

Annex “C” to the resolution adopted by the Board of Directors of Interpump Group S.p.A. on 15 March 2017

REPORT DESCRIBING THE PROPOSALS OF THE BOARD OF DIRECTORS OF INTERPUMP GROUP S.p.A. TO THE ORDINARY SHAREHOLDERS' MEETING OF 28 APRIL 2017.

Sant’Ilario d’Enza, 15 March 2017

Shareholders,

This report has been prepared in compliance with art. 125-(3), subsection 1, of Italian legislative decree no. 58, 24 February 1998 (the “**Consolidated Finance Act**” or “**TUF**”), art. 73 of the regulation adopted by Consob Decision no. 11971 of 14 May 1999 and subsequent amendments (the “**Issuers’ Regulation**”), as well as, *mutatis mutandis*, with Annex 3A, Format 4, of the Issuers’ Regulation, in order to describe to the shareholders of Interpump Group S.p.A. (“**Interpump**” or the “**Company**”) the proposals that the Board of Directors intends to present for your approval in relation to the matters indicated in points 2, 4, 5, 6 and 7 of the agenda for the meeting of the ordinary shareholders of the Company, to be held in a single call on **28 April 2017** at the Interpump Group S.p.A. plant, via Einstein no. 2, Sant’Ilario d’Enza (RE), at **10.30 am**.

The meeting agenda is as follows:

1. Approval of the Annual financial statements at 31 December 2016, accompanied by the Board of Directors' Report, the Report of the Board of Statutory Auditors and the additional accompanying documentation required by statutory regulations; presentation of the Group Consolidated Financial Statements at 31 December 2016, with the Board of Directors' Report and the accompanying documentation required by statutory regulations; related and consequent resolutions.
2. Distribution of profit for the year; related and consequent resolutions.
3. Remuneration report ex art. 123-(3) of Italian legislative decree no. 58 of 1998; related and consequent resolutions.
4. Appointment of the Board of Directors:
 - establishment of the number of members of the Board;
 - establishment of the term of office;
 - appointment of directors;
 - appointment of the Chairman of the Board of Directors.
5. Determination of the remuneration of the directors for 2017 and the total remuneration of those directors assigned special duties; related and consequent resolutions.
6. Appointment of the Board of Statutory Auditors:
 - appointment of three Serving Auditors and two Alternate Auditors;
 - designation of the Chairman, if necessary;
 - determination of remuneration.
7. Authorization, pursuant to articles 2357 and 2357-(3) of the Italian Civil Code, to purchase treasury shares and possibly to sell any treasury shares held or purchased, after revoking, in whole or in part, any unexercised portion of the authorization granted by resolution of the Shareholders' Meeting held on 28 April 2016; related and consequent resolutions.

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

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

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The financial statements at 31 December 2016, which are subject to approval at the Shareholders' Meeting pursuant to the previous point on the agenda, show a net profit for the year of Euro 64,066,551 (sixty-four million sixty-six thousand fivehundredandfifty-one).

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

- (i) declare a dividend of Euro **0.20** (zero point two zero) for each of the shares in circulation including the right as per art. 2357-(3) subsection 2 of the Italian Civil Code; It should be noted that for tax purposes the provisions of Italian decree D.M. 2 April 2008 will be applied, since the entire dividend of Euro **0.20** per share is taxable in the hands of the recipient and is considered to have been taken from the profit reserves accumulated subsequent to the tax year in progress at 31/12/2007;
- (ii) allocate the remaining amount to the Extraordinary Reserve, since the legal reserve has already reached the limit of one-fifth of the fully paid up and subscribed share capital.

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

proposed resolution

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

- given that the financial statements at 31 December 2016 show a net profit for the year of Euro 64,066,551 (sixty-four million sixty-six thousand fivehundredandfifty-one);
- given the resolution proposed by the Board of Directors;

resolves

- 1) to allocate said profit as follows:
 - (i) to declare a dividend of Euro **0.20 (zero point two zero)** for each of the shares in circulation including the right as per art. 2357-(3) subsection 2 of the Italian Civil Code;
 - (ii) to allocate the remaining amount to the Extraordinary Reserve, since the legal reserve has already reached the limit of one-fifth of the fully paid up and subscribed share capital.
- 2) to determine the legitimacy of paying out profits, pursuant to article 83-(13) of the Consolidated Finance Act by reference to the accounting records at the end of the accounting day on **16 May 2017** (the "record date"), with payment of the dividend from **17 May 2017**, following detachment on **15 May 2017** of coupon no. **24**;
- 3) to vest in the Chairman, with the right to delegate to third parties, all the widest possible powers required to implement the matters described above".

