
- Victor Gottardi born in Bolzano on 19 June 1970;
- Paola Annunziata Tagliavini, born in Milan on 23 October 1968 (independent candidate pursuant to the combined provisions of art. 147-[3], subsection 4, and art. 148, subsection 3, TUF);
- Stefania Petruccioli, born in Milan on 5 July 1967 (independent candidate pursuant to the combined provisions of art. 147-[3], subsection 4, and art. 148, subsection 3, TUF);
- Federica Menichetti, born in Rome on 3 January 1976 (independent candidate pursuant to the combined provisions of art. 147-[3], subsection 4, and art. 148, subsection 3, TUF);
- Antonia Di Bella, born in Drapia (VV) on 17 February 1965 (independent candidate pursuant to the combined provisions of art. 147-[3], subsection 4, and art. 148, subsection 3, TUF);
- Fabio Marasi, born in Reggio Emilia on 16 December 1977;
- Claudio Berretti, born in Florence on 23 August 1972.

List no. 2 of group of asset management companies and institutional investors:

- Angelo Busani, born in Parma on 4 October 1960 (independent candidate pursuant to the combined provisions of art. 147-[3], subsection 4, and art. 148, subsection 3, TUF);

- Franca Brusco, born in Catanzaro on 5 October 1971 (independent candidate pursuant to the combined provisions of art. 147-[3], subsection 4, and art. 148, subsection 3, TUF).

Further to the votes case, list no. 1 submitted by the shareholder Gruppo IPG Holding S.p.A. obtained favorable votes for a number of shares equivalent to 57.952% of the share capital represented in the Shareholders' Meeting. List no. 2 submitted by the group of asset management companies and institutional investors obtained favorable votes equivalent to 41.632% of the share capital represented in the Meeting. Therefore, the Shareholders' Meeting elected the following candidates to the office of directors of Interpump Group S.p.A.:

- Marcello Margotto;
- Fulvio Montipò;
- Giovanni Tamburi;
- Victor Gottardi;
- Paola Tagliavini;
- Stefania Petruccioli;
- Federica Menichetti;
- Antonia Di Bella;
- Fabio Marasi
- Angelo Busani.

On 4 August 2021, the Board of Directors co-opted non-executive director Claudio Berretti to replace executive director Victor Gottardi, who resigned in July 2021.

See Table 2 annexed to this Report for further information about the composition of the Board of Directors of the Issuer.

Information about the personal and professional characteristics of each appointed directors is provided below.

### ***Fulvio Montipò***

Year of birth: 1944

Role: Chairman and Chief Executive Officer.

Date of first appointment: April 2013.

Appointments held in other significant companies<sup>1</sup>: none.

Born in Baiso (RE) on 22 October 1944, degree in Sociology from the University of Trento (1972). Personnel Manager - Organizational Director with Bertolini Macchine Agricole (1967-1972). General Manager of Bertolini Idromeccanica (1972-1977). Founder of Interpump Group S.p.A., where he has been the Chief Executive Officer since the date of incorporation.

### ***Giovanni Tamburi***

Year of birth: 1954

Role: Deputy Chairman.

Date of first appointment: April 2005.

Appointments held in other significant companies: six.

Born in Rome on 21 April 1954, degree in Trade and Economics from the La Sapienza University in Rome. Member of the Law 35/92 commission established by the Ministry of Economic Planning (Commission for privatizations) and member of the Advisory Board for Privatizations of the Municipality of Milan, 1992-1993. Financial analyst at S.O.M.E.A. S.p.A. (February 1975-July 1977) and for the

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<sup>1</sup> Appointments held in other significant companies at 31 December 2022, in order to guide the Board of Directors regarding the maximum cumulative number of appointments.

Bastogi Group (September 1977-September 1980). From 1980 to 1991, he held important roles within Euromobiliare (Midland Bank Group), becoming director of Euromobiliare S.p.A., General Manager of Euromobiliare Montagu S.p.A., the investment banking arm of the group. From 1992, Founder, Chairman and Chief Executive Officer of Tamburi Investment Partners S.p.A., an independent investment/merchant bank focused on the development of excellent Italian mid-sized companies listed on the Euronext Star Milan market of Borsa Italiana. Author of many books, specialized publications and articles.

With regard to significant appointments held in other companies: Chairman and Chief Executive Officer of Tamburi Investment Partners S.p.A., a listed company Director of Amplifon S.p.A., a listed company (diagnosis, application and sale of hearing solutions); Deputy Chairman of Alpitour S.p.A. (tourism sector); Deputy Chairman of OVS S.p.A., a listed company (clothing sector); member of the Supervisory Board of Roche Bobois Groupe SA, a listed company (high-end furnishings); Sole Director of Gruppo IPG Holding S.p.A. (investment holding company).

### ***Fabio Marasi***

Year of birth: 1977

Role: executive director

Date of first appointment: April 2020

Appointments held in other significant companies: none

Born in Reggio Emilia on 16 December 1977, degree in Business Economics from the University of Parma. From July 2001 to March 2002, worked on private equity matters for Bank of America Equity Partners; from 2002 to 2004, investment manager at Interbanca Gestione Investimenti SGR S.p.A., with direct responsibility for investing on behalf of the private equity funds managed. From 2005 to 2007, M&A manager and Investor Relations Manager for Panariagroup Industrie Ceramiche S.p.A., a listed company active in the ceramics sector; from 2008 to 2013, CFO of Eukedos S.p.A., a listed company active in the healthcare sector. From 2014 to 2015, Senior Investments Manager at Alto Partner SGR S.p.A., a private equity fund manager.

Joined the Interpump Group in 2016 as Manager of the Hydraulic Hoses and Fittings division until January 2019, then becoming CEO of GS Hydro Group, Reggiana Riduttori S.r.l. and Transtecno S.r.l., until appointment in 2021 as Chairman and Chief Executive Officer of Walvoil S.p.A. As M&A Director, completed a series of major international acquisitions for the Interpump Group; Board member of many other Group companies.

### ***Claudio Berretti***

Year of birth: 1972

Role: non-executive director

Date of first appointment: August 2021

Appointments held in other significant companies: seven

Born in Florence on 23 August 1972, degree in Business Economics from LIUC – Libero Istituto Universitario Carlo Cattaneo. From November 1993 to July 1994, researcher for Federtessile in Milan; September 1994 to April 1995, experience in the finance department at Fiat UK Ltd. May 1995 to August 1995, experience in treasury and financial management at Magneti Marelli UK. From September 1995, professional activities for Tamburi Investment Partners S.p.A., listed on the Euronext Star Milan market of Borsa Italiana, becoming General Manager and director in 2007. Author of numerous specialist papers.

With regard to significant appointments held in other companies: director of Tamburi Investment Partners S.p.A., Digital Magics S.p.A., Monrif S.p.A., SeSa S.p.A., Alpitour S.p.A. and ITH S.p.A., all listed companies, and Chairman of the Board of Directors of Be Shaping The Future S.p.A.

### ***Angelo Busani***

Year of birth: 1960

Role: non-executive and independent director

Date of first appointment: April 2017

Appointments held in other significant companies: two.

Born in Parma on 4 October 1960, degree in Law from the University of Parma in 1984; Notary in Milan since 1989. Journalist and member of the Order of Journalists since 1979; commentator for *Il Sole 24 Ore* since 1988.

Adjunct professor at Bocconi University in Milan since 2000, teaching Private Law, Civil Law (contracts, international contracts, supply contracts) and Insurance Law. From 2016 to 2019, adjunct professor at Libera Università Mediterranea - LUM Jean Monnet, teaching Private Law. Adjunct professor of Tax Law at the University of Parma from 2000 to 2009; from 1989, tutor at several post-university training organizations specializing in taxation, international taxation, private banking and real estate.

From 2012 to 2021, Arbitrator for the Arbitration Board of the Milan Chamber of Commerce. From 2016, Chairman of the Board of Directors of Credit Suisse Servizi Fiduciari S.p.A. – asset trust company – and from 2022, member of the Board of Directors of BNM S.r.l. – hotel industry operating in Venice. From 2016 to 2018, independent member and chairman of the Control and Risks Committee of the Board of Directors of Beni Stabili S.p.A. – a real estate company listed on the Italian stock exchange. From 2019 to 2021, independent member of the Board of Directors of Datalogic S.p.A. - electronics sector, listed on the Italian stock exchange. From 2013 to 2016, independent member of the Supervisory Board and Nomination Committee of Banca Popolare di Milano Soc. Coop. (bank listed on the Italian stock exchange). Chairman of the Board of Directors of Linea Pelle S.p.A. – leather exhibition operator – from 2015 to 2016; independent member (from 2012 to 2013) of the Board of Directors of Fondiaria SAI S.p.A. – insurance company listed on the Milan stock exchange – chairman of the Related Parties Committee and member of the Remuneration Committee. Member of the Board of Directors and Chairman of the Supervisory Body pursuant to Decree 231/2001 of S+R S.G.R. S.p.A. (March 2008 – July 2010) – a Unicredit Group investment manager. From 2009 to 2010, member of the Board of Governors of Automobile Club d'Italia of Milan – the organizing body of the Italian F1 Grand Prix –; from 2005 to 2009, member of the Board of Directors of Unicredit Corporate Banking S.p.A. (banking institute); from 2004 to 2011, secretary to the Board of Directors of Parmalat S.p.A. – dairy industry, listed on the Italian stock exchange; in 2001, member of the Committee for the Privatization of the Parma Exhibitions Agency; from 1999 to 2000, member of the Board of Directors of Bormioli Rocco & Figlio S.p.A. – glassware industry. Author of many books, specialized publications and articles.

With regard to significant appointments currently held in other companies, in addition to Chairman of the Board of Directors of Credit Suisse Servizi Fiduciari S.p.A., from 2018 to date: Chairman of the Board of Directors of La Trust Company S.p.A. - company specialized in the formation and management of trusts.

### ***Antonia Di Bella***

Year of birth: 1965

Role: non-executive and independent director.

Date of first appointment: April 2017

Appointments held in other significant companies: three

Born in Drapia (VV) on 17 February 1965, degree in Economic and Social Sciences from the University of Calabria in 1990; Senior Counsel for ADVANT Nctm, law firm in Milan, since 2016. Italian Public Accountant and Registered Legal Auditor.

From the 2016/17 academic year, teaches Accounting and Management in Insurance - part of a master's degree course in statistical, actuarial and economic sciences - at Università Cattolica del Sacro Cuore in Milan. Partner in charge of the insurance sector at Mazars S.p.A. (October 2007 – July 2015). 1992–2006 Senior Manager at KPMG S.p.A., specializing in legal auditing and consultancy services for insurance and finance companies. Member of Insurance Technical Commission of the Italian Accounting Board (OIC). Member of the Steering Committee of the Master in Insurance Risk Management from 2011. Participated and continues to participate in several teaching positions and gives talks at symposia and conventions on the subjects of corporate governance, internal control and financial statements of insurance firms. From April 2016 to April 2022, Serving Statutory Auditor at Maire Tecnimont S.p.A. (plant engineering company for the Oil and Gas sector, listed on the Milan Stock Exchange).

With regard to significant appointments currently held in other companies: serving member of the Boards of Statutory Auditors of: (i) Assicurazioni Generali S.p.A. from April 2014 – insurance company listed

on the Italian stock exchange; (ii) Primo Ventures SGR S.p.A. from October 2021 - asset management company; (iii) from October 2017, Chairman of the Board of Statutory Auditors of Yolo Group S.p.A. - insurance broker.

***Marcello Margotto***

Year of birth: 1961

Role: non-executive and independent director; Lead Independent Director

Date of first appointment: August 2015

Appointments held in other significant companies: two

Born in Bologna on 1 January 1961, degree in Trade and Economics from the University of Bologna in 1986. Registered as an Italian Public Accountant from 1988 and as a Legal Auditor from 1989; 1987-1988, sales-marketing assistant at the “La Perla fashion Group. 1987-1988, specialist in business, tax and corporate advisory work at Studio Piombini, Bologna. 1989-1991, professional collaboration with Studio Napodano, specialized in court-supervised arrangements, tax and corporate advisory work for industrial groups. 2008 to date, founder and principal owner of RD Team Srl, specialized in obtaining assistance and tax credits for R&D and innovation work by SMEs and large firms, networks of firms, start-ups and innovative SMEs. 1992, founder and partner of Studio Margotto & Partners, specialized in tax, corporate and business advisory work for firms and groups of companies, permanent establishments of foreign companies and groups in Italy, and the development and internationalization of SMEs.

With regard to significant appointments currently held in other companies: non-executive director and member of the Remuneration and Nomination Committee of Faac S.p.A. – automated gates, automated doors and parking systems - and non-executive director of Faac Partecipazioni Industriali S.r.l. (investment holding company).

***Federica Menichetti***

Year of birth: 1976

Role: non-executive and independent director

Date of first appointment: April 2020

Appointments held in other significant companies: five

Born in Rome on 3 January 1976, degree in Law from the La Sapienza University in Rome and a master degree in corporate law. Registered on the roll of legal attorneys of Rome. From 2003 to 2006, consultant at Studio Camozzi & Bonisconi in Rome. From 2006 to 2016, rising to Senior Manager at KPMG Studio Associato Legale e Tributario. From 2017 to 2021, Independent Compliance Lawyer. From October 2021, Partner at Studio Associato Legale e Tributario Vega Law, with offices in Rome, Bologna and London. Expert in compliance procedures (Decree 231/2001, anti-corruption, anti-money laundering, data protection, etc.), Risk Management, Remuneration Policies and Corporate Governance. She has participated as a tutor on master’s courses and/or conferences organized by several institutes, namely Cattolica University, University of Bologna and Bologna Business School. Member of the Association of Supervisory Bodies (AODV).

With reference to relevant positions held in other companies: she is member of the Board of Statutory Auditors in the listed company Ovs S.p.a., operating in fashion sector, and for Neodecortech S.p.A., listed company active in the production of decorative papers for faced panels and of flooring used in the interior design sector. Statutory Auditor of 21 Investimenti SGR S.p.A., an asset management company, for Valentino S.p.A., active in the fashion sector, and for Sisal S.p.A., active in the gaming sector.

***Stefania Petruccioli***

Year of birth: 1967

Role: non-executive and independent director

Date of first appointment: June 2015

Appointments held in other significant companies: four

Born in Turin on 5 July 1967, degree in Business Economics from Bocconi University, Milan, in 1991. Registered Italian Public Accountant from 1992. 1991-2004, various roles at Bocconi University, including adjunct Professor teaching “Economics and business management”, lecturer in “financial strategies for business development” and fellow at the “A. Lorenzetti” Institute for Studies on Stock Exchange Markets. 1991-1994, tax and corporate advisory work at Studio Associato di Dottori Commercialisti “CamoZZi Bonissoni”. 1995-1998, analyst for Medinvest S.p.A. - company specialized in Mergers & Acquisitions and Corporate Finance. 1998-2000, investment analyst and management at Eptaventure S.r.l. (Eptaconsors group) - closed-end fund management company. 2000-2005, investment manager and active management of equity investments, assisted by Livolsi & Partner S.p.A. at Convergenza Com S.A. - management company for the Convergenza Fund, specialized in private equity and venture capital transactions in the media, telecoms, Internet and biotechnology sectors. 2004-2014, partner at Progressio SGR S.p.A. - management company for two private equity funds. 2014 to 2021, investment manager for Principia SGR S.p.A. - management company for venture and capital growth funds; from 2022, senior partner at Hope Scaf S.p.A., investment company that collects funds for investment in SMEs and urban sustainability projects.

Four significant appointments currently held in other companies: independent director and chairman of the Control, Risks and Sustainability Committee and the Remuneration and Nomination Committee of De Longhi S.p.A. (from 2013) - listed company active in the household appliances sector; same appointments at Rcs Mediagroup S.p.A. (from 2016) - multimedia publishing sector; independent director of Credit Access India N.V., holding company that operates via CA Grameen in the micro-credit sector in India; director of Aidexa S.p.A., company active in the fintech sector.

### ***Paola Tagliavini***

Year of birth: 1968

Role: non-executive and independent director

Date of first appointment: April 2014

Appointments held in other significant companies: three

Born in Milan on 23 October 1968, degree in Business Economics from Bocconi University, Milan, specializing in Finance, in 1992. Registered Legal Auditor. 1993-2003, teaching and research on Business Protection topics and researcher at the Bocconi University SPACE Center. 1997, Visiting Researcher at the Department of Insurance & Risk Management at the Wharton School. Lecturer at Bocconi University on “Company Auditing (advanced course)”, Internal Audit, Risk and Corporate Compliance” and “Enterprise Risk Management”; also SDA lecturer in “Risk Management” in the Administration, Control, Business Finance and Real Estate area. Faculty member for Audit, Risk and Compliance matters for the Master in Corporate Finance and the Executive Master in Finance. From 2012, joint director of the SDA Bocconi Lab-ERM and lecturer of SDA executive courses on internal control and risk management matters.

Two decades of experience in risk management, having directed specialist teams at Marsh (1999-2007), as manager of the Business Risk Advisory of Marsh Italia and member of the European Advisory Board of Marsh Risk Consulting; manager of the Corporate Risk Italia practice at Oliver Wyman (2007-2009); manager of AON risk management consultancy team for Italy and Turkey (2009-2011). Currently Managing Partner at DGPA Risk, the risk management consultancy unit of DPGA & CO.

Author of publications and speaker at numerous conferences on risk management, compliance and internal control matters.

With regard to significant appointments currently held in other companies: independent director and chairman of the Control and Risk Committee, as well as member of the Remuneration and Nomination Committee and the RPT Committee of Siapem S.p.A. (services for the energy and infrastructure sector); independent director and chairman of the Control, Risks and Sustainability Committee, as well as member of the Remuneration and Nomination Committee of Rai Way S.p.A. (management of the broadcasting network of RAI - radiotelevisione italiana); in addition, from April 2022, independent director and Chairman of the Risks and Sustainability Committee, as well as member of the RPT Committee of Intesa San Paolo S.p.A. - Italian banking institution.

### **Diversity criteria and policies for the composition of the Board and within the organization**

In terms of the composition of the Board of Directors of the Issuer, an adequate level of diversity was achieved on renewal of the corporate bodies, considering not only gender, but also such aspects as age, training and professional experience.

Notably, the Corporate Governance Code reminds Issuers that at least one third of the members of the Board of Directors and the Board of Statutory Auditors must be drawn from the less represented gender, inviting them to implement suitable measures that promote equal treatment and opportunity.

