POLICY FOR THE MANAGEMENT OF WHISTLEBLOWING REPORTS

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Annex 1 ..... **Errore. Il segnalibro non è definito.**

1. PURPOSE OF THIS POLICY

By means of this procedure (hereinafter also referred to as the "Policy"), Interpump Group S.p.A. (hereinafter also referred to as the "Company") intends to regulate, within the Group as a whole, the methods for making and managing whistleblowing reports, sent or transmitted by any person, even anonymously, concerning alleged irregularities or offences of which it has become aware.

In more detail, the purpose of this procedure is, on the one hand, to describe and regulate the process of reporting alleged irregularities or offences, providing the whistleblower with clear operational indications on the subject, contents, recipients and means of transmission of reports, as well as on the forms of protection provided by the Company in accordance with the regulatory provisions; on the other hand, to regulate the means of ascertaining the validity and grounds of the reports in order to take, where appropriate, the appropriate corrective and disciplinary action.

2. REGULATORY SOURCES WITH REGARD TO WHISTLEBLOWING REPORTS

The main Italian provisions on so-called whistleblowing applicable to Interpump Group S.p.A. are contained in:

- Law no. 179 of 30 November 2017, which came into force on 29 December 2017, containing "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship";
- the Corporate Governance Code for Listed Companies, in the version approved by the Corporate Governance Committee in July 2015.

In particular, Law No. 179 of 2017 recently intervened by making significant amendments to Legislative Decree No. 231 of 8 June 2001, containing the "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality", by means of the introduction of specific provisions aimed at regulating reports of possible violations of the Organisation and Management Models, where adopted.

These provisions therefore apply to all legal entities that have adopted a 231 Organisational Model, functional, as they are, to allow the reporting of violations of the Model itself and of relevant offences pursuant to the aforementioned Legislative Decree No. 231 of 2001 and to create a reporting system, an integral part of the overall corporate governance system, to protect the integrity of the legal person itself.

More specifically, the current Article 6(2-bis) of Legislative Decree No. 231 of 2001 states that: "The models referred to in subparagraph (a) of paragraph 1 provide for:

a) one or more channels enabling the persons indicated in Article 5(1)(a) and (b) to submit, in order to protect the integrity of the entity, circumstantiated reports of unlawful conduct, relevant under this decree and based on precise and concordant factual elements, or of breaches of the entity's organisational and management model, of which they have become aware by reason of the functions performed; these channels guarantee the confidentiality of the identity of the reporter in the management of the report;

b) at least one alternative reporting channel capable of guaranteeing, by computerised means, the confidentiality of the identity of the reporter;

c) the prohibition of retaliatory or discriminatory acts, direct or indirect, against the whistleblower for reasons directly or indirectly linked to the report;

d) in the disciplinary system adopted pursuant to paragraph 2(e), sanctions against those who breach the measures for the protection of the reporter, as well as against those who make, with malice or gross negligence, reports that turn out to be unfounded"[1].

[1] The aforementioned Law No. 179 of 2017, in addition to the aforementioned paragraph 2-bis, introduced in Article 6 of Legislative Decree No. 231 of 2001 the following paragraphs 2-ter and 2-quater, which establish the following:

For its part, the Code of "Autodisciplina" of Listed Companies, in the version approved by the Corporate Governance Committee in July 2015, already provided that "The Committee believes that, at least in issuers belonging to the FTSE-MIB index, an adequate internal control and risk management system must be equipped with an internal system for employees to report any irregularities or violations of applicable regulations and internal procedures (c. d. whistleblowing systems) in line with existing national and international best practices, which guarantee a specific and confidential information channel as well as the anonymity of the reporter'.

3. DEFINITIONS

For the purposes of this Policy, the following terms shall have the following meanings::