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

This section of the report illustrates the proposal that the Board of Directors intends to submit for your approval, in relation to renewal of the Board of Directors, whose mandate expires upon approval of the financial statements at 31 December 2016.

Approval of the financial statements at 31 December 2016 marks the expiry of the mandate of the Board of Directors of the Company, which was granted at the Shareholders' Meeting held on 30 April 2014 and at the Shareholders' Meeting held on 28 April 2016 in relation to the confirmation as directors of Stefania Petruccioli and Marcello Margotto, who were co-opted by resolutions of the Board of Directors adopted on 30 June 2015 and 6 August 2015 to replace Mara Caverni and Carlo Conti, who had resigned as directors.

We therefore invite you to appoint the new Board of Directors, after determining the number and the term of office of the members, in compliance with the matters indicated in this respect in art. 14 of the Bylaws (the "**Bylaws**"), which establishes a minimum of 3 (three) and maximum of 13 (thirteen) members of the Board of Directors and states that the Directors shall be appointed for a term of no longer than three years and that the Directors shall be eligible for re-election.

Pursuant to art.147-(3), subsection 4 of the Consolidated Finance Act, at least one of the members of the Board of Directors or 2 (two) if the Board of Directors is composed of more than 7 (seven) members, must possess the minimum requirements for independence established for Statutory Auditors by art. 148, subsection 3 of the Consolidated Finance Act, and the additional requirements established by the Code of Corporate Governance of listed companies promoted by Borsa Italiana S.p.A. (the "**Code of Corporate Governance**").

Further, pursuant to art. 147-(3), subsection 1-(3), of the Consolidated Finance Act, included in art. 1 of Law no. 120 of 12 July 2011, the characteristics of the directors to be elected must be determined using a criterion that ensures gender balance. In application of Law no. 120 of 12 July 2011, at least one-third of the Directors elected must belong to the least represented gender.

With regard to the methods of appointment, art. 14 of the Bylaws, current statutory legislation, and the implementation regulations prescribed by Consob envisage the following:

- the appointment of Directors will be carried out on the basis of lists submitted by the shareholders, except for the cases in which the appointment must be made using ordinary methods and majorities and those in which appointment by list voting is not permitted or is not possible; Directors are appointed using criteria that ensure gender balance;
- shareholders who, within the terms established by statutory legislation, own, alone or jointly with others, shares with voting rights representing 1%⁽¹⁾ of the subscribed and paid up share capital with voting rights at the Ordinary Shareholders' Meeting for the appointment of corporate officers, are entitled to submit a list. Ownership of the interest required for the legitimate submission of lists is established with regard to the shares registered in the name of the shareholder on the day in which the lists are filed with the issuer, and can be attested even after the filing of the lists, provided this is carried out at least twenty-one days prior to the date of the Shareholders' Meeting;
- no shareholder can submit (or join in submitting) or vote for, even via an intermediary or via a trust company, more than one list; the same is true for shareholders belonging to the same group and shareholders who are signatories of a shareholders' agreement regarding the Company's shares;

⁽¹⁾ This percentage ownership was established in Consob Resolution no. 19856 of 25 January 2017, pursuant to art. 144-(7) of the Issuers' Regulation.

- shareholders who intend to submit a list (or join in submitting one), and who are connected - pursuant to the terms of art. 144-(5) of the regulation adopted by Consob with resolution 11971 of 14 May 1999 as amended (the “**Issuers' Code**”) - even indirectly, to other shareholders who have submitted (or joined in submitting) another list, are required to disclose this situation at the start of the Shareholders' Meeting convened to appoint the Directors, and said disclosure must be recorded in the minutes of the Meeting;
- each shareholder who intends to propose (or join in proposing) candidates for the office of Director, must file (or join in filing) at the company headquarters, by the twenty-fifth day prior to the date established for the Shareholders' Meeting:
 - a) a list comprising no less than 3 (three) and no more than 13 (thirteen) candidates, each associated with a sequential number; at least two candidates on each list must comply with the independence requirements established by law and by the Code of Corporate Governance of Listed Companies promoted by Borsa Italiana S.p.A. and one of those must be positioned at the top of the list concerned; in application of Law no. 120 of 12 July 2011, lists that contain three or more candidates must contain at least one third of the candidates from the least represented gender (rounding up, if necessary);
 - b) the résumés of each candidate, containing complete information about their personal and professional characteristics and stating whether they possess the independence requirements specified by current regulations and the Code of Corporate Governance prepared by the Committee for Corporate Governance of Listed Companies promoted by Borsa Italiana S.p.A., with an indication:
 - (i) of the non-executive directorships and memberships of boards of statutory auditors 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 financial statements for the previous year report assets or sales in excess of 500,000,000.00 euro (five hundred million/00);
 - (ii) of 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 that in the previous year reported sales of not more than 50,000,000.00 euro (fifty million/00);
 - (iii) of the offices pursuant to art. 2390, subsection 1 of the Italian 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 whereby they express 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 requirements prescribed for the office, either in law or in the Bylaws;

