
Report of the Board of Directors

Ordinary Part – Item 4 on the agenda

Own shares:

b) Authorisation to purchase and dispose of own shares to serve Incentive Plans

Distinguished Shareholders,

you have been called to this Ordinary Meeting to discuss and pass resolutions on the purchase of shares to serve the variable remuneration to be granted in Intesa Sanpaolo shares to the employees of the Group and to particular categories under an agency relationship, namely the Financial Advisors of the Fideuram - Intesa Sanpaolo Private Banking Group's Networks.

More specifically, the own shares will be used to serve the "**Incentive Plans**", namely:

- Intesa Sanpaolo Group 2021 Incentive System and, on a residual basis, payments agreed in view of or upon the employment relationship (so-called Severance¹);
- Privredna Banka Zagreb (PBZ) Group's 2021 Incentive Systems and the payment of the outstanding portions in financial instruments deriving from previous plans;
- long-term Incentive Plans for the Financial Advisors of the Fideuram - Intesa Sanpaolo Private Banking Group's Networks.

Please note that, the 2021 Incentive System of the Intesa Sanpaolo Group, intended for Risk Takers who accrue a bonus exceeding the so-called "materiality threshold"², the recipients of a "particularly high"³ amount and those who, among Middle Management or Professionals that are not Risk Takers, accrue a "relevant"⁴ bonus, provides for the use of ordinary Intesa Sanpaolo shares in line with the Supervisory Provisions on remuneration and incentive policies and practices⁵ (the "**Provisions**"). In compliance with the Provisions, the Group's Remuneration and Incentive Policies envisage that Severance must be partially paid in shares when the amounts exceed the materiality threshold if paid to Risk Takers or are "relevant" amounts if paid to Managers or Professionals who are not Risk Takers.

In addition, it should be noted that, in accordance with local regulations, under the Intesa Sanpaolo Group's Incentive System, for PBZ Group Risk Takers who accrue a bonus exceeding the applicable materiality threshold⁶, the variable remuneration to be paid in financial instruments is currently recognized in PBZ shares. In view of the PBZ delisting and the subsequent squeeze-out process of the

¹ As provided for in Bank of Italy Circular 285/2013, "Severance" is defined as the remuneration agreed in view of or upon early termination of the employment contract or for the early termination of the office for the amount exceeding the provisions of the National Collective Labour Agreement (CCNL) relating to the so-called indemnity in lieu of notice and, with reference to the non-competition agreement, for the amount exceeding the last yearly fixed remuneration.

² More specifically, the "materiality threshold" for Risk Takers is defined as €50,000 or one-third of total remuneration (unless otherwise provided for in specific local regulations).

³ Pursuant to the Group's Remuneration and Incentive Policies, for the three-year period 2019-2021, variable remuneration in excess of €400,000 is considered "particularly high".

⁴ I.e. an amount exceeding the "materiality threshold" (equal, for Middle Management and Professionals, to €80,000, unless otherwise provided for by specific local regulations) and 100% of fixed remuneration.

⁵ Title IV, Chapter 2 of Bank of Italy Circular No. 285 of 17 December 2013, as subsequently amended and supplemented.

⁶ It is specified that, in accordance with local regulations, the materiality thresholds applicable to the PBZ Group are distinct for each country in which it operates as follows: (i) Croatia: HRK 200,000 and/or 30% of fixed remuneration; (ii) Slovenia: EUR 80,000; (iii) Bosnia: BAM 100,000.

relevant shares⁷ currently underway, it will no longer be possible to recognize the variable remuneration in PBZ shares; therefore, it will be necessary to serve the 2021 Incentive System and to pay the outstanding portions in financial instruments deriving from previous plans in Intesa Sanpaolo shares, to replace the PBZ financial instruments currently provided. It should be noted that with reference to the outstanding portions in financial instruments resulting from previous plans, the number of Intesa Sanpaolo shares due to each recipient will be calculated in application of a conversion formula that will be approved by the Intesa Sanpaolo Board of Directors.

