



**INTERPUMP
GROUP**

Report on Remuneration Policy and Compensation Paid 18 March 2024

Prepared pursuant to art. 123-(3)
of Legislative Decree no. 58
of 24 February 1998

The complete document is available on the
corporate website www.interpumpgroup.it

Letter from the Chairman of the Remuneration Committee

Dear Shareholders,

I am pleased to present, in my capacity as Chairman of the Remuneration Committee and on behalf of the Committee and the Board of Directors, the Report on Remuneration Policy and Compensation Paid, prepared by Interpump Group S.p.A. The document aims to inform all Group Stakeholders transparently and comprehensively of the remuneration structure adopted and its link with the business and sustainability strategy, with a view to constantly strengthening dialogue with the market.

As of today, the Remuneration Committee is made up of the undersigned, as well as of the Directors Mr. Giovanni Tamburi and Ms. Federica Menichetti, as established by the Board of Directors following the Annual Shareholders' Meeting held on 28 April 2023, called, inter alia, to renew the corporate offices.

The year 2023 was certainly an important year for the Company: the strategy of growth and pursuit of operational excellence was again confirmed, and the Group's sustainability process continued rapidly.

The preliminary financial results for 2023, which have recently been approved, are extremely satisfying; the Group has recorded organic growth in turnover of almost 7% and, above all, an all-time record EBITDA margin (24%), despite the current difficult international environment. Important acquisitions were also accomplished:

— In February 2023, Interpump Group announced the acquisition of an 85% stake in **Indoshell Automotive System India P.L. (ISAS)**, specialising in the casting of ferrous and non-ferrous metals (cast iron and aluminium).

— In April 2023, the Group completed the acquisition of 70% of the company **I.Mec S.r.l.**, specialised in the production of mechanical screens, i.e. devices for the granulometric selection of material through vibration mechanisms.

— Finally, in May 2023, the acquisition of 100% of the **Waikato Group** was finalised which, with over 50 years of history, is the market leader in the New Zealand and Australian mechanised milking business.

In relation to the Group's sustainability process - formalised in the ESG 2023-2025 Plan, with 2023 as the year of first implementation - the results are equally satisfactory, with all actions planned for this year achieved and the schedule defined for multi-year actions respected. Among the former, it is undoubtedly worth mentioning the approval of the Succession Plan and the Decarbonisation Strategy 2023-2032, fundamental steps to strengthen the Group from a long-term perspective. Also during the year, not directly related to the ESG Plan, but certainly essential at Governance level, was the separation of the positions of Chairman and CEO of the Group, with the appointment of Mr Fulvio Montipò as Executive Chairman and Mr Fabio Marasi as CEO.

The effectiveness of the results achieved and, from a broader point of view, their consistency over time, allowed the Group to obtain an important acknowledgement: in fact, in January 2024, the Parent Company was awarded the '*Best Performer of the Year*' prize by *SDA Bocconi School of Management*, the *Business School* of Milan's L. Bocconi University. Economic market positioning, technological innovation and the ability to create value within the company were the elements underlying the award, the result of an assessment characterised by a multidimensional analysis that considers not only economic and financial indicators, but also technological innovation, the ability to create value within the company and social and environmental impacts.

The changes introduced in this Report are mainly aimed at providing a better understanding of the remuneration structure reserved for the Group's directors and employees. In particular, I feel it is important to highlight a few new elements that you will find in more detail in the document:

— improved disclosure on qualitative metrics: in particular, the evaluation process applied by the Remuneration Committee was clarified, focusing for the MBO on the Group's organic growth, and for the LTI Plan on the implementation of M&A transactions;

— clarification of the correlation between ESG metrics in variable incentives and the ESG Plan: in particular, in Second Section, the link between the performance criteria that contributed to the definition of the variable incentives and the ESG Plan adopted by Interpump for the period 2023-2025 was clarified;

— clarifications of the severance policy: an amendment was introduced to clarify that, subject to compliance with previous and still existing individual agreements, the maximum amount which can be awarded is equal to one year's remuneration calculated as the average of the gross annual remuneration over the previous two years;

— disclosure of the CEO pay ratio: an indication of the ratio between the remuneration of the Executive Chairman, Mr. Fulvio Montipò, and the CEO, Mr. Fabio Marasi, and the median remuneration of employees has been introduced in Second Section of this Report;

— improved ex-post disclosure of performance criteria: in order to align the Group's disclosure with market best practices, a disclosure of the weights and performance actually achieved for each KPI included in the variable incentives, both short-term and long-term, was introduced in Second Section of this Report;

— clarifications on the application of clawback and malus clauses: amendments were introduced to clarify the possible application of *clawback* and *malus* clauses for each variable incentive plan;

— clarifications on the allocation of stock options: as per press releases of 6 December 2022 and 16 November 2023, it was announced that Fulvio Montipò, Gruppo IPG Holding S.p.A. and Leila Montipò e Sorelle S.A.p.A. had exceeded the threshold set forth in Article 106 paragraph 1-bis of the TUF (Consolidated Law on Finance) (taken together) following the exercise of options under the "2019 / 2021 Incentive Plan" by Mr. Fulvio Montipò. Therefore, the aforementioned parties, together with Tamburi Investment Partners S.p.A., had agreed to undertake to reduce their shareholding below the 25% threshold. Therefore, there are no dilutive effects or negative impacts on minority shareholders.

I trust that, as shareholders of the Interpump Group, you will find the information contained in this Report on Remuneration Policy and Compensation Paid comprehensive and useful, and we hope we can count on your positive support at the forthcoming Shareholders' Meeting.

Yours faithfully,

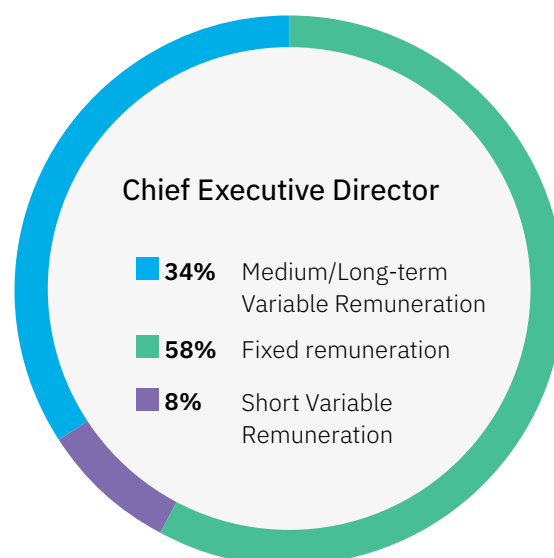
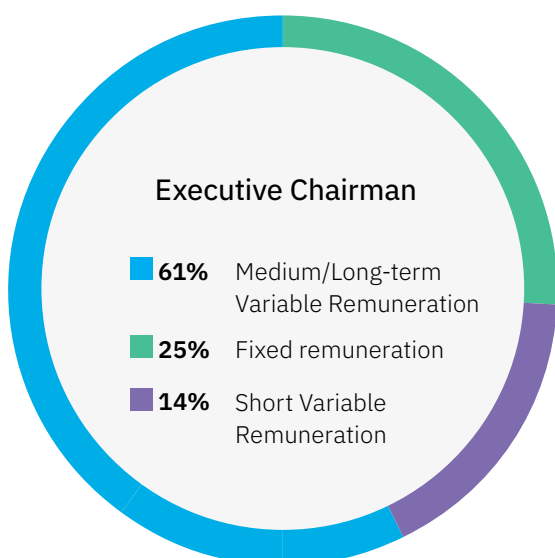
Marcello Margotto
Chairman of the Remuneration Committee



Executive Summary

Remuneration components	Purpose	Criteria and Parameters
Fixed remuneration	Valuing responsibilities and skills as well as attracting, motivating and retaining talented professionals.	Determined on the basis of the role and responsibilities assigned and adjusted for merit or promotion or increased responsibility.
Short-term variable component (MBO) - annual performance period	Motivate and direct management actions. The component is paid annually depending on the achievement of annual financial and non-financial targets set by the Board of Directors.	Maximum limit: <ul style="list-style-type: none"> - 75% of the fixed remuneration, allocated as follows: <ul style="list-style-type: none"> - 35% linked to the Net Sales of the Group (financial parameter); - 35% linked to the EBITDA of the Group (financial parameter); - 15% ESG objectives of the Group; - 15% qualitative objectives. - Constant organic growth targets excluding acquisitions in the reporting period
Long-term variable component (LTI) - three-year performance period	Promote the creation of medium/long-term sustainable value for the Company and the Group. Consists of the Interpump 2022-2024 Incentive Plan with a duration of three years.	Vesting period: three-year 70% broken down as follows: <ul style="list-style-type: none"> - 35% linked to Net Sales - 35% linked to the EBITDA of the Group - 15% ESG objectives - 15% qualitative personal objectives, using such parameters as collaboration, commitment and value added contributed to the Group - Targets on a consolidated <i>pro-forma</i> basis taking into account the companies acquired in the reporting period
Fringe benefits	Being an integral part of remuneration, they are characterised by their predominantly welfare or social security-based nature	Defined in continuity with the Policy implemented in previous years and in compliance with the provisions of national bargaining and supplementary company agreements for management.
Severance	Safeguard the Company in the event of: termination of the employment relationship or directorship; reduction and/or limitation of the areas of responsibility and/or mandates; demotion.	Compensation for Termination of Office of Chairman and Employment <ul style="list-style-type: none"> - Case in point - Revocation or non-renewal in the absence of just cause - Renunciation of office and proxy for such a serious cause that it is not possible to continue it - Renunciation of office and delegation as a result of a change of control, resulting in a substantial change in his position and/or powers
Discretionary bonuses	The Board of Directors, having consulted the Remuneration Committee, may assign discretionary bonuses for specific operations and/or projects.	Limit: 30% of the gross annual average remuneration in the previous two years, inclusive of the "Fixed compensation", "Fringe benefits", "Non-equity variable remuneration" and "Other remuneration", without in any case exceeding the maximum limit of 75% of the total fixed remuneration for the MBO plan.

Reference amounts (euro/000) and relative weight (%)	Notes
Executive Chairman: 1.731 (25%) Chief Executive Director: 350 (58%)	
Executive Chairman: 1.000 (14%) Chief Executive Director: 50 (8%)	Contractual application of claw-back and malus clauses.
Executive Chairman: 4.316 (61%) Chief Executive Director: 202 (34%)	Contractual application of claw-back and malus clauses. Minimum Holding for Chairman, CEO and Managers with Strategic Responsibilities equal to 5 years from the grant date for quota >50% of the shares acquired following exercise of the options granted.
<ul style="list-style-type: none"> - Supplementary pension provision - Medical insurance - Insurance policy - Allocation of a mixed-use car 	
<p>Chairman: subject to previous individual agreements still in force at the date of this report, the maximum amount is equal to one year of remuneration calculated as the average gross annual remuneration in the previous two-year period including “Fixed remuneration”, “Fringe benefits”, “Non-equity variable remuneration” and “Other remuneration” and the non-competition agreement (not currently envisaged) and maintenance of the rights envisaged in the Interpump Incentive Plans</p> <p>Executive Directors and Managers with Strategic Responsibilities: maximum amount equal to one year of remuneration calculated as the average gross annual remuneration in the previous two years, inclusive of the “Fixed compensation”, “Fringe benefits”, “Non-equity variable remuneration” and “Other remuneration” and the non-competition agreement (not currently envisaged).</p>	
Executive Chairman: - Chief Executive Director: -	



Introduction

This Report on Remuneration Policy and Compensation Paid (the “**Report**”), prepared by Interpump Group S.p.A. (‘**Interpump**’ or the ‘**Company**’), is structured as follows:

— **First Section:** contains (i) a description of the remuneration Policy (the “**Remuneration Policy**”) adopted by Company for remunerating the members of the Board of Directors, including the Executive Directors and the Non-Executive Directors (together the “**Directors**”), the general managers and the other Managers with Strategic Responsibilities (“**Managers with Strategic Responsibilities**”), as well as, without prejudice to the provisions of art. 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors (“the **Standing auditors**”) of Interpump Group S.p.A., (ii) the key objectives embodied in the Remuneration Policy in 2023, 2024 and 2025, (iii) the procedures followed for the adoption, implementation and revision of that policy, and (iv) the special cases in which temporary exceptions may be made to the Remuneration Policy. The First Section of the Report was submitted to a binding vote at the Shareholders’ Meeting of 28 April 2023.

— **Second Section:** contains an account of the items making up the remuneration of the above-mentioned persons for the financial year 2023. The Second Section of the Report will be submitted to a binding vote at the Shareholders’ Meeting scheduled for 26 April 2024. In accordance with the provisions of Legislative Decree 49/2019, Second Section is audited by the auditing firm PwC S.p.A., in its capacity as independent appointed auditor.

This Report has been prepared in accordance with the provisions of Article 123-ter of Legislative Decree No. 58 of 24 February 1998 (the “**Consolidated Law on Finance**” or “**TUF**”), Article 84-quater and in accordance with Schedules No. 7-bis and 7-ter of Annex 3A of CONSOB Regulation 11971/1999 (the “**Issuers’ Regulation**”), and in light of the principles and recommendations of the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A. in January 2020 (the “**Corporate Governance Code**”), to which the Company adheres, as well as for the purposes of Article 3.2 letter (b) of the Related Party Transactions Procedure approved by Interpump on 10 November 2010 and subsequent updates (the “**Procedure**”). This Report provides detailed information to the Shareholders of Interpump Group S.p.A. and to the market about the remuneration and incentive Policy for:

(i) Executive and Non-Executive Directors;

(ii) Managers with Strategic Responsibilities, taken to mean people having the power and responsibility, either directly or indirectly, for planning, supervision and control of the Company’s business in compliance with the definition supplied in this regard in Annex 1 to the CONSOB Related-Party Transactions Regulation, no. 17221 dated 12 March 2010 and subsequent amendments;

(iii) standing members of the Board of Statutory Auditors.

The company has adopted practical corporate strategies for the pursuit of sustainable success. In particular, at its meeting on 5 October 2022, the Board of Directors approved the 2023-2025 ESG Strategic Plan, which sets out the ambitions and commitments identified by the Group to assure sustainable economic growth over the long term. For this reason, the Remuneration Policy, which aims, inter alia, to enhance the integration of ESG objectives with the remuneration of Executive Directors and Managers with Strategic Responsibilities, makes provision for short- and medium-long-term incentive mechanisms based on sustainability metrics.

