



# **RELATED PARTY TRANSACTIONS PROCEDURE**

**Procedure approved by the Board of Directors on 4 August 2023**

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## 1. INTRODUCTION

This procedure (hereinafter also “**Procedure**”) governs related party transactions carried out by Interpump Group S.p.A. (“**Interpump**” or the “**Company**”) and by its subsidiaries, in compliance with the contents of art. 2391-(2) of the Italian civil code and the Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010, as amended (the “**CONSOB Regulation**”) and by CONSOB Resolution no. 21624 of 10 December 2020, in implementation of the mandate given in legislative decree 10 June 2019, no. 49, which transposed EU Directive 828/2017, the Shareholder Rights Directive II (“**SRD II**”).

## 2. DEFINITIONS

In addition to the definitions given in other articles, the capitalised terms and expressions utilised in the Procedure shall have the assigned meaning hereunder, said meaning having validity both in the singular and plural forms:

**Executive Director:** the director to whom the powers of the Board of Directors are ascribed or, in the presence of more than one executive director, the director appointed as Executive Director by the Board of Directors for the purposes of this Procedure.

**Independent Directors:** directors in possession of the legal requirements of independence established by art. 148, subsection 3 of the consolidated finance act (“**TUF**”) and deemed independent by the Company pursuant to the Corporate Governance Code enacted by the Borsa Italiana S.p.A. Corporate Governance Committee (“**Corporate Governance Code**”).

**Unrelated Directors:** directors other than the Counterparty of a given transaction and other than the counterparty's related parties.

**Chief Financial Officer (CFO):** the person appointed by the Company as the Company's CFO.

**Corporate Governance Code:** the Corporate Governance Code enacted in January 2020 by the Corporate Governance Committee of Borsa Italiana S.p.A.

**Related Party Transactions Committee (RPTC):** the board committee, made up exclusively of Independent Directors, set up by the Board of Directors with responsible for evaluating related party transactions (RPTs) and expressing opinions regarding them, as defined below.

**Control:** the power to establish the financial and management policies of an entity in order to obtain benefits from their activities. The subsistence of control is presumed when a party holds, directly or indirectly through subsidiaries, more than half the voting rights of an entity unless, in exceptional cases, it can be demonstrated that the holding of said voting rights does not constitute control (*de jure* control). Control also exists when a

party holds half, or a lesser proportion, of the voting rights exercisable at the shareholders meeting (*de facto* control) if it has:

- (a) control of more than half the voting rights by virtue of an agreement with other investors;
- (b) the power to decide the financial and management policies of an entity by virtue of a clause in the articles of association or an agreement;
- (c) the power to appoint or dismiss the majority of the members of the board of directors or the equivalent company administrative body when control of the entity is held by said board or body;
- (d) the power to exercise the majority of the voting rights in the meetings of the board of directors or the equivalent company administrative body when control of the entity is held by said board or body.

**Joint Control:** the contractually established sharing of Control over an economic activity.

**Counterparty:** the party (natural person or legal entity), different from the Company, with which an RPT is being set up, as defined below.

**Managers with strategic responsibilities:** parties having the power and responsibility, either directly or indirectly, for planning, management, and control of the activities of the company, including the company directors (executive or otherwise). In the CONSOB Regulation Definitions, CONSOB does not explicitly include the members of the boards of statutory auditors among managers with strategic responsibilities, but it provides an indication in the Communication wherein it stated that “serving” auditors of the boards of statutory auditors are to be included in that category, in line with statement it had already made at the time of publication of the consultation document concerning the adoption of SRD II.

**Informative Document:** the Informative document provided by the Company if its Board of Directors approves an RPT of Greater Importance (Annex 2), as defined below.

**Related Parties List:** the list created by the Company, drafted and updated by the Legal and Corporate Affairs Function, containing a record of the Company’s related parties. The list is divided into the following sections:

- (a) Natural Person Section;
- (b) Close Relatives Section;
- (c) Legal Entities Section – (a) and (b).

