



**REGULATIONS OF THE BOARD OF DIRECTORS  
OF INTERPUMP GROUP S.p.A.**

**Approved by the Board of Directors on 18 March 2022**

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**Introduction**

These regulations (the “**Regulations**”) govern the functioning of the Board of Directors of Interpump Group S.p.A., with registered office in Via E. Fermi 25, S. Ilario d’Enza (RE), 42049 – Italy (hereinafter the “**Company**” or “**IPG**”).

For any matters not expressly regulated herein, reference should be made to the provisions of the Company’s by-laws (hereinafter the “**Articles of Association**”).

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**Art. 1 – Composition of the Board of Directors**

Pursuant to art. 14.1 of the Articles of Association, the Company is managed by a Board of Directors composed of a minimum of three and a maximum of thirteen members appointed by the Shareholders’ Meeting but who may not be shareholders.

The Board of Directors is made up of executive and non-executive directors appointed in compliance with the applicable regulations on gender diversity and the minimum number of directors who meet the independence requirements pursuant to the combined provisions of Articles 147-(3) and 148 of the Consolidated Finance Act (hereinafter the “**CFA**”) and the principles and recommendations of the Corporate Governance Code for Listed Companies issued and promoted by the Corporate Governance Committee of Borsa Italiana S.p.A. (hereinafter the “**Corporate Governance Code**” or the “**Code**”).

The number of directors belonging to the under-represented gender on the Board of Directors, as well as the number of independent directors, shall be proportionate to the number of directors elected.

**Art. 2 – Appointment and Replacement of Directors**

The procedures for the appointment of the directors are regulated by applicable laws and regulations and by art. 14 of the Articles of Association.

Directors are appointed on the basis of slates submitted by the shareholders, in which candidates are listed with a consecutive number. As a minimum, the candidate whose name is at the top of the slate shall meet the independence requirements set out in the combined provisions of Articles 147-(3) and 148 of the CFA.

Slates with three or more candidates must contain candidates of different gender, in compliance with the relevant legislation.

If one or more directors should cease to hold office, and provided that this does not cause the majority of the directors elected by the Shareholders’ Meeting to cease holding office, the Board of Directors shall replace them in accordance with the law, and in compliance with the rules on gender balance set out in the applicable legal and regulatory provisions and in the Articles of Association. If the director who has ceased to hold office is an independent member of the Board of Directors, he or she must be replaced by an independent director.

**Art. 3 – Term of Office of Directors**

Directors shall hold office for a maximum of three financial years or for a shorter period as may be determined by the Shareholders’ Meeting. Directors may be reappointed.

#### **Art. 4 – Number of Offices Held**

As regards the quantitative limit to the number of offices held by directors, it is hereby established that:

- (a) the availability of time to devote to the performance of duties is a basic requirement that directors must meet, also taking into consideration any positions as members of internal Board Committees that they may be called upon to hold. Serving directors must therefore constantly assess the adequacy of the time that they can dedicate to the performance of their duties, bearing in mind the time they already devote to other work and professional activities, as well as to the performance of duties in relation to positions held in other companies;
- (b) with regard to the obligation for directors to disclose to the Company the positions of non-executive director or auditor held in certain types of companies, as well as the positions of executive director in any company, the Board recommends that the Shareholders' Meeting not appoint persons as executive directors of the Company when said persons already hold executive appointments in one or more other companies (including companies not classified as "significant companies", with the sole exception of those that merely hold real estate, equity investments or other assets with annual sales not in excess of 50 million euro), or that are non-executive directors in four or more other significant companies. For the purposes of these Regulations, "significant companies" means companies listed on regulated markets (including foreign markets), finance companies, banks, insurance companies, and/or companies of significant size, i.e. those which, in the last financial year, had a total value of assets or revenues in excess of 500,000,000.00 (five hundred million/00) euro;
- (c) the Shareholders' Meeting shall not appoint directors of the Company to non-executive, independent or non-independent office when said directors are already executive directors in two or more significant companies, or non-executive directors or statutory auditors in ten or more other significant companies;
- (d) the Board shall only assign executive offices to directors appointed at the Shareholders' Meeting and shall only approve the assignment of executive offices in Interpump Group companies when this is not incompatible with the above indicated limits, unless the Board, by way of a reasoned decision, rules that there exist reasonable and objective grounds for temporarily or permanently departing from said limits.

