

**PROSPECTUS FOR  
SOLICITATION OF PROXIES**

the object of which is to seek powers of proxy to exercise the voting rights at the Intesa Sanpaolo S.p.A. Special Savings Shareholders' Meeting, which has been convened, on single call, on 27 April 2018 at 16:00 and in any case at the end of the Meeting of Ordinary Shareholders, to take place on the same date at 10:00 at the New Headquarters in Turin, with entrance in Corso Inghilterra no. 3, to decide on the proposal for the mandatory conversion of the savings shares into ordinary shares

**PROMOTOR and ISSUER:**

Intesa Sanpaolo S.p.A.



**ENTITY ENGAGED TO SOLICIT AND COLLECT PROXIES AND CAST VOTES  
AT THE SPECIAL SAVINGS SHAREHOLDERS' MEETING**

Morrow Sodali S.p.A.



For information, please contact the following courtesy number



or, for calls from abroad: **+39 06 45212832**

lines open on weekdays from 10:00 to 19:00

or visit the web sites [www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com); [www.sodali-transactions.com](http://www.sodali-transactions.com)

or send an e-mail to: [assemblearisparmio.intesasanpaolo@morrrowsodali.com](mailto:assemblearisparmio.intesasanpaolo@morrrowsodali.com)

The solicitation of proxies is governed by Articles 136 *et seq.* of Legislative Decree no. 58 of 24 February 1998 and Articles 135 *et seq.* of Consob Resolution no. 11971 of 14 May 1999 as amended.

This Prospectus is dated 20 March 2018

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## FOREWORD

This solicitation of proxies is addressed to all owners of savings shares (the “**Savings Shareholders**”) of Intesa Sanpaolo S.p.A. (“**Intesa Sanpaolo**”, the “**Company**” or the “**Issuer**”), and has been published preparatory to the Special savings shareholders’ Meeting of the same (the “**Special Meeting**”), which has been convened, on single call, on 27 April 2018 at 16:00 and in any case at the end of the Meeting of Ordinary Shareholders, to be held on the same date at 10:00 at the New Headquarters in Turin, with entrance in Corso Inghilterra no. 3, to decide on the proposal for the mandatory conversion of the savings shares into ordinary shares.

This solicitation of proxies is being promoted by Intesa Sanpaolo, which has entrusted the task of collecting the proxies and exercising the associated voting rights to Morrow Sodali S.p.A.

The solicitation has been made pursuant to Art. 136 *et seq.* of the Legislative Decree no. 58 of 1998 (the “**TUF**”), as subsequently amended, and Art. 135 *et seq.* of the CONSOB Regulation no. 11971 of 14 May 1999 (the “**Issuers Regulation**”), as subsequently amended.

\* \* \*

## IMPORTANT NOTICE

To whom it may concern, be advised that the Issuer (in the manner and within the terms indicated in the notice of call published on 6 February 2018, *inter alia*, on the Company’s website) has convened an Extraordinary Shareholders’ Meeting, on single call, on 27 April 2018 at 10:00 at the New Headquarters in Turin, with entrance in Corso Inghilterra no. 3, to resolve on, *inter alia*, the following item of the agenda: “*Mandatory conversion of savings shares into ordinary shares and concurrent removal of the indication of nominal value for the shares of Intesa Sanpaolo from the Articles of Association. Amendment of Articles 5 and 29 and removal of Article 30 of the Articles of Association. Pertinent and consequent resolutions.*”. On the same day of 27 April 2018, the Special Meeting to which this solicitation of proxies refers will be held after the aforementioned Meeting of Ordinary Shareholders.

Be advised that the form for the acceptance of the solicitation of proxies may be used to cast a vote only on the following item on the agenda of the mentioned Special Meeting convened, on single call, on 27 April 2018: “*Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the Extraordinary Shareholders’ Meeting concerning the mandatory conversion of the Company’s savings shares into ordinary shares of the same Company, as well as the removal of the indication of the nominal value of the shares from the Articles of Association and the relative amendments to the Articles of Association. Pertinent and consequent resolutions.*”. Consequently, the form for the acceptance of the solicitation of proxies may not be used as an instrument for the collection of proxies for voting on items on the agenda of the Meeting of Ordinary Shareholders.

