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**REPORT ON REMUNERATION POLICY AND COMPENSATION PAID**

**INTERPUMP GROUP S.P.A.**

**Prepared pursuant to art. 123-(3) of Decree 58 dated 24 February 1998**

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17 March 2023

The complete document is available on the corporate website [www.interpumpgroup.it](http://www.interpumpgroup.it)

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## INTRODUCTION

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

- **Section I:** contains (i) a description of the 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 executives with strategic responsibilities (“**Key Management Personnel**”), as well as, without prejudice to the provisions of art. 2402 of the Italian Civil Code, the members of the **Board of Statutory 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 will be submitted to a binding vote at the Shareholders’ Meeting scheduled for 28 April 2023.
- **Section II:** contains a review of the captions comprising the remuneration recognized to the above people in 2022. The second Section of the Report will be submitted to a consultative vote at the Shareholders’ Meeting scheduled for 28 April 2023.

This Report has been prepared in compliance to art 123-(3) of Decree 58 dated 24 February 1998 (the “**Consolidated Finance Act**” or “**TUF**”), art. 84-(4) and formats 7-(2) and 7-(3) in Annex 3A to Consob Regulation 11971/1999 (the “**Issuers’ Regulation**”), and the principles and recommendations contained in the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A. in January 2020 (the “**Corporate Governance Code**”), which the Company has adopted, as well as for the purposes of art. 3.2, letter (b), of the Related-Party Transactions Procedure approved by Interpump on 10 November 2010 and subsequent amendments (the “**Procedure**”). This Report detailed information to the Shareholders of Interpump Group S.p.A. and to the market about the Policy for the remuneration and incentivization of:

- (i) Executive and non-executive directors;
- (ii) Key Management Personnel, construed as people having the power and responsibility, either directly or indirectly, for planning, supervision and control of the business of the Company 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 amendments;

(iii) members of the Board of Statutory Auditors.

The Company has adopted concrete business strategies in pursuit of sustainable success, especially with regard to ESG (*Environmental, Social, Governance*) matters, setting precise objectives. Accordingly, it was appropriate to revise the Remuneration Policy, whose purposes include linking the remuneration of Executive Directors and Key Management Personnel with the achievement of ESG objectives.

Drawing inspiration from the principles embodied in the Corporate Governance Code, the Remuneration Policy also (i) contributes to the success of corporate strategies, being designed to attract and motivate experienced professional resources in pursuit of the objectives set by the Company and the Group, as well as to incentivize 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 2022 to the Directors, including those assigned of special duties and the other executive and non-executive directors, and the Statutory Auditors.

This Report on Remuneration Policy and Compensation Paid was approved by the Board of Directors of the Company, acting on a proposal from the Remuneration Committee, on 17 March 2023. The Report may be revised and updated subsequently by the Board of Directors, acting on a proposal from the Remuneration Committee, which periodically assesses its adequacy, overall consistency and practical application, subject in all cases to the binding vote of the Shareholders, to be cast on 28 April 2023, on the First Section of the Report.

## FIRST SECTION OF THE REPORT - REMUNERATION POLICY

### 1. Introduction - Company Information

Interpump Group S.p.A. was formed on 1 December 1995 and has been listed on the Milan Stock Exchange since 1996. The Company was admitted to the Euronext STAR Milan segment of the Italian Stock Exchange on 1 April 2001, reflecting its compliance with the related transparency and corporate governance requirements, and has been included in the FTSE-MIB panel 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 having 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. At the date of this Report, 17 March 2023, the Board of Directors comprises 10 members; a new administrative body will be appointed at the Shareholders' Meeting scheduled for 28 April 2023.

The Shareholders' Meeting held on 30 April 2020 appointed Fulvio Montipò as the Chairman of the Board of Directors of Interpump Group S.p.A. On the same date, the Board of Directors appointed Fulvio Montipò as the Chief Executive Officer, granting him specific operating powers as his functional responsibility. Following a detailed analysis, the Board of Directors has not identified any Key Management Personnel since, given the organizational structure of the Group, there are no executives whose characteristics fit the relevant profile.

The Remuneration Committee, appointed on 30 April 2020, comprises 3 non-executive members, 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).

The Remuneration Policy presented below and submitted to the Shareholders of Interpump Group S.p.A. for approval has a duration of three years, covering the period 2023-2025. 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.

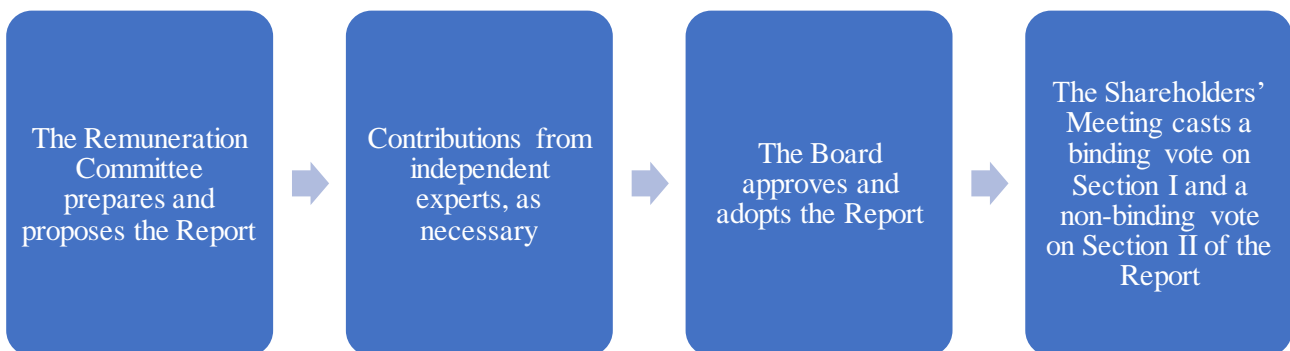
## 2. Procedures utilized for the adoption, revision and implementation of the Remuneration Policy

### 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 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 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), TUF.