#### **Art. 5 – Chairperson and Deputy Chairperson of the Board of Directors**

If the Shareholders' Meeting has not already done so, the Board of Directors shall elect a Chairperson from among its members. The Board of Directors may also elect a Deputy Chairperson to replace the Chairperson in the event of the latter's absence or impediment, as decided by the Board at the time of appointment.

The office of Chairperson and that of Deputy Chairperson are not incompatible with that of Chief Executive Officer.

The Chairperson chairs the meetings of the Board of Directors and, in the event of his/her absence or impediment, the chair is taken by the Deputy Chairperson or, in the event of the absence or impediment of the latter, by the director appointed by the majority of the directors present.

#### **Art. 6 – Executive Directors**

Within the limits established by art. 2381 of the Italian Civil Code, the Board of Directors may delegate its powers to one or more of its members, with the title of executive directors, with joint and/or several powers, establishing the limits of the powers assigned.

The Board of Directors may also delegate particular functions or special duties to individual members. Executive directors, if appointed, are required to comply with the obligations provided for by law and report to the Board of Directors and the Board of Statutory Auditors pursuant to art. 2381, paragraph 5 of the Italian Civil Code, within the maximum term provided for in the same article.

#### **Art. 7 – Secretary of the Board of Directors**

On a proposal from the Chairperson, the Board of Directors shall appoint and revoke as Secretary to the Board of Directors a person in possession of the minimum requirements of professionalism, experience and independence for said post.

The Secretary reports hierarchically and functionally to the Board and, consequently, to the Chairperson.

In addition to cooperating with the Chairperson in preparing the meetings of the Board of Directors and the Shareholders' Meeting, and in managing the pre-meeting disclosure and the drafting of the Board's minutes, the Secretary provides impartial assistance and advice to the Board on the most significant aspects concerning the proper functioning of the corporate governance system.

#### **Art. 8 – Independent Directors**

The number and competences of independent directors shall be adequate to the needs of the business and the functioning of the Board, as well as to the establishment of the relevant committees.

Without prejudice to the obligation of each director to perform his or her duties with the diligence required by the nature of the office and of his or her skills, and on the basis of the information provided by the directors themselves or made available to the Company, and further to the principles set out in art. 2 of the Corporate Governance Code, the Board shall assess the independence of its members at least once a year after their appointment and when circumstances relevant to independence arise.

A director is not considered independent if:

- (a) he or she is a significant shareholder of the Company;
- (b) he or she is, or has been in the previous 3 (three) fiscal years, an executive director or an employee:
  - of the Company, a strategically important subsidiary of the Company, or a company under common control;
  - of a significant shareholder of the Company;
- (c) he or she, directly or indirectly (for example, through subsidiaries or companies of which he or she is an executive director, or a partner in a professional or consultancy firm), has, or in the preceding three (3) financial years has had, a significant commercial, financial or professional relationship:
  - with the Company or one of its subsidiaries, or with the relevant executive directors or top management of the Company or one of its subsidiaries;
  - with a party who, including in conjunction with others through a shareholders' agreement, controls the Company; or, if the controlling party is a company or entity, with the relevant executive directors or top management of such company or entity;
- (d) he or she receives, or has received in the previous 3 (three) financial years, from the Company, one of its subsidiaries or the parent company, significant additional remuneration with respect to the fixed remuneration for the office and the remuneration provided for membership of Committees established by the Board of Directors;
- (e) he or she has been a director of the Company for more than 9 (nine) financial years, including non-consecutive years, in the last 12 (twelve) financial years;
- (f) he or she serves as an executive director in another company in which an executive director of the Company serves as a director;

- (g) he or she is a partner or director of a company or entity belonging to the network of the company appointed to perform the independent audit of the Company;
- (h) he/she is a close family member of a person who finds themselves in one of the situations referred to in the previous points.

For the purpose of the above-mentioned assessment, the Board may, with regard to the position of each director, take into account any useful further element by adopting additional criteria, including partly different ones, which give priority to substance over form.

