



**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)

Financial Year 2021

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## GLOSSARY

**Corporate Governance Code/Code/CG Code:** the Corporate Governance Code for listed companies published in January 2020 by the Corporate Governance Committee.

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

**Issuer:** Interpump Group S.p.A., with registered office at Via E. Fermi 25, Sant'Ilario d'Enza, share capital 56,617,232.88 euro issued and fully paid, tax code and Reggio Emilia Companies Register no. 11666900151.

**Financial year:** 2021.

**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.

**Remuneration report:** 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.

**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 CG Code: 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

The 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 and other hydraulic components (Hydraulic Sector).

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. (hereinafter also "Interpump Group", the "Company" or the "Issuer") has been listed on the Euronext STAR Milan segment of Borsa Italiana (the Italian Stock Exchange) since it was launched on 1 April 2001, reflecting compliance with the related transparency and Corporate Governance requirements, and the stock has been included in the FTSE-MIB basket since 22 June 2020.

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 legal audit of the accounts and the required accounting checks are 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 significant stakeholders.

As specified in the Code of Ethics and the Global Compliance Program, the Interpump Group dedicates particular attention to the various aspects of social responsibility, since this plays an important role in the context of conducting business in a manner that safeguards the environment.

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. The consolidated non-financial statement is available on the website of Interpump Group S.p.A. ([www.interpumpgroup.it](http://www.interpumpgroup.it)) 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, sent to Borsa Italiana using the established methods and by the established date, is available on the website of Interpump Group S.p.A. ([www.interpumpgroup.it](http://www.interpumpgroup.it), 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 2021**

### **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 2016/2018" and the "Interpump Group Incentive Plan 2019/2021", 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 Report on operations accompanying the annual Financial Report at 31 December 2021 and the Report on Remuneration Policy and Compensation Paid pursuant to art. 123-(3) TUF and art. 84-(2) of the Issuers' Regulation).

### **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 24.253% of the Issuer's shares at 31 December 2021.

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 2021, the residual exposure under those loan agreements totaled 661 million euro, of which:

- 186 million euro due in 2022;
- 200 million euro due in 2023;
- 142 million euro due in 2024;
- with the residual amount due in 2025 and 2026.

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)**

Pursuant to arts. 2357 and 2357-(3) of the Italian Civil Code, the Ordinary Shareholders' Meeting held on 30 April 2021 authorized the Board of Directors, by means of the Directors delegated for this purpose or an authorized intermediary, to purchase a maximum of 5,500,000 treasury ordinary shares with a total nominal value of 2,860,000 euro, and thus in total, considering the treasury shares already purchased and not yet used in execution of prior shareholders' resolutions, up to a maximum of 7,642,256 treasury ordinary shares or, in any event, up to such lower limit as is permitted by the legislation in force from time by time, for a period of eighteen months starting from the date of that resolution, with the clarification that said new authorization revoked the unused portion of and replaced the previous authorization to purchase treasury shares granted at the Shareholders' Meeting held on 16 November 2020, which therefore lapsed. The unit purchase price was fixed in a range from a minimum of 0.52 euro to a maximum of 59.00 euro, in compliance with the methods and in respect of the limits set down in the legislation and regulations in force at the time.

For the same period, the above Shareholders' Meeting has also authorized the Board of Directors to divest or transfer, on one or more occasions during that period, treasury shares held in the portfolio at price of no less than the nominal value of 0.52 euro.

The Shareholders' Meeting has 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 the Group companies in execution of incentive plans that have been approved beforehand at the Shareholders' Meeting, (iii) exchange for the purchase of equity investments or assets of interest to the Company, and (iv) in the framework of any agreements with strategic partners.

At 31 December 2021, Interpump Group S.p.A. held a total of 2,480,643 treasury ordinary shares in the portfolio corresponding to 2.278% of the share capital, acquired at an average unit cost of 32.356 euro.

**j) Management and coordination activities (ex art. 2497 et seq. of the Civil Code)**

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 being the parent company and therefore obliged to consolidate 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 Gruppo IPG Holding S.p.A. do not share common operational objectives.

\* \* \*

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. ([www.interpumpgroup.it](http://www.interpumpgroup.it), in the Remuneration policy part of the Governance section) and in the section of this Report on remuneration (Section 8.1).

The information required by art. 123-(2), subsection 1, letter l) (“*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 on the Board of Directors (Section 4.2) and in the section of this Report on 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/codice.htm>

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 cannot be delegated by law, which 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 generality of 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. The assignment of strategic and organizational importance to pursuit of the sustainability objectives has focused even more strongly the activities of Interpump Group S.p.A., and the companies in the Group that it leads, on the creation of long-term value for the shareholders and the significant stakeholders of the Issuer.