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) TUF, 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;
- determination of the total remuneration of the Board of Directors and the Board of Statutory Auditors;
- expression of a binding vote on Section I of the Report on remuneration policy and compensation paid (namely the Remuneration Policy) and a consultative vote on Section II 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 approval by the Shareholders, the Board of Directors is also responsible for:

- (i) allocating the overall compensation established for the Directors at the Shareholders' Meeting, pursuant to the provisions of art. 2389, subsection 1, of the Italian Civil Code, if not already decided at the Shareholders' Meeting;
- (ii) determining the remuneration of the Directors assigned of special duties pursuant to art. 2389, subsection 3, of the Italian Civil code, further to a proposal from the Remuneration Committee;
- (iii) analyzing the incentive plans to be submitted for shareholder approval;
- (iv) establishing a Remuneration Committee from among its members, determining the related duties and approving the regulation that governs its functioning;
- (v) evaluating the consistency of the criteria adopted for the remuneration of Key Management Personnel, if identified, with the Remuneration Policy, having heard the recommendations of the Remuneration Committee.

### **2.1.3 Board of Statutory Auditors**

In expressing its opinion on the remuneration of Directors assigned special duties, in compliance with article 2389, subsection 3, of the Italian Civil Code, the Board of Statutory Auditors assesses the consistency of the proposals with this Remuneration Policy. Pursuant to art. 149, subsection 1, letter c-(2) of the Consolidated Finance Act, the Statutory Auditors 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 Remuneration Committee: role, composition and functions**

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 Key Management Personnel 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 Key Management Personnel 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 Key Management Personnel 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 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 Key Management Personnel;
  - 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, subsection 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 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 Key Management Personnel with services of such significance that the independence of judgment of the consultants is jeopardized.

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 Statutory 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 matters, at the first meeting held on 10 February 2022 the Committee:

- examined proposals to be made to the Board of Directors about the Remuneration Policy of Interpump from 2022 onwards.

During the second meeting, held on 15 March 2022, the Committee:

- proposed to the Board of Directors the examination and approval of the Remuneration Policy, prepared for application in the three-year period 2021-2023, for presentation at the Shareholders' Meeting held to approve the draft 2021 financial statements;
- proposed to the Board of Directors the compensation for the office of Director and the total maximum remuneration of Directors assigned special duties in relation to 2022, and for the period from 1 January 2023 until the date of approval of the 2022 financial statements;
- proposed to the Board of Directors the recognition of bonuses for 2021 to be assigned to the Chairman and Chief Executive Officer, based on achievement of the objectives established by the Board;
- proposed to the Board of Directors the draft prospectus for the Interpump Group incentive plan, known as the "Interpump Incentive Plan 2022-2024", and related regulation;
- proposed to the Board of Directors a draft of the related explanatory report to the Shareholders' Meeting called for 29 April 2022.

During the third meeting held on 26 April 2022, the Committee:

- proposed to the Board of Directors the compensation to be allocated to the individual directors with specific responsibilities and the members of Board committees in relation to 2022 and for the period from 1 January 2022 until the date of approval of the 2022 financial statements;
- proposed to the Board of Directors the 2022 bonuses to be assigned to the Executive Directors of the Group, based on achievement of the objectives established by the Board, and the objectives associated with those bonuses;
- proposed to the Board of Directors the methods for assigning options to the beneficiaries in relation to the 2021 tranche of the "Interpump Incentive Plan 2019-2021";
- proposed to the Board of Directors the percentage allocation of the options in each tranche with reference to the "Incentive Plan 2022-2024", the names of the beneficiaries, the number

of options to assigned to them and the performance objectives to be achieved.

During the fourth meeting held on 7 November 2022, the Committee:

- proposed to the Board of Directors that 15% of the options relating to the "Incentive Plan 2022-2024" should vest with reference to 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 guarantees a safe and functional working environment, respecting the fundamental health and safety criteria. In particular, as envisaged in the Group's Code of Ethics, the Company strive to promote respect for human and workers' rights, environmental, social, economic and cultural rights and personal freedoms, in all their forms, repudiating any discrimination, violence, corruption or exploitation of work or child labor.

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 favor 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 resources to the Company, or retain internal resources or recognize 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 past, 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 resources in pursuant of the financial and non-financial objectives of the Company and the Group, as well as to incentivize 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, having regard for 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 conformity with the UN Sustainable Development Goals and the GRI recommendations, and following a detailed and structured analysis of materiality, 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	Description
<p style="text-align: center;"><b>Environment</b></p>	<p>The Environment area includes such macro-objectives as the management of <b>Climate Change</b>, for which the objective is to reduce by 30% the carbon intensity of the Group and increase by up to 25% the recourse made to renewable energy; the management of the <b>Product life cycle</b> and the more <b>efficient use of water resources</b>.</p>
<p style="text-align: center;"><b>Social</b></p>	<p>The Social area includes such macro-objectives as <b>Occupational health and safety</b>, 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; <b>Personnel development</b>, with objectives to increase the per capita number of non-mandatory training hours; <b>Responsible supply chain</b> and <b>Diversity and Inclusion</b>.</p>
<p style="text-align: center;"><b>Governance</b></p>	<p>The Governance area includes such macro-objectives as the <b>Governance of sustainability</b>, the <b>Dissemination of ESG principles</b>, the formalization of a <b>Succession plan</b>, <b>Transparent tax management</b> and <b>Communication</b> of the achievement of ESG objectives.</p>

### 1.1. Principles of the Remuneration Policy

Adoption of the ESG Plan and its application within the concrete 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 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 for reporting in the NFS (Non-Financial Statement).