The results of the assessments of director independence are notified to the market immediately after the appointment of the directors by means of a specific disclosure and, subsequently, in the Report on Corporate Governance and the Ownership Structure pursuant to art. 123-(2) of the CFA.

### **Art. 9 – Lead Independent Director**

With the abstention of the non-independent directors, the Board of Directors may appoint an independent director as Lead Independent Director. It does so in any case if:

- (a) the Chairperson of the Board of Directors is the Chief Executive Officer or holds significant management powers;
- (b) the office of Chairperson is held by an individual who controls the Company, including jointly with others;
- (c) even in the absence of the conditions described in letters a) and b), the majority of independent directors so request.

The Lead Independent Director works with the Chairperson to ensure that directors are provided with complete, timely and up-to-date information flows and to ensure coordination of requests and contributions of non-executive directors, in particular independent directors.

The Lead Independent Director coordinates meetings of the independent directors and, at least once a year, convenes a meeting of only the independent directors to discuss issues related to the functioning of the Board of Directors and management of the Company.

### **Art. 10 – Role and Duties of the Board of Directors**

Without prejudice to the powers attributed to it pursuant to art. 14, paragraph 17 of the Articles of Association, the Board of Directors carries out the activities identified in the Corporate Governance Code and, inter alia:

- (a) examines and approves the business plan of the Company and of the group it heads, including on the basis of the analysis of issues relevant to the generation of long-term value, carried out with the support of the Audit, Risks and Sustainability Committee, the composition and functions of which are determined by the Board of Directors;
- (b) periodically monitors implementation of the business plan and assesses the general performance of operations, intermittently comparing the results achieved with those planned;
- (c) defines the nature and level of risk compatible with the Company's strategic objectives, and includes in its assessments all elements that may be relevant to the Company's sustainable success;
- (d) defines the corporate governance system of Company and the structure of the group it heads, and assesses the adequacy of the organizational, administrative and accounting structure of the Company and its strategically important subsidiaries, with particular reference to the internal audit and risk management system;
- (e) discusses transactions carried out by the Company and its subsidiaries that have a significant impact on its strategy, profitability, assets and liabilities or financial position; to this end, it establishes the general criteria for identifying significant transactions;

- (f) in order to ensure proper management of corporate information, adopts, on a proposal from the Chairperson, a procedure for internal handling and external disclosure of documents and information concerning the Company, with particular reference to inside information;
- (g) confers and revokes the powers of the directors, defining their limits and the manner in which they are exercised;
- (h) decides on matters that are reserved to the Board of Directors by law or by the Articles of Association and on any other matter that it deems to be within its remit;
- (i) promotes dialog and relations with the Company's shareholders and other stakeholders.

#### **Art. 11 – Convening of the Board of Directors**

Pursuant to art. 16 of the Articles of Association, the Board of Directors is convened by the Chairperson or, if the latter is unable, by the Deputy Chairperson or by the Chief Executive Officer whenever deemed appropriate and/or necessary and when requested by at least 2 directors.

The Board of Directors is convened at the registered office or elsewhere by means of a notice sent to the directors and the statutory auditors by registered mail or e-mail at least 5 (five) days prior to the date set for the meeting and, in case of urgency, at least 2 (two) days prior to said date.

When all the directors and statutory auditors are present, the meetings of the Board of Directors and any resolutions deriving therefrom are deemed valid even without the meeting having been formally convened.

The meetings of the Board of Directors are also validly convened when they are held by means of video/audio conference, provided that the participants can be identified by the Chairperson and all the other participants and that they are able to take part in real time in the discussion and exchange documents relating to the items on the agenda. If such circumstances arise, the meeting is considered to have been held in the place where the Chairperson and Secretary are located in order to allow the minutes of the meeting to be drawn up.

In exceptional cases that do not allow for the Chairperson and Secretary to be present in the same place, those present may nevertheless agree to the Board meeting being held, subject to clarification, duly minuted, of the reasons for which the Chairperson and Secretary were not able to be present in the same place.

#### **Art. 12 – Resolutions of the Board of Directors**

Resolutions of the Board of Directors shall be valid if a majority of the directors in office are present and a majority of those present vote in favor.

The resolutions of the Board shall be recorded in the minutes signed by the Chairperson and the Secretary.