a) **Group:** means the companies belonging to the Interpump Group;
b) **Reports or whistleblowing reports**: shall mean any information, even if anonymous, concerning (i) violations or suspected/presumed violations of criminal law relevant pursuant to and for the purposes of Legislative Decree no. 231 of 2001 and/or (ii) conduct or practices that do not comply with the provisions of the Code of Ethics of Interpump Group S.p.A. and/or the Group Code of Ethics, the Organisation and Management Model adopted by each company belonging to the Group pursuant to Legislative Decree no. 231 of 2001, laws, rules or regulations, as well as the Group's own procedural framework. With reference to this last point, the following should be noted by way of non-exhaustive list:
   - Environmental Management System;
   - Workplace Safety Management System;
   - Procedures adopted for the purposes of Legislative Decree No. 231 of 2001 or in any case referred to by the Organisation and Management Model;
   - Procedures concerning the management and security of computer systems;
   - Procedures relating to accounting and financial management drawn up for the purposes of compliance with Law No. 262 of 2005
c) **Whistleblower:** means the person making the Report, whether an employee (including top management), collaborator, member of the corporate bodies, third party (partner, customer, supplier, consultant, etc.) and, in general, anyone who has business relations with the Group;
d) **Supervisory Body:** means the body appointed by the Board of Directors pursuant to the Italian Legislative Decree no. 231 of 2001 in Interpump Group S.p.A. and, where present, in the other Group companies;

Head of Internal Audit ("Head of IA") of Interpump Group S.p.A.: means the person appointed to carry out independent and objective assurance activities, aimed at assessing and improving control, risk management and corporate governance processes and, therefore, the effectiveness and efficiency of the corporate organisation.

4. SCOPE OF APPLICATION OF THE POLICY

"2-ter. The adoption of discriminatory measures against persons making the reports referred to in paragraph 2-bis may be reported to the National Labour Inspectorate, for the measures falling within its competence, not only by the person making the report, but also by the trade union organisation indicated by the same.
2-quater. Retaliatory or discriminatory dismissal of the reporting person is null and void. A change of job within the meaning of Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measure taken against the whistleblower, shall also be null and void. It is the employer's burden, in the event of disputes related to the imposition of disciplinary sanctions, or to demotions, dismissals, transfers, or subjecting the whistleblower to other organisational measures having direct or indirect negative effects on working conditions, following the submission of the report, to prove that such measures are founded on reasons extraneous to the report itself'.

This procedure is not limited to regulating reports from the persons referred to in Article 5(1)(a) and (b) of Legislative Decree no. 231 of 2001, mentioned in Article 6(2-bis)(a) of that Decree[2], but also any reports of unlawful conduct and/or irregularities coming from third parties (i.e. suppliers, consultants, customers and, in general, any other third party that has contractual relations with Interpump Group S.p.A. and/or other Group companies).

Interpump Group S.p.A. shall transmit this procedure to the companies of the Group, which, where they have adopted or will adopt an Organisation and Management Model, are obliged to adopt their own procedure concerning the methods of making and managing reports, informed by the principles contained in this Policy,

Timely communication of the adoption of this procedure must be given to the Supervisory Body and/or the Head of Internal Audit of Interpump Group S.p.A.

Should any of the Group's companies, required to adopt the procedure, deem it necessary to adopt different or additional rules with respect to those provided for in this procedure, also due to the particular characteristics of its activity, it must promptly notify the Supervisory Body and/or the Head of Internal Audit of Interpump Group S.p.A.

In any case, the principles and rules laid down in the law, including those concerning the protection of the confidentiality of the identity of the person making the report and the prohibition of retaliatory or discriminatory acts, whether direct or indirect, against the latter for reasons connected, directly or indirectly, to the report made, are to be understood as mandatory.

5. WHISTLEBLOWING REPORTS

5.1 Object and content of Whistleblowing reports

They shall be reported if they come to their knowledge on the occasion and/or cause or in any case within the scope of the employment/collaboration or commercial relationship with Interpump Group S.p.A. and/or with the companies of the Group and if they may directly or indirectly cause financial and/or image damage to the Group:
(i) violations or suspected violations of criminal law relevant pursuant to and for the purposes of Legislative Decree no. 231 of 2001 (ii) conduct or practices that do not comply with the provisions of the Code of Ethics of Interpump Group S.p.A. and/or the Group Code of Ethics, the Organisation and Management Model adopted by each company belonging to the Group pursuant to Italian Legislative Decree no. 231 of 2001, laws, rules and regulations, as well as the internal procedural structure in force in Interpump Group S.p.A. and in each Group company, as referred to by the respective Organisation and Management Models[3].

[2] That is to say, respectively, by persons vested with functions of representation, administration or management of the entity or one of its organisational units with financial and functional autonomy, as well as by persons who exercise, also de facto, the management and control of the entity [Article 5(1)(a) of Legislative Decree no. 231 of 2001]; b) by persons subject to the management or supervision of one of the persons referred to in point a) [Article 5(1)(b) of Legislative Decree no. 231 of 2001].