Details on the terms and procedures for exercising voting rights at the Meeting of Ordinary Shareholders convened on 27 April 2018 are to be found in the relevant notice of call and in the documents concerning the relative items on the agenda, which have been made publicly available pursuant to law at the registered office of the Company and on the Issuer’s website ([www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com)).

## **SECTION I – INFORMATION ON THE ISSUER AND ON THE SPECIAL MEETING**

### **1.1 Name and registered office of the Issuer**

The company that has issued the savings shares for which the solicitation of proxies is being made is named “Intesa Sanpaolo S.p.A”.

As of the date of this proxy solicitation prospectus (the “**Prospectus**”), the Issuer has registered office in Piazza San Carlo 156, 10121 Turin, and its subscribed and fully paid-in share capital amounts to Euro 8,731,984,115.92. Its fiscal code and registration no. in the Companies Register of Turin is 00799960158, VAT number 10810700152, ABI Code no. 3069.2. It is enrolled in the Register of Banks under no. 5361 and is the Parent Company of the “Intesa Sanpaolo” banking group. It is a member of the Interbank Deposit Guarantee Fund and of the National Compensation Fund.

### **1.2 Day, time and place of the meeting**

The Special Meeting has been convened, on single call, on 27 April 2018 at 16:00 and in any case at the end of the Meeting of Ordinary Shareholders, to be held on the same date at 10:00 at the New Headquarters in Turin, with entrance in Corso Inghilterra no. 3.

### **1.3 Items on the agenda**

The solicitation promoted by the Issuer refers to the Special Meeting having the following item on its agenda (as stated in the notice of call, published, *inter alia*, on the Issuer’s website [www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com)):

*“Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the Extraordinary Shareholders’ Meeting concerning the mandatory conversion of the Company’s savings shares into ordinary shares of the same Company, as well as the removal of the indication of the nominal value of the shares from the Articles of Association and the relative amendments to the Articles of Association. Pertinent and consequent resolutions.”.*

### **1.4 List of documents prepared by the Issuer and indication of the website where the documents are or will be available**

The Issuer has prepared (or, where expressly indicated, will make available within the terms provided by law) the following documents in view of the Special Meeting:

- i. the notice of call of the Special Meeting including the liquidation value of the savings shares held by those who exercise the withdrawal right pursuant to Art. 2437-ter of Italian Civil Code and Art. 84 of the Issuers Regulation;
- ii. the extract of the notice of call of the Special Meeting;
- iii. a form by which Savings Shareholders may delegate their voting rights, which will be made publicly available within the terms provided by law;
- iv. a form by which Savings Shareholders may delegate their voting rights to the Designated Representative appointed by the Company, which will be made publicly available within the terms provided by law; and

- v. an explanatory report of the Board of Directors of the Issuer on the mandatory conversion of the savings shares into ordinary shares (see Attachment 2 to this Prospectus).

The documentation mentioned above under items (i) to (v) has been made publicly available, within the provided terms, at the registered office of the Issuer, on the website of the authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the Issuer's website ([www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com) – “Governance”/“Shareholders’ Meeting” section).

The Issuer has also prepared the following documentation in relation to the proxy solicitation:

- i. notice of the solicitation of proxies promoted by Intesa Sanpaolo;
- ii. this Prospectus on the solicitation of proxies; and
- iii. form for the solicitation of proxies (see Attachment 1 to this Prospectus).

The foregoing documentation relating to the proxy solicitation and mentioned above under items (i) to (iii) has today been made available to the public at the registered office of the Issuer and on the Issuer's website ([www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com) – “Governance”/“Shareholders’ Meeting” section).

Under Art. 130 of the TUF, Savings Shareholders have the right to inspect all the documents held at the registered office of the Issuer and to make copies of the documents at their own expense.

Please note that the Savings Shareholders of the Issuer who intend to participate in this solicitation of proxies must not use the general proxy forms available on the Issuer's website; they must use only the specifically indicated form attached to this Prospectus for participation in the solicitation of proxies, which is also available on the website [www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com) and on the website of Morrow Sodali [www.sodali-transactions.com](http://www.sodali-transactions.com).

