

# ANTI CORRUPTION



Summary of rules, codes of  
conduct and guidelines  
adopted by Interpump Group  
S.p.A. concerning anti-  
corruption

## 1. Objectives

Interpump Group conducts its business with loyalty, fairness, transparency, honesty and integrity and has always been committed to full and unconditional compliance with Italian and foreign laws and regulations of relevance to the company's operations.

These guidelines provide an overview of the rules and measures adopted by Interpump Group concerning Anti-corruption. Interpump Group S.p.A. has chosen to organize, publish and promote this document of summary in order to provide a unique overview with respect to the fight against the corruption conducted by the Group.

All measures in place are undertaken to prevent the risk of corrupt behaviour, also beyond the Italian borders, by all employees and directors of Interpump Group companies, and by all persons who, for any reason and regardless of the type of contractual relationship in place, work in the name of or on behalf of Group's companies (Collaborators).

## 2. Scope of application

In March 2019 the Board of Directors of Interpump Group S.p.A. approved the Guidelines concerning Anti-Corruption (the "Guidelines"), **whose adoption and implementation is mandatory for all Group companies** and the guidelines are consequently binding in relation to the conduct of all employees, directors, collaborators and, as far as applicable to consultants, vendors and any other third party, including customers, in relationship with Interpump Group companies ("Third Parties"). It is the duty of each Interpump Group company to bring these Guidelines to the attention of its Collaborators and Third Parties, including those that only have an occasional or temporary relationship with the company; requires Collaborators and Third Parties to comply with the principles and obligations embodied in these Guidelines in the performance of their activities; takes the necessary internal steps in the case of omitted or partial performance of the undertaking, assumed by Collaborators or Third Parties, to comply with provisions contained in these Guidelines and in respect of them or in the case of refusal, evaluate the appropriate actions, including termination of the relationship.

Interpump Group has made public this document of summary to point out the great work and strong position taken in favour of Anti-corruption measures, thereby providing an overview of the Guidelines, organized and applied as instrument of work by all internal or external actors of the Group on a day-to-day basis.

## 3. Legislative references

Interpump Group S.p.A. has the registered office in Italy, the company's employees, directors and Collaborators are obliged to comply with Italian law, and in particular with the provisions of Decree 231/2001, regulating the administrative responsibility of entities for offences, including bribery of representatives of the Public Administration and of private individuals.

Since Interpump Group is a multinational organisation, all the employees, directors, Collaborators and Third Parties are subject to the laws and regulations in force in the country in which they are working, including the rules contained in international conventions that prohibit acts of bribery of Public Officials or private individuals, including the followings, provided by way of example, without limitation:

- OECD Convention on combating bribery of Foreign Public Officials in international business transactions;
- United Nations Convention against Corruption.

Anti-corruption laws and regulations in force in the countries in which the Group companies operate:

- prohibit making payments, directly or indirectly, including payments made to whomsoever with the awareness that the payment in question will be shared with a Public Official or with a private individual and the offers or promises of a payment or other benefit for the purpose of bribing Public Officials or private individuals. Based on the Anti-corruption Laws,

employees, directors and Collaborators of Interpump Group may be held responsible for offers or payments made by whomsoever is acting on behalf of the company in relation to the company's business activities, if the employees, directors and Collaborators are aware of or should reasonably be aware that said offer or payment is made inappropriately;

- require companies to obtain and keep accounting books and records that, with a reasonable level of detail, provide an accurate and correct reflection of the operations, expenses (even if not "significant" in accounting terms), purchases and disposals of assets.

Natural persons who violate Anti-Corruption Laws can incur in severe fines and may be given custodial sentences or be subject to other types of punitive measures. Violation of the rules by an Interpump Group company may have consequences, such as ban, confiscation of proceeds of the offence or demands for damage compensation. Even more important, the Group's reputation could be severely harmed.

## 4. Group Code of Ethics

The Code of Ethics consists of a set of principles whose compliance is of fundamental importance for the proper functioning, operational reliability, and corporate image of Interpump Group.

The principles contained within the Code of Ethics (available in Italian and English language on the web-site at the address <https://www.interpumpgroup.it/uk/codice-etico.aspx>) are disseminated and shared among all employees and business partners of Group companies. These principles inspire the operations, conducts and relationships, both internal and external, belonging to the mentioned companies. The Code of Ethics is effective in both Italy and abroad, although in consideration of cultural, social and economic diversities of the different Countries in which the Group operates.

## 5. Relevant areas and principles of conduct

In the context of its own corporate activities and normal professional relationships, Interpump Group S.p.A. has identified the possible susceptible areas and suitable controls to prevent the commission of circumstances of misconduct related to the corruption. Below are the main relevant areas identified by the Company:

- Hospitality, travel and entertainment expenses

In the context of individual corporate activities and normal professional relationships, it may become necessary to bear or receive hospitality, travel or entertainment expenses, on behalf of or in favour of customers, vendors, or third parties. Employees, directors and Collaborators of the Interpump Group can disburse or receive said expenses exclusively in the context of acts of commercial and professional courtesy and such as to not jeopardise the integrity or reputation of one of the parties or be interpreted by an impartial observer as being aimed at creating a debt of gratitude or securing advantages illicitly. The hospitality, travel and entertainment treatments provided to or received from Third Parties must be reasonable and connected to the institutional and commercial aims underlying the relationship with the counterparty. The value of the expenses must comply with the internal rules and policies of each Group company concerning payment to employees and Collaborators of common travel and hospitality expenses incurred during their company activities.