Accordingly, remuneration is based on the results effectively achieved in the ESG areas that are linked both to personal 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:

- **proper integration of 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 having regard for 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 in large measure to an extended time horizon. These objectives are consistent with the strategic objectives of the Company and seek to promote its sustainable success, even in terms of such non-financial parameters as those established for the ESG areas;
- **time interval** for the variable component: the Remuneration Policy establishes an appropriate deferral period for payment of a significant part of the variable component;
- **respect for and appreciation of the individual:** Interpump recognizes that professional commitment and potential are decisive criteria for earnings 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 having regard for the compensation and working conditions of employees;

- **contractual agreements for return of the variable component:** the Company may establish “*claw back/malus*” clauses that allow it to request repayment or to withhold variable components of remuneration, in whole or in part, should data subsequently be recognized 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 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 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. It seeks 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 Stock Exchange Regulation and Instructions for retaining "STAR" status. In addition, Interpump and Group companies comply with the laws governing the remuneration of those members of its administrative bodies who are also administrators 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.

## 1.2. 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 approval of the financial statements 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 incentivizes the recipients of the remuneration approved by the competent corporate bodies and is consistent with the steady, 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 favor of 56% - with reference to the First Section - and 59% - with reference to the Second Section - of all the shares eligible to vote. The Remuneration Policy was not voted on at the Shareholders' Meeting held in 2022, since no changes had been made with respect to the edition approved in 2021. 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 improvement 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, Key Management Personnel and the Board of Statutory Auditors**

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

- Executive Directors, including Directors assigned special duties 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 Key Management Personnel, if identified;
- non-executive Directors, including the independent Directors;
- Board of Statutory Auditors.



## 5. Remuneration of Executive Directors and Key Management Personnel

The remuneration of the Executive Directors and Key Management Personnel, if identified, includes a fixed component, a 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 Key Management Personnel.

Remuneration component	Purpose	Criteria and parameters
<b>Fixed remuneration</b>	Tuned to attract, motivate and retain talented professionals.	Determined based on professional specialization, organizational role and the responsibilities and mandates assigned.
<b>Short-term variable component (MBO)</b>	<p>Recognition of the achievement of annual financial and non-financial objectives established by the Board of Directors, having consulted the Remuneration Committee.</p> <p>Paid annually and correlated with achievement of 100% of each component of the annual financial and sustainability objectives envisaged for each block of value.</p> <p>Commencing from this Report, contractual claw-back clauses will be applied.</p>	<p><b>Maximum limit: 75%</b> of the fixed remuneration, allocated as follows:</p> <ul style="list-style-type: none"> <li>- <b>35%</b> financial parameter linked to the Net Sales of the Group;</li> <li>- <b>35%</b> financial parameter linked to the EBITDA of the Group;</li> <li>- <b>15%</b> ESG objectives of the Group;</li> <li>- <b>15%</b> qualitative objectives.</li> </ul>

<p><b>Long-term variable component (LTI)</b></p>	<p>Promote the creation of medium/long-term sustainable value for the Company and the Group. Consists in the Interpump Incentive Plan 2022-2024 with a duration of three years.</p> <p>A claw-back clause is applied.</p>	<p><b>Vesting period: three years</b></p> <ul style="list-style-type: none"> <li>- <b>70%</b> of Net Sales and EBITDA, allocated as follows: <ul style="list-style-type: none"> <li>▪ 35% Net Sales</li> <li>▪ 35% EBITDA</li> </ul> </li> <li>- <b>15%</b> ESG objectives</li> <li>- <b>15%</b> qualitative personal objectives, using such parameters as collaboration, commitment and value added contributed to the Group</li> </ul>
<p><b>Benefits</b></p>	<p>Enrich the economic rewards with pension and insurance-related components.</p>	<p>Company car for personal and business use, Health insurance.</p>
<p><b>Termination indemnity</b></p>	<p>Safeguard the Company in the event of:</p> <ul style="list-style-type: none"> <li>- termination of the employment relationship or directorship;</li> <li>- reduction and/or limitation of the areas of responsibility and/or mandates;</li> <li>- demotion.</li> </ul>	<p><b>Chairman:</b> maximum amount equal to three times the gross annual average remuneration in the previous two years, inclusive of the “Fixed compensation”, “Fringe benefits”, “Non-equity variable remuneration” and “Other remuneration” and the no-competition agreement (not currently envisaged) and maintenance of the rights envisaged in the Interpump Incentive Plan.</p> <p><b>Executive Directors and Key Management Personnel:</b> maximum amount equal to the gross annual average remuneration in the previous two years, inclusive of the “Fixed compensation”, “Fringe benefits”, “Non-equity variable remuneration” and “Other remuneration” and the no-competition agreement (not currently envisaged).</p>
<p><b>Discretionary bonuses</b></p>	<p>The Board of Directors, having consulted the Remuneration Committee, may assign discretionary bonuses for specific operations and/or projects.</p>	<p><b>Limit:</b> 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 75% limit specified in the MBO plan.</p>

## 5.1 Fixed component

The level of fixed remuneration is mainly correlated with:

- i. professional specialization;
- ii. the organizational 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 performance and non-financial performance, such as in the ESG area. This variable remuneration component is never higher than 75% of the fixed component.

**5.2.2** In particular, the Company adopts a variable remuneration system called Management by Objectives (MBO), designed to incentivize the accomplishment of specific performance objectives by the Directors. The MBO plan, adopted annually by the Board of Directors having heard the opinion of the Remuneration Committee, envisages 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 through time of the performance objectives, having regard for the sustainability of remuneration.

**5.2.3** Assessment of the accomplishment 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 faculty to compensate the excess via other financial parameters, if in relation to the target objectives correlated with the financial reference parameters, remuneration for overperformance and/or application of interpolation formulas in the precise determination of the achievement of the objectives is not envisaged.