- d) a list of the shareholders submitting the list, with their name, company name, location, company registration number or equivalent, and the percentage of capital they hold overall, together with a declaration by the shareholders other than shareholders who hold, also jointly, a controlling or relative majority interest, attesting to the absence of relations of association pursuant to art. 144-(5) of Consob Regulation no. 11971/1999;
- those submitting a list are obliged to include a sufficient number of candidates on the list, as well as 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 complies with the proportionality criterion for gender balance;
- lists for which the foregoing instructions are not observed will be considered not to have been submitted;
- in compliance with the provisions of art. 147-ter, subsection 1-bis, Consolidated Finance Act, lists of candidates are made available to the public at the company headquarters, on the company website and that of the market manager, at least twenty-one days prior to the date scheduled for the Shareholders' Meeting;
- the Board of Directors will be elected in accordance with the following procedure:
 - (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 (i.e. half of 1% of the share capital), 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 with one or more of the shareholders that submitted (or joined in submitting) the list that received the highest number of votes, such votes shall 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 or if, for any reason, the appointment of one or more directors cannot be carried out in compliance with these instructions, 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.

With regard to the obligation for candidate Directors to indicate, in their résumés, 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 Board of Directors reminds you that it has already expressed its opinion on the accumulation of offices (implementing the provisions of principle 1.C.3 of the Code of Corporate Governance), resolving as follows at the meeting held on 14 February 2007:

- 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"⁽²⁾, 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 Board of Directors recommends that the Shareholders' Meeting should 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", or non-executive directors or statutory auditors in ten or more other "significant companies";
- if reappointed, 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.

With regard to the term of office of the Directors, the Board proposes fixing it at three years in accordance with customary practice. Therefore, if the Shareholders' Meeting accepts the proposal, the appointment of the Board of Directors will expire on the date of approval of the financial statements at 31 December 2019.

Finally, the Board of Directors proposes to establish the number of members of the Board as **nine (9)**.

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

proposed resolution

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

- considering the need to proceed with the appointment of the new members of the Board of Directors,

⁽²⁾ Companies listed on regulated stock markets (including foreign stock markets) or finance companies, banks, insurance companies, or companies of significant size, being those whose total assets or sales exceed 500 million euro.

after determination of their number;

- considering it appropriate to establish the number of members of the Board of Directors as **nine (9)**;
- considering it appropriate to fix the term of office at three years;
- considering that no.[•] lists of candidates for the office of Director complete with the necessary documentation have been validly submitted;
- considering the results of the ballot;

resolves

- 1) to fix the number of members of the Board of Directors as **nine (9)**;
- 2) to appoint, as members of the Board of Directors for a period of three years, with expiry on the date of approval of the financial statements at 31 December 2019, Messrs.:
 - [•], born in [•], on [•], resident in [•], in [•];
 - *[complete with the details of the elected candidates]*;
- 3) to appoint as Chairman of the Board of Directors Mr/Ms [•]
- 4) to grant powers to the Chairman to perform all the necessary acts for the complete execution of the resolutions, with all and any powers necessary and useful to achieve said purpose, excluding none and with the right to delegate to third parties.”

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On the fifth point on the agenda of the Ordinary Shareholders' Meeting - Determination of the remuneration of the Directors for 2017 and the total remuneration of the Directors assigned special duties

This section of the report illustrates the proposal that the Board of Directors intends to submit for your approval in relation to the determination of emoluments for the office of Director for 2017, and the overall amount of emoluments due to Directors assigned special duties.

§ 1. On remuneration for the office of Director for 2017

With reference to remuneration to assign to each Director for the office, pursuant to art. 2389, subsection 1 of the Italian Civil Code, the Board of Directors, in response to an identical proposal from the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, proposes 2017 remuneration of Euro **45,000.00 (forty-five thousand/00)** for each Director.

§ 2. On the maximum total emoluments to assign to directors with special duties for 2017

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

The Ordinary Shareholders' Meeting held on 28 April 2016 established such maximum emoluments for 2016 to be Euro 2,900,000.00 (two million ninehundred thousand/00).

As proposed by the Remuneration Committee and after having heard the opinion in favor of the Board of Statutory Auditors, the Board of Directors recommends that the Shareholders' Meeting fix the total maximum 2017 emoluments of the directors assigned special duties at Euro **2,900,000.00 (twomillion ninehundred thousand/00)**.