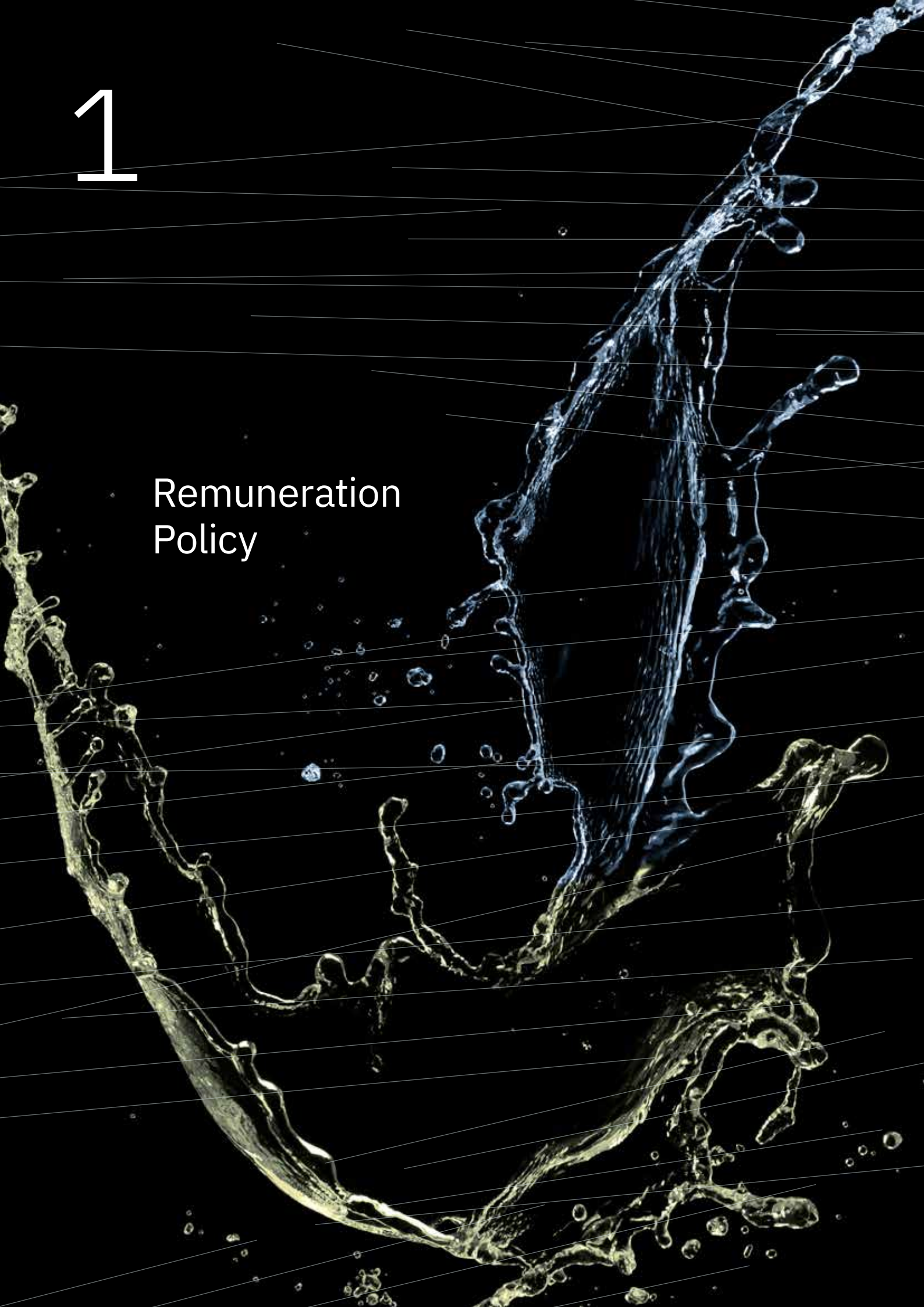
In addition, drawing inspiration from the principles embodied in the Corporate Governance Code, the Remuneration Policy also (i) contributes to the success of corporate strategies, designed to attract and motivate experienced professional staff in pursuit of the objectives set by the Company and the Group, as well as to encourage their long-term loyalty, (ii) seeks to align the interests of management with the medium/long-term interests of the Shareholders, with a view to sustainable growth in the value of Company over the long term, and (iii) takes account of the pay and working conditions of the Company’s employees..

Additionally, the Second Section of the Report details the compensation paid for 2023 to the Directors, including those assigned with special duties, executive and Non-Executive Directors, and the Statutory Auditors.

The second section of Report on Remuneration Policy and Compensation Paid was approved by the Company’s Board of Directors, upon the proposal of the Remuneration Committee, on 18 March 2024. The Report may also be revised and updated by the Board of Directors, upon the proposal of the Remuneration Committee, which shall periodically assess its adequacy, overall consistency and practical application, without prejudice to the binding vote of the Shareholders’ Meeting that will approve the Financial Statements as of 31 December 2025 with respect to the First Section of the Report.

1

Remuneration
Policy



First Section of the Remuneration Policy not subject to a vote

1. Introduction - Company details

Interpump Group S.p.A. was established on 1 December 1995 and has been listed on the Milan Stock Exchange since 1996. By virtue of its transparency and Corporate Governance requirements, it was admitted to the Euronext STAR Milan segment of the Italian Stock Exchange on 1 April 2001; the share has been included in the FTSE-MIB index since 22 June 2020.

The issued and fully-paid share capital amounts to 56,617,232.88 euro and is represented by 108,879,294 ordinary shares with a nominal value of 0.52 euro each.

Pursuant to the Bylaws, the Company is administered by a Board of Directors comprising a minimum of 3 and a maximum of 13 members. As of the date of this Report, i.e. 17 March 2023, the Board of Directors consists of 10 members, subject to the appointment of the new administrative body scheduled for the Shareholders' Meeting on 28 April 2023.

The Shareholders' Meeting of 30 April 2020 also appointed Mr. Fulvio Montipò as Chairman of the Board of Directors of Interpump Group S.p.A. On the same date, the Board of Directors resolved on the appointment of Mr. Fulvio Montipò as Chief Executive Officer, conferring specific management

powers, understood as functional competences. Following a detailed analysis, the Board of Directors did not identify any Managers with Strategic Responsibilities since, given the organisational structure of the Group, there are no executives whose characteristics fit the profile of Managers with Strategic Responsibilities.

The Remuneration Committee, which consists of three Non-Executive Directors, the majority of whom are independent:

- **Marcello Margotto**, Chairman (Non-Executive and independent Director - Lead Independent Director);
- **Federica Menichetti** (Non-Executive and independent Director);
- **Giovanni Tamburi** (Non-Executive Director).

It is specified that the Remuneration Policy, which is developed below, has a duration of three years for Interpump Group S.p.A., i.e. for the years 2023-2025. However, if necessary, the Company will submit this Remuneration Policy to the Shareholders' Meeting for another binding vote, even before the end of the three-year period.



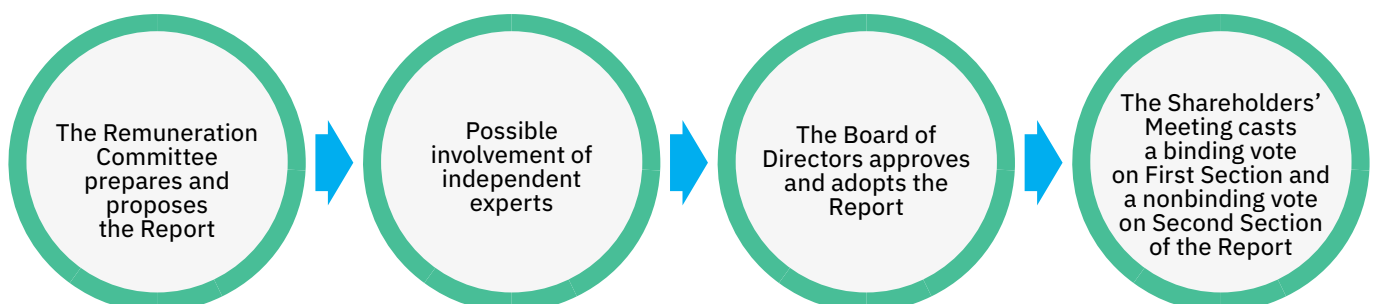
2. Procedures used for the adoption, revision and implementation of the Remuneration Policy

2.1 Corporate bodies or parties involved in the preparation and approval of the Remuneration Policy, and bodies or parties responsible for its proper implementation and revision

Interpump Group S.p.A. has adopted a governance model designed to guarantee transparency, consistency at group level among the member companies (the “Group”), and adequate control in relation to the Remuneration Policy and its implementation and revision.

The Remuneration Policy contained in this First Section of the Report is approved by the Board of Directors of the Company, which is responsible for its implementation and revision, based on a proposal from the Remuneration Committee, and having consulted the Board of Statutory Auditors and is consistent with both the corporate governance model adopted by the Company and the Recommendations and Principles indicated in the Corporate Governance Code. The Policy is submitted to the Shareholders for a binding vote pursuant to art. 123-(3), subsection 3-(3), Consolidated Law on Finance.

Consistent with the applicable laws and regulations and with the Recommendations of the Corporate Governance Code, the decision-making process adopted for approval of the Remuneration Policy and its proper application comprises the following phases:



Group companies determine the remuneration due to their Directors, following indications provided by the Parent Company and applying the guidelines contained in this Remuneration Policy.

The corporate bodies are described in the following sections, together with their principal responsibilities with regard to remuneration matters.

2.1.1 Shareholders’ Meeting

Pursuant to the Bylaws and art. 123-(3) Consolidated Law on Finance, the role of the Shareholders’ Meeting with regard to remuneration matters concerns:

- the appointment and revocation of members of the Board of Directors, the Board of Statutory Auditors, their Chairmen and, if applicable, their Deputy Chairmen;
- upon appointment and for the entire duration of the term of office, the determination of the remuneration of the members of the Board of Directors and the Board of Statutory Auditors;
- casting of a binding vote on First Section of the Report on remuneration policy and compensation paid (namely the Remuneration Policy) and an advisory vote on Second Section of the Report on remuneration policy and compensation paid (namely Implementation of the Remuneration Policy adopted in the prior year).

2.1.2 The Board of Directors

In addition to initial approval of the Remuneration Policy and its presentation to the Shareholders’ Meeting for ap-

1 Remuneration Policy

approval by the Shareholders, the Board of Directors is also responsible for:

- (i) the allocation of the total remuneration established for the Directors by the Shareholders' Meeting, pursuant to Article 2389, para. 1, Italian Civil Code, if the Shareholders' Meeting itself has not done so;
- (ii) the determination of the remuneration due to Directors holding special offices pursuant to Article 2389, para. 3, Italian Civil Code, subject to the proposal of the Remuneration Committee;
- (iii) analysing 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 Managers with Strategic Responsibilities, if identified, with the Remuneration Policy, having heard the recommendations of the Remuneration Committee.

2.1.3 The Board of Statutory Auditors

In expressing its opinion on the remuneration of Directors assigned with special offices, in compliance with article 2389, para.3, of the Italian Civil Code, the Board of Statutory Auditors verifies the consistency of the proposals with this Remuneration Policy. Pursuant to art. 149, para. 1, letter c-(2) of the Consolidated Law on Finance, the control bodies are responsible for monitoring the practical implementation of the corporate governance rules envisaged in the codes of conduct adopted by the Company and, therefore, those governing the decisions made about remuneration and other benefits.

2.1.4 The Remuneration Committee: role, composition and operations

The Remuneration Committee, formed within the Board of Directors, is assigned the following functions:

- a. make proposals to the Board of Directors about the general Policy for the remuneration of the Executive Directors and any Managers with Strategic Responsibilities identified, and monitor application of the decisions adopted by the Board in this regard;
- b. check periodically the adequacy, consistency and practical application of the policy for the remuneration of the Directors and any Managers with Strategic Responsibilities identified, drawing on information provided by the Chairman and Chief Executive Officer, and make general recommendations to the Board in this regard;

- c. examine and make proposals to the Board of Directors regarding approval of the annual and long-term incentives for the Executive Directors and any Managers with Strategic Responsibilities, where identified;
- d. make general recommendations to the Board of Directors about the remuneration of the other Directors;
- e. make recommendations to the Board of Directors about: (a) the use of Incentive Plans based on treasury shares and the annual Incentive Plans; and (b) all the relevant technical aspects associated with their formulation and application, specifically submitting proposals to the Board about the incentive system deemed most appropriate;
- f. supervise the use, evolution and application of incentive systems, including, notably, the Incentive Plans based on treasury shares adopted from time by time, the methods for identifying beneficiaries, the identification of goals and the determination of bonuses, as more fully described in the respective plans;
- g. monitor the effective achievement of the performance objectives set down in the Incentive Plans for the Executive Directors and Managers with Strategic Responsibilities;
- h. assess, at least once each year, its own activities and the adequacy, overall consistency and effective application of the Remuneration Policy, proposing any necessary amendments to the Board of Directors for submission to the Shareholders for approval at the first Shareholders' Meeting called pursuant to art. 2364, para. 2, of the Italian Civil Code;
- i. assist the Board of Directors with special topics or matters assigned or delegated to the committee from time to time by the Board.

In making proposals and conducting assessments, the Remuneration Committee takes account of the recommendations and principles embodied in the Corporate Governance Code and the best practices followed by listed companies.

In the execution of its functions, the Remuneration Committee can access the necessary information and company functions required for its duties and can also make use of external consultants with expertise in remuneration policies, within the terms established by the Board of Directors and on the condition that such consultants do not simultaneously provide the human resources department, the Directors or Managers with Strategic Responsibilities with services of such significance that the independence of judgement of the consultants is jeopardised.

Directors do not attend meetings of the Remuneration Committee at which proposals are made to the Board of Directors concerning their personal remuneration; the only exception

concerns proposals about the remuneration of Directors without mandates and members of Committees.

Under exceptional circumstances, the Committee may recommend the Board of Directors to make temporary exceptions to the Remuneration Policy, consistent with the content of section 2.4 below.