**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 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 oriented 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 Incentive Plan 2016-2018:** on 28 April 2016 the Interpump Shareholders' Meeting approved, pursuant to article 114-(2) TUF, an incentive plan denominated "Interpump Incentive Plan 2016-2018", to benefit employees, Directors and/or collaborators 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 TUF 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 an exercise 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 collaborators, 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, accomplished 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 returned to Interpump shareholders (total return) in the reference period.

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

**5.3.2. Interpump Incentive Plan 2019-2021:** on 30 April 2019 the Interpump Shareholders' Meeting approved, pursuant to article 114-(2) TUF, a new incentive plan known as the "Interpump Incentive Plan 2019-2021", to benefit employees, Directors and/or collaborators of the Interpump Group, identified - at the 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 TUF 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 an exercise 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 collaborators, 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 Interpump Incentive Plan 2022-2024:** on 29 April 2022 the Interpump Shareholders' Meeting approved, pursuant to article 114-(2) TUF, a new incentive plan denominated "Interpump

Incentive Plan 2022-2024", to benefit employees, Directors and/or collaborators 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 TUF 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 an exercise 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 collaborators, 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

- NFS (Non-Financial Statement): 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 organizational 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 Incentive Plan 2016-2018 and the Interpump Incentive Plan 2019-2021 both envisage - unless authorized 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 recognized as Key Management Personnel, 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 Incentive Plan 2022-2024 establishes - unless authorized 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 recognized as Key Management Personnel, 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 Incentive Plan 2022-2024 referred to in section 5.3.4 letter (b) above and given that, pursuant to art. 4.6 of the Interpump Incentive Plan 2022-2024 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 article 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 Incentive Plan 2022-2024.

**5.3.6** The Interpump Incentive Plan 2016-2018, the Interpump Incentive Plan 2019-2021 and the Interpump Incentive Plan 2022-2024 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 preset 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 organization chart; (iii) the level of compensation received overall; and (iv) staff retention requirements.

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

Art. 5 of the Interpump Incentive Plan 2022-2024 contains claw-back mechanisms, as envisaged in Recommendation 31 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 Key Management Personnel may include fringe benefits such as a company car, supplementary pensions and health insurance, other monetary benefits and forms of welfare. The following benefits are envisaged at the date of this Remuneration Policy: health insurance, company car for business and private use.

## **5.5. Indemnities on termination of the appointment or employment relationship**

**5.5.1** By resolution of the Board of Directors on 16th March 2020, the Company agreed a termination indemnity with Chairman Fulvio Montipò, should he cease to be a Director of the Company. Such indemnity is summarized 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 appointment or employment with its Executive Directors and Key Management Personnel, if this is considered appropriate in order to attract adequate professional resources or in the framework of the investment agreements signed in the ordinary course of business. The amount of such indemnities is determined with reference to the overall duration of the appointment 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 no-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 appointment 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 appointment or employment, the right to benefit from such indemnities may be recognized in the following cases:

- i. reduction and/or limitation of the areas of responsibility and/or mandates;
- ii. decrease in qualification.

**5.5.3** The financial instruments allocated to the Executive Directors and Key Management Personnel 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 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 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 appointment 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. no competition agreements, describing their principal characteristics;
  - v. all other compensation recognized 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 terminated director. 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 “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 Key Management Personnel 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. Clawback clauses**

The Company may agree claw-back clauses with Executive Directors and Key Management Personnel 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 Incentive Plan 2016-2018 and the Interpump Incentive Plan 2019-2021 do not envisage clauses of this type.

Conversely, the Interpump Incentive Plan 2022-2024 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 Incentive Plan 2022-2024 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 on allocation of the remuneration defined at the Shareholders' Meeting ex art. 2389, subsection 1, of the Italian Civil Code, based on a proposal of the Remuneration Committee, including

additional compensation that takes account of the commitment required of each non-executive Director, in particular in relation to 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 members of the board of statutory auditors, pursuant to art. 2402 of the Italian Civil Code, when they are appointed at the Shareholders' Meeting. The remuneration paid to the Statutory 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.

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## SECOND SECTION OF THE REPORT - COMPENSATION PAID

### 1. First Part

#### 1.1 Description of items comprising remuneration

- **“Fixed compensation”**: this is construed separately as (i) the emoluments authorized at the Shareholders' Meeting, even if not paid; (ii) attendance fees; (iii) fixed refunds of 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 compensation”**: 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-cash 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 entered 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 Options”**: 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”**: these are all medium/long-term incentive plans based on financial instruments other than options.

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In relation to 2022, the economic treatment of Directors assigned special duties comprises the elements listed below.

#### **A. Chairman and Chief Executive Officer – Fulvio Montipò**

- I. Fixed remuneration component: the fixed compensation awarded to the Chairman and Chief Executive Officer includes:
  - i. 1,731 thousand euro, of which 45 thousand euro as emoluments for the office of director, as authorized at the Shareholders' Meeting, and 1,500 thousand euro for the performance of special duties ex art. 2389, subsection 3, Civil Code and 186 thousand euro as payment to cover the costs incurred on personal security.
- II. Short-term variable remuneration component: non-equity variable compensation in the form of MBO plans. 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:
  - 620,000 options in the context of the Interpump Incentive Plan 2016-2018, now vested and exercised in full;
  - 1,800,000 options in the context of the Interpump Incentive Plan 2019-2021, now vested and exercised in full;
  - 1,620,000 options under the Interpump Incentive Plan 2022-2024.

See Table 2 for more details.