As regards the Long-Term Incentive Plans intended for the Financial Advisors of the Fideuram - Intesa Sanpaolo Private Banking Group's Networks, it should be noted that, in the context of the new Business Plan, the 2022-2025 Long-Term Incentive Plan for the Financial Advisors of Fideuram - Intesa Sanpaolo Private Banking, Sanpaolo Invest and IW SIM ("**2022-2025 LTIP Plan**") is expected to be launched. The 2022-2025 LTIP Plan, whose characteristics are in continuity with the previous 2018-2021 LTPI Plan, includes among the clusters of beneficiaries the so-called "LTIP Risk Takers", i.e. those who at the start of the Plan are identified as Risk Takers on the basis of qualitative criteria, additional⁸ and, for at least two years, on the basis of quantitative⁹ criteria. Given that, for this population cluster, the Plan is expected to be allocated in Intesa Sanpaolo financial instruments, it is necessary to purchase shares to service the Plan.

Similarly to what has been provided for the 2022-2025 LTIP Plan, please note that, also with reference to the 2018-2021 LTIP, intended for the Financial Advisors of Fideuram and Sanpaolo Invest networks ("**2018-2021 LTIP Plan**"), in 2020 Intesa Sanpaolo Shareholders' Meeting resolved upon a buyback of ISP shares in order to serve – inter alia - the Plan for the recipients identified amongst Risk Takers at the launch of the plan (so-called "LTIP Risk Taker"); as to other recipients, the Plan provides for the assignment of ISP shares only if the recipient, at the end of the performance accrual period, accrue – in accordance with the terms and conditions of the relative regulation – a premium of a particularly high amount¹⁰, as long as it is identified as a Risk Taker. Considering that, in light of the results achieved, the abovementioned cases have occurred, it is necessary to purchase ISP shares in order to complete the execution of the Plan.

As the Company currently does not hold a sufficient number of own shares in its portfolio in order to ensure the implementation of the Incentive Plans, authorisation is requested to the Shareholders' Meeting, pursuant to Articles 2357 et seq. of the Italian Civil Code, so that the Company may purchase the necessary own shares and assign them to its employees, other staff, as well as to directors, employees and other staff of its subsidiaries.

For these purposes, the authorisation is requested for the purchase, also in several tranches, of ordinary shares up to a maximum number of 46,773,409 equal to a maximum percentage of Intesa Sanpaolo's share capital of 0.24%.

The aforementioned maximum number of shares has been determined by adding together:

- 23,569,745 shares needed to serve the 2021 Incentive System of the Intesa Sanpaolo Group and, residually, the Severances. This number was obtained by dividing the all-inclusive amount of approximately 55,000,000 euros by the official average price recorded by the same share in the month preceding 15 March 2022 (i.e. 13 February 2022 – 14 March 2022), date on which Intesa Sanpaolo Board of Directors resolved upon such request for authorisation, and equal to 2.3335 euro;
- 1,714,163 shares required to serve the Privredna Banka Zagreb Group (PBZ) 2021 Incentive System and the outstanding portions of financial instruments deriving from previous plans. This number was obtained by dividing the amount of approximately 4,000,000 euros by the official

⁷ More specifically, on April 26, 2021, the PBZ Shareholders' Meeting approved the delisting and on December 23, 2021, it approved the squeeze out that is still ongoing.

⁸ Understood to be the Area Managers and FAs who, based on the Incentive Systems defined, are entitled to a non-recurring remuneration higher than the recurring remuneration referred to the same year. With reference to the latter, it is specified that only those who have accrued the right to non-recurring remuneration higher than recurring remuneration for at least 2 years are included in the Plan.

⁹ Total remuneration equal to or exceeding 750,000 euro.

¹⁰ As defined in the Company's Remuneration and Incentive Policies in force at the time of accrual of the LTIP bonus. As of today, according to the 2022 Remuneration and incentive Policy, for the three-year period 2022-2024, it equals to 400,000 euro.

average price recorded by the same share in the month preceding 15 March 2022 (i.e. 13 February 2022 – 14 March 2022), date on which the Intesa Sanpaolo Board of Directors resolved upon such request for authorisation, and equal to 2.3335 euro;

- 16,300,000 shares necessary to serve the 2022-2025 LTIP Plan calculated by dividing the amount of approximately 35,800,000 euros by the price of 2.20 euros assumed by the Boards of Directors of Fideuram - Intesa Sanpaolo Private Banking, Sanpaolo Invest and IW SIM in the sessions of 14 March 2022 (in line with the reference used for the 2022-2025 Long-Term Incentive Plans of the Intesa Sanpaolo Group - i.e. Performance Share Plan and LECOIP 3.0 Plan¹¹);
- 5,189,501 shares necessary to serve the 2018-2021 LTIP Plan calculated by dividing the amount of approximately 12,200,000 euros by the official average price recorded by the same shares in the month preceding 14 March 2022 (i.e. 12 February 2022 – 13 March 2022), date on which the Boards of Directors of Fideuram - Intesa Sanpaolo Private Banking and Sanpaolo Invest acknowledged the results of the Plan and the consequent need to purchase shares to service it in order to complete its execution, and equal to 2.3509 euro.