Subsection 1-(3) of art. 147-(3) and subsection 1-(2) of art. 148 TUF provide instructions on gender balance for the administrative and control bodies of listed company; these were amended in the 2020 Budget Law, which raised the presence of the less represented gender on those bodies to at least two fifths, with rounding up to the nearest integer. Given the new regulatory requirements, the two-fifths criterion has been applied from the first renewal of the corporate bodies subsequent to the entry into force of the 2020 Budget Law (3 January 2020).

The Bylaws already include rules for the composition of lists and supplementary voting mechanisms that ensure gender balance on the Board of Directors and the Board of Statutory Auditors, confirming the requirements of the applicable regulations.

With regard to the aspects of diversity (e.g. age, training and professional experience), the following information is provided with regard to the current Board of Directors: (i) the Board comprises 2 Executive Directors, 2 Non-Executive Directors and 6 Non-Executive and Independent Directors; (ii) the average age of Board members is 58; (iii) the diversity of the training and professional profiles of the Directors (see Section 4.3) ensures that the Board has the appropriate skills needed to manage the Company.

At the meeting held on 15 February 2023, the Board of Directors of the Issuer determined that the size, composition and functioning of the Board and its Committees during the reference period were adequate. In compliance with statutory legislation, at least two-fifths of the members of administrative and control body of Interpump Group S.p.A. are drawn from the less represented gender, without prejudice to the priority objective of assuring adequate levels of competence and professionalism among the members of the Board.

As established in the Code of Ethics and the Guidelines on Human Rights (Global Compliance Program), the Interpump Group strives to ensure that the diversity of all employees and job applicants is respected, promoting the principle of equal opportunities from the time of establishing the working relationship and in each subsequent phase. The measures designed to promote equal treatment and opportunities for each gender within the entire organization are contained in the Code of Ethics and the Guidelines on Human Rights (Global Compliance Program), which are published on the website of Interpump Group S.p.A. in the Governance section (<https://www.interpumpgroup.it/uk/governance.aspx>).

### **Cumulative limits on appointments held in other companies**

With regard to the maximum number of offices a director may hold (Recommendation 15, Corporate Governance Code), the Board of Directors has established that:

- the availability of the time needed to carry out their duties is a fundamental requirement that Directors must satisfy, having regard for their membership of any Board Committees on which they are requested to serve. Serving Directors must therefore constantly assess the adequacy of the time that they are able to dedicate to their appointment, having regard for the time already dedicated to other working and professional activities, as well as their roles in other companies;
- with regard to the obligation for Directors to inform the Company about the non-executive directorships or memberships of boards of statutory auditors already held in certain types of company and the executive directorships held in any company, the Nomination Committee notes the opinion already expressed by the Board of Directors on the accumulation of offices (pursuant to Recommendation 15 of the Code), which states as follows: *the Board recommends that the Shareholders' Meeting should not appoint persons as executive Directors of the Company when they already hold executive appointments in one or more other companies (including companies not classified as "significant companies", with the sole exceptions of (i) those that "merely hold" real estate, equity investments or other assets with annual sales of not more than 50 million euro, and (ii) companies controlled directly or indirectly by the Group); or are non-executive directors in four or more other "significant companies"*;
- the Shareholders' Meeting shall not appoint Directors of the Company to non-executive, independent or non-independent office when they are already executive directors in two or more "significant

companies"<sup>2</sup>, or non-executive directors or statutory auditors in ten or more other "significant companies";

- the Board will only assign executive offices to the Directors appointed at the Shareholders' Meeting, and will only approve the assignment of executive offices in Interpump Group companies, when not incompatible with the above indicated limits, unless the Board, with a reasoned resolution, rules that there exist reasonable, objective grounds for either temporarily or permanently departing from these limits.

The Board of Directors has also decided to publish the aforementioned limits in this report and also at any Shareholders' Meetings held to make such appointments.

#### **4.4. FUNCTIONING OF THE BOARD OF DIRECTORS (ex art. 123-(2), subsection 2, letter d), TUF)**

The Board of Directors meets regularly, organizing and working to ensure the effective performance of its functions, in pursuit of the primary objective to create value for the shareholders in compliance with the directives and policies defined for the Group (See Principle IX, Corporate Governance Code).

As required by Recommendation 11 of the Code, the Issuer has prepared a regulation that governs the functioning of the Board of Directors, which was approved at the Board meeting held on 18 March 2022.

The Board regulation governs the composition of the Board, the procedures for appointing and replacing directors, their term in office and the maximum number of appointments that the directors can hold in other significant companies, as well as the roles and duties of the Board, including the procedures for calling, holding and minuting Board business. In particular, the regulation specifies that the Board of Directors will meet whenever necessary and when requested by at least two directors. Meetings must be called at least five days prior to the date fixed and, in urgent cases, at least two days beforehand. In order to assess the matters to be discussed, pre-meeting information is provided at least four days before the meeting, except in urgent cases, when the information is made available as soon as possible. This deadline was generally respected throughout the year.

The Directors and serving Statutory Auditors are required to keep confidential the documents and information acquired in the performance of their respective functions, as well as to comply with the rules adopted by the Company for the dissemination of such documents and information, which are documented in specific internal procedures for the management and processing of inside and confidential information (Art. 13).

The Chairman and Chief Executive Officer sets the Agenda and ensures that sufficient time is available to allow for constructive debate.

Acting on a proposal from the Chairman, the Board of Directors appoints and revokes a Secretary who satisfies adequately the necessary professionalism, experience and independence requirements.

From a hierarchical and functional standpoint, the Secretary reports to the Board and, consequently, to the Chairman.

In addition to working with the Chairman on the preparation of Board and Shareholders' Meetings, the administration of pre-meeting information and the preparation of Board minutes, the Secretary also provides impartial legal assistance and advice to the administrative body on the most important aspects to be addressed in order to ensure that the system of corporate governance functions properly.

At the meeting held on 14 February 2022, the Board of Directors appointed Giacomo Leo, General Counsel of Interpump Group S.p.A., as the Board Secretary pursuant to art. 15 of the Bylaws.

Board meetings may also be attended by the executives of the Company, as well as by the chief executive officers and manager of the Group companies, following written request to the Chairman from two or more directors, giving at least two working days' notice, in order to provide suitable detailed information about matters on the agenda within their remit, on the understanding that their participation is limited to those matters.

The Board met 9 times during 2022; the meetings lasted an average of about two hours. They were attended by about 97% of the directors and the presence of the independent directors averaged about 96%. The following table indicates the percentage participation of each Director at Board meetings:

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<sup>2</sup> Significant Companies are defined as listed or finance companies, banks, insurance companies or other companies whose total assets or sales exceed 500 million euro.

<b>Board members</b>	<b>% participation</b>
Fulvio Montipò	100%
Giovanni Tamburi	100%
Fabio Marasi	100%
Claudio Berretti	100%
Angelo Busani	100%
Antonia Di Bella	100%
Marcello Margotto	100%
Federica Menichetti	89%
Stefania Petruccioli	89%
Paola Annunziata Tagliavini	89%

The principal activities of the Board of Directors of Interpump Group S.p.A. during 2022 are summarized below, together with those carried out at the meetings held on 16 January 2023 and 15 February 2023:

- examined the annual budget of the Group for investment in 2022 - at the meeting held on 17 January 2022 - and for 2023 - at the meeting held on 16 January 2023;
- examined and approved of the criteria and procedures applied for the performance of impairment tests in 2021 - at the meeting held on 14 February 2022 - and in 2022 - at the meeting held on 15 February 2023;
- examined and approved of the reports on the organizational, administrative and accounting structure for 2021 - at the meeting held on 14 February 2022 - and 2022 - at the meeting held on 15 February 2023;
- acknowledged the report of the Control, Risks and Sustainability Committee on the activities carried out in 2021 and 2022;
- examined the transactions carried out by the Directors with related parties;
- approved the appointment and related responsibilities of the manager for the preservation of computerized documents at the meeting held on 14 February 2022;
- appointed Giacomo Leo as the Secretary of the Board of Directors at the meeting held on 14 February 2022;
- examined and approved the interim reports on operations and the half-year and annual financial statements, as well as the draft financial statements for 2021, at the meeting held on 18 March 2022;
- examined and approved the Non-Financial Statement prepared pursuant to Decree 254/2016 for 2021 - at the meeting held on 18 March 2022;
- assessed the independence of the Directors at the meeting held on 15 February 2023, and assessed positively the size, composition and functioning of the Board and its Committees;
- examined and approved the second section of the Report on remuneration policy and compensation paid pursuant to art. 123-(2) TUF;
- examined and approved the 2022/2024 Interpump Incentive Plan;
- examined and approved the regulation for the 2022/2024 Interpump Incentive Plan, approving the related procedures;
- examined and approved the Report on corporate governance and the ownership structure pursuant to art. 123-(3) TUF;
- examined and approved the periodic press releases;
- examined and approved the half-yearly reports on the activities of the Internal Audit, Risk & Compliance function, and the half-yearly reports on the activities of the Supervisory Body pursuant to Decree 231/2001;

- acknowledged the report of the Control, Risks and Sustainability Committee on the activities carried out in 2021 and 2022;
- acknowledged the risk assessment activities carried out during 2022;
- appointed Giovanni Poletti as Manager responsible for preparing the Company's financial reports pursuant to art. 154-(2) TUF at the meeting held on 31 August 2022;
- examined and approved the ESG Plan 2023-2025 at the meeting held on 5 October 2022;
- examined and approved the 2022 Plan of the Internal Audit, Risk & Compliance function at the meeting held on 18 March 2022;
- examined and approved amendments to the powers granted to the Chairman and Chief Executive Officer with regard to the making payments.

No fewer than seven meetings are envisaged for 2023, including five indicated on the calendar of corporate events for 2023 communicated to the public on 16 January 2023. At the date of this Report, the Board of Directors has met twice during 2023, on 16 January and 15 February.

See Section 7 for information about the self-assessment carried out by the Board and its Committees.

#### **4.5. ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

##### **Chairman of the Board of Directors**

The Shareholders' Meeting held on 30 April 2020 appointed Fulvio Montipò as the Chairman of the Board of Directors of Interpump Group S.p.A. At the same meeting, the Board of Directors appointed Fulvio Montipò as the Chief Executive Officer, granting him additional specific operating powers as his functional responsibility. In particular, in the performance of his functions, the Chairman of the Board of Directors:

- (i) supervises the management of all Group companies;
- (ii) makes recommendations to the Board of Directors about strategies and guidelines for the Company and the Group, and implements the related Board resolutions;
- (iii) makes recommendations to the Board of Directors about the purchase and disposal of investments in companies, businesses or lines of business and joint ventures, and implements the related Board resolutions;
- (iv) makes recommendations to the Board of Directors about other special finance operations, loans, mortgages and borrowing in general, including leasing, and implements the related Board resolutions;
- (v) supervises and assists the Finance Committee, which is tasked with the governance of financial matters and making proposals for the Board of Directors, providing in addition the necessary guidelines to Group companies on the management of financial matters;
- (vi) supervises the management of corporate information, with particular reference to inside information and its disclosure, as well as ensures compliance with the rules of corporate governance laid down in the legislative and regulatory provisions and Bylaws applicable to the Issuer;
- (vii) reports promptly to the Board of Directors on key legislative and regulatory changes concerning the Company and its executive bodies, with emphasis in particular on those concerning the directorship function and the preparation of written reports, as necessary, to describe the above changes.

In addition, during the year, the Chairman of the Board of Directors:

- (i) ensured the suitability of the pre-meeting information and the supplementary information supplied during Board meetings;
- (ii) enabled the Directors to perform their roles in an informed manner;
- (iii) guaranteed coordination of the activities of Board committees (with investigative, recommendation and advisory functions) with those of the Board;
- (iv) guaranteed the ability of executives of the Issuer and/or Group companies to attend Board meetings, including on request from individual directors, in order to provide appropriate

additional details about the matters on the agenda. During 2022, the Board did not consider it necessary to request executives of the Issuer and/or Group companies to attend its meetings;

- (v) ensured the adequacy and transparency of the self-assessment process followed by the Board, with assistance from the Nomination Committee;
- (vi) informed the Board regularly during the year about any developments in and significant content of the dialog held with shareholders.

Fulvio Montipò is both Chairman and Chief Executive Officer because his skills and experience enable him to perform the related duties simultaneously, in an effective manner. Thanks to his solid reputation, authority and trustworthiness, in his chairman role Group founder Fulvio Montipò represents the company to the outside world and offers a guarantee for shareholders and other stakeholders, exercising powers of initiative, coordination and balanced guidance of the activities of the Board of Directors, impartially maintaining the status quo among members of the board and ensuring they can rely on comprehensive and prompt information; in his role as Chief Executive Officer, given his specific prerogatives and managerial talent, he exercises propositional powers in relation to the Board of Directors, especially in relation to strategic planning and operating policies, which he implements through his office.

As recommended in the Corporate Governance Code, the Board of Directors has appointed Director Marcello Margotto as the Lead Independent Director. He acts as a point of reference and coordination for the requests and contributions of the non-executive directors, and offers an additional guarantee for the Board of Directors, having also the right to independently call meetings of the independent directors to discuss matters of significant interest with respect to operation of the Board of Directors or the Company's operating activities.

### **Board Secretary**

As envisaged in the Bylaws of the Issuer, the Board of Directors appoints a secretary who need not be a director. Additionally, in accordance with Recommendation 18 of the Corporate Governance Code, the regulation for the functioning of the Board of Directors approved at the Board meeting held on 18 March 2022 defines the functions and responsibilities of the Board Secretary and clarifies that the appointed person must satisfy adequately the related professionalism requirements (see Section 4.4 for this Report for further information about the Board regulation).

During the meeting held on 14 February 2022, acting on a proposal from the Chairman pursuant to art. 15 of the Bylaws, the Board of Directors appointed Giacomo Leo, General Counsel of Interpump Group S.p.A., as the Board Secretary after ensuring his satisfaction of the requirements for this role pursuant to the Board Regulation. The Secretary works with the Chairman on the preparation of Board and Shareholders' Meetings, the administration of pre-meeting information and the preparation of Board minutes; the Secretary also provides impartial legal assistance and advice to the administrative body on the most important aspects to be addressed in order to ensure that the system of corporate governance functions properly.

## **4.6. EXECUTIVE DIRECTORS**

### **Chairman and Chief Executive Officer**

At the meeting held on 30 April 2020, the Board of Directors granted Fulvio Montipò, Chairman and Chief Executive Officer, the general powers as sole signatory needed in order to carry out his duties in accordance with the law and the Bylaws of the Issuer:

- a) establish an organization and related administrative and accounting system appropriate to the nature and size of the business, capable of recognizing promptly any business crises and continuity issues, and take action without delay to adopt and implement any of the countermeasures envisaged by law to overcome the crises and restore business continuity;
- b) keep and sign the company's correspondence;
- c) form subsidiaries, take, purchase or sell equity investments at their enterprise value, determined in proportion to the entire share capital, without exceeding Euro 10,000,000.00 (ten million); purchase lines of business for amounts, inclusive of their net financial position, not exceeding 10,000,000.00 (ten million). Net financial position is defined to mean financial indebtedness net of liquid funds;

- d) obtain bank loans and lines of credit for the Company up to a maximum of Euro 50 million, agreeing with the chosen banks all the terms and conditions applicable to those facilities and completing all formalities needed to finalize them, and inform the Board at the next meeting;
- e) sell, without warranties, raw and ancillary materials, goods, semi-finished and finished products, on condition that their value does not exceed Euro 5,000,000.00 (five million), with the exclusion of real estate;
- f) purchase raw and ancillary materials, goods, semi-finished and finished products and all other unregistered, fungible assets, as well as - in general - sign all other contracts and accept all other commitments or obligations that are necessary and/or useful for the industrial and commercial management of the Company, on condition that the amounts concerned, both individually and together with other related transactions, do not exceed Euro 5,000,000.00 (five million); all unless specified differently below;
- g) purchase and sell motor vehicles pursuant to art. 54 of Decree no. 285 dated 30 April 1992, on condition that their value does not exceed Euro 100,000.00 (one hundred thousand/00), allow the cancellation of mortgages and restrictions on such vehicles, with or without collection of the related amounts receivable, exonerating the Keeper of the Public Motor Vehicle Register from all liabilities in this regard;
- h) give sureties in favor of subsidiaries for amounts not exceeding Euro 500,000.00 (five hundred thousand/00);
- i) collect any amounts due to the Company by any party (State, Public and Private Entities, firms, natural and/or legal persons), as well as give the appropriate receipts;
- j) hire and dismiss managers, clerical and factory workers and sign, amend and terminate the related payroll contracts, with the power to determine their salaries and wages, on condition that they reflect average market amounts; appoint agents and representatives and sign, amend and terminate the related contracts;
- k) sign, amend and terminate project-based collaboration contracts and simple consultancy contracts, on condition that they do not commit the Company to paying, for each contract in any one year, an amount in excess of Euro 250,000.00 (two hundred and fifty thousand/00), except for consultancy contracts with the auditing firm appointed to perform the accounting checks and companies that belong to its network, which must be examined and authorized in advance by the Board of Statutory Auditors;
- l) represent the Company in all relations and dealings with State tax, financial, administrative and judicial offices and with the related local and quasi-governmental administrations, with the right to agree income, promote judgments before all Administrative and Judicial Authorities of the Republic of Italy; present declarations, complaints and appeals against any measures adopted by the above Authorities and Offices and sign the related documents and/or deeds;
- m) represent the Company in judgment before all Authorities of the Republic of Italy and Foreign States, as well as supranational Authorities, appoint lawyers and solicitors for court cases, including those before the courts of appeal and cassation and before the Constitutional Court;
- n) settle and conciliate all outstanding matters and disputes between the company and third parties, appoint arbitrators and friendly mediators, and sign the related settlement deeds;
- o) represent the Company in all bankruptcy procedures with all the necessary powers; promote and/or apply for declarations of bankruptcy, attend creditors' meetings, accept appointment and serve as a member of the Creditors' Committee, if the company is appointed; declare the amount receivable and confirm that it is real and due, accept and reject proposed arrangements and do everything that is necessary and/or useful in relation to the above procedures;
- p) receive ordinary and/or registered and/or insured letters and packets from post and telegraph offices, shipping companies and all other transport companies; collect postal and telegraph orders, bonds and checks of any kind and amount; request and receive amounts, securities, goods and documents, signing the related receipts, releases and waivers of responsibility, in relation to any public and/or private Administration; including any public and/or private treasury, including the State Treasury, Cassa Depositi e Prestiti, the Public Debt Office, Customs Offices and National and Private Railways, whether centrally or at regional and/or decentralized offices, and including the Regional Departments of the Tax Authorities and their Local Branches; carry out all deeds and transactions with the above Administrations;

- q) sign notes drawn on customers of the Company, give receipts for promissory notes and payment orders, endorse checks, notes and promissory notes for the purpose of collecting them and paying them into the Company's current accounts or protesting their non-collection, present for discounting promissory notes issued to the Company by customers and notes issued by the company that are drawn on customers;
- r) receive, make and release deposits, including guarantee deposits, and agree to restrictions of all kinds;
- s) carry out all financial transactions for the ordinary administration of the Company, open bank current accounts and a current account in the Company's name with the postal current account administration, make withdrawals, give instructions, sign checks drawn on the above current accounts, even if overdrawn but within the lines of credit granted, check the above current accounts and approve their statements; with regard to payment instructions, the mandate is granted up to a maximum for each instructions of Euro 200,000.00 (two hundred thousand); for larger amounts, a double signature with another authorized party is required; with regard to the signature of current account checks, authorization is granted up to a maximum amount for each check of Euro 5,000.00 (five thousand/00);
- t) hire and terminate executives, with the exclusion of the general manager whose gross annual remuneration does not exceed Euro 250,000.00 (two hundred and fifty thousand/00), with the power to determine the salaries concerned;
- u) delegate all or some of the above powers to any director, manager or clerical worker of the company or to third parties;
- v) grant and revoke powers in the context of the delegated powers, including the appointment of special representatives for the environment, fire prevention, plant safety, occupational health and safety, and the prevention and management of pollution and environmental noise;
- w) and, in general, take care of the administration of the Company, carrying out all deeds that are necessary or useful for the success of the Company's business and for the achievement of the corporate objects.