Savings Shareholders who do not intend to participate in this solicitation but do intend to vote in favour of the proposal submitted by the Issuer's Board of Directors may do so:

- by personally attending the Special Meeting and voting in favour of the proposal;
- by conferring an appropriate proxy and giving instructions to a proxy holder to vote in favour of the proposal;
- by granting, free of charge, a proxy with voting instructions in favour of the proposal to the Designated Representative as per Art. 135-*undecies* of the TUF by filling out and signing the relevant form.

## SECTION II - INFORMATION ON THE PROMOTER

### 2.1 Name and legal form of the Promoter

The entity intending to promote the solicitation of proxies is the Issuer, Intesa Sanpaolo S.p.A. (also, the “**Promoter**”).

For the collection of proxies and the casting of votes at the Special Meeting, the Promoter has engaged the assistance of Morrow Sodali S.p.A. (“**Morrow Sodali**” or the “**Appointed Representative**”), a company that provides shareholder communications services and proxy voting advice to listed companies, and specialises in proxy solicitation and shareholder representation at meetings. Morrow Sodali’s registered office is in Rome, Via XXIV Maggio no. 43. Its share capital is equal to Euro 200,000; it is enrolled under no. 1071740/04 in the Companies Register of Rome; its fiscal code and VAT number is 08082221006.

By responding favourably to the solicitation and appointing the Appointed Representative to act on their behalf, shareholders assign the Appointed Representative the right to represent them at the Special Meeting and to vote in accordance with instructions they impart.

The delegation of voting rights as per this solicitation may be conferred on the Appointed Representative either by retail shareholders or by institutional investors.

### 2.2 Registered office of the Promoter

With regard to the information on the registered office of the Promoter (who is also the Company), please refer to Section I, Paragraph 1 above.

### 2.3 Holders of significant equity interests in the Promoter and parties exercising control, including joint control, over the Promoter. Details of any shareholder agreements relating to the same

As of the date of this Prospectus, according to the evidence of the shareholders register, the communications received pursuant to law and the other information publicly available on the Consob website, the parties listed in the table below hold shareholdings of more than 3% of the Intesa Sanpaolo share capital.<sup>1</sup>

Declarant	% of ordinary share capital (voting shares)
COMPAGNIA DI SAN PAOLO	8.252
BLACKROCK INC. <sup>(1)</sup>	5.010
FONDAZIONE CASSA DI RISPARMIO DELLE PROVINCE LOMBARDE	4.836

<sup>(1)</sup> As asset manager and shareholder with an overall shareholding equal to 5.106%, as per the mod. 120 B communication dated 4 July 2017

Neither the disclosures made by Intesa Sanpaolo nor a search of the Consob website indicate the existence of any agreements among Intesa Sanpaolo shareholders with relevance under the meaning set out in Art. 122 of the TUF.

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<sup>1</sup> Asset management shareholders may have requested exemption from communication obligations until they exceed the 5% shareholding threshold.

As of the date of this Prospectus for the solicitation of proxies, no natural or legal person exercises control over the Company pursuant to Art. 93 of the TUF.

## **2.4 Description of business activities**

Intesa Sanpaolo is a bank that has issued ordinary shares (with ISIN code IT0000072618) and bearer savings shares (with ISIN code IT0000072626) listed on the *Mercato Telematico Azionario*, organised and managed by Borsa Italiana S.p.A. Part of its capital is also represented by non-listed registered savings shares (with ISIN code IT0000072634).