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 2021, 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 14 February 2022 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 Società 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 the general results of operations during 2021, 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. 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 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 Corporate Governance Code issued by the Committee for the Corporate Governance of Listed Companies promoted by Borsa Italiana S.p.A.; 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 Corporate Governance Code issued by the Committee for the Corporate Governance of Listed Companies promoted by Borsa Italiana S.p.A., 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 Corporate Governance Code issued by the Committee for the Corporate Governance of Listed Companies promoted by Borsa Italiana S.p.A., 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 Corporate Governance Code issued by the Committee for the Corporate Governance of Listed Companies promoted by Borsa Italiana S.p.A. 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, should the unavailable director be an independent director, said director must be replaced, also by means of co-option, with another independent director, and should the unavailable director have to qualify as independent pursuant to the Corporate Governance Code prepared by the Committee for Corporate Governance of Listed Companies promoted by Borsa Italiana S.p.A., said director must be replaced, also 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.

The Bylaws of the Issuer also 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.

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.

Law 160 of 27 December 2019 (2020 Budget Law) established that the less represented gender in the administrative bodies of listed companies must comprise at least two-fifths of the elected members. This provision amended art. 147-(3) TUF, which required the less represented gender to comprise at least one-third of the elected members. 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.

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. They dedicate special care to monitoring the operations of the Company and those areas in which conflicts of interest might 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 Lead Independent Director
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: seven

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 2021, 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; Director of Eataly S.p.A. (food&wine 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 manager, completed a series of major international acquisitions for the Interpump Group; Board member of numerous 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 Istituti 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., Be Shaping The Future S.p.A., Digital Magics S.p.A., Monrif S.p.A. and SeSa S.p.A., all listed companies Director of Alpitour S.p.A. and ITH S.p.A., both significant companies

### ***Angelo Busani***

Year of birth: 1960

Role: non-executive and independent director



Date of first appointment: April 2017

Appointments held in other significant companies: one

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: (i) chairman of the Board of Directors of Credit Suisse Servizi Fiduciari S.p.A. – asset trust company. 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: 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.

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) Maire Tecnimont S.p.A. from April 2016 – Oil and Gas plant engineering company listed on the Milan stock exchange; (iii) Primo Ventures SGR S.p.A. from October 2021- asset management company.

***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: four

Born in Rome on 3 January 1976, degree in Law from the La Sapienza University in Rome. Registered on the roll of legal attorneys of Rome. From 2003 to 2006, junior consultant at Studio Camozzi & Bonissoni 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.), 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 regard to significant appointments (4) held in other companies: Serving Statutory Auditor 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. Serving Statutory Auditor for 21 Investimenti SGR S.p.A., an asset management company; Valentino S.p.A., active in the fashion sector, and 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: three

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 Sicaf S.p.A., investment company that collects funds for investment in SMEs and urban sustainability projects.

With regard to significant appointments (3) currently held in other companies: from 2013, independent director and chairman of the Control, Risks and Sustainability Committee and the Remuneration and Nomination Committee of De Longhi S.p.A. - household appliances sector; from 2016, same appointments at Rcs Mediagroup S.p.A. - multimedia publishing sector; independent director of Credit Access India N.V., holding company that works via CA Grameen in the micro-credit sector in India.

### ***Paola Tagliavini***

Year of birth: 1968

Role: non-executive and independent director

Date of first appointment: April 2014

Appointments held in other significant companies: seven

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 of Siapem S.p.A. (services for the energy and infrastructure sector); independent director and chairman of the Control, Risks and Sustainability Committee of Rai Way S.p.A. (management of the broadcasting network of RAI - radiotelevisione italiana); independent director at Eurizon Capital SGR, Eurizon Capital SA and Fideuram Asset Management SGR, asset management companies, serving as a member or chairman of the Supervisory Body pursuant to Decree 231/2001; serving Statutory Auditor at Brembo S.p.A. (development and production of braking systems for vehicles) and OVS S.p.A. (clothing sector), both listed companies.

### **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 57; (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 14 February 2022, 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/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 exception of those that "merely hold" real estate, equity investments or other assets with annual sales of not more than 50 million euro), 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";

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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.

- 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 STATUTORY AUDITORS (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 CG 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.

The Chief Reporting Officer acted as Board Secretary at the meetings held during 2021, assisting the Chairman. 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 executives 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 10 times during 2021; the meetings lasted an average of about two hours. They were attended by about 96% of the directors and the presence of the independent directors averaged about 97%. The following table indicates the percentage participation of each Director at Board meetings:

<b>Board members</b>	<b>% participation</b>
Fulvio Montipò	100%
Giovanni Tamburi	80%
Victor Gottardi <sup>3</sup>	100%
Fabio Marasi	100%
Claudio Berretti <sup>4</sup>	100%
Angelo Busani	100%
Antonia Di Bella	100%
Marcello Margotto	100%
Federica Menichetti	100%
Stefania Petruccioli	90%
Paola Annunziata Tagliavini	90%

The principal activities of the Board of Directors of Interpump Group S.p.A. during 2021 are summarized below, together with those carried out at the meetings held on 17 January 2022 and 14 February 2022:

- examination of the annual budget of the Group for investment in 2021- at the meeting held on 19 January 2021 - and for 2022 - at the meeting held on 17 January 2022;
- examination and approval of the criteria and procedures applied for the performance of impairment tests in 2020 - at the meeting held on 12 February 2021 - and in 2021 - at the meeting held on 14 February 2022;
- examination and approval of the interim reports on operations and the half-year and annual financial statements, as well as the draft financial statements for 2020 at the meeting held on 19 March 2021, and the draft financial statements for 2021 at the meeting held on 18 February 2022;
- examination and approval of the Non-Financial Statement prepared pursuant to Decree 254/2016 for 2020 - at the meeting held on 19 March 2021 - and for 2021 - at the meeting held on 18 March 2022;
- assessment of the independence of the Directors at the meeting held on 14 February 2022, and positive assessment of the size, composition and functioning of the Board and its Committees;
- approval of the organizational, administrative and accounting structure during 2020 - at the meeting held on 12 February 2021 - and during 2021 - at the meeting held on 14 February 2022;
- analysis of the transactions carried out by the Directors with related parties;
- approval of the report on remuneration policy and compensation paid pursuant to art. 123-(2) TUF;
- examination and approval of the report on corporate governance and the ownership structure pursuant to art. 123-(3) TUF;
- examination and approval of the periodic press releases;
- examination and approval of 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;
- acknowledgment of the report of the Control, Risks and Sustainability Committee on the activities carried out in 2020 and 2021;
- acknowledgment of the risk assessment activities carried out at the end of 2020;
- examination and approval of the Audit Plan for 2021 - at the meeting held on 19 March 2021 - and for 2022 - at the meeting held on 18 March 2022;

<sup>3</sup> Period from 1 January to 26 July 2021.

<sup>4</sup> Period from 4 August 2021.

- expression of an opinion in the adequacy, effectiveness and functioning in practice of the system of internal control;
- examination and approval of the regulations of the following Board Committees: Control, Risks and Sustainability Committee, Remuneration Committee, Nomination Committee and Related-Party Transactions Committee;
- approval of the buy-back plan for submission to the Shareholders' Meeting regarding the purchase and possible use of treasury shares;
- examination and approval of the amendments and updates to the corporate procedures regarding market abuse, management of the dialog with shareholders and related-party transactions.

No fewer than seven meetings are envisaged for 2022, including five indicated on the calendar of corporate events for 2022 communicated to the public on 29 November 2021. At the date of this Report, the Board of Directors has met three times during 2022, on 17 January, 14 February and 18 March.

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 meeting held on 30 April 2020, 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:

- supervises the management of all Group companies;
- makes recommendations to the Board of Directors about strategies and guidelines for the Company and the Group, and implements the related Board resolutions;
- 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;
- 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;
- 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;
- 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;
- 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:

- ensured the suitability of the pre-meeting information and the supplementary information supplied during Board meetings;
- enabled the Directors to perform their roles in an informed manner;
- guaranteed coordination of the activities of Board committees (with investigative, recommendation and advisory functions) with those of the Board;
- 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 2021, 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 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 year, acting on a proposal from the Chairman, the Board of Directors appointed a meeting secretary on each occasion; that role was usually performed by the Chief Reporting Officer.

During the meeting held on 14 February 2022, again 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 independence, professionalism and experience requirements. 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**

Aside from the Chairman and Chief Executive Officer, both Victor Gottardi - until his resignation on 26 July 2021 - and Fabio Marasi have served as executive directors. These directors are considered executive, as defined in the Corporate Governance Code, because of their appointments as chief executive officer or executive chairman 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.

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 14 April 2022, 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 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 14 February 2022, 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 applied correctly.

The independent directors met on 6 December 2021 without the presence of other directors. During that meeting, the independent Directors discussed:

- the rotation of personnel during 2021 within the Investor Relations Function and Internal Audit, Risk & Compliance Function;
- the need for the Issuer to employ a person in the role of General Counsel;
- the adequacy, timeliness and completeness of the information flows provided to the Directors.

### **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>, 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).

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.

## **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, adopting formalized procedures and supervising their implementation.

Most recently, at the meeting held on 14 February 2022, 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 and financial 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 formed an 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 in a highly satisfactory manner, making it possible to keep the Company's top executives informed and aligned, and that it represents 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.

In the light of the matters illustrated, the meeting of the Board of Directors held on 13 February 2019 and the Nomination Committee deemed it unnecessary to adopt a specific succession plan for the executive directors, considering that the vigorous governance strategy in place and the practical tools for its implementation represent the best response for efficient management, guaranteeing the business continuity of the Group even on the early replacement of its executive directors.

With regard to the process for appointing and replacing the Board of Directors and, in particular, to the renewal of the Board of Directors in office at the date of this Report, the Nomination Committee examined the guidance provided on the optimal quantitative and qualitative composition of the Board, approving it prior to its submission to the Board for consideration. This guidance was published on the website of the Issuer and made available to the shareholders prior to the Shareholders' Meeting held on 30 April 2020 to resolve, among other matters, on renewal of the corporate bodies.