2.1.5 Activities of the Remuneration Committee during 2022

The Committee met four times during 2022 and the meetings were attended by all members. On an invitation from the Chairman, all meetings of the Committee were attended by the Board of Statutory Auditors, as represented by the Chairman of the Board of Statutory Auditors and at least one Standing Auditor. The meetings were duly minuted and lasted on average about one hour. The Chairman, Marcello Margotto, presented information to the Board of Directors about the resolutions adopted by the Committee at the first available Board meeting, held respectively on 14 February 2022, 18 March 2022, 29 April 2022 and 10 November 2022.

With specific reference to remuneration issues, the Committee, at its first meeting held on 10 February 2022, proceeded to

- to examine the proposals to be made to the Board of Directors in relation to the Interpump Remuneration Policy as from the financial year 2022.

At its second meeting, held on 15 March 2022, it proceeded to:

- propose to the Board of Directors the review and approval of the Remuneration Policy, drafted with a view to its application for the three-year period 2021-2023, to be submitted to the Shareholders' Meeting at the time of the approval of the draft 2021 financial statements;

- propose to the Board of Directors the compensation for the office of Director and the total maximum remuneration of Directors assigned special offices in relation to 2022, and for the period from 1 January 2023 until the date of approval of the 2022 financial statements;

- formulate to the Board of Directors the proposed award of bonuses for 2021 to be assigned to the Chairman and Chief Executive Officer, based on achievement of the objectives established by the Board of Directors;

- propose to the Board of Directors the draft of the information document, with reference to the Interpump Group's incentive plan, called "Interpump 2022-2024 Incentive Plan", and related regulations;

- propose a draft of the Board of Directors' explanatory report to the Shareholders' Meeting of 29 April 2022.

At its third meeting, held on 26 April 2022, the Remuneration Committee took the following steps:

- to propose to the Board of Directors the remuneration to be awarded to individual directors holding special offices and to the members of the internal board committees, for the financial year 2022, and for the period from 1 January 2022 until the date of approval of the draft financial statements 2022;

- to propose to the Board of Directors the determination of the 2022 bonus to be awarded to the Group's Executive Directors, based on the achievement of the objectives set by the Board, and the determination of the objectives linked to the 2022 bonus;

- to propose to the Board of Directors the methods for assigning the number of options to the beneficiaries in relation to the 2021 tranche of the "Interpump 2019-2021 Incentive Plan";

- to propose to the Board of Directors the percentage allocation of the options of the individual tranches with reference to the "2022-2024 Incentive Plan", the identification of the beneficiaries, the determination of the number of options to be granted to them and the determination of the performance targets.

At its fourth meeting, held on 7 November 2022, the Remuneration Committee took the following steps:

- proposed to the Board of Directors the vesting of 15% of the options related to the "2022-2024 Incentive Plan", based on ESG objectives.

2.2 Compensation and working conditions of employees when determining the Remuneration Policy

The Remuneration Policy for employees is based on the fundamental principles of meritocracy, fairness, equal opportunity and market competitiveness. It is designed to attract, motivate and build the loyalty of personnel, combining the growth strategy of the Company and achievement of the long-term sustainable objectives of Interpump with a stimulating work environment ready to tackle constant challenges, encourage employees to use their initiative and provide opportunities for personal growth. The remuneration of personnel takes account of the characteristics, role, skills and responsibilities that define each employee, ensuring application of the equal opportunities principle and avoiding the risks associated with discretionary action. The company ensures a safe and functional

working environment by respecting fundamental health and safety criteria. In particular, the Company, as set out in the Group's Code of Ethics, undertakes to promote respect for human rights, labour, environmental protection, social, economic and cultural rights, as well as the protection of individual freedom, in all its forms, rejecting any discrimination, violence, corruption, exploitation of labour or exploitation of minors.

Interpump employs methods of work, including smart technologies, that facilitate effective collaboration and efficient communications within the global context of Group activities.

2.3 Names of any independent experts who assisted in preparing the Remuneration Policy

The Company did not use the services of external advisors when preparing the Remuneration Policy.

2.4 Exceptions to the Remuneration Policy

Interpump is not in favour of making exceptions to the Remuneration Policy.

Nevertheless, temporary exceptions to the Remuneration Policy are permitted in special cases, in order to allow the pursuit of a long-term interest, ensure the sustainability of the Company, taken as whole, or assure its ability to remain competitive in the marketplace. These special cases include, without limitation, the need to attract external strategic personnel to the Company, or retain internal personnel or recognise individual or group results of particular importance to the Company.

Any exceptions will be made known and explained carefully in the next release of the Remuneration Policy. If the conditions apply, each temporary exception to the Remuneration Policy must be approved by the Board of Directors, acting on a proposal from the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, with assistance if necessary from the HR Department and in compliance with the relevant current legislation and regulations. If exceptions are made to the Remuneration Policy, the Company will apply the approved "Related-Party Transactions Procedure" in force at the time, even if exemptions are applicable.



3. Aims, Principles and Duration of the Remuneration Policy

3.1. Aims of the Remuneration Policy

Drawing inspiration from the principles embodied in the Corporate Governance Code and consistent with the previous approach, corporate values and the expectations of stakeholders, the Remuneration Policy for the three-year period 2023-2025 is designed to:

- (i) attract and motivate experienced professional personnel in pursuant of the financial and non-financial objectives of the Company and the Group, as well as to incentivise the long-term loyalty of those people who, given their skills and professional qualities, are able to manage and operate within the Company and the Group for the achievement of those objectives, and
- (ii) increase the medium/long-term value of the Company in a sustainable manner, facilitating alignment of the interests of management with the those of the shareholders, taking into account the interests of other stakeholders that are important for the Company and the Group.

Creation of sustainable value

With particular reference to letter (ii) above we note that, while closely tied to economic-financial objectives, the Interpump Remuneration Policy also focuses on sustainable growth, which is one of the principal drivers of the Company and the Group.

To this end, Interpump has adopted an ESG Plan containing precise objectives for each of the Environmental, Social and Governance areas and covering the three-year period 2022-2025 (except for one objective to be achieved by 2027). This Plan intends to implement a concrete, long-term sustainability strategy that will become embedded in and interconnected with the business plans of the Company and the Group, guiding actions towards achievement of the ESG objectives.

In particular, in compliance with the UN Sustainable Development Goals and the GRI recommendations, and following a detailed and structured materiality analysis, a resolution of the Board of Directors adopted on 5 October 2022 identified 20 objectives for the ESG Plan - 7 Environmental, 7 Social

and 6 Governance - without prejudice to their subsequent revision and amendment by the Board with reference to future needs and changes in laws, regulations and best practices.

The ESG objectives comprise:

Area	Area description
Environment	The Environment area includes such macro-objectives such as the management of Climate Change , for which the objective is to reduce the carbon intensity of the Group by 30% and increase the coverage of energy needs by renewable sources by up to 25%; the management of the Product life cycle and the more efficient use of water resources .
Social	The Social area includes such macro-objectives as Occupational health and safety , with objectives to maintain the average injury rate below 2.2 (average of the three years 2019, 2020 and 2021) and increase the number of companies with ISO 45001 certification; Personnel development , with objectives to increase the per capita number of non-mandatory training hours; Responsible supply chain and Diversity and Inclusion .
Governance	The Governance area includes such macro-objectives such as the Governance of sustainability , the Dissemination of ESG principles , the formalisation of a Succession plan , Transparent tax management and Communication of the achievement of ESG objectives.

3.2. Principles of the Remuneration Policy

Adoption of the ESG Plan and its application within the practical strategies of the Company and the Group have an effect on variable remuneration.

Specifically, when determining remuneration the annual incentive system (MBO) envisages correlation with the ESG objectives by identifying precise KPIs linked to achievement of the annual objectives specified in the aforementioned ESG Plan, assigning them a 15% weighting with respect to the

MBO as a whole. The medium/long-term incentive system - represented by the Interpump Incentive Plan 2022-2024 - also envisages such a correlation, establishing that, for 15% of the options offered to each beneficiary, the objectives assigned to them must contribute to the development and consolidation of the ESG topics that, inter alia, are measurable and/or measured also for reporting in the NFD (Non-Financial Disclosure).

Accordingly, remuneration is based on the results effectively achieved in the ESG areas that are linked both to individual performance and to the creation of medium/long-term value for the Company.

With the aim of achieving the above objectives, the Remuneration Policy is defined on the basis of the following principles:

— **correct integration of the different remuneration components:** the Company seeks an optimal balance between different forms of remuneration, primarily the fixed and variable components, checking that these are appropriately balanced with regard to the strategic objectives and the risk management policy, while also taking account of fringe benefits and non-monetary components. In this manner, the remuneration acquires a degree of flexibility that makes it possible to align compensation levels more effectively with performance over time;

— **performance objectives:** the Company establishes performance objectives, associated with the variable component, that are measurable and linked, to a large extent, to a long time horizon. These objectives are consistent with the strategic objectives of the Company and seek to promote its sustainable success, also in terms of such non-financial parameters as those established for the ESG areas;

— **time interval** of the variable component: the Remuneration Policy establishes an appropriate deferral period for payment of a significant part of the variable component;

— **respect for and empowerment of the individual:** Interpump recognises that professional commitment and potential are key criteria for salary growth and career development. The variable component is established in such a way as to reward commitment and appreciate individual contributions to the results achieved by the Group, without thereby becoming the predominant portion of remuneration, and is determined with regard to the compensation and working conditions of employees;

— **contractual agreements for the repayment of the variable component:** the Company may establish “**claw-back e malus**” clauses that allow it to request repayment or to withhold variable components of remuneration, in whole or in part, should data subsequently be recognised as obviously incorrect, or should circumstances arise that were envisaged in the contractual agreements;

— **clear and predetermined rules for the payment of indemnities on the termination of the office of an Executive Director and/or an employment relationship:** the Company has adopted internal rules that establish a specific maximum amount payable as an indemnity on the termination of office of an Executive Director and/or an employment relationship. This indemnity cannot be paid if termination is due to the achievement of results that are objectively inadequate;

— **absence of discrimination:** remuneration is not influenced by gender, age, ethnic origin, religion or race, and aims to include beneficiaries and avoid all forms of discrimination;

— **continuous monitoring of market practices and trends:** the analysis of market practices and trends allows the Company to attract and retain experienced and adequately motivated professional personnel by defining competitive remuneration levels and guaranteeing internal fairness and transparency;

— **compliance:** the Company draws inspiration from best practices in the area of remuneration, starting from the recommendations and principles embodied in the Corporate Governance Code, and complies with the Italian Stock Exchange Regulation and Instructions for retaining “STAR” status. In addition, Interpump Group S.p.A. and Group companies comply with the laws governing the remuneration of those members of its administrative bodies who are also directors of local authorities that, directly or indirectly, are shareholders of Interpump and, if applicable, with the rules that limit the compensation payable by companies in which public bodies hold an interest.

3.3. Duration of the Remuneration Policy

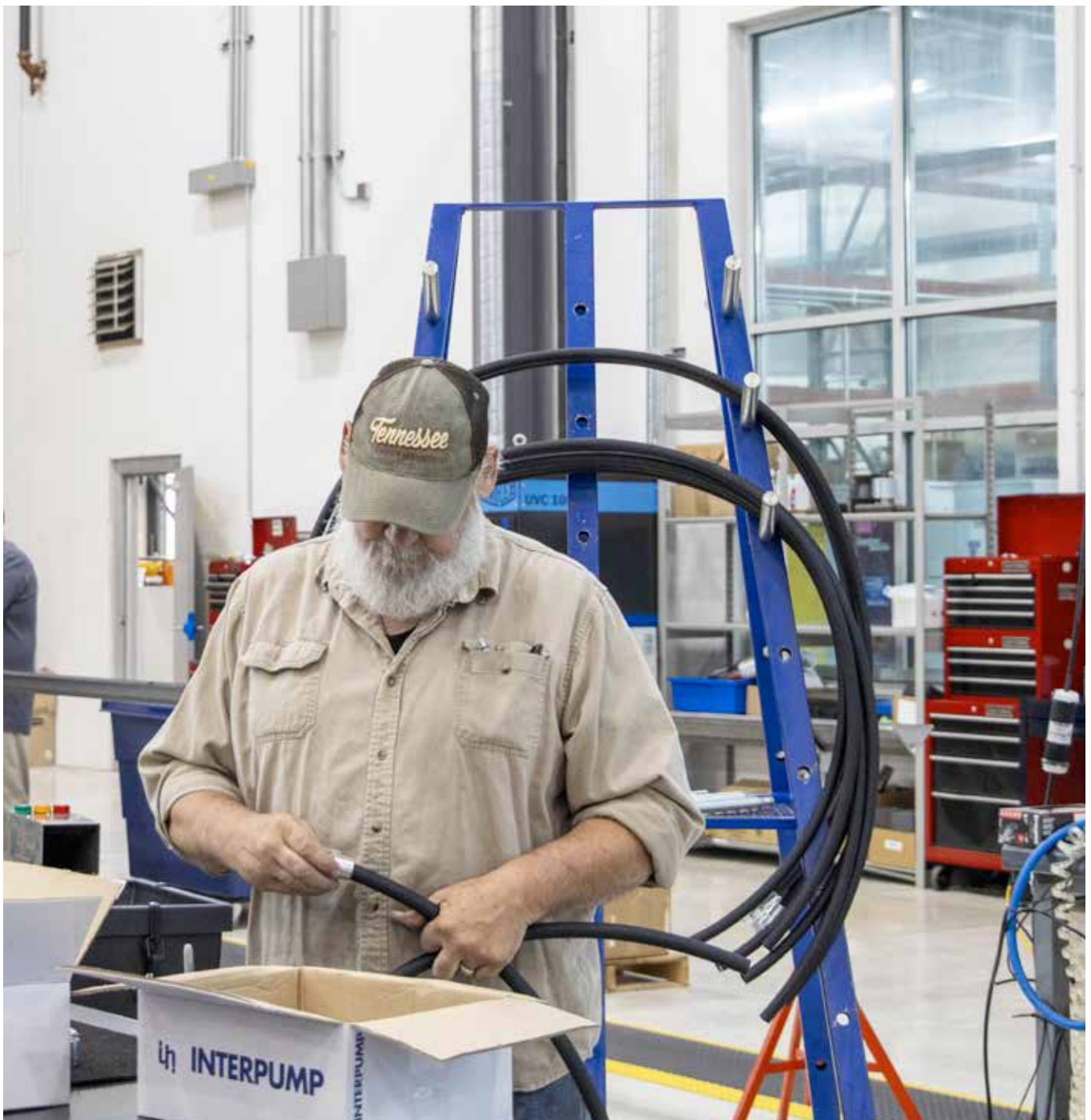
This Remuneration Policy prepared by the Remuneration Committee and approved by the Board of Directors has a duration of three years.