The Chairman and Chief Executive Officer, Fulvio Montipò, is the principal person responsible for the management of the business. See Section 4.5 of this Report for further information about the reasons for assigning the role of Chief Executive Officer to the Chairman.

### **Deputy Chairman**

At the meeting held on 30 April 2020, the Board of Directors appointed Giovanni Tamburi as Deputy Chairman and granted him powers of representation and signature pursuant to art. 17, subsection 2, of the Bylaws.

No other directors hold operational mandates.

### **Information provided to the Board of Directors**

The delegated bodies reported to the Board of Directors, at the next available meeting and at least every quarter, on the activities carried out while exercising the mandates granted to them.

### **Other Executive Directors**

In addition to the Chairman and Chief Executive Officer, Director Fabio Marasi is also deemed to be an executive director - as defined in the Corporate Governance Code - since he is the chairman and chief executive officer of a subsidiary of the Issuer having strategic importance.

## **4.7. INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR**

### **Independent Directors**

At the date of this Report, the Board of Directors of Interpump Group S.p.A. includes an adequate number of independent directors such that, given their number and skills, their opinions carry significant weight when making Board decisions. Out of ten Directors, six qualify as independent. The number and skills of

the independent Directors appointed are deemed adequate in relation to the needs of the Company, the functioning of the administrative body and the formation of board committees.

Without prejudice to the obligation placed on all Directors to perform their assigned duties with the diligence required by the nature of their appointments and their skill sets, the Board evaluates the independence of its members following their appointment, at least every year thereafter and whenever situations arise in which independence is important, considering both the information provided by the Directors and that known to the Company, and making reference to the principles stated in art. 2 of the Corporate Governance Code.

Directors are not deemed to be independent if they:

- (a) are an important shareholder of the Company;
- (b) are, or have been in the past 3 (three) years, an executive director or employee:
  - of the Company, a subsidiary of strategic importance or a company under joint control;
  - of an important shareholder of the Company;
- (c) have, or have had in the past 3 (three) years, directly or indirectly (e.g. via subsidiaries in the role of executive director or partner of a professional firm or consultancy), significant commercial, financial or professional relations with:
  - the Company, its subsidiaries or the executive directors or top management of the Company or any of its subsidiaries;
  - a party that controls the Company, even together with other via a Shareholders' Agreement; or, if the parent is a company or body, with the related executive directors or top management of that company or body;

In particular, commercial, financial or professional relations are deemed significant if, in each year, their individual or cumulative value exceeds 100% of the remuneration received for that year by the non-executive directors and by the members of the Board of Statutory Auditors for their appointments and for their participation on any board committees;

- (d) receive, or received in the past 3 (three) years, significant additional remuneration from the Company, a subsidiary or the parent company, with respect to the fixed remuneration for their appointments and that envisaged for their participation on any board committees;
- (e) have been a director of the Company for more than 9 (nine) years, even if not consecutively, out of the past 12 (twelve) years;
- (f) are an executive director of another company in which an executive director of the Company is also a director;
- (g) are a partner or director of a company or entity that belongs to the network of the firm engaged to perform the legal audit of the Company;
- (h) are a close family member of persons who find themselves in any of the situations indicated in the above points.

As indicated in the *Guidelines from the Board of Directors on the Quali-Quantitative Composition of the Board of Directors for the three-year period 2023-2025* approved by the Company on 15 February 2023, the Board has established with regard to the significance of the commercial, financial or professional relations and additional remuneration indicated in letters c) and d) above (Recommendation 7, letters c) and d), of the Code), that these might compromise the independence of the director if they:

- a) exist continuously throughout the mandate concerned;
- b) involve an annual payment at least equal to 100% of the fixed remuneration received annually by the Director as a member of the Board of Directors and for participation on any Board committees.

When making the above assessment, the Board may consider any other useful information about the position of each director, adopting additional criteria, even if not always consistent, that give preference to substance over form.

The outcome of the assessments made of the independence of the Directors is made known to the market in a specific communication issued immediately after their appointment and, subsequently, in the Report on Corporate Governance and the Ownership Structure pursuant to art. 123-(2) TUF.

At the time of their nomination, Directors Angelo Busani, Antonia Di Bella, Marcello Margotto, Federica Menichetti, Stefania Petruccioli and Paola Tagliavini confirmed their satisfaction of the independence requirements envisaged in art. 147-(3), subsection 4, and art. 148, subsection 3, TUF, and the independence requirements specified in art. 3 of the Code of Self-Regulation in force at the time and, at the same time, agreed to notify the Board of Directors and the Board of Statutory Auditors promptly about any changes in relation to the independence and other requirements, as well as about any reasons for which they are no longer eligible to serve.

At the meeting held on 30 April 2020, following its appointment at the ordinary Shareholders' Meeting held that day, the Board of Directors verified such satisfaction by the above Directors with reference to the statements made by them pursuant to art. 148 TUF and applying, *inter alia*, all the criteria envisaged in the Code of Self-Regulation in force at the time.

Subsequently, each year, the Board has renewed the request for information made to the Directors concerned, and examined any additional details provided by them or that came to its attention. Each to the extent of its responsibilities, the Board of Directors and the Board of Statutory Auditors checked the contents of those statements and proper application of the above requirements and procedures.

Pursuant to the Corporate Governance Code and the TUF, at the meeting held on 15 April 2023, the Board of Directors assessed satisfaction of the independence requirements by the independent directors, making use not merely of the information provided by the directors concerned, but also of all other information available to the Company. The same meeting also considered Board attendance by the independent directors to have been adequate, both "quantitatively" (number of independent Directors with respect to the size of the Board and the requirements of its internal committees) and "qualitatively" (in terms of professional authoritativeness and skill). The above assessment of independence considered the circumstances that may adversely affect the independence of directors, as specified in the Board regulation and consistent with Recommendation 7 of the Corporate Governance Code.

In compliance with the provisions of art. 149, subsection 1, letter c-(2), TUF and Recommendation 6 of the Corporate Governance Code, at the meeting held on 15 February 2023, the Board of Statutory Auditors confirmed to the Board of Directors that the verification criteria and procedures adopted to check the independence of the independent directors had been apply correctly.

The independent directors met on 6 December 2022, without the presence of the other directors. During that meeting, the independent Directors discussed the following matters:

- functioning and effectiveness of the organization and team comprising the General Counsel function;
- operational organization of the Internal Audit, Risk & Compliance function;
- inclusion of ESG parameters in the remuneration policies of the Company.

### **Lead Independent Director**

At the meeting held on 30 April 2020, the Board of Directors appointed Marcello Margotto as the Lead Independent Director. The appointment of the Lead Independent Director was deemed appropriate by the Board of Directors pursuant to Recommendation 13 of the Corporate Governance Code, having regard for the concentration of roles represented by the fact that Fulvio Montipò is both Chairman and Chief Executive Officer.

The Lead Independent Director is a point of reference and coordination for the requests and contributions of the non-executive directors and, in particular, those who are independent. During the year, the Lead Independent Director collaborated with the Chairman of the Board of Directors in order to ensure that the directors received information flows on a complete and timely basis.

## **5.0 MANAGEMENT OF CORPORATE INFORMATION**

The Code requires the Board of Directors to adopt a procedure for the internal management and external communication of documents and information about the Issuer, with particular reference to inside information.

On 30 April 2020, the Board of Directors made the Chairman and Chief Executive Officer, Fulvio Montipò, responsible for the Company's confidential information and the external communication of significant information.

In order to ensure the proper management of corporate information, the Company has implemented a procedure for internal management and external disclosure of documents and inside information (the “Procedure”).

This Procedure was prepared inter alia in compliance with the requirements of Regulation (EU) 596/2014 on market abuse. In particular, the purpose of the Procedure is to define organizational tools and responsibilities for the management of “Significant Information” and “Inside Information” that:

1. identify the organizational functions responsible for the management and processing of significant and inside information;
2. map the various types of significant information;
3. define criteria for identifying when information is significant and when significant information is also inside information.

The Procedure is available on the website of the Issuer <https://www.interpumpgroup.it/uk/governance.aspx>, Governance Section - Market Abuse Procedures.

The Company periodically assesses the process of managing inside information and the implementation and effectiveness of the procedures adopted, in order to determine if any updates are necessary.

## **6.0 BOARD COMMITTEES (ex art. 123-(2), subsection 2, letter d), TUF)**

The Board of Directors has established the following Board Committee:

- Nomination Committee (see Section 7.2);
- Remuneration Committee (see Section 8.2);
- Control, Risks and Sustainability Committee (see Section 9.2);
- Related-Party Transactions Committee (see Section 10).

No committees have been formed to carry out the functions of two or more committees and, indeed, the various functions have been “distributed” among the various committees in conformity with the Code recommendations.

The composition of the committees is determined by the Board of Directors, having regard for the skills and experience of each member, specifying the number of members and their executive status and/or independence (see Table 3 annexed to this Report for more information about the Board committees), and avoiding a concentration of appointments among the executive directors by preferring the independent directors.

Each Board committee has adopted a regulation governing its organization and functioning. These were approved by the Board of Directors at the meeting held on 19 March 2021. The rules for the functioning of each committee govern, among other matters:

- the criteria for appointing and replacing the Directors who are committee members;
- the procedures for attending and minuting meetings and administering the related information flows;
- the deadlines for calling meetings and sending pre-meeting information, so that the timing and completeness of information flows are unaffected.

Aside from those listed above, no other Board committees have been established.

## **7.0 SELF-ASSESSMENT OF DIRECTORS AND SUCCESSION - NOMINATION COMMITTEE**

### **7.1 SELF-ASSESSMENT OF DIRECTORS AND SUCCESSION**

In conformity with the principles and recommendations of the Code, each year the Board of Directors assesses the effectiveness of its activities and the contribution made by each member, including on Board committees, adopting formalized procedures and supervising their implementation. Among other matters, that self-assessment considers the size, composition and functioning in practice of the administrative body, including with regard to definition of the principal strategies for the governance and conduct of entrepreneurial activities.

Most recently, at the meeting held on 15 February 2023, the Board of Directors carried out the annual self-assessment of its functioning and that of its Committees, in particular considering the frequency of meetings, actual attendance by members and its size and composition, having regard for such elements as the professional and managerial characteristics of members, their experience and their gender. This assessment took account of the role of the Board in defining the strategic, industrial, financial and sustainability plans of the Company and the Group, as well as in monitoring their performance and the adequacy of their organizational, administrative and accounting structures.

The assessment was carried out, without support from external advisors, using a questionnaire made available to the Directors by the competent business functions.

The results obtained from completion of the questionnaires were summarized, in an anonymous form, in a document that was distributed to the Directors prior to the Board meeting.

Following analysis and assessment of these results, the Board of Directors concluded positively on the size, composition and functioning of the Board and its Committees.

### **Succession plans**

At the meeting held on 28 April 2017, the Board of Directors established an informal Operational Coordination Committee, comprising the Chairman and Chief Executive Officer, the Investor Relations Officer and the various Section Coordinators. On 13 February 2019 the Board of Directors acknowledged that the Committee functions effectively, making it possible to keep the Company's top executives informed and aligned, and representing a breeding ground for potential future Executive Directors, who may be selected whenever necessary. This organizational structure provides a tangible solution to guarantee continuity and security.

With a view to strengthening the governance strategy and ensuring efficient operations focused on the business continuity of the Group, on 5 October 2022 the Board of Directors of Interpump Group S.p.A. approved the ESG Strategic Plan for the three-year period 2023-2025 ("ESG Plan 2023-2025") that *inter alia* targets formalization of the management succession plan. This objective principally seeks to cover the principal operational and organizational positions, contributing to the development of talent within the Group.

The Succession Plan will be approved by the Board of Directors, acting on a proposal from the Nomination Committee, during 2023.

With reference to application of the appointment and succession process to the Board of Directors, it is noted that the mandate of the Board of Directors in office on the date of this Report expires with approval of the 2022 annual financial statements at the Shareholders' Meeting called for 28 April 2023. In preparation for the upcoming renewal and after considering the results of the self-assessment performed by the Board, the Nomination Committee prepared guidance on the future size and composition of the Board of Directors and on the criteria for formation of the slates of candidate directors to be submitted to the shareholders ahead of the Shareholders' Meeting called to approve, *inter alia*, the renewal of the Board of Directors for 2023-2025. The Committee specifically endorsed the guidance regarding the optimal quantitative and qualitative composition of the Board before its submission to the Board for Directors for final approval and adoption. This guidance was published on the website of the Issuer on [1 March 2023] and made available to the shareholders prior to the Shareholders' Meeting held on 28 April 2023 to resolve, among other matters, on renewal of the corporate bodies. The above guidance makes reference to Code Recommendation 23, which requires shareholders - presenting a list that contains candidates for more than half of the open positions - to provide information about the consistency of that list with the guidance provided by the Board of Directors.

## **7.2 NOMINATION COMMITTEE**

### **Composition and functioning of the Nomination Committee (ex art. 123-(2), subsection 2, letter d), TUF)**

At the meeting held on 30 April 2020, the Board of Directors appointed Directors Marcello Margotto, in the role of Chairman, Federica Menichetti and Giovanni Tamburi as members of the Nomination Committee. Two members of the Committee, including the Chairman, are independent Directors. All Committee members are non-executive Directors.

The Committee will remain in office until approval of the financial statements at 31 December 2022.

Meetings are coordinated by the Committee Chairman and properly minuted.

As indicated above in section 7.1 of this Report, the ESG Plan 2023-2025 approved by the Board of Directors targets, among other matters, the formalization of a management succession plan that will be the subject of a proposal from the Nomination Committee during 2023.

The functioning of the Nomination Committee is governed by the regulation approved by the Board of Directors at the meeting held on 19 March 2021.

See Table 3 annexed to this Report for more detailed information about the Nomination Committee.

### **Functions of the Nomination Committee**

The Nomination Committee helps the Board of Directors to carry out the self-assessments of the Board and its Committees, supporting the work of the Chairman of the Board to ensure the adequacy and transparency of the self-assessment process.

In addition, the Nomination Committee helps the Board of Directors to determine the optimal composition of the Board and its Committees, as well as to identify candidate directors to be co-opted and, if necessary, to prepare and present a Board list of candidates in a transparent manner.

The task of the Nomination Committee is to ensure the transparency of the process followed to appoint directors, as well as the balance composition of the Board of Directors. Specifically, the Nomination Committee seeks to ensure the suitability and qualification of candidates as independent, as defined in the Corporate Governance Code, and the maintenance of that qualification throughout their term in office, so that the directors maintain an adequate level of independence from management. Accordingly, the Nomination Committee plays an advisory role and makes recommendations regarding the optimal composition of the Board, indicating those professional persons whose presence would facilitate the proper and effective functioning of the Board, and contributing to the definition and examination of the succession plan for executive directors, which is a strategic objective set by the Company for 2023.

The Nomination Committee met on 31 August 2022 with the participation of all members and, on an invitation from the Chairman, the Board of Statutory Auditors. The meeting lasted for about thirty minutes. During the year, the Nomination Committee did not consider it necessary for other Directors or top managers of the Issuer's business functions to attend its meetings.

At the above meeting, the Committee examined the credentials of Giovanni Poletti in the context of his proposed appointment as the Manager responsible for preparing the company's financial reports pursuant to art. 154-(2) TUF, expressing a favorable opinion to the Board of Directors.

At least two meetings are planned for 2023, one of which was held on 13 February 2023.

In the performance of its functions, the Nomination Committee is able to access the business information and functions needed to carry out its tasks, as well as make recourse to external advisors consistent with Recommendation 17 of the Corporate Governance Code.

The financial resources available to the Nomination Committee for the performance of its duties have not been quantified in advance, as these resources may vary depending on the needs expressed by the Committee on a case-by-case basis.

## **8.0 REMUNERATION OF THE DIRECTORS - REMUNERATION COMMITTEE**

### **8.1 DIRECTORS' REMUNERATION**

#### **Remuneration Policy**

On 30 April 2021, the Shareholders' Meeting of Interpump approved the current Remuneration Policy, described in the First Section of the Report on the Remuneration Policy of Interpump Group S.p.A., which is available on the corporate website (<https://www.interpumpgroup.it/uk/politica-remunerazione.aspx>). Reference is made to that Policy for information about the procedures followed for its adoption, how the Policy contributes to the pursuit of sustainable success and the retention and motivation of talented persons, whether it takes account of remuneration best practices, and for information about other matters.