Preparation and updating of the Related Parties List are carried out by the Interpump Group S.p.A. by the

Legal and Corporate Affairs Function. The Legal and Corporate Affairs Function informs each of the Company's Directors, Statutory Auditors, and Managers with strategic responsibilities of their inclusion in the Related Parties List, simultaneously requesting each interested party for an initial transmission of information concerning their offices in Subsidiaries, their close relatives, the extent to which they, or their close relatives, exert control, also jointly, or Significant Influence or hold a significant interest, anyway no less than 20% of voting rights. The Directors, Statutory Auditors, and Managers with strategic responsibilities must inform the Legal and Corporate Affairs Function promptly of any significant change concerning the parties connected to them.

**Legal and Corporate Affairs Function:** the Company's internal function responsible for legal and corporate affairs, which has the task of protecting interests of a legal nature that involve the Company's business and life; for the purposes of this Procedure, the Legal and Corporate Affairs Function, under the direct responsibility of the General Counsel, is the function involved in the operational management of the RPT in support of the Executive Director, the CFO, and the Board of Directors.

**Internal Auditing Function (IA Function):** the Company's internal function in charge of verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the Board of Directors. The IA Function supports the General Counsel, the Chief Executive Officer, the CFO and the Board of Directors in assessing the nature and relevance of RPTs and ensures that transactions with Related Parties are carried out in compliance with this Procedure and the law.

**Significant Influence:** the power to participate in determining the financial and management policies of an entity without having Control of the entity. A Significant Influence can be obtained through possession of shares, through clauses in the articles of association, or through agreements. If a party holds, directly or indirectly (e.g. by way of Subsidiaries), 20% or more of the voting rights in the shareholders' meeting of the holding, it is presumed that said party exercises Significant Influence, unless it can be clearly shown that this is not the case. On the contrary, if the party holds, directly or indirectly (for example by way of Subsidiaries), less than 20% of the votes exercisable in the shareholders' meeting of the holding, it is assumed that the holding company does not exert Significant Influence unless such influence can be clearly proven. The presence of a party in possession of the absolute or relative majority of the voting rights does not necessarily preclude another party from exerting Significant Influence. Significant Influence is usually implied by the occurrence of one or more of the following circumstances:

- (a) representation on the board of directors or other equivalent administrative body of the holding;
- (b) participation in the decisional process, including participation in decisions concerning dividends or other types of distribution of profits;
- (c) the presence of significant transactions between the holding company and the holding;

- (d) interchange of managerial personnel;
- (e) making available key technical information.

**RPT Disclosure:** the disclosure to be transmitted in compliance with art. 3.1 of this Procedure.

**Significant Interests:** the criteria whereby the Company evaluates the significance of interests are outlined below:

- (a) any relations of a financial nature, if deemed to be significant by the Company's Board of Directors, existing between the Subsidiaries or Associated Companies, on the one hand, and the Directors, Statutory Auditors, or Managers with strategic responsibilities of the Company involved in the RPT, on the other;
- (b) the existence of a particular interest of Directors, or Strategic managers, beneficiaries of incentive plans that depend on the results achieved by the Subsidiaries or Associated Companies with which the RPT is carried out;
- (c) the event wherein the Subsidiary or Associated Company is a holding (also indirectly, by way of entities other than the Company) of the Company's parent company, when the effective weight of the interest held by the parent company in the company with which the RPT is conducted exceeds the effective weight of the interest held by the parent company in the Company.

In the above cases, the significance of the interests is submitted to the appraisal of the Board of Directors, without prejudice to the requirement that if the RPT involves Subsidiaries, the administrative body of each Subsidiary must guarantee the necessary level of collaboration in order to carry out the foregoing appraisal.

Significant interests do not include those originating from the mere sharing of one or more directors or other managers with strategic responsibilities between the Company and the subsidiaries or associated companies.

**Interpump Group S.p.A. (Interpump or Company):** Interpump Group S.p.A., with registered offices at Via E. Fermi 25, Sant'Ilario d'Enza (RE), enrolled in the Reggio Emilia Companies Register no. 11666900151.

**Investor Relator:** in charge of relations with institutional investors and the other shareholders, appointed by the Company.

**Joint Venture:** a contractual agreement whereby one or more parties undertakes an economic activity subject to Joint Control.