§ 3. *On the remuneration to assign for the period 1 January 2018 - approval of the 2017 financial statements*

On the basis of an identical proposal from the Remuneration Committee and having heard the opinion in favor of the Board of Statutory Auditors, the Board of Directors proposes that the remuneration for the office of Director and the total emoluments of the Directors assigned special duties authorized for 2017, as indicated in points § 1 and § 2 above, also be paid - as in prior years - in the period from 1 January 2018 to the date of approval of the 2017 financial statements, without prejudice to any subsequent higher amount decided subsequently, within the limits of any amount established at the Shareholders' Meeting.

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

proposed resolution

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

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

resolves

- 1) to fix the 2017 remuneration assigned to each Director for the office, in compliance with art. 18 of Bylaws and art. 2389, subsection 1 of the Italian Civil Code, in the amount of Euro **45,000.00 (forty-five thousand/00)**;
- 2) to fix, for 2017, the total maximum emoluments assigned and to be assigned to the Directors with special duties, for the purposes of art. 18 of the Bylaws and art. 2389, subsection 3 of the Italian Civil Code, including the Chairman and the members of the Audit Committee and the Remuneration Committee, in the amount of Euro **2,900,000.00 (twomillion ninehundred thousand/00)**;
- 3) to fix, in the amount specified in the previous points 1 and 2, calculated on a time-apportioned basis, the emoluments and remuneration to be assigned to the Directors for the period from 1 January 2018 to the date of approval by the Shareholders' Meeting of the 2017 financial statements, without prejudice to any subsequent higher amount decided, within the limits of any amount established at the Shareholders' Meeting;
- 4) to vest in the Chairman, with the right to delegate to third parties, all the widest possible powers required to implement the matters described above."

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On the sixth point on the agenda of the Ordinary Shareholders' Meeting - Appointment of the Board of Statutory Auditors

This section of the report illustrates the proposal that the Board of Directors intends to submit for your approval, in relation to renewal of the Board of Statutory Auditors, whose mandate expires at the time of approval of the financial statements at 31 December 2016.

The approval of the financial statements at 31 December 2016 marks the expiry of the mandate of the

Board of Statutory Auditors of the Company, which was granted at the Shareholders' Meeting held on 30 April 2014.

The Statutory Auditors must satisfy the independence requirements established in art. 148, subsection 3, of the Consolidated Finance Act, as well as the honorability and professionalism requirements specified for this role in the regulations or the Bylaws.

Further, pursuant to art. 148, subsection 1-(2), of the Consolidated Finance Act, included in art. 1 of Law no. 120 of 12 July 2011, the process of electing the Statutory Auditors must be such that the least represented gender comprises at least one third of the serving members of the Board of Statutory Auditors.

With regard to the methods of appointment, art. 19 of the Bylaws, current statutory legislation, and the implementation regulations prescribed by Consob envisage the following:

- the Board of Statutory Auditors is composed of three Serving Auditors and two Alternate Auditors, whose term of office is three years (expiring on the date of the Shareholders' Meeting convened for approval of the financial statements for the third year of office) and who are eligible for re-election on expiry of the mandate;
- the Serving Auditors and the Alternate Auditors are appointed at the Shareholders' Meeting on the basis of lists submitted by the shareholders;
- the appointment of Statutory Auditors is performed on the basis of criteria that ensure gender balance.
- lists may be submitted legitimately by all shareholders who, either individually or jointly with other shareholders, represent at least 1%⁽³⁾ of the shares with voting rights at the Shareholders' Meeting, in compliance with the provisions of art. 14.3 of the Bylaws; ownership of the interest required for the legitimate submission of lists is established by reference to the shares registered in the name of the shareholder on the day on which the lists are submitted to the issuer and can be attested even after filing the lists, provided this occurs at least twenty-one days prior to the date of the Shareholders' Meeting, in compliance with the provisions of art. 144-(6), subsection 4-(4) of the Issuers' Code;
- possible candidates for the office of Statutory Auditor, in compliance with the applicable regulations, include those: (i) whose situation does not makes them unelectable or is not incompatible with election pursuant to art. 148, subsection 3, of the Consolidated Finance Law and (ii) whose situation complies with the limits on the accumulation of positions envisaged in art. 148-(2) of the Consolidated Finance Act and (in implementation thereof) arts. 144-(12) to 144-(15) of the Issuer's Regulation;
- each candidate must be present on just one list, on pain of ineligibility;
- each shareholder who intends to propose (or join in proposing) candidates for the office of Statutory Auditor, must file (or join in filing) at the company headquarters, by the twenty-fifth day prior to the date established for the Shareholders' Meeting:
 - (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 for Serving Auditors and at least one in the section for Alternate Auditors. If,