During the meeting held on 13 February 2023, the Remuneration Committee resolved to propose to the Board of Directors that the Remuneration Policy should be voted on again at the next Shareholders'

Meeting, following revisions to the text previously approved on 30 April 2021, in order to endorse, inter alia, (i) the new sustainability strategies embodied in the ESG Plan approved by the Board on 5 October 2022, (ii) the Interpump Incentive Plan 2022-2024, and (iii) further changes and amendments to align with the Corporate Governance Code including, in particular, on such matters as minimum holdings, indemnities on the termination of appointment or the employment relationship, claw-back clauses and discretionary bonuses.

### **Remuneration of executive directors and key management personnel**

The Report on the remuneration policy and compensation paid of Interpump Group S.p.A. defines the components comprising the remuneration of the executive directors, which include the directors with specific responsibilities, those with operational mandates and those with executive duties in Group companies and/or executive directorships at Group companies, as well as any key management personnel identified. This policy balances a fixed component with a short-term variable component and a long-term incentive, consistent with the strategic objectives of the Company, which are pursued in the interests of all shareholders.

The policy sets a maximum limit on the payment of variable components, expressed as a percentage of the fixed component, and correlates such payments with the achievement of performance objectives - personal and corporate - that are specifically identified using financial and non-financial indicators, in pursuit of the strategic objectives of the Company and, ultimately, its sustainable success.

In order to identify its sustainability and other non-financial objectives, the Company has defined an ESG Plan with contributions from the Chief Executive Officer, the managers of the various business lines and the Control, Risks and Sustainability Committee. The Interpump Incentive Plan 2022-2024 is linked to this ESG Plan, which was approved by the Board of Directors on 5 October 2022. Among other matters, the Plan makes reference to such topics as the environment, occupational health and safety, corporate governance and the fight against corruption, setting specific targets to be achieved.

The variable remuneration plan may also envisage, based on an explicit Board decision acting on a proposal from the Remuneration Committee, the right to establish specific deadlines for the vesting of entitlements, deferred payment mechanisms and ex-post correction mechanisms (claw-back and malus clauses).

Lastly, the remuneration policy defines clear and predetermined rules for the payment of an indemnity for loss of office; these rules limit the maximum payment, which may be calculated with reference to the period in office or the duration of the working relationship, highlighting the link with business performance.

Information about the 2022 remuneration policies and the compensation paid in 2022 is provided in the Report on remuneration policy and compensation paid pursuant to art. 123-(3) TUF, which is available on the corporate website.

### **Stock-based remuneration plans**

The variable component of remuneration is focused on the medium-long term: (i) focusing the attention of beneficiaries on factors of strategic interest; (ii) building loyalty; (iii) aligning remuneration with the creation of value for shareholders in the medium/long-term; (iv) guaranteeing a level of remuneration that is globally competitive; and (v) developing the strategy of the Company and the Group with a view to sustainability. The “2019/2021 Interpump Group Incentive Plan” and the “2022/2024 Interpump Group Incentive Plan” are described respectively in the documents prepared pursuant to art. 114-(2) TUF and art. 84-(2), subsection 1, of Consob Regulation 11971/1999 published on the corporate website <https://www.interpumpgroup.it/politica-remunerazione.aspx>.

Directors' compensation for 2022 is shown in the tables of Section II of the Remuneration Policy of Interpump Group S.p.A. referenced above.

### **Remuneration of non-executive directors**

The remuneration of non-executive directors is not linked to the economic results of the Company and the Group; rather, it is determined by the Board of Directors, having regard for the commitment required to perform the assigned duties, as well as the skills and professionalism of each director.

## **Earning and payment of remuneration**

The Board of Directors monitors application of the Remuneration Policy, with support from the Remuneration Committee, and is responsible for its implementation and its revision based on proposals from the Remuneration Committee. The Policy is consistent with both the governance model adopted by the Company and the Recommendations of the Corporate Governance Code. In addition to initial approval of the Remuneration Policy and its presentation to the Shareholders' Meeting for approval by the Shareholders, the Board of Directors is also responsible for:

- (i) allocating the overall compensation established for the Directors at the Shareholders' Meeting, pursuant to the provisions of art. 2389, subsection 1, of the Italian Civil Code, if not already decided at the Shareholders' Meeting;
- (ii) determining the remuneration of the Directors assigned special duties pursuant to art. 2389, subsection 3, of the Italian Civil code, further to a proposal from the Remuneration Committee;
- (iii) analyzing the incentive plans to be submitted for shareholder approval;
- (iv) establishing a Remuneration Committee from among its members, determining the related duties and approving the regulation that governs its functioning;
- (v) evaluating the consistency of the criteria adopted for the remuneration of Key Management Personnel, if identified, with the Remuneration Policy, having heard the recommendations of the Remuneration Committee.

## **Indemnity of directors in the case of resignation, dismissal without just cause or termination of office, including after a takeover bid (ex art. 123-(2), subsection 1, letter i), TUF)**

The information required by art. 123-(2), subsection 1, letter i) TUF - “*agreements between the Company and the Directors [...] envisaging indemnities in case of resignation, dismissal without just cause or lapsing of the office further to a takeover bid*” is contained in the Report on Remuneration policy and compensation paid pursuant to art. 123-(3) TUF, which is available on the corporate website (<https://www.interpumpgroup.it/politica-remunerazione.aspx>).

## **8.2 REMUNERATION COMMITTEE**

### **Composition and functions of the Remuneration Committee (ex art. 123-(2), subsection 2, letter d) TUF)**

At the meeting held on 30 April 2020, the Board of Directors appointed Marcello Margotto (Chairman), Giovanni Tamburi and Federica Menichetti, all non-executive directors, as members of the Remuneration Committee. The majority of the Committee consists of independent Directors and the Chairman is also an independent Director; at least one member has knowledge and experience of financial matters and remuneration policies, which were considered adequate by the Board of Directors at the time of appointment.

See Table 3 annexed to this Report for more detailed information about the composition of the Remuneration Committee.

Meetings are coordinated by the Committee Chairman and properly minuted.

Four meetings were held during 2022, with an average duration of about one hour. They were attended by all members and by the Board of Statutory Auditors, in the person of the Chairman and at least one Serving Statutory Auditor. Three meetings are planned for 2023, two of which were held on 13 February 2023 and 13 March 2023.

During the first of the four meetings, held on 10 February 2022, the Committee:

- examined proposals to be made to the Board of Directors about changes to the Remuneration Policy of Interpump from 2022 onwards.

During the second meeting held on 15 March 2022, the Remuneration Committee resolved to:

- propose that the Board of Directors should examine and approve a revised “Remuneration Policy” following the changes made to the Issuers’ Regulation on the transparency of remuneration (art. 84-(4) and Annex 3A, format 7-(2));

- propose to the Board of Directors the compensation for the office of director and the total maximum remuneration of the directors assigned special duties in relation to 2022 and to the period from 1 January 2023 until the date of approval of the 2022 financial statements;
- determine the 2021 bonuses to be assigned to the Chairman and Chief Executive Officer of the Group, based on accomplishment of the objectives established by the Board of Directors;
- approve the draft prospectus for the Group incentive plan entitled “Interpump Incentive Plan 2022/2024” and the related draft Plan Regulation, to be proposed to the Board of Directors at the meeting held on 18 March 2022;
- approve the draft illustrative report of the Board of Directors to the Shareholders' Meeting for submission to the Board.

During the third meeting held on 26 February 2022, the Remuneration Committee resolved to:

- propose to the Board of Directors the compensation to be allocated to the individual directors with specific responsibilities and the members of Board committees in relation to 2022 and to the period from 1 January 2022 until the date of approval of the 2022 financial statements;
- propose to the Board of Directors the 2022 bonuses to be assigned to the executive Directors of the Group, based on the accomplishment of the objectives established by the Board and determination of the objectives associated with the 2022 bonus;
- propose to the Board of Directors the methods for assigning the options to be granted to the beneficiaries in relation to the 2021 tranche of the “2019/2021 Interpump Incentive Plan”;
- propose to the Board of Directors the percentage allocation of the options in each tranche with reference to the “2022-2024 Incentive Plan”, the names of the beneficiaries, the number of options to be assigned to them and the performance objectives to be achieved.

During the fourth meeting held on 7 November 2022, the Remuneration Committee resolved to:

- propose to the Board of Directors that 15% of the options relating to the “2022-2024 Incentive Plan” should vest with reference to ESG objectives.

The Committee then reported on its work at the next meeting of the Board of Directors held after the above meeting.

The compensation of the directors on the Committee is decided by the Board of Directors, with the abstention of the interested parties.

### **Functions of the Remuneration Committee**

In conformity with the Corporate Governance Code, the Remuneration Committee is allocated the following functions:

- present proposals to the Board of Directors for the remuneration of the Chief Executive Officer and the other Directors with specific responsibilities, in order to contribute to the sustainable success of the Company, monitoring the application in practice of the Remuneration Policy;
- assess periodically the criteria adopted for the remuneration of the Directors and key management personnel, monitor their application based on information provided by the Chief Executive Officer and present relevant general recommendations to the Board of Directors, with particular reference to the possible adoption of stock option plans;
- monitor application of both the decisions made by the competent bodies and the corporate policies for the remuneration of key management personnel, and assess periodically the adequacy and overall consistency of the policy for the remuneration of directors and key management personnel;
- assist the Board of Directors with preparation of the Remuneration Policy, including the sustainability of business activities in the definition of the policy and monitoring its concrete application;
- prepare, present to the Board of Directors and monitor the mechanisms for executive incentive systems (including any stock-based plans) designed to attract and motivate managers, develop their sense of belonging and assure over time their constant focus on the creation of value;
- promote the principles and values of sustainable development throughout the Group.

The functioning of the Remuneration Committee is governed by the regulation approved by the Board of Directors at the meeting held on 19 March 2021.

In the execution of its functions the Remuneration Committee is entitled to access the necessary information and corporate functions and to make use of external consultants as necessary, according to the terms established by the Board of Directors.

The Board of Directors has assigned a budget of euro 30,000 to the Remuneration Committee for its activities.

## **9.0 INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT - CONTROL, RISKS AND SUSTAINABILITY COMMITTEE**

In accordance with Principles XVIII and XIX of the Corporate Governance Code, the Board of Directors of Interpump Group S.p.A. has defined guidelines for the system of internal control and risk management, consistent with the characteristics of the business and the strategic objectives of the Group, and with a view to pursuing the sustainability of the Issuer's activities over the medium-long term.

This translates into the control of business risks via:

- risk management;
- "high level" rules;
- governance structures;
- policies and procedures;
- appropriate information about non-EU subsidiaries.

The internal control and risk management system adopted by Interpump Group S.p.A. (the "System") comprises a collection of rules, procedures and organizational structures designed to allow the principal risks to be identified, measured and monitored.

An effective system of internal control and risks management contributes to the running of the business in a manner consistent with the corporate objectives defined by the Board of Directors, thus facilitating the making of informed decisions.

In conformity with Recommendation 32 of the Corporate Governance Code, the System involves, each to the extent of its responsibilities:

- a) the Board of Directors (Board), whose responsibilities are to: (i) define guidelines for the System, consistent with the characteristics and risk profile of the Group; (ii) assess, based on an opinion from the Control, Risks and Sustainability Committee, the adequacy of the System and its effective functioning; (iii) define, when preparing the ESG Plan, the nature and level of acceptable risk over the medium/long term, in relation to the strategic sustainability objectives of the Group; (iv) examine the periodic financial reports and the consolidated non-financial statement; (v) approve the Audit Plan prepared by the Head of Internal Audit, Risk & Compliance function, based on opinions from the Control, Risks and Sustainability Committee and the Board of Statutory Auditors;
- b) the executive director responsible for supervising the System, who ensures that the principal risks are identified and checks periodically on the adequacy of the related process, implementing the guidelines issued by the Board;
- c) the Control, Risks and Sustainability Committee (CRSC), which carries out appropriate investigative work as support for Board decisions and assessments on internal control, risk management and sustainability matters, as envisaged in Recommendation 35 of the Corporate Governance Code;
- d) the Internal Audit, Risk & Compliance function, responsible for third-level control activities, which reports hierarchically to the Board of Directors in the person of the executive director responsible for supervising the System, and functionally to the CRSC, with the task of checking the effective operation and suitability of the System. Note that the Internal Audit, Risk & Compliance function is also responsible for, among other matters, the control of non-compliance risks.

Further information about the other actors in the System, such as the Board of Statutory Auditors, the Supervisory Body, the external auditors and the Manager responsible for preparing the Company's financial reports, is provided in the following sections.

## **Risk management**

The risk assessment process followed by Interpump Group S.p.A. is based on a risk assessment coordinated by the Internal Audit, Risk & Compliance function and carried out by the risk owners, which is then certified by the Director responsible for the System in order to consolidate the risk assessments made at Group level.

The analysis starts from a catalog of risks developed specifically for the Group, based on the typical business areas and the common operating and compliance issues. The risks examined, i.e. all risks that may become significant in terms of the medium/long-term sustainability of the activities of the Issuer, are classified as strategic, financial, compliance or operational and include specific risks linked to pursuit of the sustainable success of the business.

Lastly, the results of the risk assessment are reported periodically to the Control, Risks and Sustainability Committee, the Board of Statutory Auditors and the Board of Directors, in order to identify any specific actions needed to mitigate the underlying risks and their timing.

## **"High Level" rules**

### *Code of Ethics*

The Code of Ethics expresses the commitments and ethical responsibilities in the conduct of business and corporate activities accepted by the collaborators of Interpump Group, whether they be directors, employees or collaborators in the broadest sense, including any who, even just on a de facto basis, manage and control a Group company or act in the name and/or on behalf of a Group company. At the meeting held on 10 November 2022, the Board of Directors of Interpump Group S.p.A. approved the updated version of the Code of Ethics that embodies the sustainability principles and commitments accepted by the Interpump Group on approval of the ESG Plan 2023-2025. In particular, the updated version of the Code of Ethics places greater emphasis on sustainable development, the protection of human and workers' rights, energy saving, the reduction of environmental impacts, the training of employees, transparency and corporate social responsibility via dialog with and involvement of the stakeholders. The updated version of the Code of Ethics has also been adopted by all subsidiaries within the Interpump Group, and the principles embodied therein has been disseminated to and agreed with all employees and the principal business partners.

### *Anti-corruption Guidelines*

The Anti-corruption Guidelines, which are part of the Global Compliance Program adopted by the Group, were approved by the Board of Directors of Interpump Group S.p.A. in March 2019 and represent a set of rules and procedures adopted by the Interpump Group to eliminate the risk of corrupt conduct, even beyond national borders, by all the employees and directors of Group companies, as well as by all persons who, for any reason and regardless of their contractual status, work in the name of or on behalf of Group companies. Adoption and implementation of the Anti-corruption Guidelines is mandatory for all Group companies and, consequently, binds all of the above parties (namely, all employees, directors, collaborators and, where applicable, advisors, vendors and other third parties, including customers, that maintain relations with Interpump Group companies).

The Anti-corruption Guidelines adopted by the Interpump Group promote the principle of zero tolerance for all forms of corruption, and support full and unconditional compliance with the domestic and international laws and standards on combating corruption. Special attention is dedicated to areas that are potentially more sensitive, such as the selection of commercial partners, including the management of contracts and verification of the satisfaction of ethical requirements, the offer and acceptance of gifts, hospitality and presents, public relations, relations with public officials, political contributions and donations to charities.

The Internal Audit, Risk & Compliance function of the Group is responsible for monitoring proper application of the Anti-corruption Guidelines, organizing and encouraging suitable training initiatives on this topic for collaborators including, in particular, those who - given the nature of their work - are most

exposed to the risk of committing crimes of corruption.

#### *Guidelines on occupational health and safety and environmental matters*

The Interpump Group strives to disseminate a strong culture of workplace safety and respect for the environment, promoting responsible behavior and making available the organizational and economic resources needed, not only to prevent accidents and professional diseases, but also to improve health and safety conditions in the workplace and safeguard the environment. For this reason and in the context of the Global Compliance Program adopted by the Group, in February 2020 the Board of Directors of Interpump Group S.p.A. adopted Guidelines on occupational health and safety and environmental matters that give all Group companies a set of rules and minimum measures designed to protect workers and minimize the impacts of Group activities on the environment and surrounding landscapes. The adoption and implementation of the above Guidelines are mandatory for all Interpump Group companies and, therefore, are binding on all employees and, to the extent applicable, all workers belonging to external firms who, for whatever reason and regardless of the type of contractual relationship, operate in the workplace or carry out their activities under the supervision of a Group company.

#### *Guidelines on Human Rights*

Respect for human and workers' rights is an essential element in the conduct of business and other activities by the Interpump Group. This commitment is embodied in the Code of Ethics, which promotes the protection of human and workers' rights in strict compliance with Italian law, the related international Conventions and other current legislation in force locally. For this reason and in the context of the Global Compliance Program adopted by the Group, in February 2020 the Board of Directors of Interpump Group S.p.A. adopted Guidelines on Human Rights as a set of regulations and rules of conduct designed to prevent all forms of discrimination, including those linked to the personal circumstances of individuals, and combat exploitation in the workplace, including child labor. These Guidelines support strongly the principles of dignity, freedom and equality, and the protection of working conditions, union rights and occupational health and safety. The adoption and implementation of these Guidelines are mandatory for all Interpump Group companies and, therefore, employees and all those who act in the name and/or on behalf of Interpump Group companies, as well as advisors, vendors and other third parties, including customers, are requested to make every effort to respect the Guidelines and the principles embodied therein.

#### *Guidelines on IT Security*

Interpump Group S.p.A. approved cyber security guidelines in March 2019, disseminating them to all Group companies, with a view to defining the minimum IT security measures that each company must adopt in order to prevent the risk of cyber attacks. In addition, with support from an expert firm of advisors, an assessment of IT security at the principal Group companies was carried out in 2020, using methodology consistent with best practices and sector standards, in order to define improvement plans for the overall management of IT security. Adoption of the above guidelines is mandatory for all Group companies and their proper implementation is checked by the Internal Audit, Risk & Compliance function, which carries out the related pre-planned audit work.

#### **Governance structures**

The organizational charts and the system of powers and mandates are drawn up with the specific aim of clearly defining all roles and responsibilities in the context of the management and control processes.

The division of duties is integrated in the decision-making processes assigned for procurement and representation of the company, based on a detailed identification of each activity assigned and clearly defined limits for mandates that can be exercised in accordance with specific regulations (sole or joint signature).