**B. Executive Director - Fabio Marasi**

- I. Fixed remuneration component: the fixed remuneration awarded to Executive Director Fabio Marasi comprises:
  - i. 179 thousand euro, of which 45 thousand euro as emoluments for the office of director, as authorized at the Shareholders' Meeting, 130 thousand euro as remuneration for his functions as an executive of Interpump Group S.p.A. and 4 thousand euro as fringe benefits.
- II. Short-term variable remuneration component for the function of executive of Interpump Group S.p.A: non-equity variable compensation in the form of MBO plans. Interpump awards a maximum bonus of 50 thousand euro to the executive on the achievement of specific qualitative and quantitative objectives. In addition, the executive was awarded a one-off discretionary bonus of 50 thousand euro for achievement, during the year, of additional qualitative and quantitative objectives.
- III. Medium/long-term variable remuneration component: Stock Options - assigned to Fabio Marasi at 31 December 2022:
  - 30,000 options in the context of the Interpump Incentive Plan 2019-2021, now vested and exercised in full;
  - 45,000 options under the Interpump Incentive Plan 2022-2024.

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 Section II 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 favorable opinion from the Board of Statutory Auditors, in conformity with the criteria described in the First Part of the Remuneration Report.

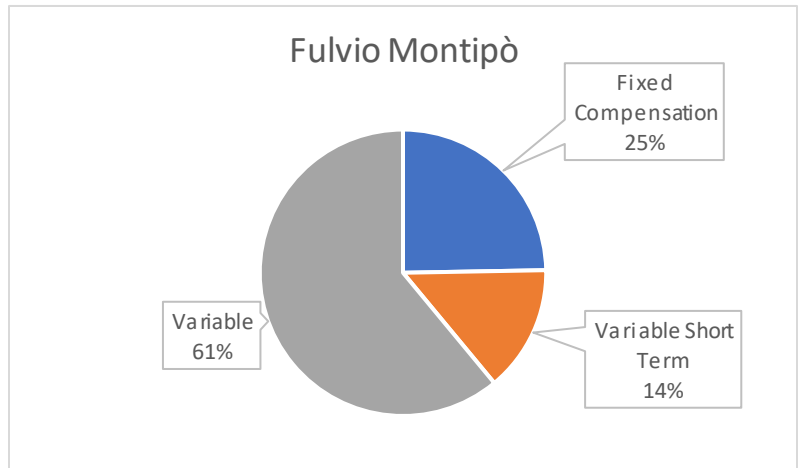
The Company has elected not to specify in this section the detailed correlation between the performance objectives envisaged and those achieved in relation to the variable remuneration of the Executive Directors, since the information mainly comprises unpublished, forecast data and details whose dissemination 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 remuneration<sup>1</sup>, non-equity, short-term variable remuneration (MBO)<sup>2</sup>, and share-based, medium/long-term incentives<sup>3</sup> earned by each Executive Director benefiting from variable components of remuneration are indicated below for 2022.

**Chairman and Chief Executive Officer – Fulvio Montipò**

(all amounts expressed in thousands of euro)

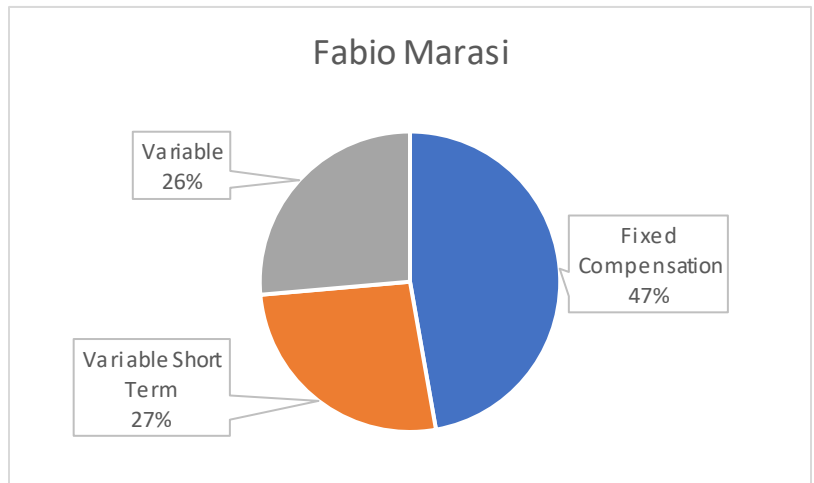
Remuneration	%
Fixed	24.7%
S-t Variable	14.3%
L-t Variable	61.0%
<b>Total</b>	<b>100%</b>



**Executive Director - Fabio Marasi**

(all amounts expressed in thousands of euro)

Remuneration	%
Fixed	47.2%
S-t Variable	26.4%
L-t Variable	26.4%
<b>Total</b>	<b>100%</b>



<sup>1</sup> Second Section, Table 1, columns (1), (4) and (5).

<sup>2</sup> Second Section, Table 1, column (3).

<sup>3</sup> Second Section, Table 1, column (7).

## 1.2 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 favorable opinion from the Board of Statutory Auditors, resolved to allocate to the Chairman and Chief Executive Officer, Fulvio Montipò, an indemnity for the termination of his appointment that would only become payable on termination of his relationship with the Company. This indemnity for termination of appointment is consistent with the indications and limits envisaged in the Remuneration Policy in force at the time. It has the following characteristics:

- i. **reasons for allocation:** the above indemnity for termination of appointment has been allocated to recognize 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 recognition:** 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 Fulvio Montipò.

- vi. **retention of non-monetary benefits or signature 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 Fulvio Montipò.

### **1.3 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.

### **1.4 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 clawback mechanisms in relation to the variable components of remuneration allocated to beneficiaries.