⁽³⁾ This percentage ownership was established in Consob Resolution no. 19856 of 25 January 2017, pursuant to art. 144-(7) of the Issuers' Regulation.

considering both sections, the list contains three or more candidates, at least one third of the candidate Serving Auditors must belong to the least represented gender (rounding up if necessary); if the section for Alternate Auditors contains two candidates, they must be of different genders. Each candidate in each section must be given a sequential number;

- (b) a résumé for each candidate, containing: (i) comprehensive information about their personal and professional characteristics, and (ii) the list of directorships or memberships of boards of statutory auditors held by the candidate Auditor in other companies or organizations, if significant as defined in the statutory regulations on cumulative limits of offices held;
 - c) the declarations of each candidate whereby they express 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) a list of the shareholders submitting the list of candidates, with their name, company name, location, company registration number or equivalent, and the percentage of the capital they hold overall, accompanied by the declaration required by art. 144-(6), subsection 4, letter b) of the Issuers' Code, attesting to the absence of relations of association ex art. 144-(5) of the Issuers' Regulation;
- 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 Statutory 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;
 - the Company provides information about the submitted lists, accompanied by the additional documentation requested, by making them available to the general public at the headquarters, and by publishing them on the company's website and on the site of the market manager at least twenty-one days prior to the Shareholders' Meeting convened to make the appointments, pursuant to the provisions of art. 144-(8) of the Issuers' Code;
 - if, at the deadline date for the filing of lists, only one list has been submitted, or lists have only been submitted by shareholders who are interconnected in accordance with the terms of art. 144-(5) of the Issuers' Code, additional lists may be submitted until the third day after the above deadline, and the minimum holding for the submission of lists will be halved. This situation will be disclosed in the cases and in the forms established by statutory regulations;
 - individual shareholders cannot submit (or join in submitting) or vote for, even via an intermediary or via a trust company, more than one list; the same is true for shareholders belonging to the same group and shareholders who are signatories of a shareholders' agreement regarding the Company's shares;
 - shareholders who intend to submit a list (or join in submitting one), and who are interconnected, even indirectly, pursuant to the terms of art. 144-(5) of the Issuers' Code, to other shareholders who have submitted (or joined in submitting) another list, are required to disclose this situation at the start of the Shareholders' Meeting convened to appoint the Statutory Auditors, and said disclosure must be recorded in the minutes of the Meeting;
 - the Board of Statutory Auditors will be elected in accordance with the following procedure:

- (a) two Serving Auditors and one Alternate Auditor 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 Statutory Auditors 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 Serving Auditor, taken from the list that received the second highest number of votes, is of the least represented gender: in that case all the Statutory Auditors 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 Serving Auditor and the remaining Alternate Auditor will be taken from the list that obtains the second highest number of votes, being the persons 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 chairman of the Board of Statutory Auditors shall be the first-listed candidate in the section of Serving Auditors of the list that obtains the second highest number of votes;
- (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 on the list that obtained the votes of the highest number of shareholders entitled to vote will be appointed, while in all other cases the Shareholders' Meeting will repeat the ballot, with list voting, for the appointment of the entire Board of Statutory Auditors;
- (d) the candidates 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 just one list is duly submitted, all the Statutory Auditors to be appointed will be taken from that list, again in compliance with the statutory legislation on 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 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 in compliance with these instructions, the Shareholders' Meeting will adopt a resolution with the majorities required by law, anyway ensuring compliance with the statutory legislation on gender balance.

With regard to determination of the remuneration of the Statutory Auditors, the Board of Directors proposes Euro **105,000.00 (one hundred and five thousand/00)**, in addition to the legally required social security contributions, as the total annual amount payable to the Board of Statutory Auditors, of which Euro **45,000.00 (forty-five thousand/00)** for the Chairman and Euro **30,000.00 (thirty thousand/00)** for each of the Serving Auditors.