#### **Policies and procedures**

Policies and procedures are subdivided into two groups: "operational" and "compliance". The operating policies and procedures include:

- the Accounting Manual for preparation of the Annual Financial Report and Interim Reports in accordance with international accounting standards;
- the IFRS 16 manual;
- the Manual for preparation of the Consolidated Non-Financial Statement (NFS);
- the administrative-accounting procedures;
- the financial policy for the management of liquidity risk, counterparty risk and exchange and rate risks;
- the Operating procedure for managing the inside information of Interpump Group S.p.A.;
- the Policy for managing dialog with the shareholders.

The compliance policies and procedures include:

- the Internal Dealing Procedures;
- the Procedure for keeping the Register of persons with access to inside information;
- the Procedure for communication inside information to the market;
- the Whistleblowing Procedure;
- the procedure for related-party transactions.

#### **Situable information about non-EU subsidiaries**

In order to comply with art. 15 of the Markets Regulation, Interpump Group S.p.A. has adopted an internal procedure that requires non-EU subsidiaries to self-certify, each quarter, the completeness of their accounting information and the controls implemented, as well as their commitment to provide the necessary information to the parent company's auditor. The Internal Audit, Risk & Compliance function performs tests to monitor the design and efficacy of the controls implemented, which may vary depending on the size and complexity of the company concerned.

#### **Principal characteristics of the system of management and internal controls over the financial reporting process**

The objective of the system of Internal Control over Financial Reporting ("ICFR") is to ensure the credibility, accuracy, reliability and timeliness of the disclosures about the financial and non-financial data and information of Interpump Group S.p.A., contained in the periodic accounting documents required by current regulations, as well as in all other external communications regarding such data. The ICFR system responds to the need to satisfy the requirements placed on the Manager responsible for preparing the company's financial reports pursuant to art. 154-(2) TUF and is an integral part of the system of internal control and risk management adopted by Interpump Group S.p.A. The system is applied with reference to the principles contained in the COSO Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is a reference model accepted at international level.

The system of internal control over the financial reporting of Interpump Group S.p.A. comprises a set of administrative-accounting procedures that define the methodologies, protocols, roles, responsibilities and activities to be put in place in order to guarantee the maintenance, over time, of an effective and efficient ICFR system, adopted by Interpump Group S.p.A. and its subsidiaries, having regard for their importance and contribution made to forming the consolidated financial statements.

The Manager responsible for preparing the Company's financial reports ensures the maintenance and adequacy of the system of internal control over financial reporting, and is assisted by the Internal Audit, Risk & Compliance function, which monitors the efficacy of the following actions:

- identification of the scope of analysis (Compliance Plan prepared in conformity with Law 262/2005) in terms of the Group companies involved, including the related business processes that make a qualitative-quantitative contribution to preparation of the consolidated financial statements of Interpump Group S.p.A.;
- mapping and update of risks and controls relevant for financial reporting purposes;

- periodic verification of the adequacy of the design and operational effectiveness of the controls, via independent monitoring and periodic tests;
- identification of corrective actions (remediation plans) for key controls, implementation of additional controls or modification of business processes, in order to ensure proper functioning of the internal control system.

The results of the evaluation, carried out on the basis of tests, and the operation of the System are reported on, semi-annually and annually, by the Internal Audit, Risk & Compliance Function to the Manager responsible for preparing the Company's financial reports, the Board of Statutory Auditors and the Board of Directors, after informing the Control, Risks and Sustainability Committee.

### **Adequacy of the internal control and risk management system**

In its reports to the Board of Directors dated 2 August 2022 and 15 February 2023, the Control, Risks and Sustainability Committee described its work and expressed an opinion on the adequacy of the System of Internal Control and Administrative Management of the Company, as well as on its suitability for pursuing the prevention of risks and ensuring effective application of the rules of conduct and corporate procedures.

During the year, having examined the reports of the Control, Risks and Sustainability Committee, and drawing on the work of the Internal Audit, Risk & Compliance Function, meetings with the management of Group companies, meetings with the Board of Statutory Auditors and the auditing firm, and meetings with the Supervisory Body pursuant to Decree 231/2001, the Board of Directors deemed adequate the functioning of the system of internal control and risk management, comprising all those risks that might be important for the medium/long-term sustainability of the Issuer's activities. In particular, at the meetings held on 2 August 2022 and 15 February 2023, the Board of Directors acknowledged the assessment made by the Control, Risks and Sustainability Committee regarding the adequacy of the System of Internal Control and Risk Management of Interpump Group S.p.A., in terms of containing at an acceptable level the overall business risks faced in pursuit of the Group's objectives, and its suitability for pursuing the prevention of risks and ensuring effective application of the rules of conduct and corporate procedures. At the above meetings, having examined the reports of the Chairman of the Control, Risks and Sustainability Committee, the Board concurred with the adequacy opinion expressed by him and, furthermore, concluded that the System of Internal Control and Risk Management is suitable for pursuing the prevention of risks and ensuring effective application of the rules of conduct and corporate procedures.

### **9.1 DIRECTOR RESPONSIBLE FOR ENSURING THE FUNCTIONING AND ADEQUACY OF THE SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT**

Among other matters at the meeting held on 30 April 2020, the Board of Directors appointed Fabio Marasi, executive director, as the Director responsible for ensuring the functioning and adequacy of the system of internal control and risk management, assigning him the following duties:

- identifying the principal business risks, having regard for the characteristics of the activities carried out by the Company and its subsidiaries, and presenting them periodically to the Board of Directors for examination;
- implementing the guidelines defined by the Board of Directors, ensuring the design, implementation and management of the system of internal control and risk management, and checking constantly on its adequacy and effectiveness;
- ensuring the system is suitable in relation to the dynamics of the operating conditions and the legislative and regulatory context;
- requesting the Internal Audit, Risk & Compliance function to carry out checks on specific operational areas and on compliance with internal rules and procedures in the performance of business transactions, notifying simultaneously the Chairman of the Board of Directors, the Chairman of the Control, Risks and Sustainability Committee and the Chairman of the Board of Statutory Auditors;
- notifying the Control, Risks and Sustainability Committee (or the Board of Directors) promptly about any problems or issues found while performing the assigned activities, or that in any case become known, so that the Committee (or the Board) can take appropriate action.

Assignment of the mandate to establish and maintain the system of internal control and risk management to an executive director other than the Chairman and Chief Executive Officer of Interpump Group S.p.A., responds to concrete organizational needs of the Company, including the balanced distribution of mandates and powers among the various members of its Board of Directors, thus avoiding excessive concentrations of power that might hinder proper discussion within the administrative body.

During 2022, the executive director appointed to ensure the functioning and adequacy of the system of internal control and risk management:

- supervised the risk assessment designed to assess the compatibility of the overall exposure and level of risk (strategic, operational, financial and compliance) that the Group is willing to accept in the achievement of its business objectives, periodically presenting the results of that assessment for consideration by the Board of Directors;
- implemented the guidelines defined by the Board of Directors, supervising the planning, creation and management of the internal control and risk management system and checking its adequacy and effectiveness on a regular basis. In this regard, he examined the reports of the Head of Internal Audit, Risk & Compliance function and was invited to attend the meetings of the Control, Risks and Sustainability Committee;
- worked on adapting the system to take account of changes in operating conditions and the legislative and regulatory background;
- Notified the Control, Risks and Sustainability Committee promptly about any problems or issues found while performing the assigned activities, or that in any case became known.

## **9.2 CONTROL, RISKS AND SUSTAINABILITY COMMITTEE**

### **Composition and operation of the Control, Risks and Sustainability Committee (ex art. 123-(2), subsection 2, letter d) TUF)**

At the meeting held on 30 April 2020, the Board of Directors of Interpump Group S.p.A. appointed the Control and Risks Committee, composed of the following non-executive Directors who are all independent:

- Paola Tagliavini (Chairman);
- Angelo Busani;
- Federica Menichetti.

At the meeting held on 10 July 2020, the Board of Directors allocated to the Committee the function of supervising sustainability matters, in addition to those inherent in the control of risks, thus changing its name from the “Control and Risks Committee” to the “Control, Risks and Sustainability Committee”, and updating its duties in the related Regulation.

The majority of the Committee members has experience of finance, accounting and risk management that was deemed adequate at the time of appointment.

The Committee met eleven times during 2022; the meetings each lasted about two hours on average and were properly minuted. The meetings were attended by all Committee members. In addition, the entire Board of Statutory Auditors, the Director responsible for the system of internal control and risk management, the CFO, the Manager responsible for preparing the company’s financial reports, the General Counsel & ESG Director and the Head of Internal Audit, Risk & Compliance function, also participated in the work of the Committee on invitation from the Chairman. Solely with regard to individual items on the agenda, the IT Systems Manager of Interpump Group S.p.A., the Corporate Affairs and ESG Director of Interpump Group S.p.A., the Investor Relations Officer, the Consolidated Reporting Manager of Interpump Group S.p.A., external auditors senior representatives and the Chairman of the Supervisory Body pursuant to Decree 231/2001 also participated on invitation from the Committee Chairman.

The Chairman of the Board of Directors and Chief Executive Officer of Interpump Group S.p.A. and the Director responsible for the System of internal control and risk management were informed in advance, by the Head of the Internal Audit, Risk & Compliance function, about the participation of the above parties at the Committee meetings. During the first subsequent Board Meeting the Committee Chairman provided details of the matters addressed by the Control, Risks and Sustainability Committee of interest to the Board, of the half-yearly reports on the activities of the Committee, the Internal Audit, Risk &

Compliance function and the Supervisory Body, and of the Annual Audit Plan, which were the subject of prior discussions and agreements. Six meetings are planned for 2023, two of which had already been held by the date of approval of this Report.

### **Functions attributed to the Control, Risks and Sustainability Committee**

A Board resolution on 19 March 2021 approved the current text of the Regulations for the Control, Risks and Sustainability Committee, making the Committee responsible for supporting, via adequate investigation, the assessments and decisions of the Board of Directors, including with regard to internal control and risk management.

With reference to its internal control and risk management activities in support of the Board of Directors, including in relation to other control bodies, the Committee:

- a. approves, on an annual basis and before presentation to the Board of Directors, the Audit plan prepared by the Head of Internal Audit, Risk & Compliance function - having consulted the Board of Statutory Auditors and the Director responsible for the system of internal control and risk management;
- b. assesses, having consulted the Board of Statutory Auditors, the results presented by the Auditing Firm in its annual and half-year auditors' reports or in its letter of recommendations, if prepared;
- c. examines any significant weaknesses in the design or implementation of the internal controls that might hinder the ability to record, process, summarize and disclose financial information;
- d. examines any significant weaknesses in the internal controls identified and communicated to the Auditing Firm by the Chief Executive Officer or the Manager responsible for preparing the Company's financial reports;
- e. assesses, together with the Manager responsible for preparing the Company's financial reports and after consulting the external auditors and the Board of Statutory Auditors, the proper and consistent application of the accounting policies adopted for preparation of the consolidated financial statements;
- f. assesses the suitability of the periodic financial and non-financial information for the purpose of presenting properly the business model and principal strategies of the Company;
- g. receives the half-yearly reports on the activities carried out by the Internal Audit, Risk & Compliance Function;
- h. examines the matters raised in the reports prepared by the Board of Statutory Auditors and the individual members of that Board, the reports of the Supervisory Body and the assessments made by third parties of the system of internal control and risk management;
- i. monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit, Risk & Compliance Function;
- j. assesses, having heard the opinions of the Chairman of the Board of Directors and the Board of Statutory Auditors, proposals for the appointment and revocation of the Head of Internal Audit, Risk & Compliance Function presented to the Board of Directors by the Director responsible for the system of internal control and risk management; expresses, in addition, its opinion on the remuneration consistent with corporate policies of the Head of Internal Audit, Risk & Compliance Function;
- k. requests the Head of Internal Audit, Risk & Compliance Function, when deemed appropriate, to carry out specific analyses and checks, not included in the Annual Plan, and notifies the Chairman of the Board of Statutory Auditors about this on a timely basis;
- l. supports, via adequate investigation, the assessments and decisions of the Board of Directors in relation to the management of risks deriving from any prejudicial facts that come to the attention of the Board of Directors.

In the context of matters relevant to the sustainable success of the Company, its Environmental, Social and Governance ("ESG") policies and interactions with all stakeholders, the Committee:

- a. prepares proposals for presentation to the Board of Directors that incorporate the value of sustainability in the various business processes, including with regard to climate change;
- b. assists the Board of Directors with the definition of annual ESG objectives;

- c. ensures that the Company disseminates a culture of sustainability among employees, shareholders, customers and, more generally, all stakeholders;
- d. monitors pursuit of the annual and long-term sustainability objectives established by the Board of Directors;
- e. expresses opinions on the initiative and programs promoted by the Company or its subsidiaries on the topic of Corporate Social Responsibility (“CSR”);
- f. examines, before submission to the Board of Directors, the information contained in the Non-Financial Statement and in the annual sustainability report regarding the system of internal control and risk management;
- g. monitors the reputation of the Company with respect to the market and other domestic and international operators of similar size that are active in related businesses, checking the positioning of the Company on the various rankings of sustainability and ethics;
- h. examines the profit and non-profit strategies of the Company.

The Committee reports to the Board of Directors, at least every six months on approval of the draft annual and half-year financial statements, on the activities carried out, on the adequacy of the system of internal control, on its examination of periodic financial reports and on the ESG topics considered.

With regard to the work carried out by the Committee during the year, the first four meetings in 2022 focused, among other matters, on topics relating to approval of the 2021 financial statements. In particular, at the meetings held on 14 January, 8 February, 28 February and 11 March, attended by the Board of Statutory Auditors and the Director responsible for the system of internal control and risk management, the Committee:

- made proposals and gave advice on sustainability matters as part of the process of approving an ESG Plan and focusing further on the ESG strategy of the Interpump Group;
- monitored the progress of the activities carried out by the Internal Audit, Risk & Compliance function;
- examined and approved the document defining the methodology to be used for carrying out the impairment test at 31 December 2021 and expressed its opinion in favor of submitting the document for approval by the Board of Directors;
- examined the report on the activities carried out by the Supervisory Body during the second half of 2021;
- examined the report on the activities carried out by the Internal Audit, Risk & Compliance function of Interpump Group S.p.A. during the second half of 2021;
- examined the “Report on the Organizational, Administrative and Accounting Systems”;
- having heard the opinion of the external auditors in relation to the Non-Financial Statement, the Committee examined the results of the audit of that statement;
- examined the draft “Report on corporate governance and the ownership structure”, considering Sustainability and the System of Internal Control and Risk Management;
- acknowledged the updates on cyber security matters;
- reported to the Board on the work performed and on the adequacy of the system of internal control and risk management at the time of approving the 2021 financial statements and the half-year financial report at 30 June 2022;
- having consulted the Auditing Firm and the Board of Statutory Auditors, examined together with the Manager responsible for preparing the Company’s financial reports the results of the audit work performed on the financial statements and the proper and consistent application of the accounting policies adopted for the preparation of the consolidated financial statements for 2021;
- having consulted the external auditors and the Board of Statutory Auditors, reviewed the results of the limited examination of the consolidated Non-Financial Statement (“NFS”);
- expressed a favorable opinion on respect for the autonomy and adequacy criteria established for the Internal Audit, Risk & Compliance function and on the consistency of the remuneration of the Head of Internal Audit, Risk & Compliance function with corporate policies;

- acknowledged the procedures performed in order to audit the separate and consolidated financial statements of Interpump Group S.p.A. at 31 December 2021, which did not identify any significant weaknesses in the system of internal controls pursuant to art. 19 of Decree 39/2010, as well as the adoption by the Auditing Firm of the directives and independence rules envisaged in art. 18 of Decree 39/2010, and the absence at this time of any independence risks;
- acknowledged the resignation of the Manager of Corporate Affairs and ESG Activities of Interpump Group S.p.A. and the simultaneous assignment of that role to the General Counsel;

More specifically in relation to 2022, the Committee:

- examined the 2022-2024 three-year Audit Plan prepared by the Internal Audit, Risk & Compliance Manager, with a focus on 2022, and expressed its opinion in favor of submitting the document for approval by the Board of Directors;
- met the Supervisory Body and examined the Report on the work performed during the first semester of 2022;
- examined the Report on the activities carried out during the first half of 2022 by the Internal Audit, Risk & Compliance function of Interpump Group S.p.A. and the progress made by that function in relation to the content of the 2022 Audit Plan;
- monitored the progress of the activities carried out by the Internal Audit, Risk & Compliance function, considering the adequacy of its resources and the potential need to outsource certain work;
- received information, from the Director responsible for the system of internal control and risk management, about the effects deriving from the Russia-Ukraine conflict on the operations of Group companies;
- examined the preliminary results of the 2022 Control Risk Self Assessment;
- consulted the external auditors and the Board of Statutory Auditors and, together with the Manager responsible for preparing the Company's financial reports, examined the results of the audit work performed on the 2022 half-year financial report and the proper application of the accounting policies adopted;
- consulted the Board of Statutory with particular reference to the functional aspects of accounting and financial risk management and assessed the credentials and their adequacy of Giovanni Poletti in the context of his proposed appointment as the Manager responsible for preparing the Company's financial reports pursuant to art. 154-(2) TUF, expressing an opinion in favor of submitting that nomination to the Board of Directors for approval;
- acknowledged the absence of transactions with related parties in 2022 that would require involvement of the Related-Party Transactions Committee, as well as the existence of ordinary transactions that must be disclosed by the Chairman and Chief Executive Officer of Interpump Group S.p.A. to the Board of Directors, because the related amounts are not minimal;
- acknowledged the amendments made to the Code of Ethics in order to reflect the sustainability principles and commitments accepted by the Interpump Group on approval of the ESG Plan 2023-2025, expressing an opinion in favor of their approval by the Board of Directors;
- received information from the Manager responsible for preparing the Company's financial reports and the Chief Financial Officer about the management of credit and liquidity risks;
- reported to the Board of Directors on the work performed during the first semester of 2022, as well as on the adequacy of the system of internal control, deeming it adequate to contain at an acceptable level the overall business risks faced in pursuit of the Group's objectives;
- monitored and discussed the progress of work on the development of an ESG Plan for the Interpump Group. In this regard, the Committee made proposals and gave advice on the following Plan objectives:
  - definition of a decarbonization plan;
  - development of a circular economy pilot project;
  - implementation of a system to monitor continuously the water drawn and discharged by Group plants;

- definition of guidelines for the development and production of products with eco-sustainable designs;
- strategy for reducing injury rates in the workplace;
- extension of the occupational health and safety management systems certified to ISO 45001 standard;
- increase the number of non-mandatory training hours dedicated to Interpump Group employees;
- development of a global mobility program;
- preparation of a vendor rating model, applying environmental and social criteria;
- establishment of a Sustainability Committee within the new Board of Directors to be appointed at the Shareholders' Meeting called for 28 April 2023;
- revision of the Code of Ethics to adopt ESG principles;
- formalization of management succession plan;
- definition of a tax compliance model in line with the related best practices;
- expressed an opinion in favor of approval by the Board of Directors of the ESG Plan 2023-2025.