The Intesa Sanpaolo Articles of Association state: *“The purpose of the Company is the deposit-taking and the carrying out of all forms of lending activities, both directly and through its subsidiaries. To this end, the Company may, in compliance with laws and regulations in force from time to time and subject to being granted the required authorisations, directly and also through its subsidiaries, provide all banking and financial services, including the establishment and management of open-end and closed-end pension schemes as well as carry out any other transactions that are instrumental for, or related to, the achievement of its corporate purpose.*

*Acting in its capacity as Parent Company of the “Intesa Sanpaolo” banking group, pursuant to Article 61 of Legislative Decree 385 of 1 September 1993, the Company issues, in connection with its management and coordination capacity, instructions to the Group companies, including with respect to the implementation of the instructions of the Supervisory Authorities in the interest of the Group’s stability.*

*The Company acts in the capacity of Parent Company of the financial conglomerate, pursuant to Article 3 of Legislative Decree 142 of 30 May 2005.”*

As a listed company, Intesa Sanpaolo fulfils the regulatory requirements relating to issuers of listed securities on regulated markets. As a bank, Intesa Sanpaolo is subject to current laws, regulations and supervisory provisions for banks and banking groups. In compliance with the provisions contained in the Supervisory Regulations on bank’s corporate governance, Intesa Sanpaolo is subject to the direct prudential supervision of the European Central Bank. Intesa Sanpaolo is the Parent Company of the Intesa Sanpaolo Banking Group.

## **2.5 Indication of the quantity and of the categories of the Issuer’s securities held by the Promoter and by the companies belonging to the Promoter’s group (parent companies, subsidiaries and/or companies subject to common control), including specification of the type of security and the percentage it represents of the Issuer’s total share capital. Indication of the voting rights inherent in the securities**

As of the date of this Prospectus, Intesa Sanpaolo holds 10,127,350 of its own ordinary shares. The voting rights associated with these shares have been suspended by law. The Company does not hold own savings shares.

## **2.6 Disclosure of the quantity of shares affected and the name of the party now holding the related voting rights for cases in which the Promoter has assigned beneficial interest on the issuer’s shares, used them as collateral or pledged them in connection with a loan or repurchase agreement**

As of the date of this Prospectus, the Promoter, who is also the Issuer, has not assigned beneficial interests on or pledged any of the shares in its portfolio.

## **2.7 Financial positions held through derivative instruments or contracts based on the Issuer's shares**

Without prejudice to the below, as of the date of this Prospectus, neither the Promoter, who is also the Issuer, nor the companies belonging to its group hold any derivative instruments or have entered into derivative agreements based on its own ordinary or savings shares.

Please note that as of the date of this Prospectus, the Company holds the following LECOIP Certificates (collectively, the "**LECOIP Certificates**"), issued in implementation of the "Investment Plan" of Intesa Sanpaolo approved by the Company's Shareholders' Meeting on 8 May 2014 in favour of the employees of the Intesa Sanpaolo Group:

- no. 1,254,965 "*Credit Suisse LECOIP Certificate for INTESA SANPAOLO S.p.A. ordinary shares*";
- no. 798,647 "*Credit Suisse Dirigenti LECOIP Certificate for INTESA SANPAOLO S.p.A. ordinary shares*"; and
- no. 1,195,031 "*Credit Suisse Risk Taker LECOIP Certificate for INTESA SANPAOLO S.p.A. ordinary shares*".

For more information on the LECOIP Certificates please consult the publicly available information and, in particular, the relative prospectuses submitted to Consob on 3 October 2014 following its approval as per notice 0078575/14 of 3 October 2014.

On the relative maturity date, payments owed in relation to the LECOIP Certificates held by the Issuer shall be made in cash in accordance with the terms and conditions indicated in the abovementioned prospectuses.

## **2.8 Conflicts of interest under the meaning of Art. 135-*decies* of the TUF, and any other potential direct or indirect conflicts of interest between the Promoter and the Issuer, specifying the relevant nature and scope**

The Promoter is also the Issuer of the shares for which an assignment of proxy has been requested.

As the Promoter and the Issuer are one and the same:

- a) Art. 138, par. 2, of the Issuers Regulation specifies that where the voting instructions of the party granting the proxy do not conform with the Promoter's proposal, the Promoter, through the Appointed Representative, must nonetheless uphold the shareholder's instructions, even if they are dissimilar to its proposal;
- b) even when significant circumstances should occur that were not known at the time the proxy was granted and cannot be disclosed to the delegating party, and it could be reasonably inferred that if the delegating party had known of these significant events it would have given its approval, or in the event of changes or additions to the resolution proposals, in accordance with the current regulatory framework, the Promoter – through the Appointed Representative – may not express a different vote to the one indicated in the instructions imparted by the shareholder.

