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**SPECIAL MEETING OF SAVINGS SHAREHOLDERS  
INTESA SANPAOLO S.P.A.**

27 April 2018, 16:00  
Turin - Corso Inghilterra 3

**Agenda:**

*“Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the Extraordinary Shareholders’ Meeting concerning the mandatory conversion of the Company’s savings shares into ordinary shares of the same Company, as well as removal of the indication of the nominal value of the shares from the Articles of Association and the relevant amendments to the Articles of Association. Pertinent and consequent resolutions.”*

**REPORT OF THE COMMON REPRESENTATIVE OF SAVINGS SHAREHOLDERS**

By a notice published on 6 February 2018, as set forth by law, the Board of Directors of Intesa Sanpaolo S.p.A. (the “**Company**” and/or “**Bank**”) convened, on single call, the extraordinary meeting of the ordinary shareholders, on 27 April 2018, at 10:00 a.m., to pass resolutions on the following agenda:

*“Mandatory conversion of savings shares into ordinary shares and concurrent removal of the indication of nominal value for the shares of Intesa Sanpaolo from the Articles of Association. Amendment of Articles 5 and 29 and removal of Article 30 of the Articles of Association. Pertinent and consequent resolutions.”*

By a separate notice published on the same date, the Board of Directors also convened, on single call, a special meeting of savings shareholders on the same day, at 16:00, to pass resolutions on the following agenda:

*“Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the Extraordinary Shareholders’ Meeting concerning the mandatory conversion of the Company’s savings shares into ordinary shares of the same Company, as well as the removal of the indication of the nominal value of the shares from the Articles of Association and the relative amendments to the Articles of Association. Pertinent and consequent resolutions.*

Upon receipt of such notices of call, the Common Representative considered it necessary to draw up this report in the interest of the category, reserving the right to make any additions to the same within the term set forth by law and/or the Articles of Association.

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As regards the proposed mandatory conversion of the Company’s savings shares into ordinary shares

Distinguished Shareholders,

As you know, the Board of Directors has decided to propose to the special meeting of savings shareholders the conversion of the savings shares into ordinary shares. The terms and conditions, as well as the remarks of the Common Representative, are indicated hereunder.

As mentioned in the Report of the Board of Directors, the transaction (as defined hereunder), if approved as set forth by law, provides the mandatory conversion of the savings shares of the Company

into ordinary shares (the “**Mandatory Conversion**”), with consequent amendment of the Articles of Association.

If the above-mentioned proposal is approved by the Special Meeting of Savings Shareholders, the holders of savings shares who have not taken part in the approval shall be entitled to exercise the right of withdrawal pursuant to article 2437, paragraph 1, letter g), of the Italian Civil Code and, in this case, liquidate their shares according to the procedure indicated hereunder.

The implementation of the transaction as a whole is subject to the following three conditions: (i) approval of the Mandatory Conversion by the extraordinary meeting and, subsequently, by the special meeting of savings shareholders, (ii) issue by the European Central Bank of the authorizations for amendments to the Articles of Association, for inclusion in CET1 of the ordinary shares issued in connection with the conversion and for the possible purchase by the Company of own shares at the end of the liquidation procedure relating to the withdrawing shareholders; (iii) the amount owed to those who elect to exercise the right of withdrawal should not exceed 400 million Euro at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders.

As at the date of the Report of the Board of Directors, Intesa Sanpaolo’s share capital amounted to Euro 8,731,984,115.92, subdivided into 16,792,277,146 shares having a nominal value of Euro 0.52 each, of which 15,859,786,585 are ordinary shares and 932,490,561 are non-convertible savings shares. The savings shares therefore represent approximately 5.6% of the Bank’s full share capital.

It should be noted that the conversion ratio of the savings shares into ordinary shares was proposed by the Board of Directors as 1.04 ordinary shares of the Company for each savings share (the “**Conversion Ratio**”), without any cash adjustment and the recognition of a 7.5% premium with respect to the market closing price of 5 February 2018.