The Committee has met three times subsequent to the end of 2022, on 13 January, 10 February and 10 March 2023, together with the Board of Statutory Auditors and the Director responsible for the system of internal control and risk management. During those meetings, the Committee:

- having consulted the external auditors and the Board of Statutory Auditors, examined together with the Manager responsible for preparing the Company's financial reports the results of the audit work performed and the proper and consistent application of the accounting policies adopted for the preparation of the consolidated financial statements for 2022;
- monitored the progress of the activities carried out by the Internal Audit, Risk & Compliance function;
- monitored the launch of the Control Risk Self Assessment, with particular reference to updating the taxonomy of risks;
- acknowledged the results of the materiality analysis carried out to identify the material topics to report on in the consolidated Non-Financial Statement ("NFS");
- examined and approved the document defining the criteria to be used for carrying out the impairment test at 31 December 2022 and expressed its opinion in favor of submitting the document for approval by the Board of Directors;
- examined the report on the activities carried out by the Supervisory Body during the second half of 2022;
- examined the "Report on the Organizational, Administrative and Accounting Systems";
- examined the report on the activities carried out by the Internal Audit, Risk & Compliance function during the second half of 2022;
- having heard the opinion of the external auditor in relation to the Non-Financial Statement, the Committee examined the results of the audit of that Statement;
- examined the draft "Report on corporate governance and the ownership structure", considering Sustainability and the System of Internal Control and Risk Management;
- reported to the Board of Directors on the work performed during 2022, as well as on the adequacy of the system of internal control, deeming it adequate to contain at an acceptable level the overall business risks faced in pursuit of the Group's objectives;
- examined the Audit Plan for the three-year period 2022-2024 proposed by the Internal Audit, Risk & Compliance function, with a focus on 2023.

The activities and goals of the Company with regard to sustainability matters are described in the Non-Financial Statement ("NFS") prepared pursuant to Decree 254/2016 (which will be made available to the public on the basis and with the timing envisaged in the relevant laws and regulations, including by

publication on the Company's website in the section on Corporate Governance/Shareholders Meeting/Meetings/Ordinary Meeting of 28 April 2023).

In the performance of its functions and consistent with Recommendation 17 of the Corporate Governance Code, the Committee is entitled to access the business information and functions needed to carry out its tasks, as well as make recourse to external advisors to the extent established by the Board.

The Board has assigned an annual budget of 40,000 euro to the Committee for the performance of its work.

### **9.3 HEAD OF INTERNAL AUDIT, RISK & COMPLIANCE FUNCTION**

At the meeting held on 4 October 2021, after receiving a favorable opinion from the Control, Risks and Sustainability Committee, and after consulting the Board of Statutory Auditors, the Board of Directors appointed Francesco Masiello as Head of Internal Audit, Risk & Compliance function, establishing his remuneration in compliance with corporate policies and mandating him to ensure that the system of internal control and risk management is operational, adequate and consistent with the guidelines defined by the Board of Directors.

The activities of the Head of Internal Audit, Risk & Compliance function are carried out in compliance with the independence principle, as envisaged in the Corporate Governance Code, and in accordance with the guidelines for the conduct of internal auditing activities approved by the Board of Directors at the meeting held on 1 August 2012. In particular, the Head of Internal Audit, Risk & Compliance function:

- is not responsible for any operational areas and reports hierarchically to the Board of Directors;
- ensure the functioning and suitability of the system of internal control and risk management, both on an ongoing basis and in relation to specific needs, implementing an audit plan approved by the Board of Directors that is based on structured analysis and prioritization of the principal risks. The Audit Plan also includes checking the reliability of the IT systems;
- has access to all the information needed to perform his duties;
- prepares half-yearly and periodic reports containing an assessment of the system of internal control and risk management, as well as appropriate information about the activities carried, about how risks are managed and about execution of the plans prepared for their containment. These reports are prepared promptly, even on request from the Board of Statutory Auditors, when events of particular significance occur. The above reports are transmitted to the Chairmen of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee, and the Board of Directors, as well as to the executive director responsible for the system of internal control and risk management, unless such reports specifically address the activities of the parties concerned (Recommendation 36 of the Corporate Governance Code).

During 2022, the Internal Audit, Risk & Compliance function carried out the following activities, in conformity with the Audit Plan for 2022-2024 approved by the Board of Directors of Interpump Group S.p.A.; in particular:

- performance of operational audits designed to assess the effectiveness and efficiency of the system of controls applied within those operational business processes exposed to a relatively greater level of risk;
- performance of audit work at specific Group companies that are "less significant" in terms of size and operational complexity, which are selected on a rotational basis each year;
- independent monitoring of the system of internal control that supports preparation of the Group's consolidated financial reports. The results of that work were communicated appropriately to the Manager responsible for preparing the Company's financial reports in the half-yearly reports on the work performed by the function;
- support for the assessment by Group companies of their exposure to the risk of committing offenses identified in Decree 231/2001, and for monitoring the effectiveness of the Organization, Management and Control Models adopted to prevent commitment of the specified offenses;
- verification of compliance by Group companies with the rules of Corporate Governance, including the guidelines envisaged in the Global Compliance Programs;

- performance of cyber-security audits to assess the effectiveness of the IT security measures implemented by Group companies, in accordance with the related guidelines defined by Interpump Group S.p.A.;
- support for the Board of Directors of Interpump Group S.p.A. in carrying out risk assessment activities designed to ensure the effective recognition, analysis and integrated management of business risks.

The Board has assigned an annual budget of 40,000 euro to the Internal Audit Risk & Compliance function for the performance of its work.

#### **9.4 ORGANIZATIONAL MODEL, pursuant to Legislative Decree 231/2001**

Interpump Group S.p.A. implements the Organizational Model pursuant to Legislative Decree 231/2001 (hereinafter the “Model”) adopted by the Board of Directors on 22 January 2004 and updated on several occasions since then including, most recently, on 19 March 2021. The current version of the Model reflects the legislative changes made up to the above date, including, in particular, the introduction of tax and contraband offenses, and takes account of the current organizational structure of the Company.

The 231 Model comprises:

- a General Part, describing the profile of the Company, the relevant regulations, the underlying principles and key components of the Model (system of corporate governance, internal control and risk management system, schedule of powers and mandates), the functions of the Model, the methodology adopted for the creation of the Model, the structure of the Model, its recipients;
- special Parts concerning specific types of offense that theoretically may be committed having regard for the profile and activities of the Company, describing the procedures and control activities designed to prevent and monitor the risk of committing offenses;
- an appropriate internal disciplinary system to punish failure to comply with the measures indicated in the Model;
- the Code of Ethics, presented in full in an Annex since it is an integral part of the Model, that expresses the general principles and values guiding the activities of all those who, for whatever reason, work for Interpump Group S.p.A.

The Supervisory Body pursuant to Decree 231/2001 of Interpump Group S.p.A. currently comprises one external member, who is Chairman of the Body, and the Head of Internal Audit, Risk & Compliance function, whose role guarantees coordination among the various parties involved in the system of internal control and risk management of the Interpump Group.

Each member satisfies the requirements of autonomy, independence, integrity, professionalism and skill envisaged in the Regulation of the Supervisory Body and required by the Decree.

During the meetings held in 2022, the Supervisory Body checked that the Model is kept constantly aligned with the regulations, analyzed the solidity and functionality requirements and methods of implementation, and monitored - in part via the Internal Audit, Risk & Compliance function - the effectiveness of the Model.

During the year, no infringements were identified of the Model or the rules that might result in the penalties envisaged in Decree 231/2001.

An excerpt of the Model can be downloaded from the Interpump Group S.p.A. website: <https://www.interpumpgroup.it/uk/mod-organiz.aspx>

The Model has been extended to the Italian subsidiaries of strategic importance that, in consideration of their size and organizational complexity, have a higher level of relative risk with respect to the offenses envisaged in Decree 231/2001. The other Group companies and, in particular, the foreign subsidiaries have been requested to adopt the Group's Code of Ethics and the Global Compliance Programs described in “Section 9.0 System of Internal Control and Risk Management”, in order to prevent misconduct in environmental, social and personnel-related matters, ensure respect for human rights and combat active and passive corruption.

## **9.5 EXTERNAL AUDITORS**

Acting on a reasoned proposal from the Board of Statutory Auditors, the Shareholders' Meeting held on 30 April 2014 assigned the audit of the separate and consolidated financial statements of Interpump Group S.p.A. to the external audit firm "EY S.p.A.", pursuant to Decree 39/2010, for the nine-year period 2014-2022.

On approval of the Annual Financial Report at 31 December 2022, the appointment granted to EY S.p.A. will terminate on completion of the maximum duration allowed by law.

Acting on a reasoned proposal from the Board of Statutory Auditors, the Shareholders' Meeting held on 30 April 2021 assigned the audit of the separate and consolidated financial statements of Interpump Group S.p.A. for the nine-year period 2023-2031 to external audit firm "PricewaterhouseCoopers S.p.A.", pursuant to Decree 39/2010.

The current external audit firm EY S.p.A., met periodically with the Board of Statutory Auditors to discuss the audit work in progress and any significant matters indicated in the Auditors' Report prepared pursuant to arts. 14 and 16 of Decree 39/2010. That Report acknowledges the adequacy of the policies adopted by the Company for keeping the accounting records and preparing the financial statements, and does not contain any qualifications or significant recommendations for the Company that might have required specific actions or resolutions by the Board of Directors.

## **9.6 MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS AND OTHER COMPANY ROLES AND FUNCTIONS**

At the meeting held on 31 August 2022, the Board of Directors appointed Giovanni Poletti as the Manager responsible for preparing the company's financial reports pursuant to art. 154-(2) TUF, having received a non-binding opinion from the Board of Statutory Auditors, as envisaged in art. 14, subsection 18.d), of the Bylaws.

At the time of that appointment, having heard the favorable opinion expressed by the Board of Statutory Auditors, the Board of Directors checked his satisfaction of the honorability and professionalism requirements, the adequacy of his technical preparation and the skills developed by Giovanni Poletti through work experience of adequate duration and entity, in the areas of "administration, finance and control".

In particular, the Manager responsible for preparing the company's financial reports (i) manages the entire accounting information cycle, from the accounting-administrative procedures for production of the data reported in the financial statements, to preparation of draft separate and consolidated financial statements, (ii) issues written confirmations that the deeds and market communications made by the Company, and its related interim and other accounting information, agree with the relevant accounting documents, records and entries, (iii) issues, together with the Chief Executive Officer, the attestations required by art. 154-(2), subsection 5 TUF, in a specific report prepared in the format established in the related Consob regulation, (iv) attends meetings of the Board of Directors of the Company when the examination of its economic-financial data is on the agenda.

In order to perform his functions, the Manager responsible for preparing the company's financial reports is granted the following powers:

- unrestricted access to all relevant information in order to perform his duties, both in the context of the company and in the context of other group member companies;
- participation in the meetings of the Board of Directors convened to discuss the matters included among those for which duties are assigned to the Manager responsible for preparing the company's financial reports whenever such meetings are requested in writing by two or more directors at least two working days prior to the date scheduled for the board meeting, on the understanding that the participation of the Manager responsible for preparing the company's financial reports will be limited to the matters strictly of his competence;
- the entitlement to interview each delegated administrative body and controlling body of the company in relation to the matters falling within his specific areas of competence;
- the entitlement to participate in the approval, jointly with the other delegated administrative bodies, of the company's administrative and accountancy procedures concerning the formation of the annual financial statements, the interim report and the consolidated financial statements or the drafting of other financial documents for which the Manager responsible for preparing the company's financial reports is required to issue, jointly with the competent delegated administrative bodies, the attestations

envisaged by art. 154-(2) TUF;

- the entitlement to perform checks on company administrative and accounting procedures, to propose structural changes to said procedures and the components of the internal control systems that are considered to be inadequate, and, in the case of failed implementation of the recommended changes, to inform the Board of Directors and ensure the related countermeasures are adopted in the context of the directives received from the Board;
- participation in the structuring of the information systems and the related procedures that can impact on the economic, equity and financial situation of the company and the Group member companies;
- adoption of procedures relative to the channeling of information flows in respect of the Manager responsible for preparing the company's financial reports.

The following have been assigned to the Manager responsible for preparing the company's financial reports:

- an annual expense budget of 25,000 euro, with the specification that, where necessary and requested by the Manager responsible for preparing the company's financial reports, the annual budget can be increased by resolution of the Board of Directors or on the authorization of the Chief Executive Officer;
- the power to organize an adequate structure in the context of his area of activity, utilizing wherever possible and in a priority manner the resources already available internally, and where necessary making use of personnel to be hired, in agreement with the Chief Executive Officer and/or external consultants;
- the power to utilize the Internal Auditing, Risk and Compliance function to map and analyze the relevant processes and perform specific checks;
- the power to utilize the IT systems in the context of and within the limits of his specific responsibilities.

#### **9.7 COORDINATION AMONG PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The parties involved in the internal control and risk management system are as follows:

- a) the Board of Directors, which provides guidance and assesses the adequacy and effective functioning of the internal control and risk management system, considering the risks that may be significant in terms of the medium/long-term sustainability of the Issuer. The Board has identified:
  - i. a Director responsible for the constitution and maintenance of an effective internal control and risk management system (see section 9.1 above); and
  - ii. an Control, Risks and Sustainability Committee (see section 9.2 above) with the task of supporting with adequate investigation, the assessments and decisions of the Board of Directors in relation to the internal control and risk management system, including the risks deriving from any prejudicial factor that come to the attention of the Board of Directors (Recommendation 37 of the Corporate Governance Code), as well as those relating to the approval of the periodic financial reports;
- b) the Head of Internal Audit, Risk & Compliance function, responsible for checking that the internal control and risk management system is functional and adequate (see section 9.3 above);
- c) the Manager responsible for preparing the company's financial reports (see section 9.6 above).

Finally, the Board of Statutory Auditors monitors the effectiveness of the system of internal control and risk management (see section 11 below).

Pursuant to Principle XX of the Corporate Governance Code, the Company has provided for the following methods of coordination between the above listed parties in order to maximize the efficiency of the internal control and risks management system and reduce the duplication of activities:

- the current regulation of the Control, Risks and Sustainability Committee envisages that the work of the Committee be assisted by the Chairman of the Board of Statutory Auditors or a statutory auditor designated by the latter; however, the other members of the audit body can also participate. In addition, the Director responsible for the system of internal control and risk management is invited to attend the meetings, which may also be attended by non-members invited by the Committee, such as the Manager responsible for preparing the company's financial reports;

- the half-yearly report on the activities of the Control, Risks and Sustainability Committee is submitted to the Board of Directors and the Board of Statutory Auditors;
- the current mandate of the Internal Audit, Risk & Compliance function requires the preparation of half-yearly reports on how risks are managed and on the suitability of the system of internal control and risk management; in addition, timely reports are prepared on events of particular significance. These reports are sent to the members of the Control, Risks and Sustainability Committee, to the Chairmen of the Board of Statutory Auditors and the Board of Directors, and to the executive director responsible for the internal control and risk management system;
- the half-yearly report on the activities of the Internal Audit, Risk & Compliance function is submitted to the Board of Directors and the Board of Statutory Auditors;
- information is exchanged on a timely basis between the Board of Statutory Auditors and the Control, Risks and Sustainability Committee for the better performance of their respective functions;
- the Control, Risks and Sustainability Committee, the Board of Statutory Auditors and the Supervisory Body organize joint meetings during the year on matters of common interest, in order to share thoughts and/or opinions.

## **10.0 DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES**

With regard to the interests of directors and transactions with related parties, and in order to comply with art. 2391-(2) Civil Code and the CONSOB Related-Party Transactions Regulation, on 10 November 2010 the Board of Directors approved the Related-Party Transactions Procedure (the "Procedure") following the favorable opinion expressed on 28 September 2010 by the relevant Committee specifically established by the Board of Directors of the Issuer. The Procedure has been applied since 1 January 2011. As also envisaged in the Code of Ethics, the purpose of the above Procedure is to ensure the transparency and substantive and procedural propriety of the related-party transactions carried out by the Company, whether directly or via subsidiaries.

Subsequently, on 18 March 2014, the Board of Directors approved certain amendments to the Procedure, having obtained a favorable opinion from the Committee at a special meeting. Among others, these amendments changed the thresholds for identifying immaterial transactions. Lastly, on 4 August 2017, the Board of Directors approved further amendments to the Procedure, having obtained a favorable opinion from the Committee at a special meeting. These amendments essentially involved the adoption of regulatory changes and revisions to the governance structures.

At the meeting held on 28 June 2021 and acting on a proposal from the Related-Party Transactions Committee, the Board of Directors approved changes to the text of the Procedure in order to adopt, in turn, the innovations contained in the Regulations adopted by CONSOB Decision 21624 of 10 December 2020, that:

- prevent related parties from giving priority to the pursuit of their own interests, limiting the risk of expropriation to the detriment of the Company and all stakeholders;
- ensure greater protection for the minority shareholders;
- minimize the risk of abuses deriving from transactions with (or influenced by) parties that may have conflicts of interest.

This revision of the Procedure took account of changes in the size of the Group and in its governance structures.

The Procedure governs the Related-Party Transactions carried out by the Company and the Group in compliance with current regulatory requirements. In particular, the Procedure:

- applies to the related parties identified as such in the relevant international accounting standard (IAS 24), to which reference is made;
- establishes the annual amounts of 200,000 euro and 1,000,000 euro, for natural and legal persons respectively, as the threshold for negligible transactions excluded from application of the revised Procedure, since transactions worth less than that threshold are not deemed to represent a risk for the Company;
- excludes from its application the Board resolutions (other than those adopted pursuant to art. 2389, subsection 3, Civil Code) on the remuneration of Directors with specific responsibilities and key management personnel;

- makes recourse to the option to exempt routine and intercompany transactions;
- specifies rules for assessing the transactions of lesser and greater Significance carried out directly by Interpump Group S.p.A. or via subsidiaries;
- determines the organizational controls and information flows considered necessary in order to ensure that the competent bodies are given complete, useful and timely information, so that they can assess the transactions concerned.