To the best knowledge of the Promoter, there are no conflicts of interest referred to in Art. 135-*decies* of the TUF with regard to the Appointed Representative.



## **2.9 Reporting of any funding received for the promotion of the solicitation of proxies**

The Promoter has not received any funding for the promotion of this solicitation of proxies.

## **2.10 Nomination of possible surrogates, without prejudice to Art. 135-*decies*, par. 3, of the TUF**

For the exercise of the voting rights to which the proxy refers, the Promoter is herewith accorded the right to be represented/replaced by one of the following parties, who are the authorised representatives of the Appointed Representative, and are not disqualified for conflict of interest under Art. 135-*decies* of the TUF:

- Fabio Bianconi, born in Urbino on 14 May 1980, fiscal code BNCFBA80E14L500I
- Renato Di Vizia, born in Capaccio (SA) on 26 August 1970, fiscal code DVZRNT70M26B644G
- Andrea Di Segni, born in Rome on 17 April 1966, fiscal code DSGNDR66D17H501N
- Benjamin Keyes, born in Rome on 18 December 1973, fiscal code KYSBJM73T18H501Q

## SECTION III – VOTING

### 3.1 Indication of any specific deliberative proposals, recommendations, declarations or other information to be attached to the proxy request

The Promoter intends to solicit proxies with reference to the following item on the agenda of the Special Meeting of 27 April 2018, namely:

*“Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the Extraordinary Shareholders’ Meeting concerning the mandatory conversion of the Company’s savings shares into ordinary shares of the same Company, as well as the removal of the indication of the nominal value of the shares from the Articles of Association and the relative amendments to the Articles of Association. Pertinent and consequent resolutions.”*

and recommends voting in favour of the proposed conversion, to which end it adopts the following resolution:

Proposal Recommended vote	Proposal Recommended vote
<p><i>“The Special Savings Shareholders’ Meeting of Intesa Sanpaolo S.p.A, having examined the explanatory report of the Board of Directors drafted pursuant to Art. 72 of the CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended,</i></p> <p style="text-align: center;"><b><i>Resolves</i></b></p> <p><i>(1) to approve, pursuant to Art. 146 par. 1 (b) of Legislative Decree no. 58/1998, to the extent of its responsibility, the following resolution passed by the Extraordinary Shareholders’ Meeting of Intesa Sanpaolo S.p.A. held today:</i></p> <p><i>“The Extraordinary Shareholders’ Meeting of Intesa Sanpaolo S.p.A, having examined the explanatory report of the Board of Directors drafted pursuant to Art. 72 of the CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended,</i></p> <p style="text-align: center;"><b><i>Resolves</i></b></p> <p><i>(1) to approve the mandatory conversion of the outstanding savings shares – following the cancellation of 61 savings shares by an authorised intermediary, with the reduction of said shares to no. 932,490,500 – into no 969,790,120 ordinary shares of the Company, the latter to consist in newly issued shares, with regular economic rights and having the same features of the ordinary</i></p>	<p><b><u>IN FAVOUR</u></b></p>

*shares outstanding at the date of the conversion, at a conversion ratio, equal to no. 1.04 ordinary shares for each savings share with concurrent removal of the indication of the nominal value of all of the shares of Intesa Sanpaolo S.p.A. outstanding as at the relative date of effectiveness of the conversion, pursuant to Art. 2328 and 2346 of the Italian Civil Code, so that the corporate share capital remains unchanged and divided into only ordinary shares;*

*(2) to provide that the mandatory conversion of the savings shares under item (1) above (and therefore also the effectiveness of any withdrawals that may be exercised by the savings shareholders entitled thereto and of the cancellation of the 61 savings shares) take place subject to:*

*(i) the approval of the mandatory conversion, along with the relative amendments to the Articles of Association, pursuant to Art. 146, par. 1 (b) of Legislative Decree no. 58 of 1998 by the special meeting of the savings shareholders;*

*(ii) the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders; and*

*(iii) the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-quater, par. 1 and 2 of the Italian Civil Code;*

*(3) to amend Articles 5, with sole regard to paragraph 5.1, and 29 of the Company's Articles of Association, as follows:*

*“Article 5. Share capital.*

*5.1. The Company's subscribed and paid-in*

share capital amounts to 8,731,984,115.92 euro, represented by 16,829,576,705 ordinary shares without nominal value”

“Article 29. Financial statements and net income.