In particular, the Conversion Ratio was defined by the Bank's management body according to the following criteria: (i) the reasons underlying the Mandatory Conversion proposal, aimed above all to rationalize and simplify the capital structure, reduce the corporate duties and costs related to the existence of different categories of shares, aligning the rights of all shareholders and extending the total free float of the ordinary shares, thus creating the conditions for even greater liquidity of the shares; (ii) the specific financial and administrative characteristics of the savings shares with respect to the ordinary shares, described by paragraph 1.2 of the Report of the Board of Directors, to which reference is made; (iii) the trends of the market prices of savings shares with respect to the market prices of ordinary shares; (iv) the fundamental analysis in order to take into account the present value in *perpetuity* of the expected cash flows deriving from the increased dividend relating to the savings shares (i.e. the extra dividend allocated to these shares), which is equal to approximately €0.11 - i.e. 4% of the current market value of the shares; (v) the statistical analysis aimed at determining a conversion premium that encourages the savings shareholders to convert their savings shares and, at the same time, generates value for both the Company and the ordinary shareholders. As indicated by the Board of Directors, the conversion premium was determined by comparing the liquidation price (equal to Euro 2.74 per savings share) and the price of the ordinary shares that, through to the date on which the Mandatory Conversion becomes effective, will be subject to market volatility and dividend detachment on 21 May 2018. In this context, another fact also taken into account is that the ordinary shares and the savings shares will receive the dividend for the financial year 2017, inclusive of the economic privileges provided under Article 29.3 of the Articles of Association as currently in force and (vi) on the basis of the conversion ratios and implied premiums used in similar transactions recently completed on the Italian market.

In the evaluation of the Conversion Ratio, the Board of Directors used the trading day closed on 5 February 2018 as the last reference date for the market prices of both the savings and the ordinary shares (i.e. the day before the conversion proposal was announced to the market), stating that the

market conditions existing at the time of the execution of the Mandatory Conversion could affect, or exclude the existence of, an implied premium in the Conversion Ratio.

As regards the criticalities and advantages of the Mandatory Conversion, the Board of Directors pointed out that as a result of the Mandatory Conversion, and provided the conditions precedent are fulfilled on the effective date thereof, (i) those who do not exercise the right of withdrawal will receive ordinary shares at the above Conversion Ratio, losing the economic and administration privileges (including the right to cumulate any non-distributed dividends)<sup>1</sup> of the savings shares, but acquiring those of the ordinary shares, such as voting rights and all related rights and protections, and benefiting, moreover, from the liquidity of the shares on the market and the greater free float represented by the ordinary shares, (ii) the voting rights of the ordinary shareholders will be shared proportionally over the number of ordinary shares issued under the Mandatory Conversion.

It should also be noted that the Mandatory Conversion does not exclude the right of savings shareholders to receive the dividend for 2017, including the economic privileges. Moreover, the ordinary shares issued in connection with the Mandatory Conversion will bear regular dividend rights and the holders of such shares will participate in the distribution of dividends relating to 2018, in the same way as any other holder of ordinary shares.

The Board of Directors also pointed out that the Mandatory Conversion will not imply any cost for the savings shareholders.

As regards the procedure for the Mandatory Conversion, the Transaction will not entail an increase of the Company's share capital, given that new ordinary shares will be issued and the nominal value simultaneously eliminated, with consequent increase of the total number of outstanding shares. The total number of outstanding shares following the Mandatory Conversion will increase, with respect to the current amount of the corporate share capital, to 16,829,576,705 shares without nominal value, as a result of the issue of new ordinary shares for the Mandatory Conversion. Considering the amount of savings shares issued by the Bank and currently outstanding and the percentage of share capital they represent, the Mandatory Conversion will not significantly change the ownership structure of the Company.

Lastly, as regards the advantages of the Transaction, it should be noted that - according to the figures as at 31 December 2017 and on a par of all the other terms - after the Mandatory Conversion the Company may benefit from a strengthening of its CET 1 ratio by up to no more than 18 basis points, if the Company is not required to purchase the savings shares of withdrawing shareholders following the pre-emption rights offering to shareholders or their placement on the market, as better described hereunder.