The Procedure is available on the website of Interpump Group S.p.A. at: <https://www.interpumpgroup.it/uk/procedura-operazioni-parti-correlate.aspx>.

At the date of this Report, the Related-Party Transactions Committee comprises Paola Tagliavini (Chairman), Federica Menichetti and Angelo Busani, who are all independent Directors.

The work of the Related-Party Transactions Committee is coordinated by the Committee Chairman; meetings are minuted properly and the Chairman reports on them at the next available Board meeting.

During the year, the Committee met together with the Control, Risks and Sustainability Committee on 7 November 2022 to examine the related-party transactions carried out by Group companies during 2022, which were all routine and of lesser significance.

See Table 3 annexed to this Report for more detailed information about the Board Committees.

Lastly, the Board of Directors did not consider it necessary to adopt specific operational solutions or ad hoc procedures, other than those already envisaged in the RPT Procedure currently in force, in order to reduce or avoid conflicts of interest involving individual directors. Indeed, the Company believes that the existing controls are adequate, given the requirements contained in:

- art. 2391 c.c., which states that each Director “must inform the other Directors and the Board of Statutory Auditors about all interests, whether personal or on behalf of others, held in a given corporate transaction, clarifying its nature, origin, terms and extent”;
- the Related Parties Regulation recently amended by Consob, which requires directors involved in the transaction to abstain from voting on related-party transactions of lesser significance (if decided by the Board) and those of greater significance (which are always a Board responsibility);

the Procedure that references the requirements of the above Related Parties Regulation.

## **11.0 BOARD OF STATUTORY AUDITORS**

### **11.1 APPOINTMENT AND REPLACEMENT**

Pursuant to art. 19 of the Bylaws, the Board of Statutory Auditors is composed of three serving members and two alternates appointed at the Shareholders’ Meeting. The Statutory Auditors remain in office for three years, expiring on the date of the Shareholders’ Meeting called to approve the financial statements for their third year in office, and are eligible for re-election. In compliance with the Bylaws and current regulations, statutory auditors are appointed on the basis of criteria that ensure gender balance.

Pursuant to art. 148, subsection 2 TUF, the Statutory Auditors are appointed using lists that have two sections identifying the candidate Serving Auditors and the candidate Alternate Auditors.

The presentation of a list requires ownership of the same minimum percentage of capital required for the presentation of lists of candidate directors, which is 2.5% without prejudice to any different maximum percentage established in the laws and regulations in force from time to time. In this regard, the participation threshold established pursuant to the Consob Issuers’ Regulation in Consob decision 60 of 28 January 2022 is 1.00%.

The minimum percentage required for the presentation of lists of candidate Statutory Auditors is halved if, in the ordinary term of twenty-five days prior to the date of the Shareholders’ Meeting convened to make the appointment, a single list has been presented, or exclusively lists presented by reciprocally connected shareholders; in this case lists can be submitted up to the third day following said date.

Each shareholder who intends to propose candidates for the office of Statutory Auditor, must file at the registered offices by the deadlines envisaged in the relevant current regulations:

- a) a list of candidates comprising two sections: one section for candidate Serving Auditors, and the other for candidate Alternate Auditors. At least one candidate must be indicated in the section

concerning statutory auditors and at least one in the section concerning alternate auditors. If, considering both sections, the list contains a number of candidates equal to or greater than three, it must contain, in the statutory auditors section, candidates of both genders in accordance with the matters specified in the notice of convocation of the Shareholders' Meeting in order to ensure compliance with statutory legislation concerning gender balance; if the section concerning alternate auditors contains two candidates, said candidates must be of different genders. Each candidate in each section must be given a sequential number;

- b) a curriculum vitae for each candidate, containing: (i) complete information on their personal and professional characteristics, as well as (ii) the list of appointments as director or statutory auditor at other companies or bodies, if significant pursuant to the current instructions limiting the accumulation of appointments;
- c) the declarations of each candidate expressing their willingness to take office in the event of election and attesting, under their personal responsibility, to the absence of any reasons for ineligibility or incompatibility, their satisfaction of the honorability, professionalism and independence requirements specified in current regulations and the code of conduct of Borsa Italiana S.p.A., adopted by the Company time by time, and the existence of any other requirements prescribed for the office, whether in law or in the Bylaws;
- d) details of the shareholders submitting the list, with their name, company name, location, company registration number or equivalent, and the percentage of the capital they hold in total, accompanied by a certificate confirming that holding and the declaration required by art. 144-(6), subsection 4, letter b) of the Issuers' Regulation, attesting to the absence of relations of association pursuant to art. 144-(5) of the CONSOB Issuers' Regulation.

By the deadline envisaged in current regulations, it is also necessary to file the certificate issued by an authorized intermediary confirming ownership, at the time of filing the list with the Company, of the number of shares needed to make that filing. Those submitting a list intended to obtain the highest number of votes are obliged to include a sufficient number of candidates in the list and also the minimum number of candidates in possession of any special requirements of professionalism or of other matters that are not required by statutory regulations for all auditors, and to act in such a way as to ensure that the composition of the list complies with the proportionality criterion for gender balance prescribed by statutory legislation.

Persons are not eligible to be serving or alternate Statutory Auditors of the Company and, if elected, their appointments lapse, if they: (i) already hold offices such as members of the Board of Directors or the administrative body of other companies or entities exceeding the limits specified by current legislation concerning the number of offices that can be held at the same time, or those for which there are causes of ineligibility or incompatibility; (ii) they do not comply with the requirements of integrity, professionalism and independence required by current provisions and by the Code of Corporate Governance of Borsa Italiana S.p.A. adopted by the company from time to time, or any other of the requirements specified for the office by regulations or the by-laws.

The election system envisages that: a) two statutory auditors and one alternate auditor will be taken, on the basis of the sequential number with which the candidates are listed in the respective sections of the list, from the list that receives the highest number of votes; all the auditors of the less represented gender will also be taken from the same list as required by statutory legislation concerning gender balance, except in the event wherein the remaining auditor, taken from the list that received the second highest number of votes, is of the less represented gender: in this case all auditors of the less represented gender, as required by statutory legislation, will be taken from the list that obtained the highest number of votes, except for one; b) the remaining statutory auditor and the remaining alternate auditor will be taken from the list that obtains the second highest number of votes, these persons being those indicated with the first sequential number in the respective sections of the list, without prejudice to the matters established in the preceding letter a) concerning gender balance. The candidate indicated with the first sequential number in the statutory auditors section will be the chairman of the Board of Statutory Auditors; c) in the case of an equal number of votes (i.e. if two lists both receive the highest number of votes or the second highest number of votes), if this situation of parity occurs for lists that have both obtained the second highest number of votes, the candidate of the list that has obtained the vote of the highest number of shareholders will be appointed, while in all other cases the Shareholders' Meeting will repeat the ballot, with a slate vote, for appointment of the entire Board of Statutory Auditors; d) the auditors taken from the lists will be elected in accordance with the criteria indicated under the foregoing letters a), b) and c), without prejudice to the provisions of the following letters e) and f); e) if a single list is duly submitted, all the auditors to be appointed will be taken from said list, always in compliance with statutory legislation concerning gender balance. The candidate indicated with the first sequential number in the Serving

Auditors section will be elected Chairman of the Board of Statutory Auditors; f) if the list that received the second highest number of votes has received the votes cast by one or more shareholders considered to be associated, pursuant to the bylaws referred to above, with one or more of the shareholders that submitted (or joined in submitting) the list that received the highest number of votes, those votes shall not be counted. Consequently, if without considering such votes, another list emerges as the second most voted list, the remaining Serving Auditor and the remaining Alternate Auditor will be the candidates with the first sequential number appearing in the respective sections of that other list; g) if no list is submitted or if, for any reason, the appointment of one or more Statutory Auditors cannot be carried out, the Shareholders' Meeting will adopt a resolution with the majorities required by law, anyway ensuring compliance with the statutory legislation on gender balance.

The current art. 148 TUF requires with regard to the composition of the control body that "the least represented gender shall comprise not less than two-fifths of the serving members of the Board of Statutory Auditors". The Corporate Governance Code specifies at least one-third of the total. Additionally, CONSOB Communication 1/20 dated 30 January 2020 specifies that, if the control body only comprises three serving members, the result of the two-fifths calculation referred to above must be rounded down. In all other cases, the results must be rounded up to the next integer.

Apart from the requirements of the TUF and the Corporate Governance Code, the Issuer is not subject to any other regulations concerning the composition of the Board of Statutory Auditors.

## **11.2 COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (ex art. 123-(2), subsection 2, letters d) and d-(2), TUF)**

The Board of Statutory Auditors in office was appointed at the Shareholders' Meeting held on 30 April 2020 and will remain in office until approval of the financial statements at 31 December 2022.

During the Shareholder's Meeting held on 30 April 2020 two lists of candidates for the office of statutory auditor were submitted:

- List no. 1 presented by Gruppo IPG Holding S.p.A., the shareholder that, on the List presentation date, held 25,406,799 ordinary shares of Interpump Group S.p.A., equivalent to 23.334% of the Company's share capital, deposited and published on 8 April 2020;
- List no. 2 by a group of asset management companies and institutional investors, which, on the date of the Shareholders' Meeting, held 1,368,172 ordinary shares of Interpump Group S.p.A., equivalent to 6.700% of the Company's share capital, deposited and published on 8 April 2020.

The names of the candidates in the above lists are:

### List 1 from Gruppo IPG Holding S.p.A.:

Serving Statutory Auditors

- Mario Tagliaferri, born in Milan on 9 October 1961;
- Roberta De Simone, born in Forlì on 16 November 1964;
- Achille Delmonte, born in Sant'Ilario d'Enza (RE) on 8 February 1946.

Alternate Statutory Auditors

- Andrea Romersa, born in Parma on 1 January 1971;
- Valeria Gasparini, born in Reggio Emilia on 28 December 1983.

List no. 2 of group of asset management companies and institutional investors:

Serving Statutory Auditors

- Anna Maria Allievi, born in Milan on 1 August 1965.

Alternate Statutory Auditors

- Roberta Senni, born in Rome on 5 June 1982.

Further to the votes case, List no. 1 submitted by Gruppo IPG Holding S.p.A. obtained favorable votes from 77.574% of the share capital represented at the Shareholders' Meeting. List no. 2 submitted by the group of asset management companies and investors obtained favorable votes from 21.704% of the share

capital represented at the Shareholders' Meeting. Therefore, the Shareholders' Meeting elected the following candidates as members of the Board of Statutory Auditors of the Company:

- Anna Maria Allievi (Chairman);
- Mario Tagliaferri (Serving Statutory Auditor);
- Roberta De Simone (Serving Statutory Auditor);
- Andrea Romersa (Alternate Statutory Auditor);
- Roberta Senni (Alternate Statutory Auditor).

The Board of Statutory Auditors met nine times during 2022. The meetings were attended by all members and their average duration was 2 hours and 30 minutes. Seven meetings are planned for 2023, two of which have already been held by the date of this Report.

See Table 4 annexed to this Report for more detailed information about the Board of Statutory Auditors.

The characteristics of the current members of the Board of Statutory Auditors ensure an adequate level of diversity, not only in terms of their training and professional experience, but also with regard to their gender and age.

At its meeting held on 28 February 2023 and after taking account of the outcome of its own self-assessment work, the Board of Statutory Auditors in office at the date of this Report, whose mandate expires on approval of the 2022 annual financial statements at the Shareholders' Meeting called for 28 April 2023, approved its guidance on the quali-quantitative composition of the new Board of Statutory Auditors for the three-year period 2023-2025 to be elected at the Shareholders' Meeting. This guidance was published on the website of the Issuer on 1 March 2023 and made available to the shareholders prior to the Shareholders' Meeting called for 28 April 2023.

A concise resume of each member of the Board of Statutory Auditors in office is given below:

***Anna Maria Allievi***

Year of birth: 1965

Role: Chairman of the Board of Statutory Auditors

Date of first appointment: 30 April 2020

Number of significant appointments: two

Born in Milan on 1 August 1965, degree in Trade and Economics (specialization in business economics) from Università Cattolica del Sacro Cuore, Milan. Registered as an Italian Public Accountant in Milan from 1996 and as a Legal Auditor from 1999. From 1990 to 1992, Commercial Law assistant at Università Cattolica in Milan, and lecturer in business economics and actuarial mathematics at Istituto Buonarroti in Milan.

Collaborates with Auditing Firms and Professional Offices; Chairman of the Board of Statutory Auditors of Credito Emiliano S.p.A., which is a significant company, as well as Chairman or member of the Boards of Statutory Auditors of other companies and Public Bodies. She is also the Chairman of the Board of Statutory Auditors and member of the Supervisory Body of Coima SGR S.p.A. – an investment management company.

Contract lecturer in “Business Economic and Financial Strategy” at Università Statale di Milano. Previously Senior Audit Manager at Deloitte & Touche, first as a full-time auditor and then part time in the National Technical Department for a total of twenty years. Her professional career has combined auditing and the development of specialist advisory and quality control skills, in order to assist boards implement improvement strategies. Alongside this activity, she was appointed to several Boards of Statutory Auditors, including CIR S.p.A. (listed) and various hospitals. These experiences expanded considerably her knowledge of corporate governance and the control of administrative and accounting processes, enabling her to provide sound advice and support to the boards of the companies with which she has worked.

***Mario Tagliaferri***

Year of birth: 1961.

Role: Statutory Auditor

Date of first appointment: 30 April 2020

Number of significant appointments: two

Born in Milan on 9 October 1961, degree in Trade and Economics from the University of Bergamo. Registered as an Italian Public Accountant, a Magistrate's Technical Advisor at the Civil and Criminal Court of Cremona, and a Legal Auditor. Practicing professional accountant and legal auditor as a Partner at Studio LEXIS in Crema (CR). Activities mostly focused on the provision of tax and corporate advice for large and medium-sized companies. Over his career, he has accumulated considerable experience of corporate and business reorganizations involving special transactions.

With regard to significant appointments currently held in other companies, he is a Serving Auditor at Brembo S.p.A. and at Fine Foods & Pharmaceutical N.T.M. S.p.A.

### ***Roberta De Simone***

Year of birth: 1964

Role: Statutory Auditor

Date of first appointment: 30 April 2020

Number of significant appointments: one

Born in Forlì on 16 November 1964, degree in Trade and Economics from the University of Bologna. Italian Public Accountant and Registered Auditor. Significant experience with ERNST & YOUNG S.p.A., specializing as an auditor at major companies. Currently partner at "Studio Scala – Giondi Associazione Professionale", a professional firm based in Forlì. This firm advises several major local, national and international companies, with interests both within the European Union and outside.

With regard to significant appointments currently held in other companies: Chairman of the Board of Statutory Auditors of Ima S.p.A. (design and production of automated machines for the processing and packaging of pharmaceuticals, cosmetics, food products, tea and coffee).

### **Diversity criteria and policies**

See Section 4.3 above for information about the diversity criteria and policies adopted.

### **Independence**

The Bylaws of Interpump Group S.p.A. envisage, on the presentation of lists, that each candidate Statutory Auditor must file declarations of candidacy and acceptance of appointment in which under their personal responsibility they confirm, among other matters, their satisfaction of the integrity, professionalism and independence requirements specified in the Bylaws and regulations in force, and of any other requirements prescribed for the office. Accordingly, the Board of Statutory Auditors confirmed satisfaction of the independence requirements, via those declarations, at the Shareholders' Meeting held on 30 April 2020.

On 10 March 2021, 18 March 2022 and 10 February 2023, with reference respectively to the 2020, 2021 and 2022 financial years, the Board of Statutory Auditors presented to the Board of Directors its self-assessment of member profiles - requirements regarding professionalism, skill, experience, independence and accumulation of appointments - and its functioning - availability of time to carry out the appointments, adequacy of remuneration, functioning and quality of the information flows with the administrative bodies, committees and control functions, collaboration and interaction among members, exchange of information with the firm of legal auditors.

The self-assessment process followed by the Board of Statutory Auditors was completed without identifying any shortcomings in the suitability of its members and by confirming the adequacy of its composition and functioning.

### **Remuneration**

The remuneration of the Statutory Auditors is determined at the Shareholders' Meeting that appoints them pursuant to art. 2402 Civil Code, having regard for the commitment required, the importance of the position held and the size and business sector characteristics of the Issuer. In particular, as envisaged in the Report on remuneration policy and compensation paid, the remuneration of the Board of Statutory Auditors, comprising solely a fixed component, is considered adequate with reference to the work performed during the year, having regard for the time dedicated to the role by each serving auditor, including their participation at meetings of the Board of Directors and Board Committees.

### **Management of interests**

At present, the Company has not considered it necessary to formalize the requirement for a Statutory Auditor who, directly or on behalf of others, has an interest in a given transaction carried out by the Company, to inform the other Statutory Auditors and the Chairman of the Board of Directors, promptly and fully, about the nature, terms, origin and extent of that interest. In this regard, on the one hand, the Company considers effective and adequate the obligations and controls applicable to the Statutory Auditors pursuant to current laws, regulations and the CG Code; on the other, the Statutory Auditors have always acted transparently, collaborating in full with the Board on the basis of open discussion and complete information. In particular, in accordance with Recommendation 37 of the Corporate Governance Code, Statutory Auditors who, directly or on behalf of others, have an interest in a given transaction must inform the other Statutory Auditors and the Chairman of the Board of Directors, promptly and fully, about the nature, terms, origin and extent of that interest.

## **12.0 RELATIONS WITH SHAREHOLDERS**

On 4 October 2021, in accordance with Principle IV and Recommendation 3 of the CG Code, the Board of Directors of Interpump Group S.p.A. approved the Policy for managing dialog with the shareholders, which is available in the Governance section of the corporate website (<https://www.interpumpgroup.it/uk/politica-gestione-dialogo.aspx>).

The Company maintains a constant, open and constructive dialog with the shareholders, investors and the market in general; the Company also believes that the proactive search for two-way interaction between Interpump Group S.p.A. and its shareholders is fundamental:

- to help the Board of Directors know the opinions of the shareholders on such topics as corporate governance and the sustainable success of the Group, in order to take them into account in the performance of its duties;
- to establish and maintain channels for dialog and participation, ensuring direct shareholder involvement in the life of the Company;
- to enhance the level of shareholder understanding about the strategies of the Company and the Group, about the results achieved and about every financial and non-financial aspect of importance when selecting investments and exercising knowledgeably their shareholder rights;
- to improve constantly the approach to sustainability matters adopted by the Company with regard to its business and corporate social responsibilities.