## **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.

The Nomination Committee met on 9 February and 4 August 2021. The meetings were attended by all members and, on invitation from the Chairman, by the Chairman of the Board of Statutory Auditors. Additionally, the meeting held on 4 August 2021 was attended by the entire Board of Statutory Auditors. The average duration of the meetings was one hour. 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 meeting held on 9 February 2021, the Committee resolved on the following matters:

- assessment of the independence of the Directors, confirming this status and considering adequate the participation in Board business of the Independent Directors, 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, skill and gender diversity);

- assessment of the size and functioning of the Board of Directors and its Committees, considering them adequate with respect to the current corporate reality and consistent with legal requirements and best practices.

The same meeting also covered the main recommendations made by the Corporate Governance Committee.

At the meeting held on 4 August 2021, the Committee resolved on the proposal made to the Board of Directors about co-opting a Director, following the resignation of Director Victor Gottardi.

At least two meetings will be held during 2022.

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, if necessary, contributing to the definition and examination of the succession plan for executive directors, should the Board of Directors decide to make this plan.

At the meeting held on 4 August 2021, the Nomination Committee assisted the Board of Directors by proposing that the latter should co-opt Claudio Berretti as a director to replace Victor Gottardi.

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**

See the Report on the Remuneration Policy and Compensation Paid of Interpump Group S.p.A. for detailed information about the general remuneration policy and stock-based remuneration plans, as well as about the remuneration of the Directors with specific responsibilities. This Report is available in the Governance section of the website of Interpump Group S.p.A. (<https://www.interpumpgroup.it/politica-remunerazione.aspx>). This policy, valid for three years (2021-2023), was approved by the Board of Directors at the meeting held on 19 March 2021 and subsequently at the Shareholders' Meeting held on 30 April 2021.

#### **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 the non-financial and sustainability objectives, the Company, with contributions from the Chief Executive Officer, the managers of lines of business and the Control, Risks and Sustainability Committee, is defining a business strategy that (i) recognizes the work of the Company on environmental topics, occupational health and safety topics, corporate governance and anti-corruption topics, etc. and (ii) identifies specific targets for further improvements to which the above objectives can be linked.

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 (clawback and malus clauses). The Board of Directors has decided not to exercise this right, after careful assessment of the specific risks involved.

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.

### **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 “2016/2018 Interpump Group Incentive Plan” and the “2019/2021 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 Company website at [www.interpumpgroup.it/governance/politicadiremunerazione](http://www.interpumpgroup.it/governance/politicadiremunerazione).

Directors' compensation for 2021 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 Remuneration Policy is approved by the Board of Directors of the Issuer, which is responsible for its implementation and revision, based on a proposal from the Remuneration Committee, and is consistent with both the corporate governance model adopted by the Company and the Corporate Governance Code. The Policy is submitted to the Shareholders for a binding vote pursuant to art. 123-(3), subsection 3-(3), TUF. 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 Company may agree special indemnities on termination of appointment or employment with its Directors and Key Management Personnel, if this is considered appropriate in order to attract adequate professional resources or in the framework of the investment agreements signed in the ordinary course of business. The above amounts cannot exceed the maximum limit of three times the value of the average gross annual remuneration paid in the two years prior to termination of the appointment, inclusive of “Fixed remuneration”, “Fringe benefits” and “Variable non-equity remuneration”.

Further details about the indemnities due to directors on termination of appointment are provided in the Report on remuneration policy and compensation paid.

At the date of approving this Report, there are no agreements between the Company and the Directors for the payment of indemnities in the event of resignation, dismissal without just cause or takeover bids.

## **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 2021, with an average duration of about one hour. They were attended by all members and by the Board of Statutory Auditors. Two meetings will be held during 2022.

During the meeting held on 9 February 2021, the Remuneration Committee resolved on:

- amendments to the remuneration policy following the entry into force of the CONSOB regulation issued by resolution 21623<sup>5</sup> of 23 December 2020.

During the meeting held on 11 March 2021, the Remuneration Committee resolved on:

- the general policy for the remuneration of executive directors, the other directors with specific responsibilities and key management personnel;
- the proposals made to the Board of Directors of Interpump Group S.p.A. regarding the remuneration for the office of director and the maximum total remuneration to be allocated to directors with specific responsibilities in relation to 2021 and the period from 1 January 2022 until the date of approval of the 2021 financial statements;
- determination of the 2020 bonuses to be assigned to the Chairman and Chief Executive Officer, based on accomplishment of the objectives established by the Board of Directors;

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<sup>5</sup> This resolution amends the regulation previously in force, which was issued by resolution 11971 of 14 May 1999.



- approval of the draft explanatory report of the Board to the Shareholders' Meeting, to be submitted to the Board for consideration.

During the meeting held on 22 April 2021, the Remuneration Committee resolved on:

- the proposal made to the Board of Directors regarding the remuneration to be allocated to the individual directors with specific responsibilities in relation to 2021 and the period from 1 January 2022 until the date of approval of the 2021 financial statements;
- determination of the 2021 bonuses to be assigned to the executive directors of the Group, based on accomplishment of the objectives established by the Board of Directors;
- determination of the objectives linked to the 2021 bonuses;
- procedures for assigning the number of options available for allocation to beneficiaries in relation to the 2019 and 2020 tranches of the "2019/2021 Interpump Group Incentive Plan".