29.1.- The Company’s financial year closes on 31 December of each year.

29.2.- The Board of Directors shall examine and approve the draft separate financial statements and consolidated financial statements in accordance with legal requirements.

29.3.- Net income as reported in the financial statements, net of the portion allocated to legal reserves, and the portion which is not available pursuant to the law, shall be allocated as follows:

a) to all of the ordinary shares to the extent that the Shareholders’ Meeting resolves to proceed with its distribution;

b) any excess funds shall be allocated to the extraordinary reserve and other reserves, without prejudice to the fact that a portion of such earnings may be used for charities and to support social and cultural activities, through the creation of a specific reserve.

29.4.- Unclaimed and forfeited dividends shall be remitted to the Company and allocated to the extraordinary reserve.”

with the removal of Article 30 of the Articles of Association of the Company and renumbering of Articles 31, 32, 33, 34, 35 and 36 to 30, 31, 32, 33, 34 and 35, respectively;

(4) to grant powers and mandate to the Board of Directors and to the Chairman of the Board of Directors and the Chief Executive Officer, severally and with full power to sub delegate, to carry out all actions deemed necessary or appropriate to fully implement the above resolutions, including without limitation, (i) to define any additional terms and conditions of the Mandatory Conversion, including, inter alia, the date on which such conversion will be effective upon agreement with Borsa Italiana S.p.A., which must fall after the ex-right date

*of dividends relating to the financial year ended 31 December 2017; (ii) to define the terms and conditions of the procedure relating to the exercise of the right of withdrawal to which savings shareholders are entitled pursuant to Art. 2437, par. 1 (g) of the Italian Civil Code; (iii) to carry out the liquidation process of the savings shares which are the subject matter of the withdrawal process, also purchasing if necessary such shares using the available reserves; and (iv) to carry out any other formality and actions in relation to the overall number of outstanding shares as at the date of effectiveness of the conversion and to obtain the necessary authorisations for the above resolutions and, generally, any other authorisation to fully implement the resolutions, together with any necessary power thereof, with no exclusion and exemption, including the power to fulfil any requests made by the relevant Supervisory Authorities as well as to proceed with the deposit and the registration with the Companies' Register of the updated Articles of Association with the approved amendments thereto;*

*(5) to authorise the Board of Directors to sell the Company's own shares that may be bought as a consequence of rights of withdrawal being exercised, at the end of the liquidation process pursuant to Art. 2437-*quater* of the Italian Civil Code, without limitation, for a consideration which shall not be lower than the share reference price on the trading day preceding each sale with a 10% discount, specifying that the disposal may be carried out on the market or off the market, as spot and/or forward transactions;"*

### **3.2 Reasons underlying the Promoter's proposal for voting in the manner indicated in the Prospectus and in the proxy solicitation form. Any programmes being made on the Issuer in connection with the solicitation**

The proposal submitted to the Special Meeting pursuant to Art. 146, par. 1 (b) of the TUF – described also in the explanatory report of the Board of Directors, which is enclosed in this document as Attachment 1 (the “**Explanatory Report**”), to which reference should be made

for further information – provides for the mandatory conversion of issued and outstanding Intesa Sanpaolo savings shares into ordinary shares (the “**Mandatory Conversion**”) as a transaction aimed at rationalising and simplifying the capital structure of Intesa Sanpaolo.

The Mandatory Conversion is also aimed at reducing the number of corporate actions and costs connected to the existence of different classes of shares.

Furthermore, as the Mandatory Conversion would entail the unification of ordinary shares and savings shares into a single class of listed shares, it may benefit shareholders as it would allow the simplification of the Company’s corporate organisation, align the rights of all shareholders, and increase the total number of ordinary shares, which would allow increased share liquidity. The proposed conversion also reflects an inclination towards a more simple shareholding structure of listed companies, which is clearly visible both in Italy and abroad.

