
Report of the Board of Directors

Ordinary Session – Point 2 on the agenda

f) Directors' and Officers' Liability Insurance. Related and consequent resolutions.

Distinguished Shareholders,

we would like to remind you that, in line with the best practice on international financial markets and taking into account the nature, size and operational complexity of the Bank and the Group, following the resolution passed by the Shareholders' Meeting on 3 May 2007, it was decided to take out – and subsequently to renew within the limits set by the above resolution and in line with the best market standards – an insurance policy to cover the liability of the Bank's Directors as well as all members of Corporate Bodies and key functions holders at subsidiaries and associates ("Directors' and Officers' Liability Insurance", hereinafter D&O Policy).

The Shareholders' Meeting of 30 April 2019 confirmed the continuation of that insurance cover, which serves the Bank and the Group's best interests and represents a necessary component of the remuneration policies. The current policy will expire on 30 June 2021 ⁽¹⁾.

Using an insurance policy for the liability of members of Corporate Bodies is currently a widespread international practice in financial markets, in order to provide them with protection, in the interest of the Company as well, by limiting the risks associated with performing their functions.

Taking out a D&O Policy is also in the specific interest of the Bank and the Group, as it is a means of protecting and guaranteeing the claims of persons damaged by the conduct of members of Corporate Bodies and key function holders.

In this way, the members of Corporate Bodies are protected from the risk of compensation for damage caused by them, as well as the legal costs associated with any liability actions arising from acts performed by them in exercising their functions.

With reference to insurance policy renegotiations, which are currently under way, it should be noted that, according to the information currently available, the tensions on the insurance markets, which began in 2019, are continuing and a change in the scenario cannot be expected in the short term. This has a significant effect on premiums and levels of coverage regardless of the performance of the insured companies. Considering the constraints imposed by the above-mentioned 2007 Shareholders' Meeting resolution, the limit of liability that can be purchased for the next renewal (30.06.2021-30.06.2022) could be less than 100 million euro, compared to 130 million euro for the latest renewal and 200 million euro for the one immediately preceding it.

This limit of liability is not considered adequate to effectively protect the members of Corporate Bodies and key function holders and is not in line with the best market practices with regard to companies with characteristics comparable to those of the Bank and the Group, making it necessary to negotiate a policy with the following main terms and conditions:

¹ Additional detailed information can be found in the document "Report on remuneration policy and compensation paid", paragraph 2.5, the subject of point 2.a) of the agenda of today's Shareholders' Meeting.

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- Duration: 12 months;
 - Premium on an annual basis: target for the whole Group not exceeding 5 million euro;
 - Target limit of liability for the whole Group: between 150 and 200 million euro, for each loss and for each year

with possible provision for excesses according to the various associated risks.

In light of the above, considering that the calculation of this component of the remuneration of Corporate Bodies is attributable to the decision-making powers of the Shareholders' Meeting, the Board of Directors proposes that the Intesa Sanpaolo Shareholders' Meeting resolve as follows:

- 1) to take out at Group level a Directors' and Officers' Liability Insurance policy in line with the conditions described above;
- 2) to renew this insurance policy, also for the following years, at the best market conditions, also taking into account future adjustments and revaluations, with a limit of liability that is appropriate to the best market practices, with annual disclosure to the Shareholders' Meeting in the Report on remuneration policy and compensation paid, until such time as the Shareholders' Meeting decides otherwise;
- 3) to grant the Board of Directors the widest possible powers for the purposes of fully implementing points 1) and 2) of this resolution.

23 March 2021

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.