

Qualitative and Quantitative Composition of the Board of Directors

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.

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INTRODUCTION

This document contains the Guidance that the outgoing Board of Directors of Intesa Sanpaolo wishes to provide to the Shareholders, to help them in the process of identifying the best proposals for the quantitative and qualitative composition of the new Board of Directors of the Bank, which will be presented by Shareholders ahead of the Shareholders' Meeting of 29 April 2022.

The outgoing Directors hope that these proposals will be consistent with the profiles they have suggested, based on their experience in the governance of the Bank and on the annual self-assessments carried out during their term of office. They would also like to remind the Shareholders that these proposals must comply with the industry regulations and the recommendations of the Supervisory Authorities, which form the basis for this Guidance.

With regard to the latter, you are reminded that the Supervisory Provisions issued by the Bank of Italy ⁽¹⁾ highlight that the “organisational and corporate governance structures of banks, in addition to suiting the interests of the company, must ensure sound and prudent management conditions, which is the overriding objective of the regulations and of the controls performed by the supervisory authorities”.

In line with what was also stressed by the supranational bodies, it is deemed that this goal can be achieved through an adequate composition of the banks' governing bodies, capable of guaranteeing the effective performance of the functions they are assigned to carry out ⁽²⁾.

In this matter, the European Central Bank has particularly stressed the importance of a robust individual and collective assessment of the suitability of candidates for the position of members of the corporate bodies of a significant bank ⁽³⁾.

To this end, the following is therefore required:

1. from the *quantitative* point of view, the number of members of the bodies must be appropriate to the size and complexity of the organisational structure of the bank and to effectively monitor business operations, as regards the management and controls;
2. from the *qualitative* point of view, the bodies must be composed of persons:
 - who are fully aware of the powers and obligations inherent to the role and functions that each of them is expected to perform;
 - who at all times meet all the suitability requirements, in order to ensure the sound and prudent management of the bank;
 - who have suitable professional skills and experience, also in relation to the participation in any internal committees, and proportionate to the operations and size of the bank;
 - who, collectively, have skills distributed among all members and properly diversified, so that each member, both in the Committees and in board discussions, can effectively contribute to identifying and pursuing adequate strategies and to ensuring effective governance of risks in all areas of the bank;
 - who are able to dedicate adequate time and resources to the complexity of their office, subject to compliance with the limitation of directorships, as established by Decree of

¹ See Circular 285 of 17 December 2013 and subsequent amendments.

² See Guidelines on the assessment of the suitability of the members of the management body and key function holders – updated by the EBA and the ESMA on 2 July 2021, in implementation of the principles set out in Directive 36/2013/EU; Guidelines on internal governance, EBA – 2 July 2021.

³ ECB Guide to fit and proper assessments - December 2021.

the Ministry of the Economy and Finance no. 169 of 23 November 2020 (Ministerial Decree 169/2020), and the regulatory constraints imposed for offices in competing undertakings;

- who target their action to pursuing the overall interests of the bank, regardless of the shareholders that have voted for them or of the slate from which they were drawn, acting with independence of mind.

It should be noted that this Guidance to the Shareholders also complies with the provisions of the Corporate Governance Code that the Bank adheres to ⁽⁴⁾.

The new Board of Directors that will be elected by the Shareholders' Meeting will be required, when assessing the suitability of the new appointees pursuant to Article 26 of the Consolidated Law on Banking, to verify – with the support of the Nomination Committee – the compliance of the new Body with the composition requirements considered optimal as communicated to the Shareholders beforehand. The results of the analyses carried out and the observations of the Nomination Committee must be sent to the Supervisory Authority, which will conduct a thorough analysis, independently assessing the satisfaction of the requirements by the candidates.

Lastly, it should be noted that the slates for the renewal of the Bodies at the Shareholders' Meeting scheduled for 29 April must be submitted in time for the Company - the necessary completeness and compliance checks having been carried out - to be able to make them public at least 30 days before the date of the Shareholders' Meeting.

Moreover, in compliance with the Recommendations contained in the Corporate Governance Code and also taking into account the requests expressed by the European Central Bank to have relevant information on the candidates as soon as possible, shareholders who submit a slate containing a number of candidates exceeding half the number of directors to be elected are requested (i) to provide adequate information on compliance with this Guidance; (ii) to indicate their candidate for the position of Chairman and Deputy Chairperson of the Board of Directors, whose appointment will take place in accordance with the procedures set out in the Articles of Association; (iii) to express an indication of the candidate that they deem appropriate to recommend to the Board as the ideal profile for the position of Managing Director and CEO, without prejudice to the full prerogatives of the management body that will be appointed, by virtue of the powers defined in the Articles of Association.

1. ONE-TIER GOVERNANCE SYSTEM AND STRUCTURE OF THE BOARD OF DIRECTORS

Intesa Sanpaolo adopts the one-tier corporate governance system in accordance with Articles 2409-sexiesdecies and following of the Italian Civil Code. Corporate governance is therefore organised and operates through a Board of Directors, certain members of which are also members of the Management Control Committee.

The Articles of Association ⁽⁵⁾ of Intesa Sanpaolo set out the structure of the Board of Directors, within the one-tier model, establishing that it is composed of a minimum of 15 to a maximum of 19 members, elected by the Shareholders' Meeting. 5 members of the Board,

⁴ See New Corporate Governance Code (Article 4) regarding the transparency and functionality of the appointment and self-assessment process to ensure an optimal composition of the management body, with the relative role of the Nomination Committee, also for the identification and notification to shareholders of the evaluations concerning the managerial and professional profiles deemed appropriate for the composition of the Board.

⁵ The structure and tasks of the corporate bodies are fully described in Title V of the Articles of Association

in compliance with the Supervisory Provisions, are appointed directly by the Shareholders' Meeting to compose the Management Control Committee. It is also established that:

- the vast majority of the members of the Board - at least two thirds, including the Directors who will be members of the Management Control Committee - must be independent directors,
- at least two-fifths of the Director positions must be reserved for the less-represented gender, subject to any legal provisions to the contrary,
- the Board must establish a Nomination Committee, a Remuneration Committee and a Risks Committee, each composed of a minimum of three to a maximum of five non-executive Directors, with a majority being independent. In addition to these Committees, the Committee for Transactions with Related Parties, entirely made up of independent Directors, will be established,
- the Board must appoint a single managing director and chief executive officer (CEO and General Manager).