### **1.5 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.

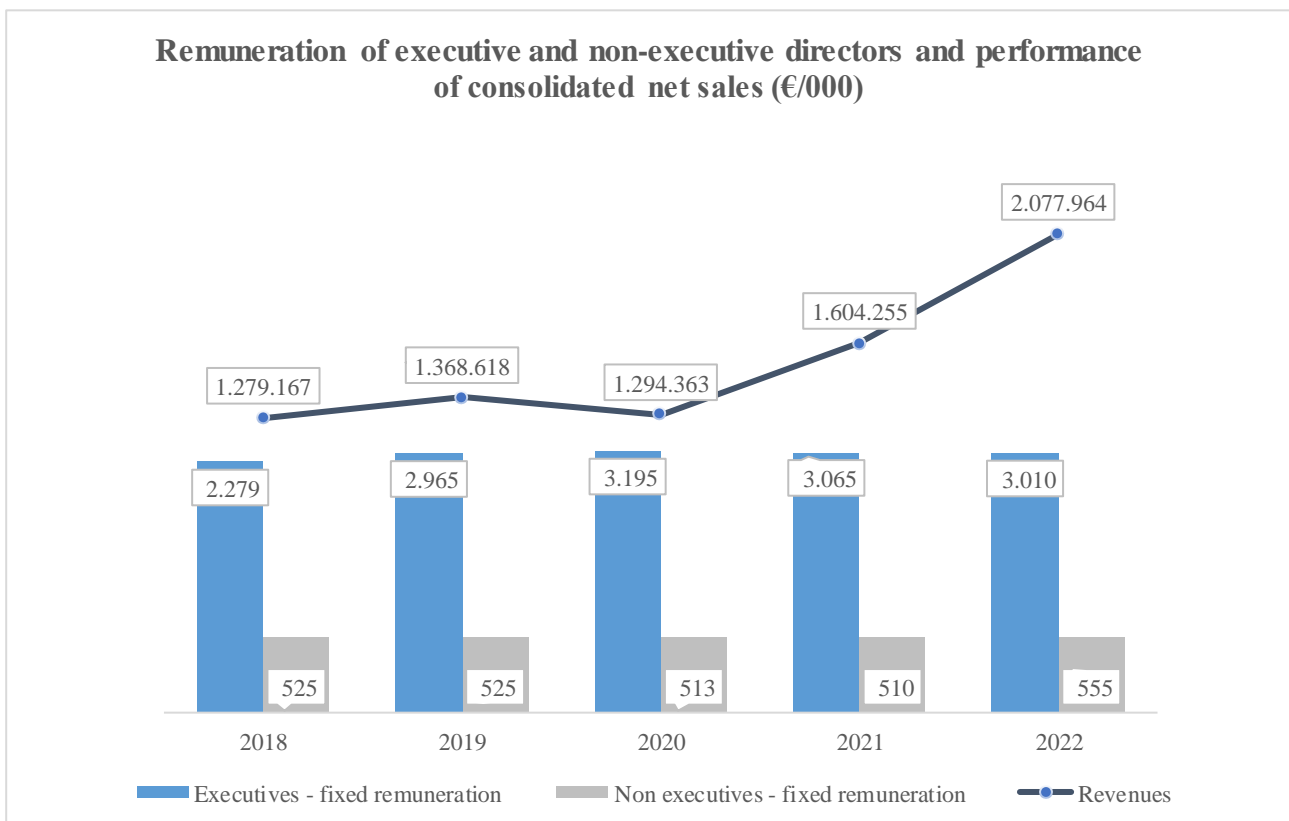
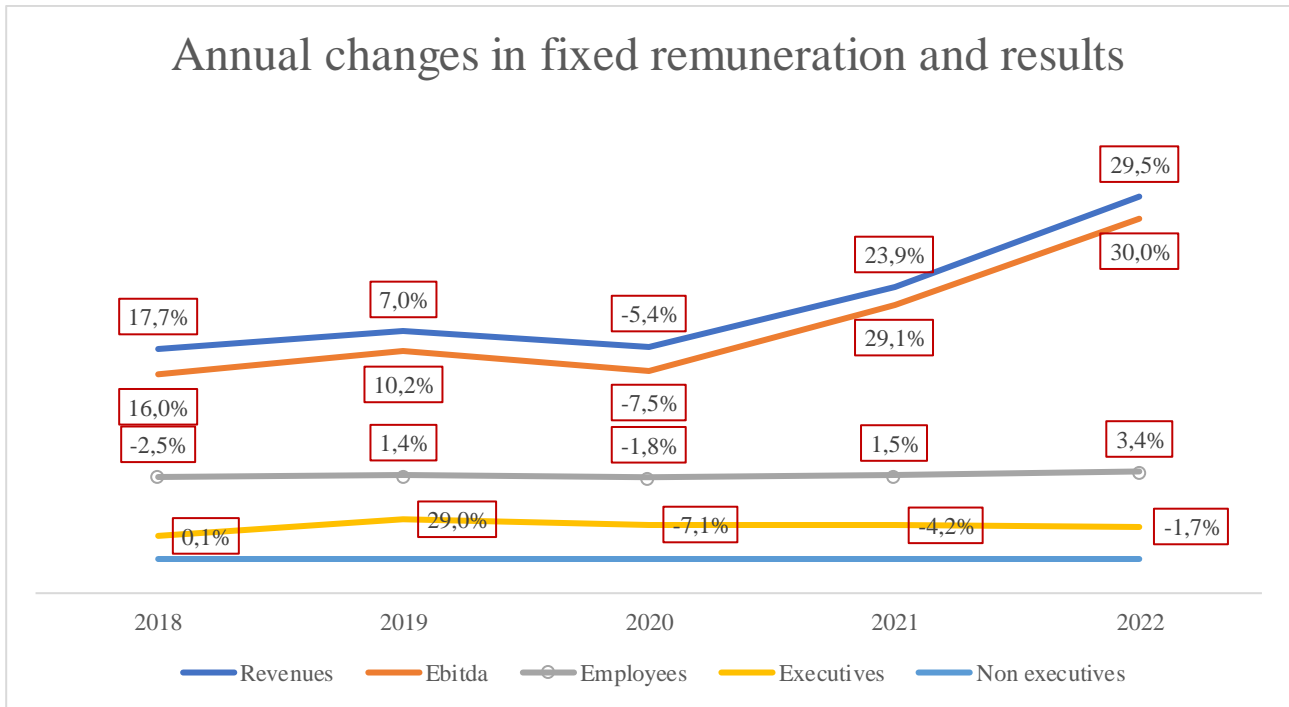
In particular, for the sake of reporting clarity, it is confirmed that the remuneration of certain directors (Giovanni Tamburi, Angelo Busani, Antonia Di Bella, Marcello Margotto, Stefania Petruccioli, Federica Menichetti, Paola Annunziata Tagliavini and Claudio Berretti) and the Board of Statutory Auditors (Anna Maria Allievi, Roberta De Simone, Mario Tagliaferri) has not changed over the past 5 years, except at the time of appointment due to the pro rata allocation of their compensation. Accordingly, the above Directors and Statutory Auditors are not included in the following schedules<sup>4</sup>.