The minutes of the meetings of the Board of Directors shall be drawn up by the Secretary. A draft thereof shall be submitted to the directors for their remarks and observations. If amended, the minutes are approved at the subsequent Board meeting and transcribed into the Book of Meetings and Resolutions of the Board of Directors.

#### **Art. 13 – Pre-Meeting Disclosure**

For the purpose of assessing the items on the agenda, the directors are provided with the appropriate information to allow them to express their views and vote in an informed manner.

The documentation is made available to the directors well in advance of the Board meeting and in compliance with the necessary confidentiality. In this respect, the Chairperson identifies the most appropriate measures for protecting the confidentiality of the data and information provided, so as not to prejudice the timeliness and

completeness of information flows. For the above purposes, the Chairperson may require that access to the information provided be made possible through the use of credentials (for example, an electronic document protected by a password) that must be kept diligently and confidentially in order to prevent unauthorized parties from gaining access to the information.

Board members shall receive the documentation relating to each meeting within the 4 (four) days prior to the meeting, except in cases of urgency, in which case the information shall be made available to Board members as promptly as possible.

At any rate, the Chairperson of the Board of Directors shall ensure that adequate information is provided during Board meetings where it has not been possible to provide the necessary pre-meeting disclosure well in advance.

The directors and statutory auditors are required to ensure the confidentiality of the documents and information acquired in the performance of their duties, and to comply with the rules adopted by the Company for the dissemination of such documents and information, in accordance with the methods laid down in the specific internal procedures concerning the management and handling of inside and confidential information.

#### **Art. 14 - Committees**

The Board of Directors shall set up internal committees in compliance with the principles and recommendations of the Corporate Governance Code.

Without prejudice to the right of the Board of Directors to appoint further Committees or to curtail and/or modify their powers and duties, the Board of Directors shall appoint:

- (a) the Appointments Committee, composed of at least 3 (three) directors, the majority of whom are independent;
- (b) the Remuneration Committee, composed of at least 3 (three) non-executive directors, the majority of whom are independent, and chaired by an independent director;
- (c) the Audit, Risks and Sustainability Committee, composed of at least 3 (three) non-executive directors, the majority of whom are independent, chaired by an independent director;
- (d) the Related Party Transactions Committee, composed of at least 3 (three) directors, all of whom are independent.

With regard to the organizational and management provisions of each Committee, reference should be made to their regulations as approved by the Board of Directors.

#### **Art. 15 – Internal Audit and Risk Management System**

Consistent with the provisions of the Corporate Governance Code, the Board of Directors, having consulted the Audit, Risks and Sustainability Committee:

- (a) defines, at least once a year, the guidelines of the internal audit and risk management system in line with the Company's strategies and assesses its adequacy and efficiency;
- (b) appoints and revokes the head of the Internal Audit Function, ensuring that the Function is provided with adequate resources to carry out its duties; moreover, after consulting the Board of Statutory Auditors, it approves, at least once a year, the work plan prepared by the head of the Internal Audit Function;
- (c) in the Report on Corporate Governance and Ownership Structure pursuant to art. 123-(2) of the CFA, describes the main features of the internal audit and risk management system, expressing its judgment with regard to its adequacy;
- (d) after consulting the Board of Statutory Auditors, assesses the results presented by the independent auditor in the letter of recommendations, if any, and in the report on key issues arising from the audit.

In carrying out these functions, the Board of Directors shall be assisted by the director in charge of the internal audit and risk management system and the Audit, Risks and Sustainability Committee.

#### **Art. 16 - Self-Assessment**

The Board of Directors shall, on an annual basis, carry a self-assessment of its work and, if necessary, undertake to implement any improvements suggested by the directors.

Self-assessment focuses on the size, composition and effective functioning of the Board of Directors and its Committees. The self-assessment likewise takes into account the role played by the Board of Directors in defining strategies and monitoring management performance, and the adequacy of the internal audit and risk management system.

#### **17 – Final Clauses**

All amendments to these Regulations have been approved by the Board of Directors. Having duly informed the other directors at the first validly convened meeting, the Chairperson may proceed directly to the implementation of the amendments to the Regulations following legislative and/or regulatory measures, changes in the organizational structure of the Company or specific resolutions adopted by corporate bodies.