In view of the expiry of the term of office at the Shareholders' Meeting scheduled for 29 April 2022 - the Board of Directors, as a whole, and the Management Control Committee, specifically, have carried out their respective Self-Assessments for the 2021 financial year, which is the last year of their term of office, with the intention of submitting this Guidance to the Shareholders' evaluations.

The Self-Assessment process for 2021 was conducted by the Board of Directors, with the support of the Nomination Committee and the assistance of an independent advisory firm, in accordance with the provisions of its own Rules, which:

- implement the provisions of Part I, Title IV, Chapter I, Section VI of Circular 285 of the Bank of Italy, "Supervisory regulations for banks" of 17 December 2013, as amended,
- take into account Recommendation no. 23 of the Corporate Governance Code that the Bank has stated it adheres to,
- are aligned to the guidance from the European Regulatory Authorities EBA and ESMA and take into account the ECB Guide on Fit and Proper Assessments.

2. ASSESSMENT OF THE OPTIMUM QUANTITATIVE SIZE

The Board of Directors, aware of the size and complexity of the Bank's organisation and the positive work carried out by the management and control body over the last three years, after having conducted a detailed examination, with the support of the Nomination Committee, of the results of the Self-Assessment for 2021, the last year of its term of office:

considers it appropriate to confirm that the total number of 19 Members – including the 5 members of the Management Control Committee – is the optimum quantitative size of the future Board of Directors, and submits this guidance to the Shareholders while acknowledging the sovereignty of the Shareholders' Meeting in determining the number of Directors of the Bank that it deems most appropriate.

For the purpose of assessing the size, the following aspects were taken into account:

- ✓ organisational, operational and governance complexities of the Bank;
- ✓ strategic objectives determined by the new Business Plan, and the consequent needs for expertise;
- ✓ assessments expressed on the Body's work.

The Board therefore provides reasons for this assessment by confirming

- the conviction - gained from the experience of governance of the Bank acquired during the term of office that is ending - that this ensures the balanced execution of the overall set of supervisory, management and control functions that the Board of Directors and the Management Control Committee are called upon to perform, each within their own remit and role;
- the view that the current structure of the management body divided into four different Board Committees (in addition to the Management Control Committee) is adequate and functional and the desire to ensure that all the Committees - in line with best practice - are composed of five members, with the Chair and the majority of the members being independent, with appropriate diversification among the members of such Committees, subject to the requirement for the Committee for Transactions with Related Parties and the Management Control Committee to be fully composed of independent directors;
- the conviction that the size and governance of the existing Board allow each of its members adequate involvement, ample possibility and high level of in-depth examination of the issues, also in the Committees, which increase the effectiveness of the Bank's governance, also taking into account the need for a composition that presents diversified and specialised professional profiles, in line with the guidance of the Supervisory Authority.

With a view to setting up an appropriate structure for the Bank's corporate governance, the Board of Directors also took into account its decision to entrust the Risk and Sustainability Committee, as it will be redefined following the renewal, with the task of assisting it in the assessment and investigation of the sustainability issues associated with the performance of the Bank's activities and in the approval of the strategic guidelines and policies on sustainability, including the social and cultural responsibility model and the fight against climate change.

Likewise, it was taken into account the Board of Directors' decision to task the Management Control Committee with assisting the Board in assessing the correct use of the accounting standards for the preparation of the Parent Company and consolidated financial statements, and to that end coordinating with the Manager responsible for preparing the Company's financial reports.

3. ASSESSMENT OF THE OPTIMUM QUALITATIVE COMPOSITION OF THE BOARD OF DIRECTORS IN TERMS OF PROFESSIONALISM

The Board of Directors acknowledges:

- that the candidates as members of the management body must have knowledge, skills and experience necessary to perform their functions, taking into account the duties inherent to the role held and the Bank's characteristics, size and operations (as well as the additional requirements, set out in paragraph 4 below),
- that for the purposes of said knowledge, skills and experience, both the theoretical knowledge - acquired through study and training - and practical experience and skills gained in the performance of previous or current work/professional activities and significant roles in Boards of Directors and Committees are taken into account,
- the structure of the professional profiles, in terms of knowledge, skills and experience and the diversity of the current qualitative composition of the Bank's one-tier management and control body, which it considers to be very good,

and submits its Guidance to the Shareholders on the optimal qualitative composition in terms of professionalism of the future Board of Directors of the Bank, with a view to the evolution - in a balanced manner and related to the implementation of the Business Plan - of the

composition of experiences and skills of the existing Board.

With this aim, it is considered useful to provide the Shareholders with a preliminary presentation of some of the significant results of the 2021 Self-Assessment, which refer to the composition and functioning of the Board during the three-year term of office that is coming to an end, and which have been carefully taken into consideration, with the support of the Nomination Committee, in producing this Guidance.

Specifically, the Self-Assessment has identified and confirmed that:

- the outgoing Board further consolidated the positive operational experience of the one-tier model of governance of the Bank;
- during their term of office, the Directors also consolidated their knowledge and skills in the exercise of the functions carried out within the Bank's Board of Directors and Board Committees;
- the effectiveness and efficiency that the Board has achieved in its term of office depended on the professional authoritativeness and expertise of all the Directors, including the members of the Management Control Committee;
- the capability and maturity of the Directors, in conducting informed discussion and debate and in sharing responsibilities and elaborating on decisions, in relation to their roles and within the Bank's well-established governance processes, contributed to the role of relevance that the Board has performed over its three-year period in the governance of the Bank and is currently performing as an integrated team;
- the interaction and collaboration between the Board and the Board Committees and the verification and dialogue with the Management Control Committee proceeded with very satisfactory results, ensuring an effective system of checks and balances, as did the ability shown by the Board in the attentive and constructive monitoring and challenging of the CEO and the top management;
- the effort invested by the Directors in preparing for the meetings and the open discussion in the board meetings of the assessments of the relevant matters and subjects, resulted in an objectively best-in-class process through which the CEO and the Management proposed the Bank's Business Plan and, on several sessions, discussed, agreed and approved it with the Board;
- the commitment and the amount of time dedicated by each Director to the meetings of the Board, the Board Committees, and the Management Control Committee, and to the ongoing induction activities, have been high and have been provided fully with the necessary willingness;
- during this term of office as well, the business drive, the management skills, the authoritativeness and leadership of the CEO have been confirmed as well as the distinctive skills that the Board has within its ranks, which were brought together productively both in the work of the Committees and in the Board discussions and the interaction with the Management.