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

proposed resolution

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

- considering that no.[•] lists of candidates for the office of Statutory Auditor complete with the necessary documentation have been validly submitted;
- considering the results of the ballot;

resolves

- 1) to appoint, as members of the Board of Statutory Auditors for a period of three years, with expiry on the date of approval of the financial statements at 31 December 2019, Messrs.:
 - [•], born in [•], on [•], resident in [•], in [•], Chairman of the Board of Statutory Auditors;
 - [•], born in [•], on [•], resident in [•], in [•], Serving Auditor;
 - [•], born in [•], on [•], resident in [•], in [•], Serving Auditor;
 - [•], born in [•], on [•], resident in [•], in [•], Alternate Auditor;
 - [•], born in [•], on [•], resident in [•], in [•], Alternate Auditor;
- 2) to fix at Euro **105,000.00 (one hundred and five thousand/00)**, in addition to the legally required social security contributions, the total annual amount payable to the members of Board of Statutory Auditors, of which Euro **45,000.00 (forty-five thousand/00)** for the Chairman of the Board of Statutory Auditors and Euro **30,000.00 (thirty thousand/00)** for each of the Serving Auditors;
- 3) to grant powers to the Chairman to perform all the necessary acts for the complete execution of the resolutions, with any and all powers necessary and useful to achieve said purpose, excluding none and with the right to delegate to third parties."

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In relation to the seventh point on the Agenda of the Ordinary Shareholders' Meeting – Authorization pursuant to arts. 2357 and 2357-(3) of the Italian Civil Code, to purchase treasury shares and to sell any treasury shares held or purchased, after revoking, in whole or in part, any unexercised portion of the authorization granted by resolution of the Shareholders' Meeting held on 28 April 2016; related and consequent resolutions.

This section of the report, prepared inter alia pursuant to art. 73 and Annex 3A of the Issuers' Regulation, illustrates the proposal that the Board of Directors intends to submit for your approval in relation to the authorization, pursuant to the provisions of arts. 2357 and 2357-(3) of the Italian Civil Code, to purchase treasury shares and possibly to sell any treasury shares held or purchased.

1. Subject of the authorizations requested

The Board of Directors draws your attention to the fact that the Ordinary Shareholders' Meeting of 28 April 2016 authorized, for a period of eighteen months following that date, the purchase of treasury shares up to the maximum number of 9,000,000 (nine million) ordinary shares of nominal value of Euro 4,680,000.00 (four million sixhundredandeighty thousand/00) and thus in total, considering the treasury shares already purchased and not yet sold in execution of the previous resolutions of the Shareholders' Meeting, up to the maximum number of 12,717,912 (twelve million seventhundredandseventeen thousand

nine hundred and twelve) ordinary shares, or in any event within any lower limit imposed by the legislation in force at the time, for a unit price of between a minimum of the nominal value of 0.52 (zero/52) euro and a maximum of 18.00 (eighteen/00) euro.

At the date of this report, the Company holds 2,232,252 (two million two hundred and thirty-two thousand two hundred and fifty-two) treasury shares having a total nominal value of Euro 1,160,771.04 (one million one hundred and sixty thousand seven hundred and seventy-one/04), corresponding to approximately 2.0502% of the subscribed and paid-up share capital, which totals Euro 56,617,232.88 and is represented by 108,879,294 ordinary shares.

Such shares were purchased for a total price of Euro 27,895,798.91 (twenty-seven million eight hundred and ninety-five thousand seven hundred and ninety-eight/91), corresponding to an average unit price of approximately Euro 12.4967 (twelve point four nine six seven) per share.

The Board of Directors now considers it appropriate, for the reasons illustrated in point § 2 below, to request a new authorization - replacing the previous authorization granted by the Shareholders' Meeting of 28 April 2016 - to proceed for a period of eighteen months from the related resolution of the Shareholders' Meeting with: (i) the purchase of treasury shares up to a maximum number of **8,000,000** (eight million) ordinary shares of nominal value Euro **4,160,000** (four million one hundred and sixty thousand) hence, overall, considering the treasury shares already purchased and not yet sold in execution of prior resolutions of the Shareholders' Meeting, up to a maximum of 10,232,252 (ten million two hundred and thirty-two thousand two hundred and fifty-two) ordinary shares, or, in any event, within any lower limit imposed by current legislation in force at the time, and also (ii) the sale of treasury shares purchased previously in execution of prior resolutions of the Shareholders' Meeting and to be acquired in execution of the requested resolution of the Shareholders' Meeting.

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

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

The latest authorization for the purchase of treasury stock granted by the Shareholders' Meeting expires on 28 October 2017.

The Board of Directors therefore asks the Shareholders' Meeting to issue a new authorization for the purchase and the possible subsequent sale of the treasury stock already purchased or that will be purchased in implementation of the new authorization resolutions requested. Said new authorization will revoke, for the non-executed part, and replace the latest authorization for the purchase of treasury stock granted at the Shareholders' Meeting of 28 April 2016, which will consequently lapse.

The authorization for purchase is required in order to allow the Company to purchase additional lots of treasury stock, even via public offers for the purchase or exchange of shares, for the purpose of investment, stabilization of the stock price in situations of reduced stock market liquidity, and in order to obtain shares that may be allocated for possible exchange following acquisitions and/or commercial agreements with strategic partners.