As regards the timing and execution, the effective date of the Mandatory Conversion will be agreed upon with Borsa Italiana S.p.A. and published on the Company's website and in at least one national daily newspaper. In the notice, the Company will provide details on the methods of assignment of the ordinary shares resulting from the Mandatory Conversion and on the management of any fractions of shares resulting from the Mandatory Conversion. On the same date, the savings shares will be revoked

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<sup>1</sup> It should be remembered, that the net income shown by the financial statements, net of the portion allocated to legal reserves, and the portion which is not available pursuant to the law, will be allocated as follows: (i) a savings dividend up to 5% of the nominal value of the share. If in any year, a dividend of less than 5% of the nominal value is allocated to the savings shares, the difference will be added to the preferred dividend paid in the following two accounting periods; (ii) the remaining net income made available for distribution by the Shareholders' Meeting, will be allocated to all shares so that the total dividend per savings share has a nominal value that is 2% higher than that of the ordinary shares.

In accordance with the Company's Articles of Association in force as at the date of this report, any reduction of share capital due to losses does not have the effect of reducing the nominal value of the savings shares, other than for the portion of any loss exceeding the overall amount of the share capital represented by other shares. In the event the Company is wound up, savings shares possess pre-emptive rights in respect of the redemption of the entire nominal value of the capital.

If the Company's ordinary or savings shares are excluded from trading on regulated markets, the savings shares retain all their rights and characteristics, unless otherwise decided by the Extraordinary and Special Shareholders' Meetings.

from the listing on the Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A., and the ordinary shares resulting from the Mandatory Conversion will be listed on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A. The intermediaries, who keep the accounts in the name of each holder of savings shares, will assign to each holder the number of ordinary shares resulting from the Conversion Ratio. The Company will appoint an authorised intermediary for management of the conversion of fractions of ordinary shares resulting from the Conversion Ratio of the Mandatory Conversion.

As mentioned previously, savings shareholders who will do not participate in the approval of the relevant resolution of the Special Meeting of Savings Shareholders, will have the right to exercise the right of withdrawal set forth by Article 2437, paragraph 1, letter g), of the Italian Civil Code. The liquidation price/value for each savings share has been calculated in accordance with Article 2437-*ter* of the Italian Civil Code and decided by the Board of Directors, as Euro 2.74 (which is the arithmetic average of closing prices of savings shares on the market in the six months before the date of publication of the notice of call of the shareholders' meeting whose resolutions give savings shareholders the right to exercise the right of withdrawal (i.e. 6 February 2018).

As regards the terms and execution of the right of withdrawal, reference is made to paragraph 1.19.2 of the Report of the Board of Directors, on the understanding that the parties who are entitled to exercise the right of withdrawal may in any case exercise such right, on all or a part of the savings shares held, by registered letter sent to the registered office of the Company within no more than 15 calendar days from the date of registration of the resolution with the Company Register. Moreover, the directors of the Company will offer for pre-emption the shares of the withdrawing shareholders to all the savings shareholders who have not exercised their right of withdrawal, and to the ordinary shareholders of the Company. A term of no less than 30 days from the date the pre-emption offer is filed with the competent Company Register will be allowed to exercise the above right. Shareholders who exercise the pre-emption right shall also have a pre-emptive right to purchase the shares for which no pre-emption right has been exercised, provided they submit a concurrent request therefor. Should any of the shares for which the withdrawal right has been exercised have not been acquired in whole or in part by the Company's shareholders, such shares may be offered by the Company on the market. Finally, if any of the shares for which the right of withdrawal has been exercised are not purchased within 180 days from the notice of withdrawal, the Company will purchase such shares using available reserves.

Information on the terms and conditions to exercise the right of withdrawal that cannot be defined before the date of the Special Meeting of Savings Shareholders, including the date of effective registration of the resolution with the Company Register, together with the procedure and terms of the liquidation proceeding (including the number of saving shares on which the right of withdrawal has been exercised, the offer with pre-emption and pre-emptive rights and any offer on the market), will be disclosed by the Company – together with the details on the terms and conditions for exercising the right – in accordance with the rules established by current regulations, with the related notices published on the Company's website as well as in at least one national daily newspaper.

It should be noted that the (i) the ordinary shares issued for the Conversion will have regular dividend rights; (ii) the withdrawal procedure will commence and be concluded after the ex-right date of the dividends for the financial year ended 31 December 2017 (set for 21 May 2018): the savings shareholders who exercise the withdrawal right – as well as those who do not exercise such right – will receive such privileged dividend.