**Related Party Transaction (RPT):** a transfer of resources, services or obligations between a company and a related party, irrespective of whether or not a consideration has been agreed. These operations include, among

others: i) mergers, demergers by incorporation or non-proportional demergers in the literal sense, conducted with related parties; ii) decisions concerning the allocation of remuneration and economic benefits, in any form, to the members of the administrative bodies, control bodies, and managers with strategic responsibilities.

**Smaller Transactions:** RPTs for an amount or anyway an aggregated total annual value no higher than EUR 1,000,000 in cases wherein the Related Party is a legal entity, and EUR 200,000 if the Related Party is a natural person or a party other than a legal entity;

**Transactions of Greater Importance:** Related Party Transactions identified as such pursuant to CONSOB Regulation art. 4 subsection 1 letter a), meaning those in which at least one of the following importance indicators (referred to the most recent consolidated financial statements, even if the RPTs are conducted between Subsidiaries or Associated Companies), applicable in accordance with the specific case, is higher than the threshold of 5% (the "**Threshold**"):

- (a) price significance index: the ratio between the price of the RPT and shareholders' equity taken from the most recent balance sheet (consolidated) published by the Company or, if higher, the stock market capitalisation of the Company measured at the end of the last trading day included in the reference period of the most recent interim accounts published (annual or half-year financial statements or interim board of directors' report). The price of the RPT is:
  - (i) for cash components, the amount paid by/to the contractual counterparty;
  - (ii) for components comprising financial instruments, the fair value measured, at the date of the RPT, in compliance with the IAS/IFRS international accounting standards adopted with Regulation (EC) no. 1606/2002;
  - (iii) for loan transactions or granting of guarantees, the maximum disburseable amount.

If the economic conditions of the transactions depend entirely or partly on values that are not yet known, the equivalent value of the transaction is considered to be the maximum value receivable or payable in accordance with the terms of the agreement;

- (b) assets significance index: the ratio between the total assets of the entity that is the subject of the transaction and the total assets taken from the Company's most recent consolidated financial statements. The data to use must be obtained from the most recent balance sheet (consolidated) published by the Company; similar data should be used whenever possible to determine the total assets of the entity involved in the transaction. For transactions involving the acquisition and sale of shares in companies that have an impact on the consolidation perimeter, the value of the numerator is the total assets of the investee, regardless of the percentage of capital subject to the transaction. For transactions of acquisition and divestment

of holdings in companies that have no effect on the consolidation perimeter, the value of the numerator is:

- (i) in the case of acquisitions, the price of the transaction increased by any financial liabilities of the acquired company that are potentially assumed by the acquiree;
- (ii) in the case of disposals, the consideration paid for the divested asset.

For transactions of acquisition and disposal of other assets (other than the acquisition of an equity investment), the value of the numerator is:

- (i) in the case of acquisitions, the higher of the consideration and the carrying value that will be ascribed to the asset;
- (ii) in the case of disposals, the carrying value of the asset;
- (c) liabilities significance index: the ratio between total liabilities of the acquired entity and total assets resulting from the Company's most recent consolidated financial statements. The data to be used must be taken from the most recent balance sheet (consolidated) published by the company; whenever possible, analogous data should be used to determine the total liabilities of the acquired company or line of business.

Transactions of Greater importance are considered to be also similar transactions or transactions conducted in execution of a single plan, carried out, during the period, with the same related party, or with Parties Related to this latter and to the Company itself that, even though not individually classifiable as Transactions of Greater Importance, when considered cumulatively, exceed the importance thresholds.

This provision is applied also to RPTs carried out by Subsidiaries but not to RPTs falling into the cases of exclusion pursuant to article 6 of this Procedure.

**Transactions of Lesser Importance:** Related Party Transactions other than Transactions of Greater Importance and Transactions for Smaller Amounts.

**Ordinary Transactions:** Related Party Transactions that:

- (a) are within the ordinary exercise of the operations or the associated financial activity of the Company;
- (b) are conducted at similar conditions to those normally extended to unrelated parties for transactions of a corresponding type, magnitude and risk, or based on regulated rates or on imposed prices, or transactions conducted with parties to which the Company is legally bound



to pay or charge a specifically defined consideration.

**Related Parties:** parties identified as such by the international accounting standards (IAS 24) to which reference is made.