Name	2018/2017 change	2019/2018 change	2020/2019 change	2021/2020 change	2022/2021 change
Fulvio Montipò	+0.7%	+33.5%	0.0%	0.0%	0.0%
Fabio Marasi	-	-	-	+10.2%	+46.1%
Total change	+0.1%	+29.0%	-7.1%	-4.2%	-1.7%

KPI	2018/2017 change	2019/2018 change	2020/2019 change	2021/2020 change	2022/2021 change
Net sales	+17.7%	+7.0%	-5.4%	+23.9%	+29.5%
EBITDA	+16.0%	+10.2%	-7.5%	+29.1%	+30.0%
Employees	-2.5%	+1.4%	-1.8%	+1.5%	+3.4%

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

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



## 1.6 Information on how the Company has taken into consideration the Shareholders' vote on the Second Section of the 2022 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.

## SECOND PART - TABLES



**TABLE 1 - COMPENSATION PAID TO MEMBERS OF ADMINISTRATIVE AND STATUTORY AUDITORS, TO GENERAL MANAGERS AND TO OTHER KEY MANAGEMENT PERSONNEL (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 Committee work	Non-equity variable remuneration (m)	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
<b>(I) Compensation by the company preparing the financial statements</b>											
<b>Board of Directors</b>											
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		

(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 Committee work	Non-equity variable remuneration (m)	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
Paola Annunziata Tagliavini	Independent Director	01/01/2022 – 31/12/2022	Approval of 2022 financial statements	45	24 (e)				69		
<b>Board of Statutory Auditors</b>											
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	Statutory Auditor	01/01/2022 – 31/12/2022	Approval of 2022 financial statements	30					30		
Mario Tagliaferri	Statutory Auditor	01/01/2022 – 31/12/2022	Approval of 2022 financial statements	30					30		
<b>(II) Compensation from subsidiaries and associates</b>				-					-		
<b>Total</b>				<b>2,055</b>	<b>90</b>	<b>1,100</b>	<b>4</b>	<b>316</b>	<b>3,565</b>	<b>4,373</b>	<b>-</b>

**TABLE 1 - COMPENSATION PAID TO MEMBERS OF ADMINISTRATIVE AND STATUTORY AUDITORS, TO GENERAL MANAGERS AND TO OTHER KEY MANAGEMENT PERSONNEL (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 Committee work	Non-equity variable remuneration	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
<b>(I) Compensation by the company preparing the financial statements</b>											
<b>Board of Directors</b>											
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		
Antonina 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		

(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 Committee work	Non-equity variable remuneration	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
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		
<b>Board of Statutory Auditors</b>											
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	Statutory Auditor	01/01/2021 – 31/12/2021	Approval of 2022 financial statements	30					30		
Mario Tagliaferri	Statutory Auditor	01/01/2021 – 31/12/2021	Approval of 2022 financial statements	30					30		
<b>(II) Compensation from subsidiaries and associates</b>				15					15		
<b>Total</b>				<b>2,009</b>	<b>90</b>	<b>1,035</b>	<b>4</b>	<b>316</b>	<b>3,454</b>	<b>3,915</b>	<b>750</b>

**TABLE 1 - COMPENSATION PAID TO MEMBERS OF ADMINISTRATIVE AND STATUTORY AUDITORS, TO GENERAL MANAGERS AND TO OTHER KEY MANAGEMENT PERSONNEL (2020)**

(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 Committee work	Non-equity variable remuneration	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
<b>(I) Compensation by the company preparing the financial statements</b>											
<b>Board of Directors</b>											
Fulvio Montipò	Chairman and Chief Executive Officer	01/01/2020 – 31/12/2020	Approval of 2022 financial statements	1,545 (a)		1,000		186 (b)	2,731	1,611	7,443 (i)
Giovanni Tamburi	Deputy Chairman	30/04/2020 – 31/12/2020	Approval of 2022 financial statements	30	7 (f) (g)				37		
Giovanni Tamburi	Non-executive Director	01/01/2020 – 30/04/2020	Approval of 2019 financial statements	15	3 (f) (g)				18		
Paolo Marinsek	Deputy Chairman	01/01/2020 – 30/04/2020	Approval of 2019 financial statements	75 (c)			1		76	6	
Victor Gottardi	Executive Director	30/04/2020 – 31/12/2020	Approval of 2022 financial statements	-		38	3	170 (h)	211	27	
Fabio Marasi	Executive Director	30/04/2020 – 31/12/2020	Approval of 2022 financial statements	-		40	4	133	177	27	
Angelo Busani	Independent Director	01/01/2020 – 31/12/2020	Approval of 2022 financial statements	45	19 (e)				64		
Antonia Di Bella	Independent Director	01/01/2020 – 31/12/2020	Approval of 2022 financial statements	45					45		
Franco Garilli	Independent Director	01/01/2020 – 30/04/2020	Approval of 2019 financial statements	15	10 (e) (f) (g)				25		