Relations with the shareholders are managed directly by top management, with involvement of the Board of Directors, the Chairman, the Investor Relations function and the Control, Risks and Sustainability Committee.

At the meeting held on 17 January 2022, the Board of Directors appointed Elisabetta Cugnasca as the manager responsible for relations with institutional investors and other shareholders.

Accordingly, the Board of Directors promotes a dialog that facilitates equal treatment for all shareholders in the recognition and exercise of their rights, while ensuring transparency, propriety, timeliness and symmetry in the dissemination of information. Furthermore, the Board receives information from the Chairman and Chief Executive Officer about the progress of and developments in the dialog with the shareholders and all other significant stakeholders and, based on that information, adopts appropriate decisions deemed likely to improve relations with them. Lastly, the Board approves the press releases containing the periodic information for which it is responsible.

The financial community is given many opportunities to meet and discuss matters with the Company, as part of transparent and ongoing communications. Events dedicated to financial analysts, conference calls and meetings with shareholders and investors are held in the principal financial centers and at the

Company's headquarters. During 2022, the Company held 275 meetings with investors and 8 roadshows took place in Frankfurt, Milan and Paris, as well as in Switzerland.

The principal engagement activities included the meeting held on 23 February 2022 between the Company and Assogestioni, which discussed the following topics relevant to corporate governance, environmental protection and social matters:

- strategies for reducing energy consumption and atmospheric emissions;
- generation and purchase of electricity from renewable sources;
- monitoring of occupational health and safety matters;
- remuneration policies, including the achievement of ESG targets;
- top management succession plans.

The above topics are addressed in the ESG Plan and the Company is already implementing an action plan in their regard.

With a view to keeping open and constant and beneficial channel for financial communications, a special section of the Company's website ([www.interpumpgroup.it](http://www.interpumpgroup.it), Investor Relations and Press Releases) is used to publish useful information, such as: annual reports **and** interim reports on operations, presentations to analysts, stock prices and press releases.

### **13.0 SHAREHOLDERS' MEETINGS (ex art. 123-(2), subsection 2, letter c), TUF)**

The provisions of the Bylaws concerning the Shareholders' Meeting are as follows:

*“Art. 6) 1. The duly constituted Shareholders' Meeting represents all the shareholders, and its resolutions, passed in accordance with the law and the present Bylaws, are binding on all the shareholders. The Shareholders' Meeting is either ordinary or extraordinary in accordance with the law (art. 2364 and 2365 of the Italian Civil Code) and can be convened, within the Country, also in places other than the Company's registered office. ... The Ordinary Shareholders' Meeting approves and - where necessary - amends the “meeting regulations” that govern the manner in which meetings are conducted. The notice of convocation of the Shareholders' meeting, containing the information required by statutory regulations, is published on the company's website and with the other methods envisaged by statutory regulations.*

*2. The company, adopting the faculty provided by law, does not appoint the representative pursuant to art. 135-(11) of Decree 58 of 24 February 1998, unless the Board of Directors, for a specific Shareholders' Meeting, has resolved said designation, communicating the fact in the notice of convocation of the Meeting concerned.*

*Art. 7) Each share carries the right to one vote.*

*Art. 8) In compliance with statutory legislation, the Shareholders' Meeting is open to the participation of holders of voting rights who submit, in accordance with the methods established in the notice of convocation, an appropriate communication issued in compliance with statutory legislation by the broker within the term envisaged by said statutory legislation.*

*Art. 9) Each shareholder with voting rights is entitled to participate in the Shareholders' Meeting, and can be represented by conferring a proxy on other persons including non-shareholders, in compliance with the provisions of articles 135-(9) et seq. of Decree 58 of 24 February 1998, and the related implementing provisions. The proxy can be conferred electronically and can be notified to the company by transmission of the document to the e-mail address indicated in the notice of convocation.*

*It is anyway the faculty of the Chair of the Meeting to establish the proper execution of the proxies and, in general, the entitlement to participate in the Meeting.*

*Art. 10) The Shareholders' Meeting is presided over by the Chairman of the Board of Directors or, if this person is not available, by the most senior Deputy Chairman in terms of age (if appointed) or, in the absence of this latter, by another person elected by the Shareholders' Meeting.*

*The Meeting appoints a secretary, chosen also from among parties who do not hold voting rights. The secretary may choose two scrutineers if such action is considered appropriate.*

*Art. 11) The ordinary and extraordinary Shareholders' meeting is held in a single convocation, unless the*

*Board of Directors, in relation to a specific shareholders' meeting, should resolve to specify the date for the second and, if necessary, the third call, disclosing said information in the notice of convocation. The Shareholders' Meeting is duly constituted and its resolutions are valid with the quorums established by law.*

*The provisions of arts. 14, subsection 2, and 19 below apply to the appointment of directors and auditors.*

*Art. 12) The ordinary Shareholders' Meeting must be convened at least once a year, within one hundred and twenty days from the end of the corporate year, or within one hundred and eighty days in the event that the provisions of law allow the application of said longer term."*

The Bylaws also assign to the Board of Directors, rather than the Shareholders' Meeting, responsibility for mergers and spin-offs in all cases in which the law permits that such decisions be taken by the administrative body in place of the Shareholders' Meeting; the establishment and closure of secondary offices; the indication of which directors shall be granted powers to represent the Company; the reduction of share capital in the event of withdrawal by a shareholder; a adaptation of the Bylaws to reflect regulatory requirements; and transfer of the Company's registered office within the national territory. The Board of Directors can also approve a transaction of major significance with related parties, despite the contrary view of the independent directors, provided that the execution of such transactions has been authorized at the Shareholders' Meeting. Authorization is denied when there are, in attendance at the Shareholders' Meeting, unrelated shareholders or their proxies representing at least 10% of the share capital with voting rights, and the majority of these latter have voted against the transaction in question. If, in relation to a transaction of major significance with related parties, the resolution proposal to be submitted to the Shareholders' Meeting is approved despite the contrary view of the independent directors, the execution of the transaction will be prevented if the Shareholders' Meeting is attended by unrelated shareholders representing at least 10% of the share capital with voting rights, and the majority of these latter vote against the transaction in question.

There are no shares carrying multiple votes and voting premium is envisaged.

In order to allow the more efficient management of business at shareholders' meetings, the Meeting held on 28 April 2011 approved the Regulations for Shareholders' Meetings, which are published on the website of Interpump Group S.p.A. at: <https://www.interpumpgroup.it/documentazione-assembleare.aspx>

Due to continuation of the COVID-19 pandemic and consistent with the related regulatory measures adopted<sup>3</sup>, the Shareholders' Meeting held on 29 April 2022 included both in-person attendance and attendance via audio-visual links; the exercise of voting rights was guaranteed by the Designated Representative, in the absence of conflicts of interest pursuant to art. 135-(10) TUF.

At the above Meeting, the Board of Directors ensured that the shareholders were given adequate information about elements needed to make their decisions, adopting the regulatory procedures envisaged by law.

The Board did not consider it necessary to prepare reasoned proposals for submission to the Shareholders' Meeting, for the purpose of defining a form of corporate governance more responsive to the needs of the business and the Group, as the current Model is deemed to respond to those needs.

#### **14.0 ADDITIONAL CORPORATE GOVERNANCE PRACTICES (ex art. 123-(2), subsection 2, letter a), second part, TUF)**

There are no additional corporate governance practices to report.

#### **15.0 CHANGES AFTER THE CLOSE OF THE REFERENCE PERIOD**

From the end of the year to the time of writing no changes have been made to the corporate governance structure.

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<sup>3</sup> Decree 18 of 17 March 2020, – as subsequently enacted with amendments by Law 27 of 24 April 2020 and, in turn, amended by Decree 183 of 30 December 2020, then enacted with amendments by Law 21 of 26 February 2021 – on “Measures to strengthen the health service and provide economic support for families, workers and businesses in connection with the COVID-19 pandemic”, envisages in art. 106, among other matters and as an exception to various corporate bylaws, that shareholders' meeting may be held, even exclusively, by means of telecommunications that guarantee identification of the participants, their participation and the exercise of their voting rights. The above provisions, intended to minimize travel and gatherings, envisage that voting rights may be exercised via the Designated Representative appointed by the Company.

## **16.0 CONSIDERATIONS ON THE LETTER DATED 25 JANUARY 2023 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

On 30 January 2023, the Chairman and Chief Executive Officer of the Company and, for information purposes, the Chairman of the Board of Statutory Auditors, received a letter dated 25 January 2023 containing recommendations made by the Chairman of the Corporate Governance Committee.

The Issuer reports that it has already implemented the required action regarding:

- information about the application of Code recommendations;
- reasons for assigning operational powers to the Chairman;
- management of the information provided prior to board meetings;
- management attendance at Board meetings;
- guidance on the optimal composition of the Board;
- criteria for assessing the significance of relations that might influence the independence of directors;
- transparency of the remuneration policies adopted for weighting the variable components of long-term incentives;
- inclusion of ESG parameters in the remuneration of directors;

For all the above areas of interest, the Board of Directors and the Board Committees involved in the specific topics are actively engaged in maintaining and consolidating the suggestions and additional recommendations made by the CG Committee.

S. Ilario d'Enza, 17 March 2023

For the Board of Directors  
Fulvio Montipò  
Chairman and Chief Executive Officer

## **TABLES**

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AT 31/12/2022**

STRUCTURE OF SHARE CAPITAL				
Type of shares	No. of shares	No. of voting rights	Listed	Rights and obligations
Ordinary shares	108,879,294	108,879,294	MTA computerized stock market organized and managed by Borsa Italiana S.p.A.	Ordinary shares by law
Shares with multiple votes	-	-	-	-
Shares with restricted voting rights	-	-	-	-
Shares without any entitlement to vote	-	-	-	-
Other	-	-	-	-

OTHER FINANCIAL INSTRUMENTS (assigning the right to subscribe for newly-issued shares)				
Type of other instruments	Listed/unlisted	Number of instruments in circulation	Category of shares for the year	Number of shares for the year
Convertible debentures	-	-	-	-
Warrants	-	-	-	-

SIGNIFICANT INTERESTS IN THE CAPITAL *			
Declarant	Direct shareholder	% portion of ordinary capital	% portion of voting capital
Leila Montipò e Sorelle Sapa	Gruppo IPG Holding S.p.A.	25.075%	25.075%
	Leila Montipò e Sorelle Sapa	0.138%	0.138%
FMR LLC	Fidelity Management & Research Company LLC	4.592%	4.592%
	Fidelity Institutional Asset Management Trust Company	0.293%	0.293%
	FIAM LLC	0.112%	0.112%
Claudio Bulgarelli	FIN TEL S.r.l.	4.133%	4.133%
Giannicola Albarelli	Reggiana Finanziaria S.r.l.	3.490%	3.490%
Capital Research and Management Company	Capital Research and Management Company	5.014%	5.014%
Interpump Group S.p.A.**	Interpump Group S.p.A.	1.8257%	-

\* Source: CONSOB, updated at 04/01/2023

\*\* Source: Draft financial statements of the Company at 31/12/2022

**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS ON THE REPORTING DATE**

BOARD OF DIRECTORS													
Office	Officers	Year of birth	Date first appointed (*)	In office from	In office until	List of presenters (**)	M/m list (***)	Executive	Non-Executive	Independent		No. other appointments (****)	Participation (*****)
										CG	TUF		
Chairman and Chief Executive Officer <sup>o</sup>	Fulvio Montipò	1944	From the date of listing	30/04/2020	App. 2022 financial statements	Shareholders	M	A				-	09/09
Deputy Chairman	Giovanni Tamburi	1954	27/04/2005	30/04/2020	App. 2022 financial statements	Shareholders	M		A			6	09/09
Director *	Fabio Marasi	1977	30/04/2020	30/04/2020	App. 2022 financial statements	Shareholders	M	A				-	09/09
Director	Claudio Berretti	1972	04/08/2021	04/08/2021	App. 2021 financial statements	Shareholders	M		A			7	09/09
Director	Angelo Busani	1960	28/04/2017	30/04/2020	App. 2022 financial statements	Shareholders	m		A	A	A	2	09/09
Director	Antonia Di Bella	1965	28/04/2017	30/04/2020	App. 2022 financial statements	Shareholders	M		A	A	A	3	09/09
Director <sup>o</sup>	Marcello Margotto	1961	06/08/2015	30/04/2020	App. 2022 financial statements	Shareholders	M		A	A	A	2	09/09
Director	Federica Menichetti	1976	30/04/2020	30/04/2020	App. 2022 financial statements	Shareholders	M		A	A	A	4	08/09
Director	Stefania Petruccioli	1967	30/06/2015	30/04/2020	App. 2022 financial statements	Shareholders	M		A	A	A	4	08/09

BOARD OF DIRECTORS													
Office	Officers	Year of birth	Date first appointed (*)	In office from	In office until	List of presenters (**)	M/m list (***)	Executive	Non-Executive	Independent		No. other appointments (****)	Participation (*****)
										CG	TUF		
Director	Paola Tagliavini	1968	30/04/2014	30/04/2020	App. 2022 financial statements	Shareholders	M		A	A	A	3	08/09
<b>DIRECTORS LAPSED DURING REFERENCE PERIOD <sup>4</sup></b>													
n.a.													
Quorum required for the presentation of lists by the minority shareholders for the election of one or more members ( <i>ex art. 147-(3) TUF</i> ): 1% of the shares with voting rights at Ordinary Shareholders' Meetings (pursuant to art. 14 of the Bylaws and applicable Consob decisions).													
<b>No. meetings held during the reference year: 9</b>													

## NOTES

The following symbols must be included in the "Office" column:

\* This symbol indicates the Director responsible for the system of internal control and risk management.

◊ This symbol indicates the person primarily responsible for management of the Issuer (Chief Executive Officer or CEO).

◦ This symbol indicates the Lead Independent Director (LID).

(\*) For each Director, the date first appointed indicates the date on which the Director was appointed for the first time (ever) to the Board of the Issuer.

(\*\*) This column indicates if the list from which each Director was drawn was presented by shareholders (indicating "Shareholders") or by the Board (indicating "Board").

(\*\*\*) This column indicates if the list from which each Director was drawn obtained the "Majority" of votes (indicating "M") or the "minority" of votes (indicating "m").

<sup>4</sup> Data for lapsed Directors refers to that held by the Company up to December 2022.

(\*\*\*) This column indicates the number of appointments as director or auditor held by the person concerned in other listed or large companies. The appointments are detailed in the Report on corporate governance.

(\*\*\*\*) This column indicates Director attendance at Board meetings (indicate the number of meetings attended with respect to the total number of meetings held; e.g. 6/8; 8/8 etc.).

**TABLE 3: STRUCTURE OF BOARD COMMITTEES ON THE REPORTING DATE**

Board		Control, Risks and Sustainability Committee		Remuneration Committee		Nomination Committee		RPT Committee	
Office/Status	Member	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Deputy Chairman - non-Executive	Giovanni Tamburi	-	-	04/04	M	01/01	M	-	-
Non-executive Director - Independent	Angelo Busani	11/11	M	-	-	-	-	1/1	M
Non-executive Director - Independent	Marcello Margotto	-	-	04/04	C	01/01	C	-	-
Non-executive Director - Independent	Federica Menichetti	11/11	M	04/04	M	01/01	M	1/1	M
Non-executive Director - Independent	Paola Tagliavini	11/11	C	-	-	-	-	1/1	C
<b>Directors lapsed during reference period <sup>5</sup></b>									
n.a.									
<b>Any members who are not directors</b>									
n.a.									
<b>No. meetings held during the year</b>		<b>11</b>		<b>1</b>		<b>1</b>		<b>1</b>	

**NOTES:**

(\*) This column indicates Director attendance at committee meetings (indicate the number of meetings attended with respect to the total number of meetings held; e.g. 6/8; 8/8 etc.).

(\*\*) This column indicates the role of the director on the committee: “C”: chair; “M”: member.

**TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS ON THE REPORTING DATE**

<sup>5</sup> Data for lapsed Directors refers to that held by the Company up to December 2022.

Board of Statutory Auditors									
Office	Officers	Year of birth	Date first appointed (*)	In office from	In office until	M/m list (**)	Ind. Code	Attendance at BSA meetings (***)	No. other appointments (****)
Chairman	Anna Maria Allievi	1965	30/04/2020	30/04/2020	App. 2022 financial statements	m	A	09/09	2
Statutory Auditor	Mario Tagliaferri	1961	30/04/2020	30/04/2020	App. 2022 financial statements	M	A	09/09	2
Statutory Auditor	Roberta De Simone	1964	30/04/2020	30/04/2020	App. 2022 financial statements	M	A	09/09	1
Alternate Statutory Auditor	Andrea Romersa	1971	30/04/2020	30/04/2020	App. 2022 financial statements	M	A	n.a.	n.a.
Alternate Statutory Auditor	Roberta Senni	1982	28/04/2017	28/04/2017	App. 2022 financial statements	m	A	n.a.	n.a.
<b>STATUTORY AUDITORS LAPSED DURING REFERENCE PERIOD <sup>6</sup></b>									
n.a.									
Indicate the quorum required for the presentation of lists by the minority shareholders for the election of one or more members (ex art. 148 TUF): 1% of the shares with voting rights at Ordinary Shareholders' Meetings (pursuant to art. 19 of the Bylaws and applicable Consob decisions).									
<b>No. meetings held during the reference year: 9</b>									

## NOTES

<sup>6</sup> Data for lapsed Statutory Auditors refers to that held by the Company up to 29 April 2022.

\* For each Statutory Auditor, the date first appointed indicates the date on which the Auditor was appointed for the first time (ever) to the Board of Statutory Auditors of the Issuer.

\*\* This column indicates the list from which each Statutory Auditor was drawn (“M”: majority list; “m”: minority list).

\*\*\* This column indicates Auditor attendance at BSA meetings (indicate the number of meetings attended with respect to the total number of meetings held; e.g. 6/8; 8/8 etc.).

\*\*\*\* This column indicates the number of appointments as director or auditor held by the person concerned pursuant to art. 148 -(2) TUF and the related enabling instructions contained in the CONSOB Issuers' Regulation. The complete list of appointments is published by CONSOB on its website pursuant to art. 144 -(15) of the CONSOB Issuers' Regulation

