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# Report of the Board of Directors

## Item 3 on the agenda

### Own shares:

#### a) Authorisation to purchase and dispose of own shares to serve the Incentive Plans of the Intesa Sanpaolo Group

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.

More specifically, the own shares will be used to serve, mainly, the Intesa Sanpaolo Group 2022 Incentive System, and, to a lesser extent, the incentive plans of certain subsidiaries indicated below (together, the “**Incentive Plans**”):

- the 2022 Incentive System of the Private Banking Network belonging to the Italian Network of Intesa Sanpaolo Private Banking;
- the 2022 Incentive System of the Relationship Managers belonging to the International commercial Networks of the Fideuram - Intesa Sanpaolo Private Banking Group (i.e. Reyl Group and Intesa Sanpaolo Wealth Management); and
- the 2022 Incentive System of the non-employee Financial Advisors belonging to the commercial Networks of the Fideuram - Intesa Sanpaolo Private Banking Group.

Additionally, the own shares will be used, on a residual basis, for potential payments agreed ahead of or upon early termination of the employment relationship (so-called Severance<sup>1</sup>), if any.

Please note that the abovementioned Incentive Plans provide for the use of Intesa Sanpaolo ordinary shares in line with the Supervisory Provisions on remuneration and incentive policies and practices<sup>2</sup> (the “**Provisions**”) for Risk Takers who accrue a bonus exceeding the so-called “materiality threshold”<sup>3</sup>, the recipients of a “particularly high”<sup>4</sup> amount and those who, among Middle Management or Professionals that are not Risk Takers, accrue a “relevant”<sup>5</sup> bonus.

In compliance with the Provisions, the Group’s Remuneration and Incentive Policies envisage that Severance must be partially paid in shares when the amounts are “particularly high”, when they exceed the materiality threshold if paid to Risk Takers or are “relevant” amounts if paid to Managers or Professionals who are not Risk Takers.

As the Company does not currently hold a sufficient number of own shares in its portfolio to ensure the implementation of the Incentive Plans and to make potential Severance payments, authorisation is

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<sup>1</sup> 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.

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

<sup>3</sup> More specifically, in line with the Provisions, 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).

<sup>4</sup> Pursuant to the Group’s Remuneration and Incentive Policies, for the three-year period 2022-2024, variable remuneration in excess of €400,000 is considered “particularly high”.

<sup>5</sup> I.e. an amount exceeding the “materiality threshold” (for Middle Management and Professionals generally equal to €80,000, unless otherwise provided for by specific local regulations, it being understood that, for those who belong to Intesa Sanpaolo Wealth Management’s business functions and those who belong to the Reyl Group, such threshold is equal to €150,000) and 100% of fixed remuneration.

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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 one or more tranches, of ordinary shares up to a maximum number of 33,882,090 equal to a maximum percentage of Intesa Sanpaolo's share capital of 0.18%.

The aforementioned maximum number of shares has been determined by dividing the amount estimated as necessary to serve all the above mentioned Incentive Plans and potential Severance payments equal to approximately €85,000,000 by the official average price recorded by the same share in the month preceding 16 March 2023 (i.e. 14 February 2023 – 15 March 2023), date on which the Board of Directors of Intesa Sanpaolo passed a resolution approving said request for authorisation, equal to € 2.5087.

The aforementioned maximum number of shares includes both the portion intended for Intesa Sanpaolo employees and the portion for employees and Financial Advisors of companies directly and/or indirectly controlled by Intesa Sanpaolo. These companies shall complete the request procedure for the equivalent authorisation from their shareholders' meetings, or from the related competent decision-making bodies on this subject, by the date the purchase plan is launched at Group level.

As at the date of this Report, Intesa Sanpaolo's share capital subscribed and paid-in amounts to €10.368.870.930,08 divided into No. 18.988.803.160 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 annulled.

The authorisation for purchase is requested for the maximum period of 18 months permitted by applicable law, starting 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 granted<sup>6</sup>.

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 and to make any Severance payments.

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 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

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<sup>6</sup> Equal to a maximum of 12 months.

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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 not lower 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.

16 March 2023

For the Board of Directors  
the Chair – 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.*