(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 Committee work	Non-equity variable remuneration	Fringe benefits	Other compensation	Total	Fair value of equity compensation	End of office or employment termination indemnity
Marcello Margotto	Independent Director	01/01/2020 – 31/12/2020	Approval of 2022 financial statements	45	10 (f) (g)				55		
Federica Menichetti	Independent Director	30/04/2020 – 31/12/2020	Approval of 2022 financial statements	30	19 (e) (f) (g)				49		
Stefania Petruccioli	Independent Director	01/01/2020 – 31/12/2020	Approval of 2022 financial statements	45	7 (e)				52		
Paola Annunziata Tagliavini	Independent Director	01/01/2020 – 31/12/2020	Approval of 2022 financial statements	45	23 (e)				68		
<b>Board of Statutory Auditors</b>											
Anna Maria Allievi	Chairman of the Board of Statutory Auditors	30/04/2020 – 31/12/2020	Approval of 2022 financial statements	30					30		
Roberta De Simone	Statutory Auditor	30/04/2020 – 31/12/2020	Approval of 2022 financial statements	20					20		
Mario Tagliaferri	Statutory Auditor	30/04/2020 – 31/12/2020	Approval of 2022 financial statements	20					20		
Fabrizio Fagnola	Chairman of the Board of Statutory Auditors	01/01/2020 – 30/04/2020	Approval of 2019 financial statements	15					15		
Federica Menichetti	Statutory Auditor	01/01/2020 – 30/04/2020	Approval of 2019 financial statements	10					10		
Alessandra Tronconi	Statutory Auditor	01/01/2020 – 30/04/2020	Approval of 2019 financial statements	10					10		
Alessandra Tronconi	Statutory Auditor	01/01/2020 – 31/12/2020	Approval of 2019 financial statements	76 (d)					76		
<b>(II) Compensation from subsidiaries and associates</b>				15					15		

(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 Committee work	Non-equity variable remuneration	Fringe benefits	Other compensation	<b>Total</b>	Fair value of equity compensation	End of office or employment termination indemnity
<i>Total</i>				<i>2,131</i>	<i>98</i>	<i>1,078</i>	<i>8</i>	<i>489</i>	<i>3,804</i>	<i>1,671</i>	<i>7,443</i>

## NOTES

### (1) Fixed compensation

- (a) The fixed compensation of the Chairman and Chief Executive Officer of 1,545 thousand euro includes: emoluments for the office of director authorized at the Shareholders' Meeting of 45 thousand euro, plus 1,500 thousand euro for the performance of special duties pursuant to art. 2389, subsection 3, of the Italian Civil Code.
- (b) Compensation to cover the expenses incurred on 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 (24 thousand euro to the Committee Chair, Paola Annunziata Tagliavini and 18 thousand euro to the other components) (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

- (m) 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.
- (n) This amount includes other compensation of 50 thousand euro recognized as a one-off discretionary bonus.

### (4) Fringe benefits

Relates to the company car.

### (5) Other compensation

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

### (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 2022 income statement and hence they have not been paid.

### (8) End of office or employment termination indemnity

(i) The amount reflects the annual provision made for termination of appointment, recognizing 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 31st 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 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 recognize and remunerate his major contribution and does not imply in any way his imminent or expected future departure.



**TABLE (3B) - MONETARY INCENTIVE PLANS FOR MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL**

(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	
<b>(I) Remuneration from the company preparing the financial statements</b>									
Fulvio Montipò	Chairman and Chief Executive Officer	Resolved by the Board of Directors on 29/04/2022	1,000 - payable				1,000 – paid		
Fabio Marasi	Director	Bonus recognized as an Executive	50 - payable				100 – paid		
<b>(II) Remuneration from subsidiaries and associates</b>			-				-		
<b>(III) Total</b>			<b>1,050</b>				<b>1,100</b>		

**TABLE (2) - STOCK OPTIONS ASSIGNED TO MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND KEY MANAGEMENT PERSONNEL**

(A)	(B)	(1) <sup>5</sup>	Options held at year start			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) <sup>6</sup>	(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
<b>Compensation by the company preparing the financial statements</b>																	
Fulvio Montipò	Chairman and Chief Executive Officer	2022/2024 Plan				1,620,000	38.649	01/07/2025 - 31/12/2028								1,620,000	486,000
Fulvio Montipò	Chairman and Chief Executive Officer	2019/2021 Plan	1,800,000	28.495	01/07/2022 - 31/12/2025							1,800,000	28.495	42.367		-	-
Fulvio Montipò	Chairman and Chief Executive Officer	2016/2018 Plan	620,000	12.884	01/07/2019 - 31/12/2022							620,000	12.884	47.432		-	-
Fabio Marasi	Director	2022/2024 Plan				45,000	38.649	01/07/2025 - 31/12/2028								45,000	13,500
Fabio Marasi	Director	2019/2021 Plan	30,000	28.495	01/07/2022 - 31/12/2025							30,000	28.495	45.347		-	-
<b>(II) Remuneration from subsidiaries and associates (N/A)</b>																	

<sup>5</sup> The plan for 2022-2024 was approved at the Shareholders' Meeting held on 29th April 2022; the plan for 2019-2021 was approved at the Shareholders' Meeting held on 30th April 2019; the plan for 2016-2018 was approved at the Shareholders' Meeting held on 28th April 2016.

<sup>6</sup> This amount reflects the actual market price on the option exercise date.

(A)	(B)	(1) <sup>5</sup>	Options held at year start			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) <sup>6</sup>	(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
<i>(III) Total</i>			2,450,000			1,665,000						2,450,000				1,655,000	

**TABLE (7-(3)): EQUITY INTERESTS OF MEMBERS OF THE ADMINISTRATIVE AND 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	Chairman and Chief Executive Officer	Interpump Group S.p.A.	635,233	2,420,000	1,500,000	1,555,233
Fabio Marasi	Executive Director	Interpump Group S.p.A.	-	30,000	-	30,000