[3] Pursuant to Article 3, paragraphs 1, 2 and 3, of Law No. 179 of 2017, under the heading "Integration of the discipline of the obligation of office, business, professional, scientific and industrial secrecy": "1. In the hypothesis of reporting or denunciation made in the forms and within the limits set out in Article 54-bis of Legislative Decree No. 165 of 30 March 2001, and Article 6 of Legislative Decree No. 231 of 8 June 2001, as amended by this Law, the pursuit of the interest in the integrity of public and private administrations, as well as the prevention and repression of malpractice, constitutes just cause for the disclosure of information covered by the obligation of secrecy. 231, as amended by this Law, the pursuit of the interest in the integrity of public and private administrations, as well as in the prevention and suppression of embezzlement, constitutes just cause for the disclosure of information covered by the obligation of secrecy set out in Articles 326, 622 and 623 of the Criminal Code and Article 2105 of the Civil Code. 2. The provision set forth in paragraph 1 shall not apply in the event that the obligation of professional secrecy affects a person who has become aware of the information by reason of a professional advisory or assistance relationship with the body, firm or natural person concerned. 3. When news and documents that are communicated to the body appointed to receive them are subject to business, professional or official secrecy, disclosure in a manner exceeding the purpose of the elimination of the offence and, in particular, disclosure outside the communication channel specifically set up for that purpose, constitutes a breach of the obligation of secrecy".

The Report may also be received anonymously.

In any case, however, the Reports must be circumstantiated and based on precise and concordant elements, relate to verifiable facts and contain all the elements necessary to carry out the checks and verifications required to assess their justification.

Therefore, it is important that the reporting person

- report, in a clear, complete and circumstantiated manner, where and when the reported facts occurred;
- indicate generalities or other elements that make it possible to identify the person who committed what was reported; and
- indicate any other persons who may be able to report on the reported facts;
- indicate/provide any documents that may confirm the validity of the Report;
- provide any other information or evidence that may constitute useful evidence as to the existence of the facts reported.

5.2 Submission of Whistleblowing reports

Interpump Group S.p.A. and the companies of the Group, including the Italian companies which have adopted or will adopt an Organisational and Management Model pursuant to Legislative Decree 231/2001, have set up communication channels capable of guaranteeing the confidentiality of the identity of the reporter and the correct management of the relative Reports (even if anonymous).

Reports are addressed to the Head of Internal Audit of Interpump Group S.p.A. or to the Supervisory Body, where present, for the Italian companies of the Group that have adopted an Organisation and Management Model pursuant to Legislative Decree 231/2001.

Reports must be made by filling in a specific form, using the web portal for the management of whistleblowing reports[4], accessible through the following link:
https://whistleblowing.interpumpgroup.it

Alternatively, you can make a report by sending an e-mail to the following address: organismodivigilanza@interpumpgroup.it, using the ordinary mailbox: Interpump Group S.p.A., to the attention of Organismo di Vigilanza, via E. Fermi, 25 - 42049 S. Ilario d'Enza (RE) - Italy or by calling the Head of Internal Audit of Interpump Group S.p.A. at the following telephone number +39 0522 904 311 (Mon-Fri | 9-17).

If you wish to make a report to the specific Supervisory Bodies of Group companies that have adopted an Organisation and Management Model pursuant to Legislative Decree 231/2001, you can use the following references:

Interpump Hydraulics S.p.A.:

- By e-mail: organismodivigilanza@iph.it;
- by ordinary mail to the following address: Interpump Hydraulics S.p.A., to the attention of Organismo di Vigilanza, via Mingozzi 6 – 40012 Calderara di Reno (BO);

[4] Preferential reporting channel.

- verbally.

Wavloil S.p.A.:

- by e-mail: organismodivigilanza@walvoil,com;
- by ordinary mail to the following address: Walvoil S.p.A., to the attention of Organismo di Vigilanza, via Adige 13 – 42124 Reggio Emilia;
- verbally.

IMM Hydraulics S.p.A.:

- by e-mail: odv.imm@outlook.it;
- by ordinary mail to the following address: IMM Hydraulics S.p.A., to the attention of Organismo di Vigilanza, viale Italia 49 – 66041 Atessa (CH)];
- verbally.