**Issuers' Code:** the regulatory code adopted with CONSOB resolution no. 11971 of 14 May 1999, as amended.

**Unrelated Shareholders:** the parties with voting rights other than the Counterparty of a given transaction and the parties related to the counterparty of a given transaction and to the Company.

**Associated Company:** any entity, also lacking legal status, as in the case of a partnership, in which a shareholder exerts Significant Influence but does not hold Control or Joint Control.

**Subsidiary:** any entity incorporated under Italian or foreign law, also without legal status, as in the case of a partnership, subject to the Control of another entity.

**Close Relative:** close relatives of an individual are those family members who may be expected to influence or be influenced by that individual in their dealings with the company, including: (a) the person's offspring and spouse or civil partner; (b) the offspring of the person's spouse or civil partner; (c) the dependents of the party concerned, of the spouse or of the civil partner.

**Financial Services Act:** legislative decree 24 February 1998, no. 58.

Considering each relationship with Related Parties, attention must be focused on the substance of the relationship and not merely on its legal form. Interpretation of the definitions shown above is performed with reference to the international accounting standards adopted in accordance with the procedure as at article 6 of Regulation (EC) no. 1606/2002. Pursuant to CONSOB Regulation article 4, subsection 2, this Procedure is not applied to parties other than the Related Parties identified pursuant to this article 2.

### **3. RULES GOVERNING RELATED PARTY TRANSACTIONS**

#### **3.1 General Provisions**

Before starting negotiations, the Executive Director of the Company and/or of the Subsidiaries to whom suitable powers have been granted and who intends to conduct a potential Related Party transaction, informs the CFO, the Legal and Corporate Affairs Function and the IA Function Manager, communicating the particulars of the Counterparty and the information required by the RPT Disclosure (Annex 1).

On receipt of the foregoing communication, the Legal and Corporate Affairs Function, supported by the IA Function Manager and the CFO, carries out the necessary checks and decides whether:

- (a) the proposed transaction constitutes an RPT pursuant to the CONSOB Regulation and this

Procedure, checking also whether it falls within the definition of RPTs of Greater Importance or RPTs of Lesser Importance;

(b) the proposed transaction falls within the cases of exemption allowed by this Procedure.

In any case, the General Counsel informs the Executive Director of the result of the checks. If classified as an RPT and if the transaction is not within any of the cases for exemption, the Company's Executive Director promptly involves the Related Parties Transactions Committee and implements the measures required by this Procedure and by statutory legislation.

### **3.2 Transactions of Greater Importance**

The Company's Board of Directors approves RPTs of Greater Importance **further to a motivated favourable opinion** issued by the Related Party Transactions Committee concerning the Company's interest in performing the RPT and the convenience and substantive correctness of the related terms.

#### *3.2.1 Decisional phase*

On receiving the result of the analysis carried out by the General Counsel, supported by the IA Function Manager and the CFO, in the case of an RPT of Greater Importance, the Executive Director, supported by the General Counsel, prepares a complete and adequate disclosure and promptly involves the Related Party Transactions Committee with regard to the characteristic elements of the RPT, with special indication of the nature of the relationship, the main terms and conditions of the RPT, the time line for its execution, the evaluation procedure followed to identify the transaction as an RPT of Greater Importance, the motivations underlying the RPT, and any risks for the Company and its subsidiaries.

The Related Party Transactions Committee is involved in the negotiations phase and the inquiry phase through the reception of a complete and timely information flow and it can request information and make observations to the delegated bodies and to the parties appointed to conduct the negotiations and/or inquiries.

The aforementioned disclosure is sent by the Executive Director or the General Counsel to the Related Party Transactions Committee Chairman in a timely manner and anyway within 10 working days prior to the meeting of the Board of Directors convened to discuss the RPT. In cases of necessity and urgency, the disclosure must be supplied to the RPTC Chairman at least 5 days preceding the date of the Board of Directors meeting convened to discuss the RPT.

The Related Party Transactions Committee Chairman calls a meeting of the Committee – in good time before the meeting of the Board of Directors convened to discuss the RPT – to express its **binding opinion** on the Company's interest in conducting the transaction and on the convenience and substantial correctness of the associated conditions.