The Anti-corruption Guidelines adopted by the Company also detail controls and prohibitions in this area.

- Gratuities and gifts

The Code of Ethics to the paragraph 4.14 requires that it is not permitted any form of gratuity or gift which could even just be interpreted as exceeding normal commercial practices or courtesy, or that are given in order to receive preferential treatment in the pursuit of any activity that can be linked to Interpump Group. In particular, it is forbidden to give any gifts to Italian or foreign public officials or their families that might influence the independence of their judgment

or induce them to provide advantages of any kind to the Group and/or Group companies. For any further restriction and controls please refer to the Group Code of Ethics published on the Company's website.

- Facilitation payments

It is expressly prohibited for employees, directors, Collaborators and Third Parties who conduct activities on behalf of Interpump Group companies to promise or offer cash or other benefits to Public Officials or parties connected to agencies of the Public Administration.

- Commercial relations with private partners and parties connected with the Public Administration

In its commercial or promotional relations, Interpump Group, in compliance with the undertakings assumed with the adoption of the Code of Ethics, prohibits practices and conduct that are or could potentially be illegal or collusive in nature, illegal payments, inducement to corruption, bribery, favouritism, solicitation – directly or through third parties – of personal benefits and career advancement for self or for others, that are in conflict with the law, regulations and/or internal corporate rules.

All employees, directors and Collaborators of Group companies must behave ethically and in compliance with the applicable laws, conducting themselves with the maximum honesty, transparency and integrity.

Further controls and restrictions have been identified by the Company and reported within the Anti-corruption Guidelines also with reference to any "Sales bonus" – "Trade discounts" – "Calls for tender and bids".

- Sponsorships, donations and contributions to political associations

It is not permitted to the Group companies to sponsor social, cultural, leisure-sporting or artistic initiatives. A request to make a donation must be approved in advance by the CEO of Interpump Group S.p.A. and donations must be made in favour of entities that are not recently formed, that are well-known, and that are trustworthy.

In compliance with the provisions of the Group's Code of Ethics, "The Interpump Group does not fund Italian or foreign political parties, their representatives or candidates, and does not sponsor conventions or events intended to disseminate political propaganda.

- Relations with Public Officials and Entities of the Public Administration

Relations with Public Officials, entities of the Public Administration or parties connected thereto must be conducted in compliance with the principles set down in the Group's Code of Ethics and in these Guidelines. In particular, irrespective of the party concerned all forms of conduct are prohibited involving direct or indirect promises or offers of cash or other benefits to Public Officials and/or Officers of Public Service, whether local or foreign, such that could result in an undue or illicit interest or advantage. The foregoing forms of conduct are not permitted, either if adopted directly by the company, by means of its employees, directors, or Collaborators, or if adopted via Third Parties acting on behalf of the companies of the Interpump Group.

The Anti-corruption Guidelines adopted by the Company provide also further restrictions concerning the behaviour of employees and Collaborators of Group companies in case of "Inspections by the mean of Public Officials" – "Management of authorizations, permits and licences" – "Management of lawsuits".

- Intermediaries and appointments of third party consultants

Interpump Group could be held responsible for corrupt behaviours carried out by any entity or third party that acts in the name of and on behalf of the Group companies. Therefore, relations with intermediaries and third party consultants must be characterised by their compliance with the principles set down in the Group's Code of Ethics and in these Guidelines.

Professional services connected with agents for the sale of products or services, activities of business brokerage, commercial consultancy and intermediary with customers, external legal or tax representation services required by the law in certain countries, must be supported by an evaluation, to be conducted before signing any contracts, concerning the attributes of trustworthiness, professionalism, and integrity of the counterparty.

With reference to all consultancy services with intellectual contents of any type, Group companies must comply with the following measures in the management of relations with third party intermediaries and professionals in order to implement a counterparty selection and qualification process to check the reputation in terms of trustworthiness and professional integrity.

## **6. Additional controls**

The Group Compliance Department, supported by the Control, Risk and Sustainability Committee and the management of Interpump Group S.p.A. ensures the update and the effective implementation of the Anti-corruption Guidelines and, if necessary, evaluates anti-corruption matters of particular relevance.

Furthermore, Interpump Group S.p.A. provides that any whatsoever suspected or known violation of these Guidelines or of the anti-corruption laws in force in the Countries in which the Interpump Group operates must be reported immediately using the dedicated channels as defined in the Group Whistleblowing Procedure. If necessary, Interpump Group will adopt adequate disciplinary measures in relation to any employees or collaborators of the Group companies, in compliance with the applicable collective bargaining contracts and national regulations.

Eventually, in order to raise awareness and train employees and collaborators towards anti-corruption, Interpump Group organizes and promotes periodic training courses for all employees and collaborators with particular reference to those who are mainly exposed to activities susceptible of corruption due to the nature of their own duties.