The Board of Directors, appointed on 30 April 2020 and in office until the approval of the financial statements as at 31 December 2022, has prepared this Remuneration Policy for the years 2023-2024-2025 and considers it suitable for the needs of the business. The Policy incentivises the recipients of the remuneration approved by the competent corporate bodies and is consistent with the continuous, planned and sustainable growth of the Company and the Group. However, if necessary, the Board of Directors will submit this Remuneration Policy to the Shareholders' Meeting for another binding vote, even before the end of the three-year period.

The previous edition of the Remuneration Policy was approved at the Shareholders' Meeting held on 30 April 2021, with the votes in favour of 56% - with reference to the First

Section - and 59% - with reference to the Second Section - of all the shares eligible to vote. It should be noted that in 2022 the Remuneration Policy was not put to a vote at the Shareholders' Meeting as no changes were made to what was approved in 2021. The preparation of this Remuneration Policy has taken account of the votes cast at the above Shareholders' Meeting and the considerations expressed by the Shareholders, even after the Meeting held on 30 April 2021. Particular attention was paid to the results of the analysis of such voting, related follow-up work and the feedback received during Shareholder engagement activities linked to remuneration matters, in order to ensure the constant im-

provement of remuneration policies and implement best practices. In this regard, this Policy describes in a detailed and transparent manner the parameters for non-equity, short-term variable remuneration and for the stock option plan, as well as the criteria used to assess achievement of the related performance objectives, establishing a direct link between the variable component of remuneration and the non-financial ESG objectives. Section 4 below defines in detail all the components of the Remuneration Policy that will be submitted to the Shareholders' Meeting of Interpump for renewed approval in relation to the 2023, 2024 and 2025 financial years.



4. Components of the remuneration of the Directors, Managers with Strategic Responsibilities and the Board of Statutory Auditors

The Remuneration Policy defines separately the components of the remuneration of the:

- Executive Directors, including Directors assigned special offices under operational mandates, comprising the current Chief Executive Officer of the Company, and Directors with executive duties in the Company or other companies within the Group, and/or holding directorships with operational mandates in Group companies, and Managers with Strategic Responsibilities, if identified;
- Non-Executive Directors, including the independent Directors;
- the Standing Auditors.



5. Remuneration of Executive Directors and Managers with Strategic Responsibilities

The remuneration of the Executive Directors and Managers with Strategic Responsibilities, if identified, includes a fixed component, the variable short-term component and long-term incentives, in order to promote the achievement of specific objectives in the interests of the stakeholders, fringe benefits and, where applicable, a discretionary bonus based on the value added and quality contributed by the individual concerned. The long-term incentives component is especially geared towards promoting the achievement of long-term financial and non-financial (e.g. ESG) objectives, with the aim of aligning the interest of managers with those of the Shareholders.

With particular reference to the proportion of total remuneration contributed by its individual components, a maximum limit linked to the fixed component has been established for the short-term variable component (MBO), however it is difficult to make reliable ex ante assessments regarding the relative incidence of the long-term variable component, currently represented by stock options, since - by their nature - they only acquire value if the Company's share price increases due to the creation of value for the shareholders.

The following summary identifies the various components comprising the remuneration of the Executive Directors and Managers with Strategic Responsibilities.

Remuneration component	Purpose	Criteria and parameters
Fixed remuneration	Valuing responsibilities and skills as well as attracting, motivating and retaining talented professionals.	Determined according to the role and responsibilities assigned, in line with market benchmarks, and adjusted for merit or promotion or increased responsibility.
Short-term variable component (MBO) - annual performance period	Motivate and direct management actions. The component is paid annually depending on the achievement of annual financial and non-financial targets set by the Board of Directors.	Maximum limit: 75% of the fixed remuneration, allocated as follows: <ul style="list-style-type: none"> - 35% linked to the Net Sales of the Group (financial parameter); - 35% linked to the EBITDA of the Group (financial parameter); - 15% ESG objectives of the Group; - 15% qualitative objectives.
Long-term variable component (LTI) - three-year performance period	Promote the creation of medium/long-term sustainable value for the Company and the Group. Consists of the Interpump 2022-2024 Incentive Plan with a duration of three years. Claw-back and malus clauses are applied. Minimum Holding for Chairman, CEO and Managers with Strategic Responsibilities equal to 5 years from the grant date for quota >50% options granted.	Vesting period: three-year <ul style="list-style-type: none"> - 70% broken down as follows: <ul style="list-style-type: none"> • 35% linked to Net Sales • 35% linked to the EBITDA of the Group - 15% ESG objectives - 15% qualitative personal objectives, using such parameters as availability, commitment and value added contributed to the Group.
Fringe benefits	An integral part of remuneration, they are characterised by their predominantly welfare or social security-based nature.	Defined in continuity with the Policy implemented in previous years and in compliance with the provisions of national bargaining and supplementary company agreements for management.
Severance	Safeguard the Company in the event of: <ul style="list-style-type: none"> - termination of the employment relationship or directorship; - reduction and/or limitation of the areas of responsibility and/or mandates; - demotion. 	Compensation for Termination of Office of Chairman and Employment - Case in point <ul style="list-style-type: none"> - Revocation or non-renewal in the absence of just cause; - Renunciation of office and proxy for such a serious cause that it is not possible to continue it; - Renunciation of office and delegation as a result of a change of control, resulting in a substantial change in his position and/or powers
Discretionary bonuses	The Board of Directors, having consulted the Remuneration Committee, may assign discretionary bonuses for specific operations and/or projects.	Limit: 30% of the gross annual average remuneration in the previous two years, inclusive of the "Fixed compensation", "Fringe benefits", "Non-equity variable remuneration" and "Other remuneration", without in any case exceeding the maximum limit of 75% of the total fixed remuneration for the MBO plan.

5.1 Fixed component

The level of fixed remuneration is mainly correlated with:

- i. professional specialisation;
- ii. the organisational role covered;
- iii. the responsibilities and mandates assigned.

5.1.1 The fixed remuneration component is anyway sufficient to remunerate the Director or Executive concerned even if the variable component is withheld due to failure to accomplish the associated performance objectives. Given the aim of attracting and motivating qualified and competent professionals, the Company constantly monitors market practices in relation to the fixed remuneration components in order to ensure alignment with the relevant best practices.

5.2 Short-term variable component - Management By Objectives

5.2.1. Part of the variable remuneration is correlated with performance in the short-term, construed as both individual performance and the results of the Company and the Group, and linked with both financial and non-financial objectives, such as in the ESG area. This variable remuneration component is never higher than 75% of the fixed component.

5.2.2 The Company, in particular, adopts a system of variable remuneration, i.e. Management by Objectives (MBO), aimed at incentivising the achievement of specific performance targets by Directors. The MBO plan, adopted annually by the Board of Directors having consulted the Remuneration Committee, makes provision for specific objectives for each recipient (or category of recipients) that are identified with assistance from the managers of the Company's various business areas. These performance objectives must be established using the following criteria:

- a) for 70% of the MBO plan, the objectives must be linked to the achievement of financial parameters: 35% linked to net sales and 35% to consolidated EBITDA or to that of the relevant business lines;
- b) for 15%, the MBO plan must be linked to the achievement of sustainability objectives comprising, in particular, those indicated in the ESG Plan approved by the Company;
- c) for the remaining 15%, the MBO plan must be linked to the achievement of qualitative personal objectives, using such parameters as collaboration, commitment and value added contributed to the Group.

Payment of this MBO bonus is correlated with the achievement of 100% of each component, applying the criteria on which the variable remuneration system is based.

When identifying the specific performance objectives and the related parameters, the competent functions take account of the need to guarantee: (i) precise, clear and objectively measurable targets, indicated and determined in advance; (ii) coordination with the objectives of the Company and the Group; (iii) adequate progression over time of the performance objectives, with regard to the sustainability of remuneration.

5.2.3 The assessment of the attainment of individual performance objectives may consider parameters linked to distinct ranges of values, used to establish 100% allocation of the target incentive and identify smaller percentages, or "key" performance indicators may be adopted to identify thresholds for access to the target objective concerned. If one or more reference parameters has exceeded the maximum objective, on the proposal of the Remuneration Committee, the Board of Directors can reserve the right to compensate the excess via other financial parameters, if in relation to the target objectives correlated with the financial reference parameters, no provision is made for remuneration for over-performance and/or application of interpolation formulas in the precise determination of the achievement of the objectives.

5.2.4 The MBO plan may envisage the payment of discretionary bonuses, without exceeding the limits envisaged in section 5.7 below, as well as the right to establish specific rights vesting periods, deferred payment mechanisms for all or part of the bonuses, and ex-post correction mechanisms ("claw-back" and/or "malus" clauses), as indicated in section 5.7 below.

5.3 Long-term incentives

The variable remuneration component is also geared towards a medium/long-term horizon, thereby: (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.

5.3.1 "Interpump 2016-2018 Incentive Plan": on 28 April 2016 the Interpump Shareholders' Meeting approved, pursuant to article 114-(2) Consolidated Law on Finance, an incentive plan called "Interpump 2016-2018 Incentive Plan", to benefit employees, Directors and/or associates of the Interpump Group, identified - at the final and sole discretion of the Board of Directors - from among people who occupy or perform significant roles or functions in, or for, the Company

and/or its subsidiaries pursuant to art. 93 Consolidated Law on Finance and for whom action to strengthen their loyalty is justified with a view to the creation of value, based on the assignment of a maximum number of 2,500,000 options, each of which granting the right for the beneficiaries - on the achievement of the objectives identified by the Board of Directors in compliance with specific parameters - to, at the discretion of the Company, (i) purchase no. 1 (one) ordinary Interpump treasury share (already in the Company's portfolio or purchased at a later date); or (ii) to subscribe for 1 (one) newly issued share at a strike price of 12.8845 euro per option. The Board of Directors is entitled to satisfy the requests for exercise submitted by individual beneficiaries by paying an amount equal to the capital gain, if any, calculated by multiplying the number of options exercised by the difference between: (i) the market value of a share at the time of exercise, and (ii) the strike price. Assignment depends on:

- i. continuation, (a) for Directors, in the office of Director, (b) for employees, of the employment contract, with the exception of cases of retirement, and (c) for associates, of the independent collaboration agreement;
- ii. achievement of the performance objectives to be established by the Board of Directors, further to the non-binding opinion of the Remuneration Committee, for each of the single reference years of the Plan (and, hence, for 2016, 2017 and 2018), - and represented (a) in the amount of 70% of the options offered to each beneficiary, by the achievement of specific results in terms of the balance sheet or income statement, achieved at the consolidated level by the Group in each of the reference years; and (b) for the remaining 30% of the options offered to each beneficiary, by the increase in value achieved by Interpump Shareholders (total return) in the reference period.

The Interpump 2016-2018 Incentive Plan is now fully vested and was exercised in 2022.

5.3.2. "Interpump 2019-2021 Incentive Plan": on 30 April 2019 the Interpump Shareholders' Meeting approved, pursuant to article 114-(2) Consolidated Law on Finance, a new incentive plan called "Interpump 2019-2021 Incentive Plan", to benefit employees, Directors and/or associates of the Interpump Group, identified - at the final and sole discretion of the Board of Directors - from among people who occupy or perform significant roles or functions in, or for, the Company and/or its subsidiaries pursuant to art. 93 Consolidated Law on Finance and for whom action to strengthen their loyalty is justified with a view to the creation of value, based on the assignment of a maximum number of 2,500,000 options, each of which granting the right for the beneficiaries - on the achievement of the objectives identified by the Board of Directors in compliance with specific parameters - to, at the discretion of the Company, (i) purchase no. 1 (one) ordinary Interpump treasury share (already in the Company's portfolio or purchased at a later date); or (ii) to subscribe for 1 (one) newly issued share at a strike price of 28.4952 euro per

option. The Board of Directors is entitled to satisfy the requests for exercise submitted by individual beneficiaries by paying an amount equal to the capital gain, if any, calculated by multiplying the number of options exercised by the difference between: (i) the market value of a share at the time of exercise, and (ii) the strike price. Assignment depends on:

- a. continuation, (a) for Directors, in the office of Director, (b) for employees, of the employment contract, with the exception of cases of retirement, and (c) for associates, of the independent collaboration agreement;
- b. achievement of performance objectives - to be established by the Board of Directors, further to the non-binding opinion of the Remuneration Committee, for each reference year of the Plan (and, hence, for 2019, 2020 and 2021) - and represented (a) for 80% of the options offered to each beneficiary, by achievement by the Group of specified consolidated balance sheet and income statement results in each of the reference years. More specifically, within the above 80% of the total options allocated to each beneficiary, achievement of the net sales target assigns the right to exercise 40% of that portion of the options, achievement of the EBITDA target assigns the right to exercise 40% of that portion of the options, and achievement of the target percentage of Working Capital to Net Sales assigns the right to exercise the remaining 20%. These indicators, comprising specified access thresholds (amount of net sales, amount of EBITDA, ratio of Working Capital to Net Sales), relate to the consolidated financial statements. The new companies acquired are included in the determination of net sales and EBITDA. In the case of acquisitions during the year, the Net Sales and EBITDA must be extrapolated pro rata for the entire 12 months; and (b) for the remaining 20% of the options offered to each beneficiary, by the qualitative nature of the performance of each beneficiary, as measured against such parameters as collaboration, commitment and value added to the Group, which will be assessed by the Board of Directors acting on a proposal from the Remuneration Committee or, if the beneficiary does not collaborate directly with the Board, by the direct superior of that person who will inform the Remuneration Committee. The Plan envisages that failure to achieve - in whole or in part - the performance targets established in relation to the 2019 financial year and/or the 2020 financial year will not result in definitive loss of the right to exercise options that vest with reference to them. In fact, achievement of the performance targets established for the following financial year will result in the vesting of the options assigned with reference to the previous financial year(s), which will therefore become exercisable in full. Likewise, it is envisaged that achievement of the performance targets established for the 2021 financial year in a prior year (2019 or 2020) will result in immediate vesting of all the options assigned to the beneficiary, which will therefore become exercisable in full. Such early vesting will not however change the exercise period.

