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# Report of the Management Board

## Item 2 on the agenda

### **Resolutions in respect of the Board of Directors (pursuant to Articles 13 and 14 of the Articles of Association, included in the text approved at the Shareholders' Meeting of 26 February 2016):**

- a) Determination of the number of members of the Board of Directors for financial years 2016/2017/2018

Dear Shareholders,

As you are aware, the Extraordinary Shareholders' Meeting of Intesa Sanpaolo held on 26 February 2016 resolved, through the approval of the new Articles of Association, to adopt a one-tier governance system, based on a board of directors and a management control committee set up within the board itself, both appointed by the Shareholders' Meeting.

This Shareholders' Meeting is therefore asked to pass resolutions in respect of the new Board of Directors.

In this regard, before appointing the members of the Board of Directors for financial years 2016/2017/2018, the Shareholders' Meeting is called to determine the number of members who will compose the Board.

We remind you that, in accordance with Article 13.1 of the Articles of Association, "The Board of Directors is composed of a minimum of 15 (fifteen) and a maximum of 19 (nineteen) members, including non-shareholders, appointed by the Shareholders' Meeting".

In respect of the foregoing, and in accordance with the provisions of the Bank of Italy regarding the corporate governance of banks, as set out in Circular Letter no. 285/2013, we hereby invite you to consult the Supervisory Board's document "Assessment of the qualitative and quantitative composition of the Board of Directors". The document is available on the website [www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com).

Therefore, the Shareholders are kindly requested to make their decisions on this item.

15 March 2016

For the Management Board  
the Chairman – Gian Maria Gros-Pietro

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b) Appointment of members of the Board of Directors and the Management Control Committee for financial years 2016/2017/2018, on the basis of the lists of candidates submitted by shareholders

Dear Shareholders,

This Shareholders' Meeting is asked to appoint the members of the Board of Directors, and, from amongst the Directors, the members of the Management Control Committee for financial years 2016/2017/2018.

In this regard, we remind you that, pursuant to Article 14 of the Articles of Association, members of the Board of Directors and the Management Control Committee are elected on the basis of lists submitted by the Shareholders.

We remind you that the less-represented gender shall be reserved at least the number of board seats established by applicable legislation on the matter of equal access to the administrative and control bodies of listed companies on regulated markets (i.e., one third). We also remind you that the members of the Board of Directors and the Management Control Committee shall satisfy the requirements of professionalism, integrity and independence imposed by laws, regulations and the Articles of Association. Specifically, with regard to the Board in general, at least four Directors must i) be enrolled with the Register of Independent Auditors and ii) have practised as auditors or acted as members of a limited company control body for a period of at least three years, and at least two thirds of the Directors must satisfy the independence requirements set out in Article 13.4.3 of the Articles of Association.

Furthermore, with regard to the members of the Management Control Committee, we highlight that they must satisfy the requirements specifically imposed upon them by Article 13.5 of the Articles of Associations.

In detail, the Board of Directors and the Management Control Committee will be elected as follows, in accordance with the Articles of Association:

- all members of the Board of Directors, except for five, when the Board of Directors has 19 or 18 members, or all members of the Board of Directors, except for four, in all other cases, are selected from the list that has obtained the greatest number of votes (the "majority slate"), according to the sequential order in which the candidates have been listed on the slate concerned, until there are no more candidates in the pertinent section of the list. In particular, three Directors are drawn in their sequential order from the second section of the list that received the greatest number of votes, and those Directors are also appointed members of the Management Control Committee. The other Directors reserved for that list are selected from its first section according to the sequential order in which they are listed;
- two Directors are selected, in their sequential order, from the first two positions of the second section of the list that has candidates who qualify for the Management Control Committee and has obtained the second-greatest number of votes ("the first minority list") and has not been submitted or voted for by Shareholders considered connected, as defined in applicable laws and regulations, with the Shareholders who submitted or voted for the list that obtained the greatest number of votes. The first of the above Directors takes up the office of Chairman of the Management Control Committee;
- the other members of the Board of Directors for whatever reason not elected in accordance with the previous provisions - also due to the lack of candidates in the lists - are selected proportionally from the lists other than that which obtained the greatest number of votes ("minority lists", which are also understood to include the first minority list), provided that such lists, collectively considered, have received votes corresponding to at least 10% of the ordinary capital represented in the Shareholders' Meeting. The votes obtained by each of the lists are divided by one, two, three, four, and so on, according to the number of members to be appointed. The resulting ratios are progressively assigned to the candidates of each section of the above lists, according to the order of each of the two sections. The ratios assigned to the candidates on the various lists are organised into two sets of rankings, from