The RPTC, or one or more of its delegated members, can request information and make observations and request all other information deemed to be useful for the purposes of assessment of the RPT.

In the exercise of its duties, the RPTC can use, at the Company's expense, the consultancy of one or more experts of its choosing, identified among persons of recognised professionalism and competence on the matters that are the subject of the RPT, whose independence and absence of conflicts of interest it ascertains.

Following its appraisals, the RPTC issues its opinion in good time to be transmitted to all Directors before the meeting of the Company's Board of Directors convened to approve the RPT and transmits it also to the CFO, the General Counsel and the IA Function Manager. The opinion is attached to the minutes of the committee meeting.

Once the opinion of the RPTC has been expressed, the RPT is subjected to approval of the Company's Board of Directors; any directors involved in the transaction abstain from voting on it.

If the RPTC issues a favourable opinion and the Board of Directors approves the transaction, a disclosure is made to the market and to CONSOB in the terms and using the methods required by CONSOB Regulation art. 6.

### 3.2.2 Information phase

#### *Disclosure to CONSOB and to the market*

The General Counsel prepares the Informative Document drafted in compliance with Annex 4 to the CONSOB Regulation (Annex 2 hereto). The aforementioned document, approved by the Company's Board of Directors, is made available to the public at the company headquarters and with the methods set down in statutory legislation, within 7 days from the date of approval of the RPT by the Company's Board of Directors or, if the Board of Directors resolves to submit a contractual proposal, from the time of completion of the contract.

If the RPT of Greater Importance concerns a Subsidiary, the foregoing term will run from the time when the Company is informed of the approval of the RPT by the competent decisional body in accordance with the corporate governance and mandates assigned to the Subsidiary in question. In the same terms, any opinions of the RPTC or of the independent experts that the RPTC has used are made available to the public. With reference to independent experts, the Company can limit its action to publishing only an excerpt, on the condition that it contains at least the elements indicated in Annex 2 of this Procedure, motivating such a decision adequately.

#### *Periodic disclosure to the Board of Directors and the Board of Statutory Auditors*

The Executive Director supplies complete quarterly disclosures concerning the execution of RPTs of Greater Importance to the Board of Directors and the Board of Statutory Auditors. The same disclosure must be

included in the annual and half-year Report on Operations and in the periodic accounting disclosure required by CONSOB Regulation article 5, subsection 8. The Legal and Corporate Affairs Function is also responsible for keeping accurate records of the RPTs of Greater Importance carried out during the reference period.

### 3.3 Transactions of Lesser Importance

The Company's Board of Directors approves RPTs of Lesser Importance **further to a motivated non-binding opinion** of the RPTC concerning the Company's interest in conducting the RPT and on the convenience and substantial correctness of the related conditions.

#### 3.3.1 *Decisional phase*

On receiving the result of the analysis carried out by the General Counsel, supported by the IA Function Manager and the CFO, in the case of an RPT of Lesser Importance, the Executive Director, supported by the General Counsel, prepares a complete and adequate disclosure and promptly involves the Related Party Transactions Committee with regard to the characteristic elements of the RPT with a particular indication of the nature of the relationship, the main terms and conditions of the RPT, the time line for its execution, the evaluation procedure followed to identify the transaction as an RPT of Lesser Importance, of the motivations underlying the RPT, and any risks for the Company and its subsidiaries.

The RPTC is involved in the negotiations phase and in the inquiry phase through reception of a complete and timely information flow and it can request information and make observations to the delegated bodies and the parties responsible for conducting negotiations and/or the inquiry.

The aforementioned disclosure is sent by the Executive Director or the General Counsel to the Related Party Transactions Committee Chairman in a timely manner and anyway within 10 working days prior to the meeting of the Board of Directors convened to discuss the RPT. In cases of necessity and urgency the disclosure must be supplied to the Chairman of the RPTC at least 5 days prior to the Board of Directors meeting called to discuss the RPT.

The Related Party Transactions Committee Chairman calls a meeting of the Committee – in good time before the meeting of the Board of Directors called to discuss the RPT – to express its **non-binding opinion** concerning the Company's interest in conducting the transaction and concerning the convenience and substantial correctness of the associated conditions.