5.3 Tasks and responsibilities

The Head of Internal Audit of Interpump Group S.p.A. is responsible for the application, updating and amendment of this Policy.

The Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body is responsible for receiving and managing the Reports covered by this Policy.

The Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body is responsible for:

- of the preliminary verification/analysis of the Reports (even if anonymous) received, aimed at assessing their prerequisites as well as at evaluating the possible initiation of further investigations;
- the decision whether or not to proceed with further verifications or with the subsequent assessment phase.

To these effects, at the end of the preliminary verification phase, the Reports analysed are classified into:

- **Type A Reports**: i.e. those circumstantiated and relevant Reports that require prompt (in-depth or remedial) intervention (within 48 hours);
- **Type B reports**: i.e. those circumstantiated and significant reports that require urgent (in-depth or remedial) action (within 5 working days);
- **Type C alerts**: i.e. those circumstantiated and significant alerts that require non-urgent (in-depth or remedial) action (within 10 working days);
- **N.A. Alerts**: i.e. those Unreliable Alerts to be filed (those without sufficient/relevant indications to proceed with further investigation);
- **Reports in 'bad faith'**: i.e. those Reports that are manifestly opportunistic and/or made with malice or serious misconduct to be forwarded to the competent functions for the definition of any action to be taken against the Whistleblower.

Where the Report is to be investigated, the Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body shall initiate the investigation phase, if necessary, by forwarding the documentation received to the functions that he/she deems to want to involve.

In the case of transmission of the Report to other structures/functions/third parties for the performance of investigative activities, only the content of the Report must be forwarded, excluding all references from which it is possible to trace back, even indirectly, the identity of the Whistleblower, unless this is not possible due to the characteristics of the investigations to be carried out. In such a hypothesis, those involved in supporting the Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body shall be subject to the same duties of conduct aimed at ensuring the confidentiality of the Whistleblower.

It shall be the duty of the appointed structures to carry out all the necessary verifications and to send the Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body a report on the investigation activities carried out and the outcome of the assessments made.

On the basis of the information provided, the Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body shall assess:

- whether to proceed with the filing of the Report due to the objective absence of unlawful conduct and/or irregularities, or due to the absence of obvious and/or reasonable grounds for initiating further investigations
- whether to initiate an audit or fraud investigation;
- whether it is necessary to involve the Judicial Authority;
- whether it is necessary to involve administrative bodies or independent authorities vested with supervisory and control functions (e.g. Consob);
- whether and which corporate functions should be involved in the event of a report made in 'bad faith' (i.e. a report that is manifestly opportunistic and/or made with malicious intent or serious misconduct), in order to define any action to be taken against the reporter.

If the Report is ascertained to be grounded, Interpump Group S.p.A. shall take the appropriate measures and necessary actions to protect the Company.
It is the responsibility of the Head of Internal Audit of Interpump Group S.p.A. and/or of the Supervisory Body to assess whether or not to provide feedback to the Whistleblower.

It is the responsibility of the Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body to ensure:

- the traceability of the Reports and of the relevant investigation activities;
- storage of the documentation relating to the Reports and to the relevant verification activities, in special paper/electronic archives, ensuring the appropriate levels of security/confidentiality;
- keeping the Reports and the documents relating to them for a period of time no longer than is necessary for the purposes for which the data were collected or subsequently processed, and in any case in compliance with the Policy and procedures for the protection of personal data in force in the Company.

The functions involved in the activities of verifying the validity of the Report ensure, each to the extent of its competence, the traceability of the data and information and provide for the preservation and archiving of the documentation produced, on paper and/or electronically, so as to allow the reconstruction of the different stages of the process itself.

Without prejudice to the obligations of timely reporting upon the occurrence of certain events, the Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body of Interpump Group S.p.A. shall ensure an annual summary flow on the reports received and managed

- to the Board of Directors
- to the Board of Statutory Auditors;

- to the Risk Control Committee;
- to the Independent Audit Firm.

As far as the other Group companies are concerned, without prejudice to the obligations of timely reporting upon the occurrence of certain events, the Head of Internal Audit of Interpump Group S.p.A. and/or the respective Supervisory Bodies ensure an annual summary flow on the reports received and managed:

- to the Board of Directors
- to the Board of Statutory Auditors;
- to the Independent Audit Firm;
- to the Supervisory Body of Interpump Group S.p.A.