On the whole, it is certainly important that the Shareholders can carefully consider, as a further element for assessment, the results of the relevant activities carried out in each year of office, as also summarised in the annual Reports on Corporate Governance published on the Bank's website.

In view of the above, the Board of Directors hopes that the Shareholders of Intesa Sanpaolo, in producing the slates and the two sections in which the slates of candidates will be divided for the proposal to the Shareholders' Meeting of the joint composition of the new Board of Directors and the new Management Control Committee of the Bank, for the 2022-2024 mandate,

- *consider and propose to the Shareholders' Meeting a continuity of presence, and therefore the re-election, of a significant number of Directors of the Board and Directors who are also members of the Management Control Committee,*
 - retaining the vast wealth of knowledge and experience acquired by the outgoing Board, which ensured the excellent work and effective governance achieved in the 2019-2021 mandate;
 - also ensuring opportunities for adequate refreshment of experiences, knowledge and skills with respect to any new needs deriving from the 2022-2025 Business Plan;
 - safeguarding, for a significant part, in any case not less than two thirds of the members of the current Board, the wealth of experience, integration and capacity to contribute, achieved by the Board in its previous term of office;
- *ensure choices of high quality, diversity, complementarity and integration of professional skills and personalities, both re-elected and new, in order to:*
 - provide continuity also to the examination and debating capabilities on all the complex matters pertaining to the Board and the Management Control Committee,
 - allow adequate establishment and operation of the Board Committees.

Professionalism of the Directors and overall suitability of the Board

The Board of Directors first of all reminds the Shareholders that the European Supervisory Authority expects all candidates proposed for election as members of the Board of Directors of an issuing bank to have *basic knowledge* of the banking industry, preliminary to the performance of their role and their continued membership of the Board.

More generally, in its Guide to fit and proper assessments, the ECB states that it expects each candidate as a member of the Board to have a *basic level* of technical knowledge covering the following areas (“although for some positions it can be obtained through specific training”):

- banking and financial markets;
- regulatory framework and relevant legal requirements;
- strategic planning and an understanding of a credit institution’s business strategy or business plan and implementation thereof;
- risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk of a credit institution) including experience directly related to the responsibilities of the member;
- accounting and auditing;
- assessing the effectiveness of a credit institution’s governance mechanisms aimed at ensuring effective supervision, management and control;
- interpreting a credit institution’s financial information, identifying key issues based on this information and appropriate controls and measures.

In addition, in order to achieve the adequate qualitative composition of the Board of Directors, it is expected that the *theoretical knowledge and practical experience, specifically gained and brought to the overall composition of the Board by each candidate Director, given as a reason for their candidature as a member of the Board:*

- are gained, in *more than one of the areas indicated* by relevant regulations and/or in the additional areas of professional skills indicated by the Board, at a *very good or excellent*

level ⁽⁶⁾, in addition to the basic level of other knowledge

- are suitable with respect to the role held and the characteristics of the Bank in terms of size, complexity, and type of activities carried out and the associated risks and relevant markets.

Below, the Board of Directors, based on its experience in the past three years:

- provides its assessments and suggestions to the Shareholders, in terms of skills: knowledge, skills and experience that it considers necessary, overall, with the contributions of the different skills of the members, both re-elected and new, for the optimal qualitative composition of the new Board and the new Management Control Committee;
- outlines, in a Skills Directory, the set of experience, knowledge and skills at very good or excellent level that it considers necessary for achieving the optimal overall qualitative composition of the knowledge, skills and experience of the new Board of Directors of Intesa Sanpaolo, for the 2022-2024 term of office;
- hopes that the indications of knowledge, skills and experience, at very good or excellent level, that it proposes in the Skills Directory, provided below, will be accepted by the Shareholders for the composition of the slates of candidates for the election of the future Board, with choices of candidate Directors that, as a whole, will result in the following presence:
 - ✓ very common – possessed by a number of Board candidates accounting for more than half the size of the Board;
 - ✓ common – possessed at least by a number of candidates equal to about a third of the size of the Board;
 - ✓ limited – possessed by only a few candidates for membership of the Board, due to the highly specialised nature of their knowledge and experience.

⁶ **Very good or excellent level:** experience: gained at an executive level of an office and for a significant period of time; knowledge and skills: acquired through specific and in-depth training and consisting of a recognised cultural background and/or obtained through experience (naturally also in Boards and Committees, if for more than one term) in their professional curriculum, which have determined and explained their possession, making them demonstrable. In general, very good and excellent knowledge and skills are those that someone is expert in, that are appropriate in relation to the office taken up, and/or of which someone is able to explain/teach the contents.