At the meeting held on 10 November 2021, the Committee resolved on the allocation of specific compensation to a Director for special duties performed in 2021, pursuant to art. 2389, subsection 3, Civil Code.

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

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 30 thousand euro to the Remuneration Committee for its activities.

## **9.0 SYSTEM OF INTERNAL CONTROL 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;
- "Tier 1" 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), which is responsible for defining guidelines for the control system, in line with the risk profile of the Issuer determined by the Board, assessing the adequacy of the system of controls and their proper functioning, and examining the periodic financial reports;
- 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 (ARSC), which provides 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 ARSC and is tasked with checking the effective operation and suitability of the System.

The duties of the other actors in the System, such as the Board of Statutory Auditors, the Supervisory Body, the auditing firm and the Chief Reporting Officer, are described in the following sections. In this regard, note that the Internal Audit, Risk & Compliance Function is responsible for, among other matters, the control of non-compliance risks.

### 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 - namely the Section Coordinators - and 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.

### "Tier 1" rules

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.

The Board of Directors of Interpump Group S.p.A. has also adopted Group Global Compliance Programs (“GCPs”). These GCPs comprise (i) anti-corruption guidelines, defining criteria for conduct and operational instructions to be followed in order to mitigate the risk of committing corruption offenses, and (ii) behavioral rules to be followed in order to prevent misconduct with regard to environmental, social, personnel-related and human rights matters. These GCPs have been adopted by all Interpump Group companies and proper implementation is verified by the Internal Audit, Risk & Compliance Function.

#### 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 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 whistleblowing procedure;
- the procedure for related-party transactions.

#### Information about non-EU subsidiaries (art. 15 Markets Regulation)

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 controls implemented, which 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 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 Chief Reporting Officer 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 (Scope, Law 262/2005) in terms of the Group companies involved, including the related business processes that make a quali-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 effective application 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 of controls, 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 Chief Reporting Officer, 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 3 August 2021 and 8 February 2022, 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 Control, 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 4 August 2021 and 14 February 2022, 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 Administrative 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.

#### **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 2021, the executive director appointed to ensure the functioning and adequacy of the system of internal control and risk management:

- initiated and 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;
- 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 the 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 Committee members have experience in the areas of accounting, finance and risk management that was deemed adequate at the time of appointment. During 2021 the Committee held seven meetings, with an average duration of 2 hours and 15 minutes each. The meetings were attended by all Committee members. In addition, on invitation from the Chairman, the entire Board of Statutory Auditors, the Director responsible for the system of internal control and risk management, the Chief Reporting Officer and the Head of the Internal Audit, Risk & Compliance function, also participated in the work of the Committee. Also on invitation from the Committee Chairman, the IT Manager of

Interpump Group S.p.A., representatives of the auditing firm and the Chairman of the Supervisory Body pursuant to Decree 231/2001, also participated with regard to individual agenda items.

The Chairman and Chief Executive Officer of Interpump Group S.p.A. and the Director responsible for the System 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 Auditing 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 2022, 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.

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 the 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 Chief Reporting Officer;
- e. assesses, together with the Chief Reporting Officer and after consulting the Legal Auditor and the Board of Statutory Auditors, the proper and consistent application of the accounting policies adopted for the preparation of the consolidated financial statements;
- f. receives the half-yearly reports on the activities carried out by the Internal Audit, Risk & Compliance Function;
- g. 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;
- h. monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit, Risk & Compliance Function;
- i. assesses, having heard the opinions of the Chairmen of the Board of Directors and the Board of Statutory Auditors, proposals for the appointment and revocation of the Head of the 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 the Internal Audit, Risk & Compliance Function;
- j. requests the Head of the 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;
- k. 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, clients 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 the Board of Directors, the information contained in the Non-Financial Statement and in the annual sustainability report;
- 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 three meetings in 2021 focused, among other matters, on topics relating to approval of the 2020 financial statements. In particular, at the meetings held on 12 January, 9 February and 10 March, attended by the Board of Statutory Auditors and the Director responsible for the system of internal control and risk management, the Committee:

- provided advice and recommendations on sustainability matters, emphasizing the strategic focus on ESG;
- examined the recommendations contained in the new Corporate Governance Code, paying particular attention to the gap between those requirements and the previous Code of Self-Regulation;
- monitored the start of the Control Risk Self-Assessment process, with particular reference to the update of the risks register to include new risks, such as the Covid-19 pandemic and the system of metrics used to define scales for the assessment of probability and impact;
- 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 2020 and expressed its opinion in favor of submitting the document for approval by the Board of Directors;
- examined the Report on the work performed by the Supervisory Body during the second semester of 2020;
- examined the “Report on the Organizational, Administrative and Accounting Systems”;
- examined the 2019-2021 three-year Audit Plan prepared by the Internal Audit, Risk & Compliance Manager, with the focus on 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 during the second half of 2020 by the Internal Audit, Risk & Compliance function of Interpump Group S.p.A.;
- having consulted the Auditing Firm and the Board of Statutory Auditors, examined together with the Chief Reporting Officer 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 2020;
- acknowledged the audit work carried out the financial statements of Interpump Group S.p.A. at 31 December 2020, which did not identify any significant weaknesses in the system of internal controls pursuant to art. 19 of Legislative Decree no. 39/2010, as well as the adoption by EY of

the directives and independence rules envisaged in art. 18 of Decree 39/2010, and the absence at this time of any independence risks;

