

INTERPUMP GROUP S.P.A.
Fully paid-up share capital 41,558,535.20 euros
Registered Office in Sant'Ilario d'Enza (Reggio Emilia)
Reggio Emilia Company Register and Tax Code n° 11666900151

TEXT OF SHAREHOLDERS AGREEMENT CONCLUDED 21 MARCH 2006 UPDATED AT 30 JUNE 2006

1. Company to whose financial instruments the Agreement relates

The company whose shares are the subject of the shareholders agreement (the “**Agreement**”) is Interpump Group S.p.A., a company incorporated under Italian law with registered office in Sant'Ilario d'Enza (Reggio Emilia), at Via E. Fermi 25, Reggio Emilia company register listing and tax code n° 11666900151 (the “**Company**”), fully paid-up share capital 41,558,535.20 euros, made up of 79,920,260 ordinary shares, nominal value 52 eurocents each; ordinary shares issued by the Company (the “**Shares**”) are tradable on the Mercato Telematico Azionario (Screen-based Equity Market) organized and managed by Borsa Italiana S.p.A. (the “**MTA**”).

2. Financial instruments to which the Agreement relates

The instruments to which the Agreement relates are shares in the Company, numbering 15,451,854 and equivalent to some 19.334% of the share capital.

3. Shares contributed to the Agreement by the Parties

The following table indicates all signatories to the Agreement (collectively, the “**Parties**”), and the shares they have bound to the Agreement.

no.	Shareholder	Number of shares syndicated	% of total Shares in the Company	% of total Shares syndicated
1.	Avv. Sergio Erede	865,000	1.082%	5.558%
2.	Ing. Giovanni Cavallini ¹	800,000	1.000%	5.141%
3.	Dott. Fulvio Montipò	- 3,236,300	- 4.049%	- 21.503%
	Leila Montipò	- 928,487	- 1.162%	- 5.966%
	Laura Montipò	- 928,487	- 1,162%	- 5.966%
		tot. 5,093,274	6,373% ²	33.436% ³
4.	Tamburi Investment Partners S.p.A.	2,918,580	3.652%	18.755%
5.	MAIS S.p.A. ^{4,5}	3,000,000	3.754%	19.278%
6.	Rover International S.A. ⁶	2,775,000	3.472%	17.832%

¹ In accordance with article 120 of rules adopted by Consob under resolution n° 11971 of 14 May 1999 as expanded and amended subsequently, it is disclosed that in addition to the syndicated shares indicated in line 2 of the above table, Ing. Cavallini also holds 1,526,920 ordinary shares in the Company, corresponding to 1.910% of the share capital, which are not covered by the Agreement; accordingly, Ing. Giovanni Cavallini holds a total of 2,326,920 ordinary shares in the Company, corresponding to 2.912% of the share capital.

² Rounded down, the arithmetical sum of the single percentages of Shares in the Agreement, relative to the total share capital, is 6.509.

³ Rounded down, the arithmetical sum of the single percentages of Shares in the Agreement, relative to the total syndicated shares, is 33.435.

⁴ The involvement of Mais S.p.A., a company with registered office at Via Larga 11, Milan, is referable to Isabella Seragnoli, who exercises right of control over Mais S.p.A. pursuant to Article 2359 para 1 of the Civil Code.

⁵ In accordance with article 120 of rules adopted by Consob under resolution n° 11971 of 14 May 1999, it is disclosed that in addition to the syndicated shares indicated in line 5 of the above table, MAIS S.p.A. also holds 680,000 ordinary shares in the Company, corresponding to 0.851% of the share capital, which are not covered by the Agreement; accordingly, MAIS S.p.A. holds a total of 3,680,000 ordinary shares in the Company, corresponding to 4.605% of the share capital.

⁶ The involvement of Rover International S.A., a company with registered office at 19/21 Bd. Du Prince Henry, Luxembourg, is referable to Giuseppe Ferrero who exercises right of control indirectly over Rover International S.A..

Total		15,451,854	19.334% ⁷	100.00%
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In the event of the share capital being increased through a bonus or a rights issue, the newly issued shares received or subscribed by the Parties in respect of the syndicated shares in their ownership will also be subject automatically to the obligations established under the Agreement.

Subject to an authorizing decision taken by the Management Committee, with at least four of the six members voting in favour, additional Shares can be contributed to the Syndicate by third parties, provided that the increased total does not exceed current statutory limits beyond which the Parties would be required to make a public tender offer, and provided that where the contributor is a third party, the Management Committee has expressed its approval regarding the entry of third parties.

No single Party may, during the life of the Agreement, purchase further Shares over and above the Shares held at the time of signing the Agreement, however traded, that is to say, whether purchased on the MTA or in blocks, or subscribed as part of an increase in capital by exercising rights of option not pertinent to the Syndicated Shares, except in the following instances:

- (1) when exercising rights of option assigned in the context of stock option plans approved by the Company shareholders meeting;
- (2) when authorized by a resolution of the Management Committee, with at least four of the six members voting in favour,

provided that the increased total does not exceed current statutory limits beyond which the Parties would be required to make a public tender offer.