SKILLS DIRECTORY INDICATING THE IDEAL DISTRIBUTION AND BALANCE OF INDIVIDUAL EXPERIENCE REQUIRED FOR THE COLLECTIVE KNOWLEDGE, SKILLS AND EXPERIENCE OF THE BOARD OF DIRECTORS

	DISTRIBUTION		
	Very common	Common	Limited
1. Knowledge of the banking sector	√		
2. Overall knowledge of the banking business and typical strategies of the industry and of risk assessment and management techniques connected with the exercise of banking activities, appropriate to the complexity and importance of Intesa Sanpaolo	√		
3. Ability to cooperate and be influential (stimulus and appropriate and constructive sharing of professional skills and opinions and solution of potential conflicts)	√		
4. Authenticity, ability to stand-up for oneself and communicate (transparency, proper presentation and defence of one's ideas)	√		
5. Ability to read and interpret the financial statements data of a complex financial institution and accounting and financial and non-financial information	√		
6. Orientation to results	√		
7. Adequate knowledge of the English language	√		
8. Understanding of the global dynamics of the economic and financial system	√		
9. Strategic view and planning (understanding and assessing the medium/long-term scenarios of the Bank and the industry and related strategic options)	√		
10. Business judgement and capacity for inquiry, analysis and decision making	√		
11. Knowledge of sustainability issues and their integration in the Bank's strategies		√	
12. Knowledge of banking and financial products		√	
13. Experience with governance and corporate governance structures and mechanisms		√	
14. Knowledge of financial markets			
15. Experience in business and/or corporate management		√	
16. Knowledge of regulations in the banking sector and financial activities		√	
17. Knowledge of internal control systems		√	
18. Knowledge of the socio-economic context and of the market mechanisms of the countries where the Bank is present and/or has strategic objectives		√	
19. Expertise in corporate functions (i.e. audit, legal, corporate)		√	
20. Risk management expertise		√	

21. Knowledge of remuneration and incentive systems	√
22. Knowledge of matters related to information & digital technology	√
23. Experience in auditing and control	√
24. Knowledge of matters related to cyber security	√
25. Knowledge of the insurance market and products and the related regulations	√

The Board of Directors therefore hopes for the presence in the new Board of the skills listed, possessed at a very good or excellent level as follows:

- very common - for:
 - knowledge of the banking sector, overall knowledge of the banking business and typical strategies of the industry and of risk assessment and management techniques connected with the exercise of banking activities, appropriate to the complexity and importance of Intesa Sanpaolo
 - ability to cooperate and be influential (stimulus and appropriate and constructive sharing of professional skills and opinions and solution of potential conflicts)
 - authenticity, ability to stand-up for oneself and communicate (transparency, proper presentation and defence of one's ideas)
 - ability to read and interpret the financial statements data of a complex financial institution and accounting and financial and non-financial information
 - orientation to results
 - adequate knowledge of the English language
 - understanding of the global dynamics of the economic and financial system
 - strategic view and planning (understanding and assessing the medium/long-term scenarios of the Bank and the industry and related strategic options)
 - business judgement and capacity for inquiry, analysis and decision making
- common - for:
 - knowledge of sustainability issues and their integration in the Bank's strategies
 - knowledge of banking and financial products
 - experience with governance and corporate governance structures and mechanisms
 - knowledge of financial markets
 - experience in business and/or corporate management
 - knowledge of regulations in the banking industry and financial activities
 - knowledge of internal control systems
 - knowledge of the socio-economic context and of the market mechanisms of the countries where the Bank is present and/or has strategic objectives
 - expertise in corporate functions (i.e. audit, legal, corporate)
 - risk management expertise
 - knowledge of remuneration and incentive systems
- limited, due to the highly specialised nature of the knowledge and experience that the Board of Directors considers to be predominantly present and acted on at a managerial level - for:
 - knowledge of matters related to digital & information technology
 - experience in auditing and control.
 - knowledge of matters related to cyber security

- knowledge of the insurance market and products and the related regulations.

The outgoing Board also suggests that the Bank's Shareholders consider, for the evolution of the composition of the Board and in line with the development of the 2022-2025 Business Plan, to possibly include additional knowledge that, together with the professional skills in the areas described, could contribute important expertise to the new Board in:

- ✓ complex contexts and industries, even at international level, characterised by strong innovation, technological evolution and digital transformation processes;
- ✓ contexts – including non-banking – undergoing strategic change and change management with a strong focus on ESG issues;
- ✓ specialised areas, such as macroeconomics, statistics, climatology, risk management, and wealth management.

For the quantitative composition, in terms of the most appropriate mix of professional roles, the outgoing Board also suggests ensuring:

- ✓ a balanced mix of professional skills, ensuring the broadest range of skills and experience useful to the Bank's governance;
- ✓ an adequate presence of entrepreneurial and/or managerial experience, even international, ideally with a history of technological innovation and business evolution, with the right time commitment and the absence of potential conflicts of interest;
- ✓ profiles of excellence in the academic world, ideally with international experience and knowledge;
- ✓ extensive and diverse skills from professionals and consultants in the many disciplines related to the banking business, technological and digital innovation, and ESG issues;
- ✓ institutional profiles who ensure the right contribution of civil and economic society and knowledge of the operation of the State's administrative system ⁽⁷⁾.

The Board also advocates ensuring broad gender diversity and age diversity among the Directors.

Lastly, the Board suggests that priority should be given to candidates who, in addition to the professional skills indicated, have behavioural traits, personalities and personal attributes oriented towards transparency, action, commitment and inclusion, and soft skills as also indicated in the EBA/ESMA guidelines.

Note that all candidates considered for election as future Directors must give full evidence of being able to guarantee the time commitment necessary to attend, physically and, where appropriate, by remote connection, the Board meetings and the meetings of the Committees, in addition to informal meetings with the other Board Members.

Time commitment required for the Directors

The Board of Directors provides details below of the number of meetings and time commitment, measured with reference to the *2021 financial year*, for the members of the Board and of the Committees, to enable the Shareholders and the candidates to assess the time commitment required for the position as a member of the Board of Directors and the Board Committees or the Management Control Committee of Intesa Sanpaolo.

Specifically:

⁷ To the extent allowed by banking regulations on independence requirements (see Article 13, paragraph 1, letter i and Article 15 of Ministerial Decree no. 169/2020 and ECB Guide).

- 25 meetings of the Board of Directors;
- 46 meetings of the Management Control Committee;
- 52 meetings of the Risks Committee;
- 15 meetings of the Committee for Transactions with Related Parties;
- 20 meetings of the Remuneration Committee;
- 10 meetings of the Nomination Committee;
- 8 induction sessions and 4 brainstorming sessions.

In addition to the time needed to participate in the above meetings, it is necessary to estimate the time needed to prepare for each meeting and, for the Chairmen of the Board and the Committees, also the time needed to carry out their role and the coordination of the Board and the Committees.