In addition, the savings shareholders will also benefit from the conversion ratio of no. 1.04 Intesa Sanpaolo ordinary shares for each savings share (the “**Conversion Ratio**”). The Conversion Ratio corresponds to a premium equal to 7.5% in relation to the market closing price of 5 February 2018 (*i.e.* the day before the conversion proposal was announced).

Please also note that – on the basis of the figures as at 31 December 2017 and all other terms remaining unchanged – following the conversion the Company may benefit from a strengthening of its CET 1 ratio by up to a maximum of 18 basis points if the Company is not required to purchase savings shares of withdrawing shareholders.

Furthermore, the proposal for a Mandatory Conversion is subject to the following conditions:

- i. the approval of the proposed Mandatory Conversion by the Special Savings Shareholders’ Meeting;
- ii. the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders;
- iii. the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-*quater*, par. 1 and 2 of the Italian Civil Code.

For the purposes of implementing the Mandatory Conversion the Company may issue new shares.

On the basis of the foregoing, Intesa Sanpaolo is seeking approval for the conversion of the outstanding savings shares into ordinary shares of the Company, with regular economic rights and having the same features of the ordinary shares outstanding at the date of the transaction, at a conversion ratio equal to no. 1.04 ordinary shares for each savings share, assigning newly issued ordinary shares.

### **3.3 Proxy voting dissimilar to the proposal set out in point 1 of this section**

Because the Company itself promoted the solicitation of proxies, it is required under Art. 138, par. 2 of the Issuers Regulation to exercise voting rights (through the Appointed Representative) even if they run counter to its proposal.

### **3.4 Any other information that might be needed to enable the solicited shareholder make an informed decision about granting the proxy**

Please note that, as result of the execution of the Mandatory Conversion and from the date of its effectiveness:

- a) the Savings Shareholders who did not take part in the approval of the resolution will be entitled to exercise their right of withdrawal pursuant to Art. 2437, par. 1 (g) of the Italian Civil Code should Mandatory Conversion become effective;
- b) the owners of savings shares will lose the economic rights, privileges (including the right to cumulate any non-distributed dividends) and the class protections set forth by the applicable laws and regulations and by the Articles of Association of Intesa Sanpaolo for that class of shares and will receive ordinary shares of the Company on the basis of the Conversion Ratio;
- c) the Savings Shareholders who do not exercise the right of withdrawal will receive ordinary shares of the Company and, therefore, will acquire the voting rights exercisable at any general shareholders' meetings of Intesa Sanpaolo (in ordinary and extraordinary session) and will also acquire all the rights and protections attached to the ordinary shares, benefiting *inter alia*, from the higher share liquidity of the market for such class of shares and from the greater float represented by the ordinary shares;
- d) the voting rights of the ordinary shareholders will be diluted pro-rata to the amount of ordinary shares issued for the purposes of the Mandatory Conversion. The amount of ordinary shares issued before the date of effectiveness of the Mandatory Conversion will represent about 94.2% of the share capital of the Company following the Mandatory Conversion, while the aggregate amount of ordinary shares issued in connection with the Mandatory Conversion will represent about 5.8% of the share capital of the Company following the Mandatory Conversion;
- e) the holders of ordinary shares will benefit from the removal of privileges and administrative rights attached to the savings shares;
- f) shareholders will benefit from the simplification of the Company's capital structure and governance/organisation structure; and the former savings shareholders will benefit from the acquisition of all the rights attached to ordinary shares, from the greater float and from the increased liquidity of their securities.

The Mandatory Conversion transactions shall be free of charges for the shareholders.

Please also note that the execution of the Mandatory Conversion resolution is subject to the following conditions:

- a) the approval of the proposed Mandatory Conversion by the Special Savings Shareholders' Meeting;
- b) the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders;

- c) the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-*quater*, par. 1 and 2 of the Italian Civil Code.