There are no other shareholders' agreements between the Parties.

4. Individuals and corporate entities exercising control over the Company pursuant to article 93 of the 'Testo Unico della Finanza'

At the date of executing the Agreement, no single shareholder in the Company has a shareholding that would give a controlling interest in the Company as definable under article 93, DL n° 58 of 25 February 1998 (the "TUF").

5. Content of the Agreement

The more significant terms of the Agreement are summarized below:

a) Constraints on disposal of Syndicated Shares.

The Agreement contains the following main provisions pursuant to article 122, para 5 letter b) of the TUF.

Single Parties undertake for the full duration of the Agreement neither to sell nor to transfer ownership or disposability of the Syndicated Shares in their possession except, for example, in the following instances:

⁷ Rounded down, the arithmetical sum of the single percentages of Shares in the Agreement, relative to the total share capital, is 19.47

- (1) In the event that the President of the Management Committee should receive an offer to purchase all of the Syndicated Shares and the Committee may deem the offer advantageous, passing a resolution with at least four of its six members voting in favour: (i) the Parties whose representatives on the Management Committee have adjudged the offer to be advantageous will be obliged to co-sell their Syndicated Shares to the bidder, on the conditions offered, whilst (ii) other Parties will be at liberty not to take up the offer, but in this event remain under obligation to refrain from disposing of their Syndicated Shares pending approval of the Company financial statements for the year ending 31 December 2006 at the ordinary shareholders' meeting.
- (2) Single Parties are permitted to sell the Syndicated Shares in their ownership to one or more other Parties, outside of the MTA or on the block trading market, provided that the preemptive right of other Parties is honoured. Right of preemption does not apply when syndicated shares are transferred to subsidiaries of the Party, or to the spouse, forebears or descendants of the Party, provided that the assignee assumes the obligations established under the Agreement. Syndicated Shares are freely transferable *mortis causa*, with the heirs and successors of the deceased Party automatically succeeding to the Agreement.
- (3) Parties may pledge the Syndicated Shares in their ownership as collateral on the condition that they retain voting rights.
- (4) The Syndicated Shares are also transferable entirely or in part from the Parties to fiduciary companies that acquire them on the basis of a fiduciary assignment made to them by the transferor Parties, also to trusts from which the transferor Parties may benefit economically (alone, or jointly with spouses, forebears or descendants), on the condition that the transferor Parties give prior notice thereof to the President of the Management Committee, together with a deed whereby the fiduciary companies or trusts unconditionally assume all the obligations established under the Agreement, or with an undertaking to ensure that the fiduciary companies or trusts fulfil all of the obligations established under the Agreement. Any Parties availing themselves of this option remain obliged, in the event of the fiduciary assignment being transferred to third parties, or other economic beneficiaries of the trust being named, to repurchase the Syndicated Shares as transferred above for their retention in the Syndicate.

b) Voting Syndicate

The Agreement contains the following main provisions pursuant to article 122, para 1 of the TUF.

- (1) It is a principle to which all Parties subscribe that the business of the Company must proceed with continuity with respect to the past, also in reference to the strategy of internal and external growth and the dividends policy.
- (2) The single Parties undertake: (i) to cast their vote at the Company's ordinary meeting of shareholders called to appoint directors and/or auditors, through the proxy designated on each occasion for each meeting by the Management Committee, in such a way as to ensure — as far as possible, since a Syndicated Share vote cannot effectively guarantee a preferred outcome — that the appointment of the directors and auditors is brought about in compliance with the terms of the following heading (3); (ii) to ensure as far as possible that when appointing the representative bodies referred to in headings (4), (5)

and (6) hereunder, the administrators of the Company deliberate in accordance with the provisions therein.