The RPTC, or one or more of its delegated members, can request information and make observations and request all other information deemed to be useful for the purposes of assessment of the RPT.

In the exercise of its duties, the RPTC can use, at the Company's expense, the consultancy of one or more experts of its choosing, identified among persons of recognised professionalism and competence on the

matters that are the subject of the RPT, whose independence and absence of conflicts of interest it ascertains.

Following its appraisals, the RPTC issues its opinion in good time to be transmitted to all Directors before the meeting of the Company's Board of Directors convened to approve the RPT and transmits it also to the CFO, the General Counsel and the IA Function Manager. The opinion is attached to the minutes of the committee meeting.

Once the opinion of the RPTC has been expressed, the RPT is subjected to approval of the Company's Board of Directors; any directors involved in the transaction abstain from voting on it.

### 3.3.2 Informative phase

#### *Market disclosure*

Without prejudice to the obligations set down in art. 114, subsection 1 of the consolidated finance act, in the presence a negative non-binding opinion of the RPTC, in the person of the Executive Director with the support of the General Counsel and following approval of the Board of Directors, the Company places at the disposal of the public, within 15 days from the end of each quarter, at the company headquarters and with the methods indicated by statutory legislation, a document containing details of the Counterparty, the subject, and the consideration of the RPTs approved in the reference quarter and of the reasons for which it was decided to reject said negative opinion expressed by the RPTC.

#### *Periodic disclosure to the Board of Directors and the Board of Statutory Auditors*

Each quarter, the Executive Director supplies a complete disclosure concerning the execution of RPTs of Lesser Importance to the Board of Directors and the Board of Statutory Auditors. Also the Legal and Corporate Affairs Function will be responsible for keeping accurate records of the RPTs of Lesser Importance that occur during the reference period.

## **4. TRANSACTIONS EXCLUDED FROM APPLICATION OF THE PROCEDURE**

### *Definition of "Excluded transactions"*

The provisions as at this Procedure are not applicable to resolutions of the shareholders' meeting pursuant to article 2389, first subsection, of the Italian civil code concerning the compensation due to members of the Company's Board of Directors, or to resolutions concerning the remuneration of directors vested with special offices falling within the total amount established by the shareholders' meeting, pursuant to article 2389, third subsection, of the civil code and of the articles of association, or to resolutions of the shareholders' meeting as per article 2402 of the civil code concerning the compensation due to members of the Company's board of statutory auditors.

The provisions of this Procedure are not applicable to transactions resolved by the Company and addressed to all shareholders on the basis of equal conditions, including:

- (a) share capital increases by option, also to serve convertible debenture loans, and share capital increases through a scrip issue as provided for by article 2442 of the civil code;
- (b) total or partial demergers in the strictest sense, with proportional share assignment criterion;
- (c) share capital reductions via refund to shareholders as per article 2445 of the civil code and purchases of treasury shares pursuant to article 132 of the financial services act.

The provisions as at this Procedure are not applicable to RPTs for Smaller Amounts, these being intended, as already described in art. 2, to be transactions for an amount or anyway equivalent total aggregated annual value no higher than EUR 1,000,000 in cases wherein the Related Party is a legal entity, and EUR 200,000 if the Related Party is a natural person or a party other than a legal entity. For the purposes of correct identification of an RPT of Smaller Amount, note that it is not permitted to divide an RPT into several separate transactions in order to benefit from the exemption applicable to the minimal amounts threshold, despite the actual total value of the RPT.

Also the following transactions are excluded from application of this Procedure:

- (a) **Intercompany transactions** meaning RPTs performed with or between subsidiaries and with associated companies, provided there are no interests of other related parties of the Company identified as significant in the subsidiaries or associated companies.

Significant interests do not include those originating from the mere sharing of one or more directors or other managers with strategic responsibilities between the Company and the subsidiaries or associated companies.