- having heard the opinion of the Independent Auditors in relation to the Non-Financial Statement, the Committee examined the results of the auditing process of said Statement and the choices made in relation to the options offered by the legislator, with special regard to the Reporting Standards adopted and the publication of the statement in a separate document;
- examined the draft “Report on corporate governance and the ownership structure”, considering Sustainability and the System of Internal Control and Risk Management;
- assessed the independence, adequacy, effectiveness and efficiency of the Internal Audit, Risk & Compliance Function, and the consistency of its remuneration with Group policies, expressing a favorable opinion on these matters;
- reported to the Board on the work performed at the time of approval of the 2020 financial statements;
- expressed a favorable opinion on the update of the Organization and Management Model of Interpump Group S.p.A., which reflected certain regulatory changes including, in particular, the addition of tax and customs offenses, as well as the organizational changes made in the meantime.

More specifically in relation to 2021, the Committee:

- consulted the Auditing Firm and the Board of Statutory Auditors and, together with the Chief Reporting Officer, examined the results of the audit work performed on the 2021 half-year financial report and the proper application of the accounting policies adopted;
- met the Supervisory Body and examined the Report on the work performed during the first semester of 2021;
- examined the Report on the activities carried out during the first half of 2021 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 2021 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;
- provided advice and recommendations regarding revision of the “MAR” procedures on market abuse and the “Related-Party Transactions” procedure;
- acknowledged the absence of transactions with related parties planned for 2021 that would require involvement of the Related-Party Transactions Committee, as well as the existence of ordinary transactions that must be disclosed by the Chief Executive Officer of Interpump Group S.p.A. to the Board of Directors of the Group, because the related amounts are not minimal;
- acknowledged the regulatory updates with regard to internal dealing;
- reported to the Board of Directors on the work performed during the first semester of 2021, 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;
- provided advice and recommendations on sustainability matters, emphasizing the strategic focus on ESG and proposing the appointment of an ESG expert to help the Interpump Group prepare the strategic plan mentioned earlier;
- provided proposal for updating the text of the “*Policy for managing dialog with the Shareholders*”, recommending its approval to the Board of Directors and working to review periodically the adequacy of its content;
- acknowledged the resignation of Francesca Manzotti as Head of the Internal Audit, Risk & Compliance Function and member of the Supervisory Body pursuant to Decree 231/2001;
- assisted consideration by the Board of Directors of the appointment of Francesco Masiello as the new Head of the Internal Audit, Risk & Compliance function;
- assisted consideration by the Board of Directors of its options with regard to the composition of the Supervisory Body, expressing a favorable opinion on the appointment of Francesco Masiello as a member of the Supervisory Body pursuant to Decree 231/2001;



- acknowledged the documents providing guidelines on anti-corruption, human rights, occupational health and safety and environmental matters, agreeing with the Company about the publication of a summary of these guidelines on its website;
- acknowledged the principal changes made to the “*Internal Dealing*” procedures and the procedure for “*Keeping lists of persons with access to inside information*”;
- acknowledged the progress of preliminary work on preparing the 2021 Non-Financial Statement;
- acknowledged the results of the 2020 Control Risk Self-Assessment, carried out in compliance with the duty to report on the assessment and management of risks.

The Committee has met four times subsequent to the end of 2021, on 14 January, 8 February, 28 February and 11 March 2022, 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:

- provided advice and recommendations on sustainability matters, as part of the improved strategic focus on ESG;
- monitored the progress of the activities carried out by the Internal Audit, Risk & Compliance Function;
- examined and approved the document defining the criteria 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 work performed by the Supervisory Body during the second semester of 2021;
- examined the “Report on the Organizational, Administrative and Accounting Systems”;
- examined the Report on the activities carried out during the second half of 2021 by the Internal Audit, Risk & Compliance function of Interpump Group S.p.A.;
- having heard the opinion of the Independent Auditors in relation to the Non-Financial Statement, the Committee examined the results of the audit of that Statement;
- having consulted the Auditing Firm and the Board of Statutory Auditors, examined together with the Chief Reporting Officer 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;
- 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 on the work performed at the time of approval of the 2021 financial statements;
- acknowledged the updates on cyber security matters;
- examined the Audit Plan for the three-year period 2022-2024 proposed by the Internal Audit, Risk & Compliance function, with a focus on 2022.

The activities and goals of the Company with regard to sustainability matters are described in the Consolidated 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 29 April 2022).