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highest to lowest, one for each section of the lists, except for the first two ratios of the second section of the list from which the candidates appointed in accordance with the previous point have already been selected. The candidates with the highest ratios in the respective ranking of the lists other than that which obtained the greatest number of votes are elected to the Board of Directors, up to the number required to complete the composition of the Board of Directors;

- if the composition of the Board of Directors and the Management Control Committee cannot be completed according to the procedure laid down in the foregoing paragraphs, the necessary candidates shall be obtained by selecting any as yet unelected candidates who satisfy the requirements imposed by applicable laws and regulations and the Articles of Association from the list that obtained the greatest number of votes, according to the order in which the candidates are presented on that list;
- should more than one candidate obtain the same ratio, the preferred candidate shall be the candidate belonging to the slate from which no Director, or the lowest number of Directors has been appointed. If no Director has been appointed from those lists or the same number of Directors has been appointed from those lists, the preferred candidate shall be drawn from the list which has obtained the highest number of votes. In case of equality of votes and ratio, a new vote is held by the whole Shareholders' Meeting in the form of a ballot, with the candidate who obtains a simple majority of votes being elected;
- if, upon termination of voting procedures, the composition of the Board of Directors does not reflect the gender balance envisaged by current regulations, the candidate of the over-represented gender with the lowest ratio shall be excluded. The excluded candidate shall be replaced by the subsequent candidate of the less-represented gender within the same list. If necessary, this procedure shall be repeated until the composition of the Board of Directors complies with current regulations. If, even following the above replacement procedure, an insufficient number of Directors with the requirements provided for by Article 13.4 of the Articles of Association have been appointed, new replacements shall be performed in accordance with a procedure similar to that described above, excluding the candidates who have the lowest ratio and do not meet all of the requirements, always in compliance with the current regulations on gender balance. For the sole purposes of this provision, candidates on all lists shall be progressively assigned the ratios corresponding to the votes obtained by each list, according to the procedure defined in Article 14.2.3, sentences two and three;
- if the application of the criteria set out in the foregoing points does not permit the election of all members of the Board of Directors or does not allow them to be elected in accordance with the applicable independence and gender requirements, the Shareholders' Meeting elects the members by resolution adopted by a simple majority of votes cast on proposal submitted by persons having voting rights attending the meeting, in accordance with the necessary representation of minority interests, according to the criteria laid down in Article 15.3.5.
- if only one list is presented, the members of the Board of Directors shall be elected from that single list, up to the number of candidates on that list, selecting all members of the Management Control Committee from the second section of the list;
- should no list be submitted in a timely manner, the Shareholders' Meeting shall pass a resolution (for the appointment of both the Board of Directors and the Management Control Committee) by the relative majority of the capital represented at the Shareholders' Meeting, without prejudice to the necessary compliance with the requirements of applicable laws and regulations and the Articles of Association. In case of equality of votes, candidates shall be appointed by means of a further ballot.

In relation to all of the foregoing, and in accordance with the provisions of the Bank of Italy regarding the corporate governance of banks, as set out in Circular Letter no. 285/2013, we hereby invite you to consult the Supervisory Board's document "Assessment of the qualitative and quantitative composition of the Board of Directors", which contains guidelines and recommendations that the Supervisory Board of Intesa Sanpaolo makes available to the Shareholders, in order to help them formulate proposals for the composition of the Bank's Board of Directors. The document is available on the website [www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com).

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Therefore, the Shareholders are kindly requested to appoint the Board of Directors and, from amongst its members, the members of the Management Control Committee.

15 March 2016

For the Management Board  
the Chairman – Gian Maria Gros-Pietro

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c) Election of the Chairman and one or more Deputy Chairpersons of the Board of Directors for financial years 2016/2017/2018

Dear Shareholders,

This Shareholders' Meeting is asked to appoint the Chairman and one or more Deputy Chairpersons of the Board of Directors for financial years 2016/2017/2018, to be elected from amongst the members of the Board of Directors appointed by the Shareholders' Meeting.

In this regard, we would like to remind you that, in accordance with Article 14.8 of the Articles of Association, "The Shareholders' Meeting elects the Chairman of the Board of Directors and one or more Deputy Chairpersons by relative majority".

Therefore, the Shareholders are kindly requested to make their decisions on this matter.

15 March 2016

For the Management Board  
the Chairman – Gian Maria Gros-Pietro