The above maximum number of shares includes both the portion intended for Intesa Sanpaolo employees and for employees and Financial Advisors of companies directly and/or indirectly controlled by ISP. By the start date of the purchase plan at Group level, said companies shall complete, if not yet completed¹², the request procedure for the equivalent authorisation from their shareholders' meetings, or from the related competent decision-making bodies on this subject.

As at the date of this Report, Intesa Sanpaolo's share capital subscribed and paid-in amounts to EUR 10,084,445,147.92 divided into No. 19,430,463,305 ordinary shares.

The maximum number of ordinary shares for which the purchase authorisation is requested pursuant to Art. 2357 of the Italian Civil Code is thus within the legal limits, also considering any shares owned by subsidiaries.

Own shares shall be purchased within the limits of distributable income and available reserves as per the latest approved financial statements at the time the purchases are carried out.

An unavailable reserve equal to the amount of own shares recorded under balance sheet assets must be established and maintained until the shares are transferred or cancelled.

The authorisation for purchase is requested for the maximum period of 18 months permitted by applicable law, from the date of the Ordinary Shareholders' Meeting resolution.

It is understood that the purchase shall take place only provided that the Supervisory Authority grants (or, if the case may be, renews) the relevant permission and only during the period of time for which the permission is granted¹³.

The Board of Directors confers the mandate to the Managing Director and CEO, the Chief Financial Officer and the Head of the Group Treasury and Finance Head Office Department, individually and with the right to sub-delegate, to make the purchase of Intesa Sanpaolo shares on the regulated market pursuant to art. 144-bis, lett. b), of the Issuers' Regulation in compliance with the regulations on the equality of shareholders, the measures to prevent market abuse and the related market practices permitted by Consob as well as the terms approved by the Shareholders' Meeting. These purchases shall be made also on behalf of the subsidiaries participating in the initiative.

The authorisation to use the own shares purchased as above is requested within the time frame required to implement the Incentive Plans.

The purchase will be made in compliance with any regulatory restrictions or permitted market practices, at a price identified on a case by case basis, net of accessory charges, in the range of a minimum and

¹¹ Compare the Reports of the Board of Directors regarding items 2 and 3 on the agenda for the Extraordinary Shareholders' Meeting.

¹² Even though, in any case, subject to the authorization of this Meeting.

¹³ Equal to a maximum of 12 months.

maximum price which can be determined using the following criteria:

- the minimum purchase price cannot be lower than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, decreased by 10%;
- the maximum purchase price cannot be higher than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, increased by 10%.

In any case, the price may not exceed the higher between the price of the last independent transaction and the current price of the highest bid for independent purchase in the market.

Purchases shall be made on the regulated market - pursuant to Article 144-bis, letter b) of the Issuers' Regulation - in full compliance with the regulations on the equality of shareholders, the measures to prevent market abuse and the related market practices permitted by Consob.

The ordinary shares purchased based on the authorization requested in this proposal shall be assigned to the recipients according to the terms and conditions envisaged by the Incentive Plans in the respective regulations and in compliance with the applicable Remuneration Policies. The shares shall be assigned free of charge, at a value for Recipients calculated in compliance with the provisions of tax and social security regulations in force from time to time.

If the shares purchased exceed the actual needs in service of this resolution, the Company may dispose of them on the regulated market, using the same methods provided for their purchase, at a price of no less than the reference price that the share recorded in the stock market session on the day prior to each single transaction decreased by 10%, or retain them for the service of any future incentive plans and/or any Severance granted.

Distinguished Shareholders, you are therefore invited to approve the proposed authorisation for the purchase and disposal of own shares, in accordance with the terms illustrated.

15 March 2022

For the Board of Directors
the Chairman – Gian Maria Gros-Pietro

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.