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 THE 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 the Internal Auditing, Risk & Compliance function to replace Francesca Manzotti, following her resignation, mandating him to check that the system of internal control and risk management is operational, adequate and consistent with the guidelines defined by the Board of Directors.

Consistent with the requirements of the Corporate Governance Code and the guidelines for internal auditing activities approved by the Board of Directors on 1 August 2012, the Head of the Internal Audit, Risk & Compliance function:

- is not responsible for any operational areas and reports hierarchically to the Board of Directors;
- checks 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, including at the request of the Board of Statutory Auditors, reports on events of particular significance and periodic reports containing adequate information about his activities, about how risks are managed and about compliance with the plans devised to contain them. The above periodic reports contain an assessment of the suitability of the System and are prepared on a timely basis if events of particular significance arise. These 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).

During 2021, the Internal Audit, Risk & Compliance function carried out the following activities, in conformity with the Audit Plan for the three-year period 2019-2021 approved by the Board of Directors of Interpump Group S.p.A.; in particular:

- performance of six 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;
- 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 Chief Reporting Officer 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;
- 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 the 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 2021, 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/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 Italian 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 INDEPENDENT AUDITORS**

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

On approval of the Annual Financial Report at 31 December 2022, the legal audit 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 legal audit of the separate and consolidated financial statements of Interpump Group S.p.A. for the nine-year period 2023-2031 to PricewaterhouseCoopers S.p.A., an auditing firm, pursuant to Decree 39/2010.

The current auditing 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 CHIEF REPORTING OFFICER AND OTHER COMPANY ROLES AND FUNCTIONS**

At the meeting held on 7 August 2007, the Board of Directors appointed Carlo Banci, Chief Financial Officer di Interpump Group S.p.A., as the Chief Reporting Officer responsible for preparing the corporate accounting documents. The Bylaws define the method of appointing the Chief Reporting Officer ex art. 154-(2) of the Consolidated Finance Act, assigning the related responsibility to the Board of Directors, further to consultation with the Board of Statutory Auditors. With regard to professional requirements, the Chief Reporting Officer must possess the same attributes of integrity required of statutory auditors, an adequate level of theoretical training, and must have specific skills acquired through work experience, of adequate duration and significance, in the areas of "administration" and/or "finance" and/or "governance".

The Chief Reporting Officer has been 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 Chief Reporting Officer 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 Chief Reporting Officer 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 Chief reporting officer 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 Chief Reporting Officer.

The following means have been attributed to the Chief Reporting Officer:

- the facility to dispose of an annual expenses budget of 25,000 euro, with the specification that the annual budget can, wherever necessary and so requested by the Chief Reporting Officer, be increased further to a deliberation of the Board of Directors or on the authorization of the Chief Executive Officer;
- the facility 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 wherever necessary making use of personnel to be hired, in agreement with the Chief Executive Officer and/or external consultants;
- the facility to utilize the Internal Auditing function for mapping and analysis of the processes of his competence and in the stage of execution of specific checks;
- the facility to utilize information systems in the context of and within the limits of his specific responsibilities.

There are no other roles or business functions with specific internal control and risk management duties.

## **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), as well as those relating to the approval of the periodic financial reports;
- b) the Head of the 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 Chief Reporting Officer (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 Chief Reporting Officer;
- 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.

## **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 certain 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 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.

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.

The Committee met just once during the year, on 11 June 2021, to examine the amendments made to the Related-Party Transactions Procedure following the regulatory changes mentioned above.

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

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/procedura-operazioni-parti-correlate.aspx>

## **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 the measure in which it is envisaged by the legal provisions in force time by time, the appointment of auditors is performed on the basis of criteria that ensure gender balance.

In accordance with 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 causes for ineligibility or incompatibility, the possession of the requirements of integrity, professionalism and independence specified by statutory provisions, and the existence of any other requirements prescribed for the office, either 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 appointments as members of the board of directors or board of statutory auditors of other companies or organizations in excess of the limits established by statutory regulations concerning the accumulation of appointments, and those subject to causes of ineligibility or incompatibility; (ii) lack the requirements of integrity, professionalism, and independence specified by statutory regulations, or lack any additional requirements prescribed for the office, either in law or in the Bylaws.

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 2020 Budget Law established that the less represented gender in the control bodies of listed companies must comprise at least two-fifths of the serving members elected. This provision amended art. 148 TUF, which required the less represented gender to comprise at least one-third of the elected members. 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.

## **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 7 times during 2021. The meetings were attended by all members and their average duration was 2 hours and 30 minutes. Seven meetings are planned for 2022, two of which had 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.

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: one.

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. 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: three

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: Chairman of the Board of Statutory Auditors at Banca Cremasca e Mantovana Soc. Coop., as well as Serving Statutory 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 and 18 March 2022, with reference respectively to the 2020 and 2021 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/politica-gestione-dialogo.aspx>).

While believing that the Company maintains a constant, open and constructive dialog with the shareholders and the market in general, the Company 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 additional 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.

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.

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.