In this regard, the Board of Directors, also taking into account the average number of meetings of the last financial years and their duration and also considering the reshaping of some tasks envisaged for the activities of the Committees, has assessed the minimum time – in working days (FTE) – for the performance of the office within the Board of Directors expressed indicatively as follows:

- Board Member: 40 days a year
- Chairman of the Board of Directors: 90 days a year
- Deputy Chairperson of the Board of Directors: 18 days a year
- Managing Director and CEO: full time
- Member of the Management Control Committee: 44 days a year
- Chairman of the Management Control Committee: 20 days a year
- Member of the Risk and Sustainability Committee: 25 days a year
- Chair of the Risk and Sustainability Committee: 8 days a year
- Member of the Committee for Transactions with Related Parties: 11 days a year
- Chair of the Committee for Transactions with Related Parties: 3 days a year
- Member of the Remuneration Committee: 12 days a year
- Chair of the Remuneration Committee: 4 days a year
- Member of the Nomination Committee: 10 days a year
- Chair of the Nomination Committee: 3 days a year

The different quantities indicated above must be summed together, when the Director performs two or more roles in the Board ⁽⁸⁾.

Professionalism of the Directors, who are also members of the Management Control Committee, and overall qualitative composition of the Committee

For the members of the Board of Directors of Intesa Sanpaolo who, under the one-tier governance model, will be elected by the Shareholders' Meeting within the section of the members of the Management Control Committee, it should be noted that this Committee is characterised by:

- a variety of subjects that it manages within its extensive control role,
- monitoring functions for the systems and methods for the control and assessment of the risk identification and measurement models,
- supervisory activities.

Being a member of the Management Control Committee means, together with the role of

⁸ For example, in order to calculate the overall time required for the Director who is also Chair of the Risk and Sustainability Committee, the quantity indicated for the office of Director (40 days), for member of the Risk and Sustainability Committee (25 days) and for Chair of that Committee (8 days) must be added together to give a total of 73 days.

Director - i.e. monitoring and contributing to strategic and operational choices and decisions - also performing the function of monitoring the adequacy, efficiency and functionality of the organisational, administrative and control structures.

In view of this specific corporate role and the provisions of the law and the Articles of Association, the identification of candidates for members of the Committee must take into account, for all members, the specific professionalism requirements set out in paragraph 4.

In relation to the optimal qualitative composition of the Committee, the need is also stressed for the fundamental presence and, in relation to its size, the appropriate and evenly spread distribution of the specific professional skills and experience indicated in the Skills Directory, connected to the Committee's corporate role, in addition to any other professional skills and experience indicated in the Skills Directory and required of the Directors as a whole.

The specific, distinctive and priority professional skills for the Committee as a whole are:

- overall knowledge of the banking business and typical strategies of the industry and of risk assessment and management techniques connected with the exercise of banking activities, appropriate to the complexity of the Bank;
- knowledge of regulations in the banking industry and financial activities;
- ability to read and interpret the financial statements data of a financial institution and accounting and financial information;
- experience in auditing and control.

It is hoped that the candidate Directors for the new Committee will include individuals who, in developing their professional skills and experience, have also been able to gain knowledge of the issues and, ideally, supervisory experience in relation to company articles of association, governance, regulatory and legal matters.

In addition to these professional skills, in relation to the role of members of the Management Control Committee, experience gained as members of Boards of Directors, in Internal Control Committees and/or Risk Committees, or, alternatively, in Boards of Statutory Auditors, in listed companies or groups that in terms of their size, governance complexity and business, are comparable to those of Intesa Sanpaolo, is also significant.

The current composition of the Management Control Committee, enriched by the experience of the past term, is considered to be very good in terms of structure, quality and distribution of professional skills and experience, as well as methodological approach, from the three-fold perspective of quantity, business activities and processes.

The tenure of the majority of the current members of the Committee – currently two terms – still has a positive consequence, consisting of the opportunity to reflect on the option of re-electing the available members, thereby, also in this case, ensuring appropriate continuity of the wealth of experience within the Management Control Committee, which is not generally widely available, in addition to the one-tier governance experience and the other professional skills and experience possessed by its members.

Lastly, if as a result of a decision not to re-elect one or more members or due to the unwillingness of a member to stand for re-election, the Committee comes to lack the specific knowledge, experience and skills currently possessed, the Guidance to the Shareholders is that they should consider whether to restore them, by identifying candidates with skills substantially equal to those that have been lost due to the lack of re-election.

Time commitment required for the members of the Management Control Committee

Below are the number of meetings and time commitments required in 2021 for the members of the Committee, as already set out earlier above:

- 25 meetings of the Board of Directors;
- 46 meetings of the Management Control Committee.

These meetings correspond to time assessments (FTE), to be summed together, in relation to the dual role:

- Board Member: 40 days a year;
- Member of the Management Control Committee: 44 days a year.

For the role of Chair of the Committee, an additional period of 20 days per year must be added.

In view of the above, the Board of Directors considers that, with regard to the need to be able to ensure the presence of professional profiles of high standing, it is appropriate to suggest to the Shareholders that they should consider confirming the remuneration established for the members of the next Board of Directors and of the Management Control Committee, taking into account the responsibilities related to the performance of the role, as well as the time commitment required, which remains high, and the strict limits placed on the assumption of external offices.

Significant roles of the Board of Directors

The Board of Directors of the Bank, aware of the high importance of certain roles, considers it appropriate to make specific suggestions to the Shareholders regarding the profiles it considers to be most suitable.

The members of the Bank's Board who are members of the Management Control Committee, in relation to the specific features of the one-tier model, have also reflected on the responsibilities and profile of the Chairman of the Committee and make the specific suggestions provided below.