5.4 Confidentiality and prohibition of reprisals and/or discrimination

Interpump Group S.p.A. and each Group company ensures that all Reports with the characteristics set out in paragraph 5.1 are taken into consideration in the manner described above, even if, as mentioned, they are made anonymously.

It is the duty of the Supervisory Body to guarantee the confidentiality of the Reporting Party from the moment of taking charge of the Report, also in order to avoid the risk of retaliation and/or discrimination against the person making the Report.

Without prejudice to the rights recognisable to the Reporting Party under Articles 15 et seq. of Regulation (EU) 2016/679, the Report and the annexed documentation cannot be viewed or copied by any requesting party.

Except in cases of liability for libel and defamation under the provisions of the Criminal Code or Article 2043 of the Civil Code, as well as in cases where anonymity is not enforceable by law (such as, for example, criminal, tax or administrative investigations, inspections by supervisory bodies), the identity of the Reporting Party is in any case protected in any phase following the Reporting; therefore, subject to the exceptions mentioned above, the identity of the Reporting Party cannot be disclosed without his/her express consent.

As regards, in particular, the scope of disciplinary proceedings, the identity of the Whistleblower may only be disclosed to the head of the corporate function in charge of disciplinary proceedings and/or to the accused in cases where:

- here is the express consent of the whistleblower;
- or the accusation of the disciplinary charge is based solely on the Whistleblowing and knowledge of the identity of the Whistleblower is absolutely indispensable for the accused's defence, as requested by the latter and motivated in writing. In such a circumstance, it is up to the head of the corporate function in charge of disciplinary proceedings to assess the request of the person concerned and whether the condition of absolute indispensability of the knowledge of the name of the Whistleblower for the purposes of the defence is met. Should he deem it to be justified, the head of the function shall make a reasoned request to the Head of Internal Audit of Interpump Group S.p.A. and/or to the Supervisory Body, containing a clear and precise statement of the reasons why knowledge of the identity of the Whistleblower is indispensable.

The same duties of conduct, aimed at safeguarding the confidentiality of the Whistleblower, to which the Head of Internal Audit of Interpump Group S.p.A. and/or the members of the Supervisory Body are bound, shall be incumbent on the head of the corporate function in charge of disciplinary proceedings.

In any case, the processing of the personal data of the persons involved and/or mentioned in the Reports made pursuant to this Policy shall take place, insofar as they are compatible, in compliance with the legislation in force and the company's procedures for the protection of personal data.

Interpump Group S.p.A. and each company of the Group shall not permit or tolerate any act of retaliation or discrimination, direct or indirect, affecting working conditions for reasons directly or indirectly connected to the Whistleblowing. Retaliatory and/or discriminatory measures include all unjustified disciplinary actions and any other form of retaliation leading to a downgrading of working conditions.

Breach of the obligation of confidentiality or the performance of retaliatory or discriminatory acts against the Whistleblower is a source of disciplinary liability, without prejudice to any further form of liability provided for by law.
Any form of retaliation or discrimination affecting the working conditions of those who cooperate in the activities of verifying the merits of the Report is also prohibited.

The person who believes he/she has suffered discrimination for having reported an offence or irregularity must inform, in a detailed manner, the Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body which, in the event of a positive response, shall report the hypothesis of discrimination to the competent structures, functions or bodies.

Without prejudice to the foregoing, any forms of abuse of this Policy, such as Reports that prove to be unfounded, manifestly opportunistic and/or made with wilful misconduct or gross negligence (so-called "Reports in bad faith"), are in any case a source of liability.

6. RECIPIENTS OF THIS POLICY

This Policy shall be disseminated as widely as possible.

To this end, it is made available on the company intranet, posted on notice boards and sent to all employees of Interpump Group S.p.A. and the companies of the Group that have an e-mail address.

The methods for reporting and contacting the Supervisory Body of Interpump Group S.p.A. and of the other Group companies that have appointed it are also made available on the company website.

The Head of Internal Audit of Interpump Group S.p.A. and/or the Supervisory Body shall identify the most appropriate initiatives to ensure the maximum dissemination of this Policy and the correct implementation of its contents.

7. ENTRY INTO FORCE

This procedure enters into force as of 3 August 2018.