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

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

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

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

The Board of Directors asks the Shareholders' Meeting to authorize the purchase as treasury shares up to a maximum number of **8,000,000** (eight million) ordinary shares of nominal value Euro **4,160,000** (four million onehundredandsixty thousand) hence, overall, considering the treasury shares already purchased and not yet sold in execution of prior resolutions of the Shareholders' Meeting, up to a maximum of 10,232,252 (ten million twohundredandthirty-two thousand twohundredandfifty-two) ordinary shares, or, in any event, within any lower limit imposed by current legislation in force at the time.

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

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

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

- (i) the treasury shares currently held by the Company total 2,232,252 (two million twohundredandthirty-two thousand twohundredandfifty-two) for a total nominal value of Euro 1,160,771.04 (one million onehundredandsixty thousand sevenhundredandseventy-one/04), corresponding to approximately 2.0502% (two point zero five zero two percent) of the current subscribed and paid-up share capital;
- (ii) the treasury shares currently subject to the proposed authorization described herein total **8,000,000** (eight million) ordinary shares of nominal value Euro **4,160,000** (four million onehundredandsixty thousand), corresponding to approximately **7.347%** (seven point three four seven percent) of the current subscribed and paid-up share capital.

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

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

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

Because, at the date of the present report, the 2016 draft financial statements have only been approved by the Board of Directors and will be submitted for approval at the next Shareholders' Meeting as the first topic on the agenda (i.e. appearing before the resolution concerning the purchase of treasury stock), the Board, for the purpose of checking the spending limits, has taken account of the contents of the 2016 draft financial statements and the proposed allocation of the net profit for 2016, as described in explanatory report to the second point on the agenda for the next Shareholders' Meeting, on the assumption that the shareholders will express their approval.

The above 2016 draft financial statements of the Company report additional paid-in capital of Euro 98,560,648.75 (from which Euro 1,565,476.03 must be deducted as unavailable since its relates to the reserve for stock options allotted to the directors and employees of other Group companies and to which Euro 274,524.00 must be added for increases in additional paid-in capital following the use of treasury

shares to purchase equity investments and service the exercise of options by the beneficiaries of the Company's incentive plans from 1 January 2017 to date), an *extraordinary reserve* of Euro 111,305,420.94 (including allocation of the 2016 profit of Euro 64,066,551.42, and excluding use of the reserve to service payment of the dividend for 2016⁽⁴⁾ recommended to the next Shareholders' Meeting, as well as the non-distributable reserve for IFRS adjustments, the non-distributable reserve for the fair value of hedging derivatives, the non-distributable reserve for unrealized exchange gains, the non-distributable TFR re-measurement reserve) and a *merger surplus* of Euro 698,016.45 (net of non-distributable estimated amounts totaling Euro 164,925.79).

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

- pursuant to the terms of art. 2426, subsection 1, no. 5 of the Italian Civil Code, dividends can only be distributed if sufficient available reserves remain to cover the unamortized amount of start-up and expansion, research, development and advertising costs benefiting future years; in the Company's draft 2016 financial statements such costs total Euro 4,677,263.00;
- in compliance with art. 2431 of the Italian Civil Code, additional paid-in capital cannot be distributed until the legal reserve has reached one fifth of the share capital; subscribed and paid-up share capital resulting from the draft 2016 financial statements approved by the Board of Directors, totals Euro 56,617,232.88; the amount of the legal reserve has reached one fifth of the share capital, and consequently, pursuant to art. 2431 of the Italian Civil Code, the additional paid-in capital is available.

Taking account of the foregoing situation, the effectively distributable profits and effectively available reserves total Euro 204,595,871.11 (two hundred and four million five hundred and ninety-five thousand eight hundred and seventy-one point one one).

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

6. Time for which the authorizations are requested

Authorization for the purchase and sale of treasury shares is requested for the maximum duration permitted by art. 2357, subsection 2 of the Italian Civil Code, and hence for eighteen months from the date of the Shareholders' Meeting convened to adopt the related resolution.

7. Minimum price and maximum price

The Board of Directors proposes that:

- the minimum purchase price of treasury stock be established in an amount that corresponds to the nominal value of Euro 0.52 (zero/52) per share, as already resolved at the Shareholders' Meeting of 28 April 2016, cited in the previous point § 1;
- the maximum purchase price be established as Euro **24.00 (twenty-four/00)** per share, thereby making it possible to purchase stock also in the event of significant rises in the stock market value of the shares and taking account of the necessary flexibility required in this type of transaction.