The Chairman of the Board of Directors

Should preferably:

- have a high professional and high value profile and be recognised as an authoritative, balanced and credible person, to guarantee proper functioning of the Board, promoting internal dialogue and ensuring that powers are balanced in respect of the Managing Director, and to perform, in an objective way, the role of guarantor in respect of all the Bank's stakeholders;
- have experience in corporate governance and in the supervision of the induction, development and succession planning of the Board of Directors;
- have good overall knowledge of the banking business and of financial and credit regulations;
- be recognised for independence of mind and intellectual honesty, leadership and synthesis, mediation and communication skills;
- have ideally gained experience, in large listed companies or international groups or organizations comparable to Intesa Sanpaolo in terms of their size or governance or business complexity, at the head of Boards of Directors and, consequently, experience of attentive and constructive dialogue with the Chairs of Committees and Board Members, including the Managing Director, as well as the Shareholders.

The Managing Director and CEO

Should preferably have:

- gained management experience at the head of large listed companies, in business areas related to the banking or financial intermediaries sector, where he/she achieved proven professional success and results;
- vision, an outstanding strategic and result-oriented view and good business judgement;
- an orientation towards transparency and to discourse with the Board, as well as sharing decisions and strategic proposals with the Directors;
- authoritativeness, strong leadership qualities and executive capabilities, and openness to input and constructive criticism;
- excellent interpersonal skills.

The Chairman of the Management Control Committee

In addition to meeting the requirements established for all members of the Management Control Committee, should also preferably:

- have significant experience as a Member of Boards of Directors and, ideally, of Management Control Committees or, alternatively, of the Boards of Statutory Auditors, or Internal Control Committees and/or Risks Committees, in listed companies or groups that in terms of their size, governance and business complexity, are comparable to those of Intesa Sanpaolo;
- have knowledge of the banking business, and of the regulatory, control and supervisory aspects;
- be a professionally authoritative, highly balanced person, with good leadership skills, pragmatism and judgement capabilities;
- be focused on results, on establishing constructive dialogue with the Chairman of the Board of Directors, with the Managing Director, with the Chairs of the Board Committees, with colleagues in the Committee and with all the Board Members;
- have management or corporate experience and mindset, in companies of significant size and comparable complexity to Intesa Sanpaolo, or at the head of large consulting companies, providing professional services requiring skills which are relevant for the position to be held; alternatively, academic experience on subjects pertaining to the management control functions and complex skills.

Note that, in terms of gender diversity, the Bank of Italy considers it good practice that:

- i) for Board committees, including non-mandatory Committees, at least one member be of the less-represented gender;
- ii) the offices of Chairman of the body with a strategic supervision function, Chairman of the body with a control function, as well as of CEO and General Manager not be held by members of the same gender;
- iii) in banks that adopt the one-tier model, the proportion of the less-represented gender be also respected with regard to the composition of the Management Control Committee.

In this regard, it is worth noting that in the three-year period just elapsed the Bank's Board of Directors sought to ensure gender balance in all the Committees, also appointing members of the less-represented gender as Chairs of the Nomination and Risks Committees.

In this perspective, following the renewal that will be approved by the Shareholders' Meeting, the Board will consider the opportunity to adequately promote gender diversity with respect to the new composition of the Corporate Bodies, also taking advantage of the new special provision concerning listed companies, with the increase in the minimum share required by law.

4. SUMMARY OF THE REQUIREMENTS SET FORTH BY THE REGULATIONS AND ARTICLES OF ASSOCIATION FOR THE MEMBERS OF THE BOARD OF DIRECTORS

The Board Members of Intesa Sanpaolo are required to continuously meet the suitability requirements established by the applicable regulations and by the Articles of Association, in order to safeguard the sound and prudent management of the Group, also taking into account the best corporate governance practices.

Specifically, Directors must meet the requirements of professionalism, integrity and independence of mind and comply with the criteria of competence, reputation and fairness and time commitment and the specific limitation of directorships laid down by the current regulations for the performance of the role of director of a bank issuing shares listed in regulated markets, and the prohibition of interlocking directorates established by Article 36 of Italian Law Decree 201/2011, converted by Law 214/2011.

Each Director, at the time of acceptance of the candidature, is required to declare that he/she meets the requirements indicated under the provisions of the law and the Articles of Association.

To this end, of particular relevance are Article 26 of the Consolidated Law on Banking and the related implementing provisions set out in Ministerial Decree no. 169/2020, the Guidelines on the assessment of the suitability of the members of the management body and key function holders – updated by the EBA and the ESMA on 2 July 2021 – as well as the Guide to fit and proper assessments, as updated by the European Central Bank on 8 December 2021.

The Board of Directors and the Management Control Committee, in relation to their members, assess the suitability requirements of the Directors, in accordance with the documents indicated.

Requirements of the members of the Board of Directors

✓ *Integrity and reputation and fairness*

The integrity requirements established for management body members and key function holders of banks by the regulations implementing Article 26 of the Consolidated Law on Banking in force from time to time (currently contained in Article 3 of Ministerial Decree 169/2020) and Article 147-quinquies of the Consolidated Law on Finance, and the equivalent requirements established for the members of the Board of Statutory Auditors of listed companies by Regulation 162/2000, apply to all the members of the Board of Directors.

Subject to the satisfaction of the above requirements, a number of other factors should also be borne in mind, relating to the reputation and fairness criteria in personal and professional conduct, that ensure the sound and prudent management of the Bank and the Banking Group, as well as safeguarding its reputation and trust among the public. To this end, Article 4 of Ministerial Decree 169/2020 indicates the situations relating to reputation and fairness to be taken into account for the purposes of the assessment ⁽⁹⁾.

⁹ Article 4 of Ministerial Decree 169/2020 calls for the consideration, among other things, of the following situations: pending criminal proceedings, criminal judgements, even if not final, of conviction, personal precautionary measures as well as prevention measures, even provisionally applied, pursuant to anti-Mafia laws; final rulings ordering the payment of damages for acts carried out in the performance of duties in entities operating in the banking, financial and markets sectors; administrative sanctions imposed for violations of

Moreover, on the whole any additional situations relevant to the reputation, honesty and integrity required by the European Central Bank, which in any case denote conduct that is not consistent with high standards of conduct, must be taken into account.

It should also be noted that the candidates must meet the requirements established for management board members and key function holders to allow the Bank and Group Companies to operate as a credit institution or as a financial intermediary in foreign markets and that they can rule out, specifically, relevant disqualification situations in the USA (in relation to the Dodd Frank Act - Title VII and title 7 US Code § 6s).