- (b) **Board resolutions** concerning remuneration of directors vested with special duties, other than those prescribed in precedence, and of managers with strategic responsibilities, on the condition that:
  - i) the Company has adopted a remuneration policy;
  - ii) the remuneration policy was defined with the aid of a committee composed exclusively of non-executive directors, the majority of whom independent (the Remuneration Committee);
  - iii) a report illustrating the remuneration policy has been submitted to the shareholders' meeting for approval;

- iv) the remuneration assigned is in compliance with said policy.
- (c) **Compensation plans** based on financial instruments approved by the shareholders' meeting ex art. 114-(2) of the consolidated finance act and the associated executive operations.
- (d) **Ordinary transactions, meaning transactions conducted in the ordinary exercise of operating activities and the associated financial activity, completed at conditions equivalent to market conditions or standard conditions**, namely at conditions identical to those normally extended to unrelated parties for RPTs of a corresponding type, magnitude and risk, or based on regulated rates or on imposed prices, or prices applied to parties to which the Company is legally bound to pay or charge a specifically defined consideration. If this case is applicable, the Company must comply with the matters set down in article 4.1 hereunder.

The cases of exclusion provided for by this article are applicable also to transactions conducted through subsidiaries as at the following article 5.

#### 4.1 Decisional phase

In case of Transactions excluded because they are Ordinary, although of Greater Importance, the Executive Director, supported by the General Counsel, promptly communicates all the available information concerning the transaction to the Related Party Transactions Committee so that the Committee can check correct application of the exemption conditions of RPTs of Greater Importance defined as ordinary and conducted at market or standard conditions. The RPTC expresses its opinion in good time to allow communication to CONSOB within 7 days as required by the preceding paragraph 3.3.2.

The Executive Director informs the Board of Directors on an annual basis with regard to application of the exemption criteria at least in relation to Transactions of Greater Importance.

#### 4.2 Informative phase

Notwithstanding the disclosure obligations required by art. 114, subsection 1 of the consolidated finance act, in case of applicability of the cases of exclusion as at the previous article 4, letter d):

the Executive Director, with the aid of the General Counsel, informs CONSOB and the Directors sitting on the Related Party Transactions Committee, within 7 days from the time of approval of the transaction by the competent body (or, if the competent body resolves to submit a contractual proposal, within 7 days from the time in which the contract, also preliminary, is completed based on the applicable regulations), the Counterparty, the subject, and the consideration of the transactions that benefited from exclusion from the obligations to publish the Informative Document, and the reasons for which it is deemed that the transaction is ordinary and carried out at market or standard conditions, supplying objective elements of proof.

The Company specifies, in the half-year and annual Report on operations, in the context of the information as at article 5, subsection 8 of the CONSOB Regulation, which of the transactions subject to the indicated disclosure obligations has been conducted making use of the exclusion allowed in this paragraph.

## **5. TRANSACTIONS FOR WHICH THE SHAREHOLDERS' MEETING IS COMPETENT**

If the RPT to be conducted falls within the matters of the competence of or to be authorised by the shareholders' meeting, the same procedures must be complied with as those indicated in the above articles 3 and 4, making a distinction depending on whether the case concerns an RPT of Greater Importance or an RPT of Lesser Importance. In this case, the Related Party Transactions Committee must give its opinion at the time of approval, by the Company's Board of Directors, of the resolution proposal to be submitted before the shareholders' meeting.

The resolution proposal approved by the Company's Board of Directors is supplied together with the opinions of the RPTC and any independent experts appointed.

## **6. TRANSACTIONS CONDUCTED THROUGH SUBSIDIARIES**

The procedures described in the previous articles 3 and 4 are applicable also when an RPT is conducted by a subsidiary and the Interpump Group S.p.A. Board of Directors examines the transaction to be conducted or approves it in advance, on its own initiative or in application of a legal or regulatory prescription.

For this purpose, the Executive Director of each Subsidiary, supported by the Administrative Manager and/or the Financial Manager, informs the CFO, the General Counsel and the IA Function Manager of the potential RPT, whether of Greater or Lesser Importance, Ordinary, or of Smaller Amount.

The Executive Director of each subsidiary, supported by the Administrative Manager and/or the Financial Manager, is responsible for collecting and filing information concerning the RPTs completed in the reference period.

## **7. FRAMEWORK RESOLUTIONS**

For the purposes of this Procedure, the adoption of framework resolutions is permitted in relation to series of similar RPTs to be conducted by the Company, or through directly and/or indirectly held subsidiaries, with specific categories of Related Parties, which will be identified by the Company's board of directors. In this case, the framework resolutions:

- (a) must have a period of validity no greater than 1 year; and
- (b) must refer to sufficiently identified RPTs, indicating at least the foreseeable maximum amount of the transactions to be conducted in the reference period and the motivation of the specified conditions.