5.3.3. “2022-2024 Incentive Plan”: on 29 April 2022 the Interpump Shareholders’ Meeting approved, pursuant to article 114-(2) Consolidated Law on Finance, a new incentive plan called “Interpump 2022-2024 Incentive Plan”, to benefit employees, Directors and/or associates of the Interpump Group, identified - at the final and sole discretion of the Board of Directors - from among people who occupy or perform significant roles or functions in, or for, the Company and/or its subsidiaries pursuant to art. 93 Consolidated Law on Finance and for whom action to strengthen their loyalty is justified with a view to the creation of value, based on the assignment of a maximum number of 2,250,000 options, each of which granting the right for the beneficiaries - on the achievement of the objectives identified by the Board of Directors in compliance with specific parameters - to, at the discretion of the Company, (i) purchase no. 1 (one) ordinary Interpump treasury share (already in the Company’s portfolio or purchased at a later date); or (ii) to subscribe for 1 (one) newly issued share at a strike price of 38.6496 euro per option. The Board of Directors is entitled to satisfy the requests for exercise submitted by individual beneficiaries by paying an amount equal to the capital gain, if any, calculated by multiplying the number of options exercised by the difference between: (i) the market value of a share at the time of exercise, and (ii) the strike price. Assignment depends on:

- a) continuation, (a) for Directors, in the office of Director, (b) for employees, of the employment contract, with the exception of cases of retirement, and (c) for associates, of the independent collaboration agreement;
- b) the achievement of the performance objectives to be established by the Board of Directors, further to the non-binding opinion of the Remuneration Committee, for each of the single reference years of the Plan (and, hence, for 2022, 2023 and 2024) and in compliance with the following parameters:
 - i. for 70% of the Options offered to each beneficiary, the performance objectives must require the achievement of specific consolidated results by the Group in each of the reference years. In particular, the Board of Directors must establish targets to be achieved that are correlated with two different economic parameters: Net Sales and EBITDA. Within the above 70% of the total Options allocated to each Beneficiary, achievement of the Net Sales target will assign the right to exercise 50% of the above 70% of Options, while achievement of the EBITDA target will assign the right to exercise 50% of the above 70% of Options;
 - ii. for 15% of the Options offered to each Beneficiary, the targets must contribute to the development and consolidation of ESG topics that are significant for the Group. In particular and solely by way of example, the objectives may relate to the Environmental, Social and Governance areas and any activities that,

from time to time, are deemed significant for the Group, as well as measurable and/or measured for reporting in the NFD (Non-Financial Disclosure): 1) in the “Environmental” area, the adoption of solutions designed to reduce the impact of the business activity on the environment, such as: the reduction of atmospheric emissions, the reduction of waste production, the reduction of energy consumption, the installation of photovoltaic systems, the increase in energy purchased from producers that use renewable sources and/or the reduction in water consumption; 2) in the “Social” area, the adoption of policies designed to improve the social impact of the business, such as: initiatives linked to diversity, inclusion and/or the professional development of employees, the adoption of vendor rating guidelines, the definition of policies, procedures or strategies linked to the development of sustainable products, the renewal of ISO 45001 certifications, the reduction of workplace injury rate and/or the definition of a policy in support of local communities; 3) in the “Governance” area, the adoption of policies and/or measures to improve the management and governance of the Company and/or the Group, such as: the adoption of ESG risk management, the improvement of the organisational and/or functional structure of the Board of Directors and/or management at Group level, the definition of policies for communicating the commitment of the Group in the ESG area and/or the provision of training on the Whistleblowing Policy;

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

5.3.4 The above Plans envisage the minimum holding clauses described below:

- a) the Interpump 2016-2018 Incentive Plan and the Interpump 2019-2021 Incentive Plan both envisage - unless authorised differently by the Board of Directors - that 1) beneficiaries who are Executive Directors must retain continuously, until the date on which they cease to be a Director, a number of Shares equal to at least 20% of those purchased on the exercise of their Options, and 2) beneficiaries who are recognised as Managers with Strategic Responsibilities, if any, must retain continuously for a period of 3 years from the date of exercising their Options, a number of Shares equal to at least 20% of those purchased on the exercise of those Options;

b) following the entry into force of the Corporate Governance Code, art. 4.6 of the Interpump 2022-2024 Incentive Plan establishes - unless authorised differently by the Board of Directors - that 1) beneficiaries who are Executive Directors must retain continuously, until the date on which they cease to be a Director (or for the different period specified in the Remuneration Policy in force at the time), a number of Shares equal to at least 20% (or the different measure specified in the Remuneration Policy in force at the time) of those purchased on the exercise of their Options, and 2) beneficiaries who are recognised as Managers with Strategic Responsibilities, if any, must retain continuously for a period of 3 years (or for the different period specified in the Remuneration Policy in force at the time) from the date of exercising their Options, a number of Shares equal to at least 20% (or the different measure specified in the Remuneration Policy in force at the time) of those purchased on the exercise of those Options.

5.3.5 When determining the minimum holding required under the Interpump 2022-2024 Incentive Plan referred to in section 5.3.4 letter (b) above and given that, pursuant to art. 4.6 of the Interpump 2022-2024 Incentive Plan also referred to above, the Remuneration Policy may establish different parameters for the minimum holding of shares and related duration, this Policy intends to align that clause with the requirements of the Corporate Governance Code and, in particular, with Recommendation 28, by establishing that:

— Beneficiaries who are Executive Directors must retain continuously for 5 years from the Grant Date (as defined in the Interpump Incentive Plan 2022-2024), including therefore the vesting period and the Share retention period, a number of Shares equal to 50.1% of those purchased on the exercise of their Options;

— the above clause must be amended accordingly by resolution of the Board of Directors pursuant to art. 3.3 of the Interpump 2022-2024 Incentive Plan.

5.3.6 The Interpump 2016-2018 Incentive Plan, the Interpump 2019-2021 Incentive Plan and the Interpump 2022-2024 Incentive Plan are published on the corporate website in the section on “Corporate Governance” – “Meeting Documentation”.

5.3.7 Finally, the Board of Directors reserves the right, after consulting with the Remuneration Committee and hearing the opinion of the Board of Statutory Auditors, to propose additional Incentive Plans, which can be based on:

i. option grant plans that envisage the granting of option rights for the future purchase of Interpump shares with settlement by physical delivery (stock options) or by cash on the basis of a differential (stock appreciation right);

ii. compensation plans that do not involve the delivery of financial instruments but that are settled by the payment of a differential based on the change in the prices of Interpump shares (phantom stock).

Beneficiaries of the plans can be employees and/or Directors of Interpump and group companies, on the condition that they are involved in the management of Interpump or the Group. With regard to the option grant and phantom stock plans, the exercise of the options assigned (or the payment of the relative differentials) will be conditional on the expiry of an adequate average vesting period - determined at the time of approval - that takes account, for example, of the goals of the individual plan and the duration in the office of the Directors and of the achievement of specific predetermined performance goals in strict correlation with the Company's medium/long-term targets.

The granting of option rights, like the recognition of differentials in cash, will be correlated with: (i) the ability of the individual to contribute to the development of the Company; (ii) the professional competence and role occupied in the organisation chart; (iii) the overall level of compensation received; and (iv) staff retention requirements.

5.3.8 The Interpump 2016-2018 Incentive Plan and the Interpump 2019-2021 Incentive Plan do not envisage deferred payment systems or ex-post correction mechanisms (“claw-back” and/or “malus” clauses).

The Interpump 2022-2024 Incentive Plan contains claw-back mechanisms, as envisaged in Recommendation 31, art.5 of the Corporate Governance Code. In particular, within 4 years of the vesting date of the options concerned and regardless of whether or not the relationship with the Beneficiary still exists, the Company may revoke all or some of any Options already vested but not yet exercised, or request the return of all or some of the shares delivered to the Beneficiary, in the event of fraudulent conduct by the Beneficiary, serious and intentional infringement of the law and/or the Code of Ethics of Interpump, and/or vesting of the options or delivery of the shares on the basis of data that was subsequently found to be obviously incorrect or deliberately altered.

5.4 Non-mandatory benefits and insurance, such as supplementary pensions and health cover, and other fringe benefits

With the aim of ensuring an overall remuneration package that is as competitive as possible and aligned with best market practices, the remuneration of Executive Directors and Managers with Strategic Responsibilities may include fringe

benefits such as a company car, supplementary pensions and health insurance, other monetary benefits and forms of welfare. At the date of this Remuneration Policy, the following benefits are provided: medical insurance, company car for mixed use.

5.5 Indemnities on termination of the office or of the employment relationship

5.5.1 By resolution of the Board of Directors on 16 March 2020, the Company agreed a termination indemnity with Chairman Fulvio Montipò, for the termination of office as Company Director. Such indemnity is summarised in the table presented at the start of section 5 and detailed in the first part of the Second Section of this Report.

5.5.2 In addition to that indicated in section 5.5.1 above, the Company may agree special indemnities on termination of office or employment with its Executive Directors and Managers with Strategic Responsibilities, if this is considered appropriate in order to attract adequate professional personnel or within the framework of the investment agreements signed in the ordinary course of business. The amount of such indemnities is determined with reference to the overall duration of the office or employment relationship or collaboration, and the notice period, considering any link with the performance of the Company. Such amount, inclusive of any indemnities linked to non-competition agreements, may only be paid once to each individual and cannot exceed the amount of gross annual average remuneration paid to the person concerned in the two years prior to the termination of their office or employment, inclusive of their “Fixed compensation”, “Fringe benefits”, “Non-equity variable remuneration” and any “Other remuneration”, as defined in the first part of the Second Section. In addition to termination of office or employment, the right to benefit from such indemnities may be recognised in the following cases:

- i. reduction and/or limitation of the areas of responsibility and/or mandates;
- ii. demotion.

5.5.3 The financial instruments allocated to the Executive Directors and Managers with Strategic Responsibilities are subject to maintenance of the directorship or, for employees, to maintenance of the employment relationship. In the event of: (a) retirement or dismissal without just cause of the employee, (b) revocation or non-renewal without just cause of the director, (c) the company that appointed the director-beneficiary or employed the employee-beneficiary no longer being a subsidiary of the company, any vested options to acquire financial instruments not yet exercised may be exercised by their beneficiaries in compliance with the

obligations, procedures and timing established in the relevant regulation. Conversely, any rights to receive financial instruments, or allocations of such rights, that - at the date of events indicated in letters (a), (b) or (c) above - have not yet vested will expire definitively. In all cases, the Board of Directors is entitled, after obtaining the non-binding opinion of the Remuneration Committee, to decide on special cases, establishing each time the number of financial instruments to be exercised and the deadline for their exercise.

Subsequent to termination of office of the Director or the employment relationship, the Board of Directors is entitled, after obtaining the non-binding opinion of the Remuneration Committee, to sign consultancy contracts for a period subsequent to termination of the mandate or the employment relationship, but solely if the operation is in the interests of the Company.

5.5.4 If an Executive Director ceases to serve and/or is terminated, detailed information will be provided to the market in a press release about the internal processes that result in the allocation or recognition of indemnities and/or other benefits. This information must include:

- a) adequate information about the indemnity and/or other benefits, including the amount, the timing of payment and any repayment clauses, with particular reference to:
 - i. expiry of office or employment termination indemnity, specifying the circumstances that justify recognition;
 - ii. retention of rights associated with any Incentive Plans involving cash payments or based on financial instruments;
 - iii. post-termination benefits;
 - iv. non-competition agreements, describing their principal characteristics;
 - v. all other compensation recognised for whatever reason and in whatever form;
- b) information about the compliance, or otherwise, of the indemnity and/or other benefits with the provisions of the Remuneration Policy;
- c) information about mechanisms that impose corrections to indemnity payments if termination of the relationship is due to the achievement of objectively inadequate results, as well as about any requests made for the repayment of remuneration already paid;
- d) information about the procedures followed or to be followed in order to replace the director whose appointment is terminated. The above information will be made known to the market, even though contained in the Remuneration Policy, since such indemnities and other benefits

were allocated prior to the termination date of the appointment or employment relationship.

Lastly, the Board of Directors is entitled to determine the total amount of the above indemnities having regard for the professional person whose office/employment is “terminated”, length of service with the Company and the Group and the professional contribution made during the mandate.

5.6 Discretionary bonuses for specific operations

Having consulted the Remuneration Committee, the Board of Directors may also assign discretionary bonuses to individual Executive Directors or Managers with Strategic Responsibilities in relation to specific operations and/or projects, up to a maximum of 30% of the gross annual average remuneration paid to the person concerned in the two years prior to that of the payment, inclusive of their “Fixed compensation”, “Fringe benefits”, “Non-equity variable remuneration” and any “Other remuneration”, as defined in the first part of the Second Section, without in any case exceeding the 75% limit with respect to fixed remuneration specified in the MBO plan, as indicated in section 5.2.1.

5.7 Claw-back clauses

The Company may agree claw-back clauses with Executive Directors and Managers with Strategic Responsibilities for the repayment or withholding of remuneration, in conformity with Recommendation 31 of the Corporate Governance Code.

In particular, with reference to the medium/long-term variable component (LTI), note that the Interpump 2016-2018 Incentive Plan and the Interpump 2019-2021 Incentive Plan do not envisage clauses of this type.

Conversely, the Interpump 2022-2024 Incentive Plan envisages that, within 4 years of the vesting date of the options concerned and regardless of whether or not the relationship with the Beneficiary still exists, the Company may revoke all or some of any Options already vested but not yet exercised, or request the return of all or some of the shares delivered to the beneficiary, in the event of fraudulent conduct by the beneficiary, serious and intentional infringement of the law and/or the Code of Ethics of Interpump, and/or vesting of the options or delivery of the shares on the basis of data that was subsequently found to be obviously incorrect or deliberately altered.