- (3) The Parties agree that, insofar as may be possible by means of the vote expressed through the Syndicated Shares, the Company's board of directors will be made up of the following eleven members: (i) Ing. Giovanni Cavallini, Chairman with authority to delegate powers, as non-independent director designated by the Party named on line 2 of the table in heading 3; (ii) Dott. Paolo Marinsek, Executive Director, as non-independent director designated by all the Parties; (iii) Avv. Sergio Erede, as non-independent director designated by the Party named on line 1 of the table in heading 3; (iv) Dott. Fulvio Montipò, Deputy Chairman and Executive Director, as non-independent director designated by the group of Parties named on line 3 of the table in heading 3; (v) Dott. Giovanni Tamburi, as non-independent director designated by the Party named on line 4 of the table in heading 3; (vi) Dott. Giancarlo De Martis, as non-independent director designated by the Party named on line 5 of the table in heading 3; (vii) Dott. Giuseppe Ferrero, as non-independent director designated by the Party named on line 6 of the table in heading 3; (viii) Roberto Tuniola, as non-independent director designated by a majority of the Parties; (ix) Dott. Marco Reboa, as independent director designated by a majority of the Parties; (x) Dott. Salvatore Bragantini, as independent director designated by a majority of the Parties; (xi) Ing. Franco Giuseppe Cattaneo, as independent director designated by a majority of the Parties.
- (4) In the event, through whatever cause, of resignation from or cessation of one or more of the current directorships of the Company mentioned in points (i), (iii), (iv), (v), (vi) and (vii), the single Parties will employ their best efforts to ensure that the board of directors elects new directors in such a way that the Party or group of Parties by which the ex-director was designated can appoint another director to replace that same ex-director.
- (5) The single Parties will employ their best efforts to ensure that the Company's Audit Committee is composed of Dott. Marco Reboa, Ing. Franco Giuseppe Cattaneo and Rag. Roberto Tuniola, the first two of these being independent directors appointed by a majority of the Parties.
- (6) The single Parties will employ their best efforts to ensure that the Company directors and top management remuneration committee is composed of Dott. Giovanni Tamburi, as non-executive director designated by the Party named on line 4 of the table in heading 3, Dott. Giancarlo De Martis, as non-executive director designated by the Party named on line 5 of the table in heading 3, and Ing. Giovanni Cavallini.

c) Consultation pact

The Agreement contains the following main provisions pursuant to article 122, para 5 letter a) of the TUF.

As concerning matters other than the appointment of Company directors and auditors, representatives of the Parties on the Management Committee shall discuss such matters beforehand in order to propose a common strategy, albeit when a meeting of the Company shareholders takes place, the Parties shall remain free to exercise the voting rights assigned to their Syndicated Shares, at their own discretion.

d) Representative bodies of the syndicate, their tasks, composition and operation

The Syndicate is governed by a management structure (the **Management Committee**) made up of six members: Avv. Sergio Erede, Ing. Giovanni Cavallini, Dott. Fulvio Montipò (also representing Leila Montipò and Laura Montipò), Dott. Giovanni Tamburi (representing Tamburi Investment Partners S.p.A.), Dott. Giancarlo Mocchi (representing MAIS S.p.A.) and Dott. Giuseppe Ferrero (representing Rover International S.A.).

Dott. Giovanni Tamburi is appointed President of the Management Committee and Dott. Fulvio Montipò Vice-President with vicarious functions.

The Management Committee meets prior to general meetings of the Company so that the members can discuss the appointment of directors and/or auditors and name the person delegated to represent the interests of all Syndicated Shares at the meeting, pursuant to article 2372 of the Civil Code, also to discuss other matters on the agenda and where possible propose a common strategy to the Parties; in addition, the Management Committee will meet to deliberate on the admission of new Parties or the addition of further Shares to the Syndicate, and whenever there are other decisions to be taken, or when the President of the committee deems appropriate, or when at least two other members so request.

Resolutions of the Management Committee are decided by a majority vote of the members present, except in the cases of majorities indicated in headings 3 and 5 a) (1).

6. Type of Agreement

The Agreement is substantially identifiable as being of the type regulated by article 122 para 1 and para 5 letters a), b), c) and d) of the TUF.

7. Duration of the Agreement

The Agreement runs from the date of signature being appended by the Party most recently admitted (i.e. from 21 March 2006) until the date of the meeting of ordinary shareholders called to approve the Company financial statements for the year ending 31 December 2007.

The Agreement shall lapse if, due to withdrawals or cancellations or for whatever other reason, the value of shares syndicated should be reduced to less than 10% of the Company's share capital.

Ing. Giovanni Cavallini shall be at liberty to withdraw immediately from the Agreement in the event that the board of directors of the Company should revoke or significantly curtail the powers currently invested in him.

Dott. Fulvio Montipò, Leila Montipò and Laura Montipò shall be at liberty to withdraw immediately from the Agreement in the event that the board of directors of the Company should revoke or significantly curtail the powers currently invested in Dott. Fulvio Montipò.

With reference to heading 5 b) (2), in the event of failure to delegate a voting proxy for meetings of the Company called for the purpose of appointing directors and/or auditors, the Agreement can be cancelled automatically with regard to the involvement of the defaulting Party, and the defaulting Party consequently expelled from the Syndicate, by a decision of the Management Committee.

8. Penalty clauses

There are no penalty clauses in respect of failure to meet obligations under the Agreement.

9. Subject with whom Shares shall be placed

Single Parties may place the Syndicated Share certificates in *dossiers* in their own names, held by one or more accredited brokers of their choice.

10. Register of Companies with which the Agreement is filed

The Shareholders Agreement was filed with the Reggio Emilia Company Register by electronic document transfer on 24 March 2006.