In light of this composite legal framework, and subject to compliance with the above-mentioned integrity, reputation and fairness requirements, the Shareholders are invited to verify that candidates for the position of Board Member:

- are not in any situations that can cause disqualification or suspension from their duties as Director pursuant to Ministerial Decree no. 169/2020;
- have not behaved in a manner which, while not constituting a crime, does not appear compatible with the office of Board Member, or may severely jeopardise the Bank's reputation;
- are not (and have not been in the past) in situations that - also with regard to the business activities and financial situations of the candidates themselves (or of the companies controlled by them, invested in through significant holdings or directed) - may affect (or may have affected) their reputation, even potentially.

✓ **Professionalism and expertise**

All members of the Board of Directors must meet the professionalism requirements established by Article 7 of Ministerial Decree no. 169/2020, separately described for the positions of Director, Chairman of the Board of Directors or Managing Director and CEO.

Based on the Bank's Articles of Association, at least four Board members must be enrolled with the Register of Independent Auditors and must have practised as auditors or acted as a member of a control body of a limited company for at least three years.

Additional professionalism requirements are established for the members of the Management Control Committee, as detailed further below.

In addition to the professionalism requirements, the Directors must meet the competence criteria indicated in Article 10 of Ministerial Decree no. 169/2020 and in paragraph 3 above.

When submitting their candidacy, all the candidates for the office of Director are required to prepare and attach their curriculum vitae, from which the following can be gathered with an adequate level of detail:

- training in the relevant areas listed (with details of both the education and the training

corporate, banking, financial, securities, insurance and anti-money laundering, markets and payment instrument laws; disqualification or precautionary measures ordered by the Supervisory Authorities or at their request and removal measures; performance of duties in entities operating in the banking, financial, markets and securities, insurance and payment services sectors which have been subject to an administrative sanction, and performance of duties in companies that have been subject to special administration, dissolution, bankruptcy or compulsory liquidation procedures, in the presence of the individual and specific contribution made by the person concerned; suspension or expulsion from professional registers, removal (adopted as a disciplinary measure) from lists and professional orders imposed by the competent Authorities; revocation for just cause of positions held in management, administration and control bodies; negative assessment by an administrative authority regarding the suitability of the member; negative information on the member contained in the Central Risk Register.

programmes followed);

- the professional skills acquired through practical experience with details of the positions previously held, specifying the sector of operation and the position held (corporate offices, consulting activities, and employee, with particular regard to the performance of managerial activities), as well as the duration and the size of the entity.

In the event of specific and limited deficiencies, the Board of Directors shall consider the adoption, where appropriate, of the necessary measures, including participation in induction sessions.

✓ **External offices**

The Board Members are required to comply with the provisions of the law and the Articles of Association that govern the assumption of offices in companies other than the Bank. Under Article 17 of Ministerial Decree 169/2020 and Article 13.4.1 of the Articles of Association, the members of the Board of Directors can hold at most the following combinations of corporate offices at the same time in other commercial companies (including the office in Intesa Sanpaolo):

- a) 1 executive office with 2 non-executive offices;
- b) 4 non-executive offices.

For this purpose, the following shall be considered as a single office: offices within the same group, offices in companies in which the Bank has a qualifying holding and offices in banks belonging to the same institutional protection scheme.

On the other hand, the following offices are not relevant in assessing the number of offices held: i) in companies or entities whose sole purpose is to manage the private interests of a candidate for the office of Director or of his/her spouse or cohabiting partner, relative or relative-in-law within the fourth degree and which do not require any type of day-to-day management; ii) as a professional in a professional firm; iii) as an alternate auditor.

The Board Members other than the Managing Director and CEO and the Chairs of the Board of Directors, the Management Control Committee and the other Board-appointed Committees are also allowed to take on an additional non-executive office with respect to the limits indicated above, provided that this does not affect the possibility for the member to devote adequate time to the position at the Bank to effectively carry out his/her duties.

However, any office is still relevant for the purpose of assessing the time commitment to ensure the performance of the office held in the Bank.

There are additional restrictions for the members of the Management Control Committee, as detailed further below.

The members of the Board of Directors are also required to comply with the provisions on interlocking directorates that prohibit “holders of offices in management, supervisory and control bodies and senior officers of undertakings or groups of undertakings operating in the credit, insurance and financial markets from assuming or performing similar offices in competing undertakings or groups of undertakings” (pursuant to Article 36 of Decree Law No. 201 of 6 December 2011, converted with amendments by Law No. 214 of 22 December 2011).

At the time of their appointment and continually while in office the directors must inform the Board of Directors of the offices held in companies or entities outside the Bank, with details of the role held in them.

The Board invites the Shareholders, when selecting the candidates to be presented, to

ensure that those candidates comply with the limitations on the assumption of external offices and are actually able to devote sufficient time to the fulfilment of their duties, taking into account the nature and quality of the commitment required, and the other positions held in companies or entities, as well as other commitments or occupational activities carried out.

Any holders of offices in the management, supervisory or control bodies in competing companies or groups of operating in the credit, insurance and financial markets should also be notified that they will have to commit, as from the acceptance of their candidacy, to giving up the above-mentioned offices upon their appointment or to certify that the positions held do not give rise to situations of incompatibility, stating the reasons for this in detail.

✓ ***Incompatibility and other relevant situations***

Reference should be made to the content of the further causes of incompatibility envisaged by the current legislation (for example: Article 4, paragraph 2 bis, of Legislative Decree 153/1999, the system of incompatibility envisaged by the regulations on public-sector employment, etc.).

The slates to be submitted for the election of the new Board of Directors should contain candidates for whom the absence of the causes of incompatibility established by law has been verified in advance.

✓ ***Qualified independence***

By virtue of the Articles of Association and the supervisory regulations on corporate governance, the Board of Directors of the Bank must be made up of at least two-thirds of independent directors, among whom also all the 5 members of the Management Control Committee and the members of the Committee for Transactions with Related Parties, as well as the majority of the members and the Chairs of the other Board Committees.