A clause of the type presented above and indicated in the Interpump 2022-2024 Incentive Plan may also be envisaged by the Company with reference to the short-term variable component (MBO).

6. Remuneration of Non-Executive Directors

6.1.1 The remuneration of Non-Executive Directors is normally determined by the Board of Directors, within the framework of the allocation of remuneration determined by the Shareholders' Meeting pursuant to Article 2389, para. 1, Italian Civil Code, on the proposal of the Remuneration Committee, providing for additional remuneration taking into account the commitment required of each Non-Executive Director, in particular taking into account participation in one or more committees.

6.1.2 The remuneration of the Non-Executive Directors solely comprises a fixed amount and is not linked to any benefits or to the achievement of any short, medium or long-term, financial or non-financial objectives. Specifically, Non-Executive Directors are not beneficiaries of the Incentive Plans approved by the Company.



7. Remuneration of Statutory Auditors

7.1.1 The remuneration of the regular members of the auditing body is determined in accordance with Article 2402 of the Italian Civil Code, at the time of appointment by the Shareholders' Meeting. The remuneration paid to the Standing Auditors comprises solely a fixed component, without the payment of attendance fees, expense reimbursements, benefits or any other components.

7.1.2 The remuneration of the Board of Statutory Auditors is considered adequate with reference to the work performed during the year, having regard for the time dedicated to the role by each auditor, including their participation at meetings of the Board of Directors and Board Committees.



2

Compensation
Paid



1. First Part

1.1 Description of items comprising remuneration

— **“Fixed compensation”**: this is construed separately as (i) the emoluments authorised at the Shareholders’ Meeting, even if not paid; (ii) attendance fees; (iii) reimbursement of one-off expenses; (iv) compensation received for the performance of special duties, ex Article 2389, subsection 3 of the Italian Civil Code; (v) fixed employment salary including social security and tax to be paid by the employee and excluding compulsory collective social security expenses to be paid by the Company and the allocation to the severance indemnity provision.

— **“Compensation for sitting on committees”**: the compensation due to Directors for sitting on Board committees.

— **“Non-equity variable remuneration”**: this refers to “Bonuses and Other Incentives” and “Profit Sharing”.

— **“Bonuses and Other Incentives”**: this is the variable part of compensation, including the portions of remuneration, even if not yet paid, vested during the year for objectives that have been achieved in the year, in relation to cash type Incentive Plans. These amounts do not include the values of stock options assigned or exercised or other compensation in the form of financial instruments.

— **“Profit sharing”**: this is the amount of profit due on an accruals basis, even if approval of the financial statements and distribution of profits are still pending.

— **“Non-monetary benefits”**: these are fringe benefits (defined in accordance with a criterion of taxability), any insurance policies in existence and supplementary pension funds.

— **“End of office or employment termination indemnity”**: these are the indemnities matured, even if not yet paid, in respect of directors for cessation of their functions during the financial period under consideration, with reference to the year during which the office effectively lapsed. Also considered are the estimated value of any disbursement of fringe benefits, the amount of any consultancy contracts and of indemnities related to non-competition undertakings ente-

red into. In the case of indemnities for non-competition undertakings, the amount is indicated just once at the time of termination of the office, with a specification of the duration of the non-competition undertaking and the effective date of payment.

— **“Other compensation”**: meaning, separately and on an accruals basis, all and any additional remuneration deriving from other services rendered.

— **“Stock Option”**: these are (i) options held at the start of the year, with an indication of the exercise price and the period in which exercise is permitted; (ii) the options assigned during the year; (iii) the options exercised during the year, with an indication of the exercise price and the market price of the underlying shares at the time of exercise; (iv) the options expired in the year; (v) the options held at year end.

— **“Incentive Plans based on financial instruments other than stock options”**: means all medium- to long-term Incentive Plans based on financial instruments other than options.

1.2 Short-term incentives: Management by Objectives (MBO)

The short-term annual variable component represents the part of remuneration that can be achieved against the attainment of pre-defined company performance objectives, whose function is to direct the actions of top management towards the pursuit of the financial and sustainable growth objectives defined for the reference period. The performance indicators are correlated to an incentive scale that expresses the bonus accrued in relation to the respective level of achievement with reference to the financial and sustainability objectives, as well as qualitative objectives, subject to assessment by the Board of Directors, in relation respectively to the consolidated financial statements figures, stripped of any extraordinary items, to the objectives envisaged by the ESG Plan 2023 - 2025 and to the contribution of the individual subject to the growth of the Interpump Group. The Remuneration Policy, with reference to short-term incentives (MBOs), provides for a scale of indicators beyond which the Company

2 Compensation Paid

will only pay out the predetermined amount in the amount of the maximum percentage established. There is therefore no mechanism for remunerating over-performance with respect to the predetermined maximum values. The amounts of the above quantitative parameters are to be understood net of any acquisitions or divestments of equity investments made during the reference period.

The performance indicators, as set out in First Section of the Remuneration and Compensation Policy approved by the Shareholders' Meeting of 28 April 2023, are aligned among the top individuals receiving the short-term variable component (MBOs).

Short-term incentives (MBOs)			<i>Minimum MBO vesting level</i>	<i>Minimum target (75% of target weight)</i>	<i>Maximum target (100% of target weight)</i>	<i>Target achieved in 2023 (over-achievement)</i>
Incentive component	Targets 2023	Weight %	Entry point	Minimum level	Maximum level	Target level achieved in 2023
Financial	Net sales	35%	95%	95% - 99%	100%	103%
	EBITDA	35%	89%	89% - 99%	100%	102%
			<i>Targets achieved in 2023</i>			
ESG	2023-2025 ESG Plan	15%	<ul style="list-style-type: none"> · Installation of photovoltaic systems in Group companies (incremental installed capacity of 2,000 kWp related to target E.3 ESG Plan to 2025) · Drafting of the supplier evaluation model according to environmental and social criteria at the end of the pilot project of the subsidiary Walvoil S.p.A. (Objective S.5 ESG Plan) · Establishment of the internal board Sustainability Committee and drafting of its regulations (Objective G.1 ESG Plan) 			
Qualitative	Performance	15%	Confirmation of the skills, professionalism and commitment required by the importance of the role held and the size and sectoral characteristics of the Company.			

With regard to the ESG component of the short-term incentive, as reported in sections 3.1 and 3.2 above, the Company has adopted a multi-year ESG Plan, for the years 2023-2025 (with the exception of a target set for 2027), with precise objectives in each of the three areas of Environmental, Social and Governance, through which it intends to implement a concrete long-term sustainability strategy that integrates and interconnects with the Company's and the Group's business plans and directs their actions towards achieving the ESG objectives. The ESG targets included in the table above refer to the aforementioned ESG Plan and represent milestones aimed at realising the Group's sustainability strategy.

With reference to the qualitative component, as mentioned above, in the assessment of the result, the Remuneration Committee and the Board of Directors took into consideration the individual contribution of the beneficiary to Interpump's performance, with particular attention to the company's organic growth and the results linked to ordinary activities.

1.3 Interpump 2022 - 2024 Incentive Plan (Long-Term Incentive Plan)

Medium- and long-term incentives are aimed at orienting the actions of top management towards the pursuit of long-term strategic and sustainable growth objectives. The Interpump Group's Remuneration Policy provides for an incentive system based on the assignment to top management and to persons holding key positions within the Interpump Group, of a quantity of financial instruments (options) linked to the appreciation of the value of the Interpump Group S.p.A. share price. In particular, the Shareholders' Meeting held on 29 April 2022, approved, upon the proposal of the Board of Directors, the stock option plan known as the 2022-2024 Incentive Plan, intended for Executive Directors and associates of the Interpump Group identified - at the unquestionable and discretionary discretion of the Board of Directors - from among the individuals who hold or perform significant roles or functions within the Interpump Group. The aforesaid Plan provides for the assignment of a maximum of 2,250,000 options, each of which grants the beneficiaries the right to purchase one ordinary share held in the Company's portfolio on the subscription date, or to subscribe one newly issued share at a strike price of 38.6496 euro per option. For a description

of the 2022-2024 Incentive Plan, please refer to the Explanatory Report on the 2022-2024 Incentive Plan and related information document pursuant to Article 84-bis of the Issuers' Regulation.

The conditions for the vesting of the options granted in relation to the 2022-2024 Incentive Plan envisage, among other things, the achievement of performance targets defined by the Board of Directors, subject to the non-binding opinion of the Remuneration Committee, for each of the Plan's individual reference years (and, therefore, for the financial years 2022, 2023 and 2024) and in compliance with the following parameters, beyond which the Company will only recognise the number of options granted and predefined to the extent of the maximum percentage established, therefore making no provision for over-performance remuneration mechanisms:

70% of the Options allocated to each beneficiary

- Consolidated net sales (weight 35%);
- Consolidated EBITDA (weight 35%);

15% of the Options allocated to each beneficiary

- Objectives related to ESG matters

15% of the Options allocated to each beneficiary

- Qualitative objectives

In addition, the 2022-2024 Incentive Plan makes provision for a minimum holding clause for which beneficiaries who are Executive Directors must retain continuously for 5 years from the Grant Date, as defined in the Plan itself (period therefore including the vesting period and the Share retention period), a number of Shares equal to 50.1% of those purchased on the exercise of their Options; For the purpose of determining the financial parameters, in particular Net Sales and EBITDA, M&A transactions carried out during the reporting period will also be taken into account.

Medium/Long-Term Incentives (Incentive Plan 2022-2024)			Vesting level II tranche of the plan	Target achieved in 2023 (over-achievement)
Incentive component	Targets 2023	Weight %	Vesting target	Target level achieved in 2023
Financial	Net sales	35%	100%	111%
	EBITDA	35%	100%	117%
<i>Targets achieved in 2023</i>				
ESG	2023-2025 ESG Plan	15%	<ul style="list-style-type: none"> · Definition of decarbonisation strategy (target E.1 ESG plan) with the aim of reducing emissions intensity to 0.028 tCO2eq/€ by 2025 (target E.2) · Definition of Succession Plans (Objective G.3 ESG Plan) · Effective periodic communication of the ESG Plan also through the creation of the new website (Objective G.6 ESG Plan) 	
Qualitative	Performance	15%	Confirmation of the skills, professionalism and commitment required by the importance of the role held and the size and sectoral characteristics of the Company.	

With regard to the ESG component, as already reported with reference to the Short-Term Incentive and in previous paragraphs 3.1 and 3.2, the Company has adopted a multi-year ESG Plan, for the years 2023-2025 (with the exception of a target set for 2027), with precise objectives in each of the three areas Environmental, Social and Governance, through which it intends to implement a concrete long-term sustainability strategy that integrates and interconnects with the Company's and the Group's business plans and directs their actions towards achieving the ESG objectives. The ESG targets included in the table above are fully aligned with the

mentioned ESG Plan and represent milestones aimed at realising the Group's sustainability strategy.

With regard to the qualitative component, as already stated in the First Section of this Report, the performance evaluation by the Remuneration Committee and the Board of Directors mainly took into account the beneficiary's contribution to the company's overall performance, with particular reference to M&A activities, which are of fundamental importance to ensure Intepump's sustainable growth in the long-term.

Finally, it is important to point out that, as per press releases of 16 November 2023 and 6 December 2022, it had been announced that Mr. Fulvio Montipò, Gruppo IPG Holding S.p.A. and Leila Montipò e sorelle S.A.p.A. had exceeded the threshold set forth in Article 106 paragraph 1-bis of the TUF (Consolidated Law on Finance) (taken together) following the exercise of options under the “2019 / 2021 Incentive Plan” by Mr. Fulvio Montipò. Subsequently, the aforementioned parties, together with Tamburi Investment Partners S.p.A. as a shareholder of Gruppo IPG Holding S.p.A., had agreed - in order to avail themselves of the exemption from the joint and several obligation to promote a takeover bid on the Company’s outstanding shares pursuant to Article 49(1)(e) of the Issuers’ Regulation - to undertake to reduce their shareholding below the 25% threshold. Therefore, the total portion of Interpump’s share capital held by Gruppo IPG Holding S.p.A., Dr. Fulvio Montipò and Leila Montipò e sorelle S.A.p.A. is currently 24.988%. Therefore, there are no dilutive effects or negative impacts on minority shareholders.

In relation to 2023, the economic treatment of Directors assigned special duties comprises the elements listed below.

A. Executive Chairman – Fulvio Montipò

- I. Fixed component of remuneration: the fixed remuneration paid to the Executive Chairman includes:
 - i. 1.731 thousand euro of which: (i) 45 thousand euro as emoluments for the office of director, as authorised at the Shareholders’ Meeting; (ii) 1,500 thousand euro for the performance of special duties ex art. 2389, subsection 3, Italian Civil Code and 186 thousand euro as payment to cover the costs incurred on personal security.
- II. Variable component of short-term remuneration: this is non-equity variable remuneration in the form of MBOs. Interpump awards a maximum bonus of 1,000 thousand euro on the achievement of specific qualitative and quantitative objectives.
- III. Medium/long-term variable remuneration component: stock options – The following are assigned to the Chairman and Chief Executive Officer at 31 December 2022:
 - 1,800,000 options in the context of the Interpump 2019-2021 Incentive Plan, now vested and exercised in full;
 - 1,620,000 options under the Interpump 2022-2024 Incentive Plan.

See Table 2 for more details.

B. Chief Executive Director - Mr Fabio Marasi

- I. Fixed component of remuneration: the fixed remuneration paid to the CEO includes:
 - i. 356 thousand euro of which: (i) 45 thousand euro as emoluments for the office of director resolved by the shareholders’ meeting; (ii) 175 thousand euro for holding special offices pursuant to Article 2389, paragraph 3, of the Italian Civil Code; (iii) 130 thousand euro as remuneration for his functions as an executive of Interpump Group S.p.A.; and (iv) 6 thousand as non-monetary benefits.
- II. Variable component of short-term remuneration for the role of executive of Interpump Group S.p.A.: this is non-equity variable remuneration in the form of MBOs. Interpump awards a maximum bonus of 50 thousand euro to the executive on the achievement of specific qualitative and quantitative objectives.
- III. Medium/long-term variable remuneration component: Stock Options - assigned to Fabio Marasi at 31 December 2023:
 - 30,000 options in the context of the Interpump 2019-2021 Incentive Plan, now vested and exercised in full;
 - 60,000 options under the Interpump 2022-2024 Incentive Plan.