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

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

With regard to the methods for treasury stock purchase transactions, the Board of Directors proposes that said transactions be performed by means of purchases on the market or by means of public offers to

⁽⁴⁾ Dividend calculated on the basis of the number of treasury shares held by the Company at 15 March 2017, which was 2,232,252.

purchase or exchange in compliance with the methods established by the legislative provisions and regulations in force from time to time and, notably, in compliance with the provisions of art. 132, subsection 1, of the Consolidated Finance Act and art. 144-(2), subsection 1, letters a), b) and c) of the Issuers' Code.

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

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

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

The purchase of treasury stock in relation to which authorization is requested complies with the corporate aims illustrated in the previous § 2, and is not intended to be a way to reduce the Company's share capital.

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

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

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

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

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

proposed resolution

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

- in view of the resolution of the Ordinary Shareholders' Meeting of 28 April 2016;
- in consideration of the proposal of the Company's Board of Directors;
- considering that, if the resolution proposed below is approved by the majority of the shareholders of Interpump Group S.p.A. present in the meeting, other than the shareholder or shareholders who, jointly or alone, hold a relative majority interest of more than 10 percent (i.e. Gruppo IPG Holding S.p.A.), the exemption envisaged by the combined provisions of article 106, subsections 1 and 3, of the Consolidated Finance Act and article 44-(2), subsection 2, of the Issuers' Code will be applied in relation to Gruppo IPG Holding S.p.A.,

resolves

- 1) to authorize the Board of Directors, by means of the Directors delegated for this purpose, to purchase as treasury shares up to the maximum number of **8,000,000** (eight million) ordinary shares of nominal value Euro **4,160,000** (four million onehundredandsixty thousand) and thus in total, considering the treasury shares already purchased and not yet sold in execution of prior resolutions of the Shareholders' Meeting, up to a maximum number of **10,232,252** (ten million twohundredandthirty-two thousand twohundredandfifty-two) ordinary shares, or, in any event, within any lower limit imposed by the legislation in force at the time, for a period of eighteen months starting from the date of this resolution, with the proviso that said new authorization will replace the last authorization for the purchase of treasury stock granted at the Shareholders' Meeting of 28 April 2016, which will therefore lapse. The purchase may take place at a unit price of between a minimum equal to the nominal value of zero point five two (0.52) euro and a maximum of Euro **24.00 (twenty-four/00)**. Purchases must be made in accordance with the methods and the limits established by legislative and regulatory provisions in force from time to time and, notably, by art. 132, subsection 1 of the Consolidated Finance Act and by art. 144-*bis*, subsection 1, letters a), b) and c) of the Issuers' Code;
- 2) to authorize the Board of Directors, by means of the Directors delegated for this purpose, to sell or transfer, on one or more occasions, for the period of eighteen months starting from the date of this resolution, the treasury shares held by the Company, already purchased or to be purchased in implementation of the authorization as at the prior point 1), with the specification that said new authorization will revoke for the unexecuted portion and replace the last authorization for sale of treasury shares granted by the shareholders' meeting of 28 April 2016, which will therefore lapse. The disposal must be carried out at a price that is not lower than the nominal value of zero point five two (0.52) euro per share. The disposal can occur also by means of a public offering, sale of treasury shares to employees, directors and collaborators of the company and/or of the group companies in execution of incentive plans that have been approved beforehand at the Shareholders' Meeting, servicing of warrants or deposit certificates representing shares or similar securities, exchange for the purchase of equity investments or assets of interest to the company and in the framework of any agreements with strategic partners. The Board of Directors and the directors specifically delegated by the Board are authorized to establish all additional conditions, methods and terms of the disposal of the treasury shares held;
- 3) to make, pursuant to art. 2357-(3), subsection 3 of the Italian Civil Code, all the accounting entries that are necessary or advisable in relation to transactions in treasury shares, in compliance with the statutory legal provisions and the applicable accounting standards;
- 4) to vest in the Chairman, with the right to delegate to third parties, the widest possible powers required to make purchases and sales of treasury shares, even by means of successive transactions, and anyway to implement the above resolutions, even using attorneys, in compliance with all the procedures required by law and the competent authorities.”

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

The Corporate Secretarial Department of Interpump Group S.p.A. is at your disposal on weekdays from Monday to Friday from 9.00 am until 12.00 noon and from 3.00 pm until 5.00 pm for further information, at the following numbers: phone + 39 0522 9043 11; fax + 39 0522 90 44 44 and at the e-mail address: fgest@interpump.it.

Sant'Ilario d'Enza, 15 March 2017

For the Board of Directors

The Chairman

Fulvio Montipò