Pursuant to the above, in order to reflect the effects of the Mandatory Conversion, it will be necessary to amend Articles 5, with sole regard to paragraph 5.1, and 29 and to remove Article 30 of the Articles of Association of the Company.

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As previously mentioned, the Conversion Ratio has been determined by the Board of Directors in 1.04 ordinary shares per savings share, without cash payment. Therefore, the Savings Shareholders will receive a premium of 7.5% in respect of the market closing price on the day of 5 February 2018. It should be specified that in order to determine the applicable Conversion Ratio, the Board of Directors has examined a sample of most significant transactions, remarking that these transactions in the last few years have had a conversion premium equal to about 14%, as median value in a range of 3% to 38%. In particular, with regard to previous transactions with characteristics similar to those of this proposal, a conversion premium has been recorded in the range of 3% to 12%, even if the application of the cases considered is rather limited since the results must be interpreted in the light of the peculiarities of each transaction.

On this point, as an additional datum, we enclose below the table prepared by the Common Representative, which summarizes an historical series of a few exchange ratios used for the conversion of savings shares into ordinary shares by a few listed companies, elaborated on the basis of public data by the Common Representative.

COMPANY	ANNOUNCEMENT DATE	KIND OF CONVERSION	CONVERSION	CASH PAYMENT	CONVERSION PREMIUMS
01. TELECOM	05.11.2015	VOLUNTARY MANDATORY	1 : 1 0.87 ord x 1 savings	cash € 0.095	12.20% 5.80%
02. UNIPOL SAI ASSICURAZIONI	01.12.2014	MANDATORY	100 ord x 1 savings	NO	25.31%
03. RCS	28.03.2014	VOLUNTARY	CAT. A:- 1.1	€ 0.26	12.70%
		MANDATORY	CAT. A : 0.77 ord x 1	NO	2.40%
		VOLUNTARY	- 1.1	€ 0.68	20.20%
		MANDATORY	CAT.B: 0.51 ord x 1 savings	NO	2.10%
04. ITALCEMENTI	07.03.2014	MANDATORY	0.65 ord x 1 savings	NO	19.00%
05. EXOR	11.02.2013	MANDATORY	1 : 1	NO	10.18%
06. FIAT INDUSTRIAL	27.10.2011	MANDATORY	0.725 ord x 1 savings	NO	34%
07. FIAT	27.10.2011	MANDATORY	0.875 ord x 1 savings	NO	19%
08 UNICREDIT	21.09.2017	MANDATORY	3.82 ord x 1 savings	YES	40%

As shown in the table above, in relation to the last recent conversions, only two have provided for a ratio higher than the par value, as in the case at hand, while in the majority of them a ratio under par value has been found, or, in any case, with cash payment.

As already clarified above, the Mandatory Conversion, in terms of modifications of administrative rights, will imply a simplification of the capital structure with the transformation of savings shares into ordinary shares with voting rights, which will be connected to a more liquid underlying market and to a different regulatory regime concerning the application, inter alia, of the rules on takeover bids (in particular, mandatory bids), proprietary arrangements and shareholders' rights (especially minority shareholders). On the other hand, the Mandatory Conversion, in addition to suppressing the higher dividend regime to which the savings shares are entitled, the value of which, however, is lower than the premium implied in the Conversion Ratio as illustrated above (perpetuity of the expected cash flows deriving from the increased dividend relating to the savings shares), will determine a change in the statutory regime relating to the deferment of savings shares in respect of ordinary shares in the event of capital reduction due to loss. Likewise, on completion of this transaction, the pre-emption right of the savings shares over the ordinary shares in repayment of principal will no longer apply, in the event of dissolution of the Company and liquidation of its assets.

To this regard, when assessing the fairness of the Transaction, the Conversion Ratio of savings shares to ordinary shares becomes essential.

As things stand, and on the basis of the evaluations made and keeping into account all the elements described above, the Common Representative believes that the proposed transaction meets the interests of the category, as well as complying with the international best practice (one share one vote) allowing simplification of the capital structure and elimination of different types of shares with differentiated rights.