In the meeting held on 30 April 2020, the Board of Directors resolved to place Luca Mirabelli in charge of relations with institutional investors and the other shareholders, on condition that, in the context of those relations, the communication of documents and information about the Company must take place in compliance with the internal procedure for management of confidential information and disclosure of inside information. At the meeting held on 17 January 2022, the Board resolved to appoint Elisabetta Cugnasca as the Investor Relations Officer, replacing Luca Mirabelli.

### **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 Legislative Decree no. 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; 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>6</sup>, the Shareholders' Meeting held on 30 April 2021 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.

#### **16.0 CONSIDERATIONS ON THE LETTER DATED 3 DECEMBER 2021 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

On 7 December 2021, 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 3 December 2021 containing recommendations made by the Chairman of the Corporate Governance Committee.

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

- pursuit of the sustainable success of business activities;
- the implementation of pre-Board information packages;
- the application of independence criteria;

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<sup>6</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.

- the self-assessment of the Board of Directors;
- the appointment and succession of Directors;
- the policies on remuneration matters.

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, 18 March 2022

For the Board of Directors

Fulvio Montipò  
Chairman and CEO

**TABLES**



**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AT 31/12/2021**

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.	24.253%	24.253%
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.	2.278%	-

\* Source: CONSOB, updated at 17/02/2022

\*\* Source: Draft financial statements of the Company at 31/12/2021



**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	✓				-	10/10
Deputy Chairman	Giovanni Tamburi	1954	27/04/2005	30/04/2020	App. 2022 financial statements	Shareholders	M		✓			7	08/10
Director *	Fabio Marasi	1977	30/04/2020	30/04/2020	App. 2022 financial statements	Shareholders	M	✓				-	10/10
Director	Claudio Berretti	1972	04/08/2021	04/08/2021	App. 2021 financial statements	Shareholders	M		✓			7	02/02
Director	Angelo Busani	1960	28/04/2017	30/04/2020	App. 2022 financial statements	Shareholders	m		✓	✓	✓	1	10/10
Director	Antonia Di Bella	1965	28/04/2017	30/04/2020	App. 2022 financial statements	Shareholders	M		✓	✓	✓	3	10/10
Director <sup>o</sup>	Marcello Margotto	1961	06/08/2015	30/04/2020	App. 2022 financial statements	Shareholders	M		✓	✓	✓	2	10/10
Director	Federica Menichetti	1976	30/04/2020	30/04/2020	App. 2022 financial statements	Shareholders	M		✓	✓	✓	4	10/10
Director	Stefania Petruccioli	1967	30/06/2015	30/04/2020	App. 2022 financial statements	Shareholders	M		✓	✓	✓	3	09/10

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		✓	✓	✓	7	09/10
<b>DIRECTORS LAPSED DURING REFERENCE PERIOD <sup>7</sup></b>													
Director	Victor Gottardi	1970	30/04/2020	30/04/2020	App. 2022 financial statements	Shareholders	M	✓				-	07/07
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> ): 2.5% of the shares with voting rights at Ordinary Shareholders' Meetings ( <i>ex art. 14 of the Bylaws</i> ).													
<b>No. meetings held during the reference year: 10</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>7</sup> Data for lapsed Directors refers to that held by the Company up to July 2021.

(\*\*\*) 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	-	-	4/4	M	2/2	M	-	-
Non-executive Director - Independent	Angelo Busani	7/7	M	-	-	-	-	1/1	M
Non-executive Director - Independent	Marcello Margotto	-	-	4/4	C	2/2	C	-	-
Non-executive Director - Independent	Federica Menichetti	7/7	M	4/4	M	2/2	M	1/1	M
Non-executive Director - Independent	Paola Tagliavini	7/7	C	-	-	-	-	1/1	C
<b>Directors lapsed during reference period <sup>8</sup></b>									
n.a.									
<b>Any members who are not directors</b>									
n.a.									
<b>No. meetings held during the year</b>		<b>7</b>		<b>4</b>		<b>2</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>8</sup> Data for lapsed Directors refers to that held by the Company up to July 2021.

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	✓	07/07	1
Statutory Auditor	Mario Tagliaferri	1961	30/04/2020	30/04/2020	App. 2022 financial statements	M	✓	07/07	3
Statutory Auditor	Roberta De Simone	1964	30/04/2020	30/04/2020	App. 2022 financial statements	M	✓	07/07	1
Alternate Statutory Auditor	Andrea Romersa	1971	30/04/2020	30/04/2020	App. 2022 financial statements	M	✓	n.a.	n.a.
Alternate Statutory Auditor	Roberta Senni	1982	28/04/2017	28/04/2017	App. 2022 financial statements	m	✓	n.a.	n.a.
<b>STATUTORY AUDITORS LAPSED DURING REFERENCE PERIOD <sup>9</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): 2.5% of the shares with voting rights at Ordinary Shareholders' Meetings (ex art. 19 of the Bylaws).									
<b>No. meetings held during the reference year: 7</b>									

## NOTES

<sup>9</sup> Data for lapsed Statutory Auditors refers to that held by the Company up to 30 April 2021.

\* 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.