See Table 2 for more details.

The compensation due to Non-Executive Directors is indicated by name in the Tables in the Second Part of the Second Section of this Report.

The performance objectives for the variable components of the non-equity remuneration (MBO) recognized to the Executive Directors were approved by the Board of Directors, acting on a proposal from the Remuneration Committee and after receiving a favourable opinion from the Board of Statutory Auditors, in conformity with the criteria described in the First Part of the Remuneration Report.

The Company has elected not to specify in this section the detailed correlation between the performance objectives envisaged and those achieved in relation to the variable remuneration of the Executive Directors, since the information mainly comprises unpublished, forecast data and details whose dissemination would not be commercially appropriate, considering the competitive background and market conditions in which the business operates, as well as the overriding interests of the Company.

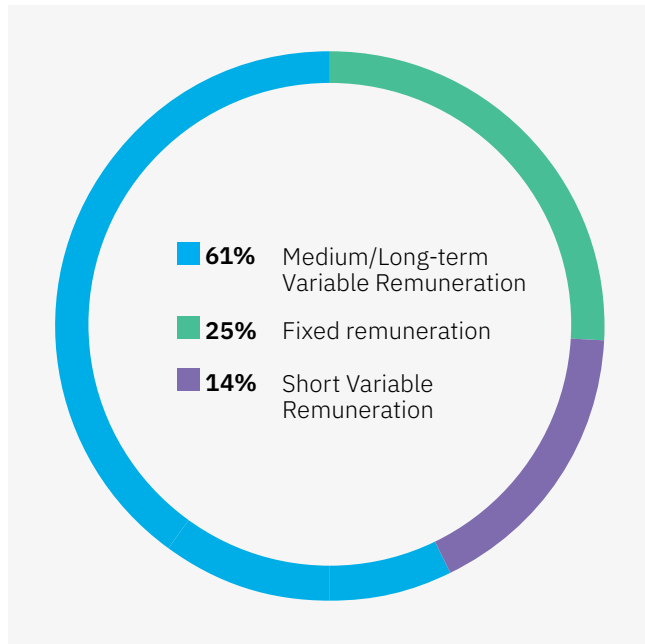
The proportions of fixed remuneration¹, non-equity, short-term variable remuneration², and equity-based, medium/long-term incentives³ earned by each Executive Director benefiting from variable components of remuneration are indicated below for 2023.

¹ Second Section, Table 1, columns (1), (4) and (5).

² Second Section, Table 1, column (3).

³ Second Section, Table 1, column (7).

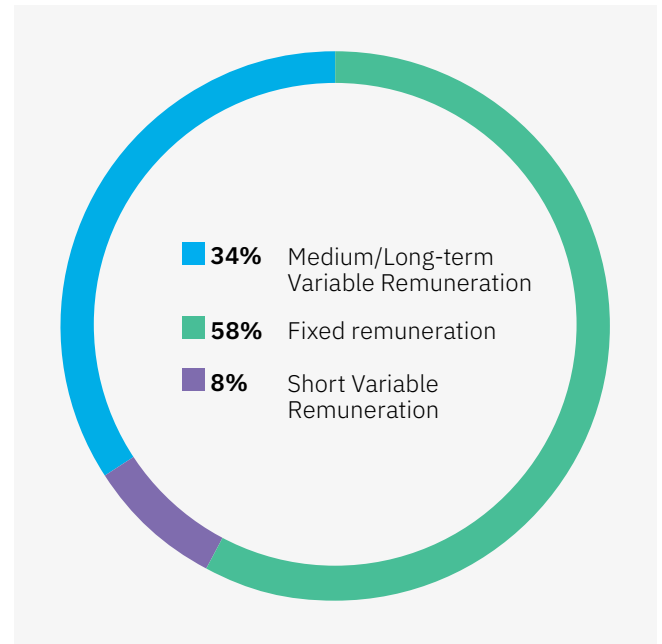
Executive Chairman – Fulvio Montipò



(all amounts expressed in thousands of euro)

Fixed remuneration	Short-term Variable Remuneration	Medium/Long-term Variable Remuneration	Total
1,731	1,000	4,316	7,047

Chief Executive Director – Fabio Marasi



(all amounts expressed in thousands of euro)

Fixed remuneration	Short-term Variable Remuneration	Medium/Long-term Variable Remuneration	Total
350	50	202	602

1.4 Indemnities and/or other benefits for termination of the employment relationship during the year

On 16 March 2020, the Board of Directors of the Company, acting on a proposal from the Remuneration Committee and after receiving a favourable opinion from the Board of Statutory Auditors, resolved to allocate to the Executive Chairman Fulvio Montipò, an indemnity for the termination of his appointment that would only become payable on termination of his relationship with the Company. The allowance complies with the guidelines and limits set forth in the then current Remuneration Policy. The characteristics of the severance pay are as follows:

- i. **reasons for allocation:** the above indemnity for termination of appointment has been allocated to recognise his long and successful tenure as an Executive Director of the Company, and is justified by the extraordinary creation of value achieved over that period of many years for the benefit of the Company and the Shareholders. Accordingly, allocation of the indemnity is not linked to the satisfaction of particular performance criteria and is not subject to deferral or ex post correction mechanisms;
- ii. **determination of the termination indemnity:** three times the average gross annual remuneration earned in the two years prior to termination of the appointment, inclusive of “Fixed remuneration”, “Fringe benefits”, “Variable non-equity remuneration” and the “Other compensation” paid in relation to the duties and specific mandates granted as a Director of the Company. The indemnity for termination of appointment determined above will also include the no-competition agreement component determined in accordance with market practice at the time;

- iii. **circumstances that justify the vesting:** termination of the appointment for any reason or cause, including those that result in early termination of the mandate, such as without limitation voluntary resignation, non-renewal at the end of a three-year mandate, events that make execution of the mandate impossible due to inability, unavailability or death, or revocation of the mandate;
- iv. **payment deadline:** the indemnity will be paid on natural termination of the mandate or within 30 days of its early termination. In the event of repeated renewals of appointment at the end of each mandate, the indemnity will be paid on actual termination of appointment without renewal;
- v. **retention of rights associated with Incentive Plans:** termination of the appointment of Fulvio Montipò and allocation of the related termination indemnity will involve, in all cases, retention of the rights associated with any monetary Incentive Plans or plans based on financial instruments, unless specified otherwise in the monetary Incentive Plans concerned, or in any different specific agreement reached subsequently between the Company and Mr. Fulvio Montipò.
- vi. **retention of fringe benefits or execution of consultancy contracts:** this proposal does not envisage additional benefits subsequent to termination of the appointment, or other types of compensation for whatever reason and in whatever form, without prejudice to any different specific agreement reached subsequently between the Company and Mr. Fulvio Montipò.

1.5 Information about any exceptions to the Remuneration Policy applied in special circumstances

There have not been any special circumstances in which the Company has made temporary exceptions to the Remuneration Policy.

1.6 Information about the application of *ex post* correction mechanisms to the variable components of remuneration (malus or clawback return of variable components)

No circumstances have arisen that would have justified recourse to claw-back mechanisms in relation to the variable components of remuneration allocated to beneficiaries.

1.7 Comparison between the annual change in remuneration, the results of the Company and the average gross annual remuneration of the full-time employees of the Company

As required by the amendments made by CONSOB (section 1.5) to the Issuers' Regulation regarding the transparency of remuneration, the following annual change information is provided over a five-year period:

- total remuneration of every person indicated in Table 1;
- results of the Company;
- average gross annual remuneration of employees other than the people whose specific remuneration is stated in this report, expressed as full-time equivalents.

In particular, for the sake of clarity, it should be noted that the remuneration of Non-Executive Directors over the last five years and of the Board of Statutory Auditors have remained constant without recording any changes, except for those determined at the time of appointment as a result of the allocation of *pro-rata temporis* remuneration. Accordingly, the above Directors and Statutory Auditors are not included in the following schedules⁴.

⁴ The percentage annual changes indicated in the following tables relate solely to the fixed remuneration of the Directors.

Name	2019/2018 change	2020/2019 change	2021/2020 change	2022/2021 change	2023/2022 change
Fulvio Montipò	+33.5%	0.0%	0.0%	0.0%	0.0%
Fabio Marasi	-	-	+10.2%	+46.1%	+24.7%
Total change	+29.0%	-7.1%	-4.2%	-1.7%	+2.3%

KPIs	2019/2018 change	2020/2019 change	2021/2020 change	2022/2021 change	2023/2022 change
Net sales	+7.0%	-5.4%	+24.0%	+29.6%	7.8%
EBITDA	+10.1%	-7.3%	+29.3%	+29.5%	9.1%
Employees	+6.9%	+7.1%	+13.7%	+3.4%	7.1%

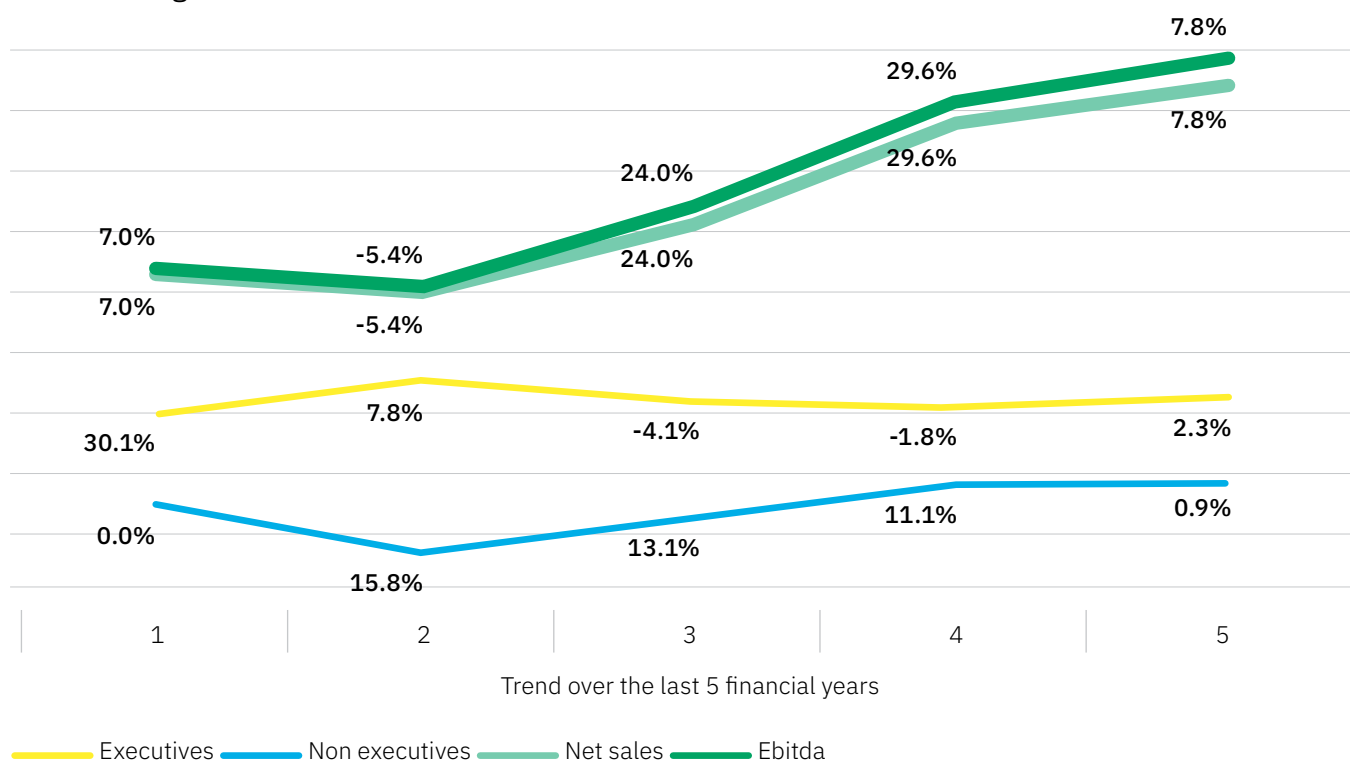
CEO Pay Ratio ⁵	2021	2022	2023
Ratio of Mr Fulvio Montipò's total remuneration to the median total remuneration of employees	83.8	81.7	79.2
Ratio of Mr Fabio Marasi's total remuneration to the median total remuneration of employees	n.a.	n.a.	11.6

⁵ For the variable component of the Executive Chairman's and Chief Executive Officer's remuneration, the variable short-term incentive (MBO) pertaining to the financial year is included and the equity component is excluded; for the variable component of the median employee remuneration, the variable short-term incentive (MBO) and/or the company productivity bonus pertaining to the financial year is included and the equity component is excluded.