Reserving the right to make additions within the terms provided by law or the Articles of Association, in any case the final assessment on the fairness of this transaction is submitted for a free decision by the meeting of savings shareholders, which, through the approval or not of the decision passed at the extraordinary meeting of ordinary shareholders, may express their opinion on the Mandatory Conversion, considering all parameters on which it is based, with the reminder that, considering the item on the agenda of the meeting, the special meeting, pursuant to Article 146, paragraph 1, letter a), of the Consolidated Law on Finance and departing from Article 2376, paragraph 2, of the Italian Civil Code, shall pass a resolution on a single call with the vote in favour of the savings shares representing at least twenty percent of the shares of this category.

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#### Report on the activity of the Common Representative

Given that the approval of the conversion and its execution will result in the termination of the office of Common Representative that I have held, since the category of shares will no longer exist, I deem it proper to submit a report on the activities carried out, and in progress, by the Common Representative, indicating the related costs.

I shall remind that I have been appointed as Common Representative of the savings shareholders at the special meeting held on 1 December 2017, for the financial years 2018/2020. Therefore, the mandate of the undersigned, in accordance with the aforementioned resolution, and with the Company's Articles of Association in force, is due to expire on 31 December 2020, although, if the special meeting approves the Mandatory Conversion, the mandate will cease with the execution of the conversion operation, as authorized by the related resolution.

That being said, I shall point out that in the last few months and in the upcoming months, until execution of the conversion, I have followed and shall follow, the progress of the activities of the Bank and the definition of the 2018-2021 Business Plan, of which I have noted the aptitude for achieving the strategic priorities indicated, and its capacity to bring about the realization of the objectives of growth and value creation and distribution set by the Bank. In particular, I have constantly represented and promoted - and will continue to do so - the category's interests, analysing the information on the Company's management, activities and operations performed by the Company, in accordance with the law and the Articles of Association, and to be performed.

During this time, moreover, I had the opportunity to exchange opinions with the corporate bodies of the Bank and with its departments dedicated to the management of the relations with the shareholders, with a view to protecting the savings shareholders category, having previously acquired the necessary information provided by the Company and analysed in detail its content.

More specifically, the activity performed has been characterized, in particular and to a large extent, by the proposed conversion of savings shares into ordinary shares. In consideration of the current market conditions and the in-depth studies and analyses performed, I have remarked many times that such an operation is able to meet the interests of the category. In fact, I shall point out that already at the meeting of 1 December 2017, and even before that, I had made known the possibility to assess this operation, also in the light of past conversions and current market, finding the best capital rationalization solutions.

In regard to costs reporting, I shall point out first of all that I did not deem it necessary to establish the Common Fund for the expenses necessary to protect the common interests of savings

shareholders, as envisaged in Art. 146, paragraph 1, letter c), of the Consolidated Law on Finance, due to the Company's willingness to advance any expenses incurred by the Common Representative in the interest of the shareholders represented.

In this regard, I shall represent that in relation to my mandate so far I have asked the Company for no reimbursement of the expenses of the activities performed and the analysis of the various aspects that I have examined, aided by a few collaborators of mine, and employing no external consultants.

In light of the above, in the event of approval of the resolution submitted to the special meeting, keeping into account the importance and extent of the same and the activity performed and to be performed, as indicated above, for the conversion, I shall remark that the Company will be requested to pay as reimbursement of all costs and expenses incurred in relation to the activities performed and to be performed, the amount of € 25,000.00, plus any other sums as required by law, as well as the compensation for the ordinary activities referred to in the resolution of the special meeting of 1 December 2017. Such amount, which should have been charged on the common fund, as indicated above, will be paid by the Bank.

Finally, should any additional costs and/or expenses emerge, other than those indicated above, these will be promptly indicated in a proper report supplementing this report in accordance with the law and the Articles of Association.

I would like to thank you for your attention and for the trust you have placed in me during my term in office.

Kind regards,

28 March 2018

The Common Representative of Savings Shareholders  
Intesa Sanpaolo S.p.A.

A handwritten signature in black ink, appearing to read 'Dario Trevisan', written in a cursive style.

Lawyer Dario Trevisan

This is an English translation of the original Italian document. In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.