To this end, Article 13.4.3 of the Bank's Articles of Association adopts a definition of qualified independence, resulting from the combination of the application criteria contained in Article 2 of the Corporate Governance Code and the requirements established by the special regulations for banks and listed companies (Articles 13 and 14 of Ministerial Decree 169/2020 and Article 148, paragraph 3 of the Consolidated Law on Finance), where the relevant provisions are more restrictive than the criteria set out in the Articles of Association.

The Articles of Association state that, if the application of this rule does not result in a whole number, the requirement shall be referred at least to a number of Directors rounded up to the next higher unit. As further clarification, in the case of a Board of 19 members, it is considered preferable that at least 14 independent directors be appointed.

To this end, each slate containing a number of candidates equal to or greater than 3 must include a number of candidates meeting the independence requirement established in Article 13.4 of the Articles of Association which is at least equal to or greater than two thirds of the candidates indicated in the slates.

The independence requirement involves a verification that also includes the relationships – current or in the recent past and referable to the Independent Director or to parties related thereto, including his/her spouse, cohabiting partner and relatives and relatives-in-law up to the fourth degree – possibly existing with the Group or with its main shareholders, its management body members and key function holders and auditors, as well as with public institutions and administrations exercising powers in the same territorial area as the Group. To this end, the Board of Directors also assesses any financial, professional, commercial or

cooperative relationships relating to the Independent Director and existing with the Intesa Sanpaolo Group, which will be examined in detail according to criteria specifically adopted by the Board.

In order to fully appreciate the relevance of a financial relationship with the Intesa Sanpaolo Group, specific relevance indicators were envisaged in relation to:

- ✓ the amount of the shareholding in the capital of Intesa Sanpaolo or another subsidiary;
- ✓ the amount of the shareholding of a company belonging to the Intesa Sanpaolo Group in the capital of the company in question;
- ✓ the extent of the nominal credit exposure;
- ✓ the rating assigned to the customer based on the corporate rules.

The indicators differ according to the degree of proximity of the relationship to the Director (direct relationships, with professional firms and subsidiaries, with companies in which executive offices are held) and upon exceeding monitoring and attention thresholds, they are integrated with additional weighting criteria for each exposure according to the risks present therein and the position with respect to the system.

For the assessment of the relevance of a business or professional relationship with Intesa Sanpaolo or another subsidiary, the Board of Directors considers the total amount of annual turnover deriving from relationships with companies of the Intesa Sanpaolo Group, as the main relevance indicator for the relationship.

For all the relationships indicated, when specific pre-set thresholds are exceeded, the Board of Directors may assign different areas of assessment, taking into account further specific characteristic profiles of the relationship. For each assessment area, a risk control measure of increasing intensity or a reasoned assessment of the continued satisfaction of the independence requirement is envisaged.

✓ ***Independence of mind***

All the Directors – including those who do not qualify as independent based on the definitions in the Articles of Association and the applicable regulations – must act with independence of mind and awareness of the duties and rights inherent to the office, in the interest of the sound and prudent management of the Bank and in compliance with the law and any other applicable regulations, and must satisfy the requirements of independence of mind established in Article 15 of Ministerial Decree 169/2020.

To this end, the following may be relevant: any family ties with the Directors and key function holders of Intesa Sanpaolo, the position of qualified shareholder of the Bank or representative of the shareholder itself, the presence of employment relationships and relationships of a credit, commercial or professional nature such as to compromise their independence existing with the Intesa Sanpaolo Group or with significant management board members and key function holders of the Group and the significant shareholder and any political offices.

The European Central Bank has provided more specific indications in this regard in its Guide to fit and proper assessments assigning importance to the assessment of a wide range of current or past personal, professional, financial or political relationships.

The presence of any of the situations indicated as relevant for the director's independence of mind does not necessarily mean that the nominated member cannot be considered suitable. This would be the case if any organisational or procedural measures put in place by the Bank do not allow it to ensure conditions for the effective safeguarding of the duty to

independently and objectively perform the tasks of a member of the Corporate Bodies.

Subject to the cases of incompatibility envisaged by the applicable regulations, in order to fully preserve the independence of mind of the members of the Board of Directors, it is recommended that candidates for the office of Director or their spouses or cohabiting partners, relatives or relatives-in-law up to the fourth degree:

- are not, directly or indirectly, in personal or financial situations that could create conflicts of interest and could, even potentially, hinder the independence of mind of the Directors;
- at the time of their appointment or in the two years prior to their appointment, do not hold or have not held professional offices or positions of high political influence that could hinder or prevent them from acting in the interest of the Company.

✓ **Gender diversity**

In view of the importance of gender balance in the composition of the Board of Directors and in accordance with the Bank's Articles of Association, at least two-fifths of the Directors must be of the less-represented gender, subject to any legal provisions to the contrary. If this ratio is not a whole number, it is rounded up to the next higher unit.

To this end, the Articles of Association establish that each slate containing a number of candidates equal to or greater than 3 should be composed in such a way as to ensure the gender balance required by the applicable regulations.

Specific requirements for the Management Control Committee members

All the members of the Management Control Committee must meet the specific integrity, professionalism and independence requirements established by the laws and implementing regulations (MD 162/2000 and MD 169/2020) and must comply with the limitation of directorships imposed by the regulations for a bank issuing shares listed in regulated markets.

The Articles of Association also require the Members of the Committee to meet the additional requirements established in Article 13.5. In particular, all the members must be independent, according to the definition adopted by the Articles of Association and meet the specific professionalism requirements established in Article 13.5.3. Moreover, at least three of them must be enrolled with the Register of Independent Auditors and have practised as auditors or have had control functions in limited companies for a period of at least three years.

Finally, the Directors appointed to the Committee, in addition to the incompatibilities established by law, may not assume, according to the Articles of Association and under penalty of disqualification:

- i) executive offices in other undertakings; or
- ii) more than two non-executive offices in bodies (including the control bodies) of other undertakings of significant size – as defined in the Articles of Association in Article 13.5.3 letter a).

Turin/Milan, 1 March 2022

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