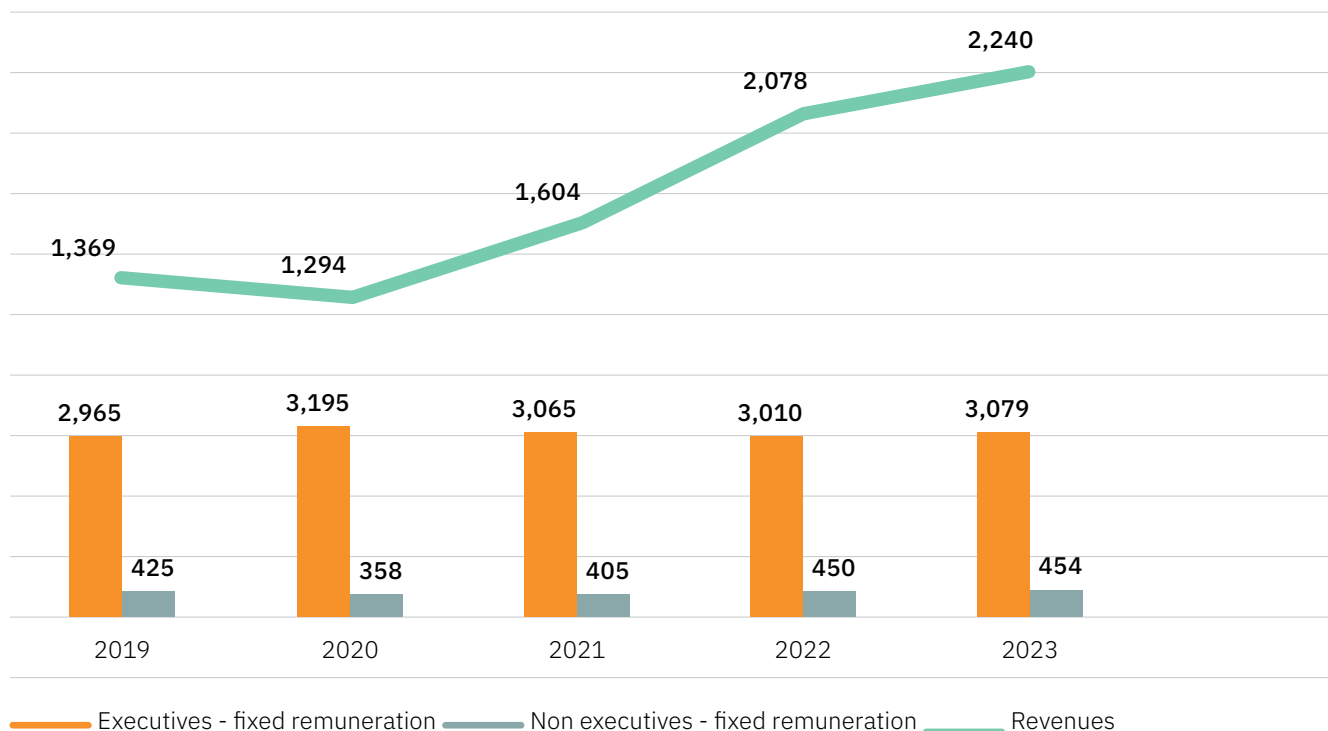
It is recalled that Mr. Marasi was appointed as Managing Director on 28 April 2023.

For ease of reference, the annual changes in the components indicated above are summarised in the following charts.

Annual changes in Executive and Non-Executive remuneration



Remuneration of Executive and Non-Executive Directors and Consolidated Net Sales Performance (€/000)



1.8 Information on how the Company has taken into consideration the Shareholders’ vote on the Second Section of the 2023 Report

The Second Section of this Report reflects the substance of the changes made to the Remuneration Policy with regard to the information provided about the components of the non-equity, short-term variable remuneration and stock option plan of the Executive Directors and the criteria used to assess achievement of the related performance objectives, in order to take account of the consultative vote cast at the Shareholders’ Meeting in line with that expressed in relation to the First Section.

Following the consideration of the binding vote on the First Section and advisory vote on the Second Section of the Remuneration Policy and Compensation Report 2023, an engagement activity and analysis of the relative rationale of the

shareholders’ vote was carried out, which formed the basis for the definition of this document. In fact, several changes were introduced to align the company’s remuneration practices with the expectations of its shareholders, a brief summary of which is given below:

- improved disclosure on qualitative metrics;
- clarification of the correlation between ESG metrics in variable incentives and the ESG Plan;
- clarification of severance policy;
- CEO pay ratio disclosure;
- improved ex-post disclosure of performance criteria;
- clarification of the application of clawback and malus clauses;
- clarification of the allocation of stock options to the Chairman.

Second Part - Tables



Table 1 - Compensation paid to Members of Administrative and Statutory Auditors, to General Managers and to Other Managers with Strategic Responsibilities (2023)

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Period in office	Term of office	Fixed compensation	Remuneration for participation in Committees	Non-equity variable remuneration (m)	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
(I) Compensation by the company preparing the financial statements											
Board of Directors											
Fulvio Montipò	Executive Chairman	01/01/2023 - 31/12/2023	Approval of 2025 financial statements	1,545 (a)		1,000		186 (b)	2,731	4,316	- (i)
Giovanni Tamburi	Deputy Chairman	01/01/2023 - 31/12/2023	Approval of 2025 financial statements	45	10 (f) (g)				55		
Claudio Berretti	Non-executive Director	01/01/2023 - 28/04/2023	Approval of 2023 financial statements	15					15		
Fabio Marasi	Chief Executive Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	162		50	6	130 (l)	348	202	
Angelo Busani	Independent Director	01/01/2023 - 28/04/2023	Approval of 2023 financial statements	15	6 (e)				21		
Antonia Di Bella	Independent Director	01/01/2023 - 31/12/2023	Approval of 2025 financial statements	45	8 (f) (g)				53		
Marcello Margotto	Independent Director	01/01/2023 - 31/12/2023	Approval of 2025 financial statements	45	10 (f) (g)				55		
Federica Menichetti	Independent Director	01/01/2023 - 31/12/2023	Approval of 2025 financial statements	45	28 (f) (g)				73		
Stefania Petruccioli	Independent Director	01/01/2023 - 28/04/2023	Approval of 2023 financial statements	15					15		
Paola Annunziata Tagliavini	Independent Director	01/01/2023 - 28/04/2023	Approval of 2023 financial statements	15	8 (f) (g)				23		
Nicolò Dubini	Independent Director	28/04//2023 - 31/12/2023	Approval of 2025 financial statements	30	8 (f) (g)				38		
Rita Rolli	Independent Director	28/04//2023 - 31/12/2023	Approval of 2025 financial statements	30	8 (f) (g)				38		
Anna Chiara Svelto	Independent Director	28/04//2023 - 31/12/2023	Approval of 2025 financial statements	30	8 (f) (g)				38		
Roberta Pierantoni	Independent Director	28/04//2023 - 31/12/2023	Approval of 2025 financial statements	30					30		
Board of Statutory Auditors											
Anna Maria Allievi	Chairman of the Board of Statutory Auditors	01/01/2023 - 31/12/2023	Approval of 2025 financial statements	45					45		
Roberta De Simone	Standing Auditor	01/01/2023 - 28/04/2023	Approval of 2023 financial statements	10					10		
Mario Tagliaferri	Standing Auditor	01/01/2023 - 31/12/2023	Approval of 2025 financial statements	30					30		
Mirco Zucca	Standing Auditor	01/01/2023 - 31/12/2023	Approval of 2025 financial statements	20					20		
(II) Compensation from subsidiaries and associates				-					-		
Total				2,172	94	1,050	6	316	3,638	4,518	-

Table 1 - Compensation paid to Members of Board of Directors and Board of Statutory Auditors, to General Managers and to Other Managers with Strategic Responsibilities (2022)

(amounts expressed in €/000)

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Period in office	Term of office	Fixed compensation	Remuneration for participation in Committees	Non-equity variable remuneration (m)	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
(II) Compensation by the company preparing the financial statements											
Board of Directors											
Fulvio Montipò	Chairman and Chief Executive Officer	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	1,545 (a)		1,000		186 (b)	2,731	4,273	- (i)
Giovanni Tamburi	Deputy Chairman	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45	10 (f) (g)				55		
Claudio Berretti	Non-executive Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45					45		
Fabio Marasi	Executive Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45		100 (n)	4	130 (l)	279	100	
Angelo Busani	Independent Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45	18 (e)				63		
Antonia Di Bella	Independent Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45					45		
Marcello Margotto	Independent Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45	10 (f) (g)				55		
Federica Menichetti	Independent Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45	28 (e) (f) (g)				73		
Stefania Petruccioli	Independent Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45					45		
Paola Annunziata Tagliavini	Independent Director	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45	24 (e)				69		
Board of Statutory Auditors											
Anna Maria Allievi	Chairman of the Board of Statutory Auditors	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	45					45		
Roberta De Simone	Standing Auditor	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	30					30		
Mario Tagliaferri	Standing Auditor	01/01/2022 - 31/12/2022	Approval of 2022 financial statements	30					30		
(II) Compensation from subsidiaries and associates				-					-		
Total				2,055	90	1,100	4	316	3,565	4,373	-

Table 1 - Compensation paid to Members of Board of Directors and Board of Statutory Auditors, to General Managers and to Other Managers with Strategic Responsibilities (2021)

(amounts expressed in €/000)

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Period in office	Term of office	Fixed compensation	Remuneration for participation in Committees	Non-equity variable remuneration	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
(I) Compensation by the company preparing the financial statements											
Board of Directors											
Fulvio Montipò	Chairman and Chief Executive Officer	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	1,545 (a)		1,000		186 (b)	2,731	3,851	750 (i)
Giovanni Tamburi	Deputy Chairman	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	45	10 (f) (g)				55		
Claudio Berretti	Non-executive Director	03/08/2021 - 31/12/2021	Approval of 2021 financial statements	18					18		
Victor Gottardi	Executive Director	01/01/2021 - 31/08/2021	Approval of 2022 financial statements	-					-		
Fabio Marasi	Executive Director	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	11		35	4	130	180	64	
Angelo Busani	Independent Director	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	45	18 (e)				63		
Antonia Di Bella	Independent Director	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	45					45		
Marcello Margotto	Independent Director	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	45	10 (f) (g)				55		
Federica Menichetti	Independent Director	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	45	28 (e) (f) (g)				73		
Stefania Petruccioli	Independent Director	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	45					45		
Paola Annunziata Tagliavini	Independent Director	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	45	24 (e)				69		
Board of Statutory Auditors											
Anna Maria Allievi	Chairman of the Board of Statutory Auditors	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	45					45		
Roberta De Simone	Standing Auditor	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	30					30		
Mario Tagliaferri	Standing Auditor	01/01/2021 - 31/12/2021	Approval of 2022 financial statements	30					30		
(II) Compensation from subsidiaries and associates				15					15		
Total				2,009	90	1,035	4	316	3,454	3,915	750

NOTES

(1) Fixed compensation

- (A) Fixed compensation of the Executive Chairman of 1,545 thousand euro include: emoluments for the office of director authorised at the Shareholders' Meeting of 45 thousand euro, plus 1,500 thousand euro for the performance of special duties pursuant to art. 2389, para.3, of the Italian Civil Code.
- (b) Compensation to cover the expenses incurred for personal security.
- (h) Compensation for the position of executive at a subsidiary.

The fixed compensation of Non-Executive Directors refers to emoluments for the office of director resolved by the Shareholders' Meeting of 45 thousand euro and the fixed compensation of the members of the board of statutory auditors is that established at the Shareholders' Meeting.

(2) Compensation for sitting on committees

Compensation paid as a member of the Control, Risks and Sustainability Committee (18 thousand euro to the Chairman of the Control and Risks Committee, Ms. Menichetti, and 18,000 euro to the other members. 10 thousand euro to the Non-Executive and independent members of the Sustainability Committee) (f). The compensation paid to the members of the Nomination Committee is not included in the compensation envisaged for membership of the Remuneration Committee (g).

(3) Non-equity variable compensation

- This is a bonus payable on the achievement of established qualitative and quantitative objectives. Payment is correlated with the achievement of 100% of each component of the KPIs concerned (m).

(4) Fringe benefits

Relates to the company car.

(5) Other compensation

- This amount includes compensation of 130 thousand euro for being an executive of Interpump Group S.p.A. (l).

(7) Fair value of equity compensation

The amounts represent the fair value of stock options at the grant date for the portion booked to the 2023 income statement and hence they have not been paid.

(8) End of office or employment termination indemnity

The amount reflects the annual provision made for termination of appointment, recognising the long and successful tenure as an Executive Director of the Company that justifies its allocation. The above indemnity amounts to 8,193 thousand euro; no provision was made as of 31 December 2022 as the total already comprises a maximum of three annual tranches, considering the provisions made in the two previous years. This allocation presumes the termination of all appointments, including the directorship of Mr. Fulvio Montipò, i.e. Termination as Chairman and/or Chief Executive Officer and Director, excluding any honorary and non-operating positions, and is intended to recognise and remunerate his major contribution and does not imply in any way his imminent or expected future departure (i).

Table (3B) - Monetary Incentive Plans for Members of the Board of Directors, General Managers and Other Managers with Strategic Responsibilities

(amounts expressed in €/000)

(A)	(B)	(1)	(2)			(3)			(4)
Name and Surname	Office	Incentive plan	Bonus for the year			Bonus for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/ paid	Deferred	Reference period	No longer payable	Still payable/ paid	Still deferred	
<i>(I) Remuneration from the company preparing the financial statements</i>									
Fulvio Montipò	Executive Chairman	Resolved by the Board of Directors on 29/04/2022	1,000 – paid				1,000 – paid		
Fabio Marasi	Chief Executive Director	Bonus recognised as an Executive	50 – paid				50 – paid		
<i>(II) Remuneration from subsidiaries and associates</i>									
			-				-		
<i>(III) Total</i>			1,050				1,050		

Table (2) - Stock-Options allocated to Members of the Board of Directors, General Managers and other Managers with Strategic Responsibilities

(A)	(B)	(1) ⁶	Options held at start of year			Options granted in the year						Options exercised in the year			Options expired during the year	Options held at year end	Options pertaining to the year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13) ⁷	(14)	(15)=(2)+(5)-(11)-(14)	(16)
Name and Surname	Office	Plan (a)	No. of options	Exercise price	Available exercise period (from-to)	No. of Options	Exercise price	Available exercise period (from-to)	Fair value at grant date	Grant date	Market price of underlying shares at the options grant date	No. of Options	Exercise price	Market price of underlying shares at the exercise date	No. of Options	No. of Options	No. of Options
Compensation by the company preparing the financial statements																	
Fulvio Montipò	Chairman and Chief Executive Officer	2022/2024 Plan	1,620,000	38.649	01/07/2025-31/12/2028											1,620,000	567,000
Fabio Marasi	Director	2022/2024 Plan	45,000	38.649	01/07/2025-31/12/2028	15,000	38.649	01/07/2025-31/12/2028								60,000	23,250
(II) Remuneration from subsidiaries and associates (N/A)																	
(III) Total			1,665,000			15,000										1,680,000	590,250

Table (7-(3)): Equity Interests of Members of the Board of Directors and Board of Statutory Auditors and General Managers

Name and Surname	Office	Company held	No. shares held at end of prior year	No. shares purchased	No. shares sold	No. shares held at end of current year
Fulvio Montipò	Executive Chairman	Interpump Group S.p.A.	1,555,233	-	-	1,555,233
Fabio Marasi	Chief Executive Director	Interpump Group S.p.A.	30,000	-	12,000	18,000

⁶ The 2022/2024 plan was approved by the Shareholders' Meeting on 29 April 2022.

⁷ This amount reflects the actual market price on the option exercise date.





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