The framework resolutions must be adopted in compliance with the above provisions, in accordance with the foreseeable maximum amount of the transactions that are the subject of the framework resolution, considered cumulatively.

In the context of the periodic report on operations required by law and the articles of association, the Executive Director submits a complete disclosure on the state of implementation of framework resolutions to the Board of Directors and the Board of Statutory Auditors at least on a quarterly basis.

At the time of approval of a framework resolution by the Board of Directors, the Company will publish the associated Informative Document pursuant to CONSOB Regulation art. 5 if the foreseeable maximum amount of the Transaction to be conducted in the reference period identified in the framework resolution exceeds any of the importance indicators set down for Transactions of Greater Importance.

Single Related Party Transactions completed in implementation of a framework resolution are not subject to the provisions as at the previous articles 3, 4 and 5.

## **8. FINAL PROVISIONS**

The Board of Directors assesses, at least on a three-yearly basis, whether to revise the current procedure, taking account, among other aspects, of any changes that have occurred in the ownership structures and the effectiveness shown by the procedure in application practices. Any amendments to this Procedure are approved by the Board of Directors after receiving the opinion of the Related Party Transactions Committee.

This procedure is also transmitted, by the Legal and Corporate Affairs Function, to the Directors and the main corporate functions of the subsidiaries for their information and so they can act in compliance with it insofar as within their competence or under their responsibility.

The Board of Statutory Auditors monitors conformity of this Procedure with the general principles set down in the CONSOB Regulation and compliance with its contents and also reports to the Company's Shareholders' Meeting pursuant to art. 153 of the consolidated finance act.

The Procedures and the amendments thereto are published promptly on the company's Internet site, without affecting the obligation to publish the annual Report on operations, also on said Internet site, pursuant to article 2391-(2) of the Italian civil code.

Any matter not expressly regulated by the terms of this Procedure shall be subject to the provisions of statutory legislation and the regulations in force.

## APPENDIX

### Responsibilities chart

<b>Function</b>	<b>Responsibility</b>
<b>Board of Directors</b>	<p>Adopts procedures designed to ensure transparency and substantive and procedural correctness of RPTs.</p> <p>Deliberates in relation to RPTs for which a vote of the administrative body is required.</p> <p>Supervises the correct application of this Procedure.</p>
<b>Executive Director</b>	<p>With the support of the General Counsel and the IA Function, prepares a complete and adequate disclosure concerning the RPTs in which the Company is involved.</p> <p>Provides timely information, with the support of the General Counsel, the Related Party Transactions Committee and the Board of Directors, concerning the RPTs in which the Company is involved.</p> <p>Prepares periodic disclosures to the Board of Directors, the Board of Statutory Auditors and, further to approval of the entire Board of Directors, to CONSOB and the market.</p>
<b>Related Party Transactions Committee</b>	<p>Issues a non-binding opinion on RPTs of Lesser Importance.</p> <p>Issues a binding opinion on RPTs of Greater Importance.</p>
<b>Board of Statutory Auditors</b>	<p>Supervises over conformity of this Procedure with the principles set down in the CONSOB Regulation.</p>
<b>CFO</b>	<p>The CFO is involved in the analyses conducted on RPTs by the General Counsel.</p> <p>Supports, with the General Counsel and the IA Function, the Executive Director in managing the reporting to the Related Party Transactions Committee, the Board of Directors and, if applicable, to CONSOB and to the market.</p>

<p><b>General Counsel</b></p>	<p>Coordinates the IA Function in regard to the support that it supplies to the Executive Director.</p> <p>The General Counsel is responsible for the Legal and Corporate Affairs Function, which ensures the updating and implementing of the Related Parties List.</p>
<p><b>IA Function Manager</b></p>	<p>Supports the Executive Director and General Counsel in the evaluation of RPTs and in the management of information flows inside and outside the Company.</p> <p>The IA Function Manager is responsible for verifying the correct application of this Procedure.</p>