The Company shall inform the public as to whether the conditions of the Mandatory Conversion have been fulfilled on the website of the Company and in at least one national daily newspaper. It is understood that the Mandatory Conversion resolution may not be carried out prior to the publication of such notice.

In addition, please note that:

- a) the withdrawal procedure will commence and will conclude after the ex-right date of the dividends relating to the financial year ended 31 December 2017 (set for 21 May 2018). The savings shareholders who exercise the withdrawal right – as well as those who do not exercise such right – will receive such privileged dividend in accordance with Art. 29.3 of the Articles of Association currently in force; and
- b) it is foreseen that the date of effectiveness of the Mandatory Conversion – where the relevant conditions have been fulfilled – shall fall after the ex-right date of dividends relating to the financial year ended 31 December 2017; said dividend shall therefore be distributed in accordance with the Articles of Association in place prior to the Mandatory Conversion (Art. 29.3 of the Articles of Association).

Taking into account that the proposed removal of the nominal value indication of shares upon which the Meeting of Ordinary Shareholders shall resolve in the meeting convened, on single call, on 27 April 2018 at 10:00 (and therefore before the resolution on the conversion of the savings shares into ordinary shares to be submitted to the savings shareholders for approval), the conversion will not result in an increase of the share capital of Intesa Sanpaolo, which will, therefore, remain unchanged, but only an increase of the overall number of outstanding shares.

The effective date of the Mandatory Conversion shall be agreed with Borsa Italiana S.p.A. and made publicly available on the Company's website and in at least one national daily newspaper, as per Art. 72, par. 5, of the Issuers Regulation. With same notice, the Company will provide details on the manner of assignment of the ordinary shares on the basis of the conversion ratio and on the management of the fractions resulting from the conversion ratio. On the same day, the savings shares shall be revoked from listing on the *Mercato Telematico Azionario*, organised and managed by Borsa Italiana S.p.A., the ordinary shares deriving from the Mandatory Conversion shall be admitted to trading on the *Mercato Telematico Azionario*, organised and managed by Borsa Italiana S.p.A.

The ordinary shares resulting from the Mandatory Conversion shall carry out the same regular economical rights and features as the ordinary shares outstanding on the conversion date.



## SECTION IV - GRANTING AND REVOKING PROXIES

### 4.1 Proxy validity and final deadline by which the form must be received by the Promoter's appointed representative

**Please, be advised that for the proxies to be valid, the appropriate form must be filled out, signed and dated by the party with the relevant voting rights.**

The proxy solicitation form must be received by the Promoter through Morrow Sodali by **23:59 on 24 April 2018**, and must be delivered using one of the methods below:

- by fax to the following numbers: 06 45212861; 06 45212862; 06 485747;
- by email to: assemblearisparmio.intesasanpaolo@morrow sodali.com;
- by post or by hand delivery to the following address:

Morrow Sodali S.p.A.  
Via XXIV Maggio, 43  
00185 – Roma  
Attn: Mr. Renato Di Vizia

If the proxy is sent by fax or email the sender is kindly asked to facilitate administrative work by posting or hand-delivering the original copy of the form or a digitally signed electronic version thereof, as per Art. 21, par. 2 of the Legislative Decree no. 82 of 7 March 2005. However, failure to do so will not invalidate the assignment of proxy.

The proxy solicitation form must be accompanied: (i) if referring to a natural person, by a photocopy of the person's identity document, (ii) if referring to a legal person or other entity, by a photocopy of the certificate issued by the relevant Companies Register, or a photocopy of a special power of attorney, or a photocopy of another document attesting to the delegate powers of the person signing the proxy in the name and on behalf of the legal person or other entity, and (iii) copy of the request of the shareholder meeting communication delivered by the relevant shareholders intermediary.

The Promoter shall not be responsible for a failure to exercise voting rights for proxies received after the indicated deadline and/or for proxies received before the deadline but that are not wholly compliant with the law.

Pursuant to Art. 135-*novies* of the TUF, a shareholder whose shares are deposited in several share accounts may delegate a different representative for each account or delegate a single representative for all accounts.

**Please, be advised that persons with voting rights who grant a proxy must ask their intermediary to inform the Issuer, in accordance with and in the manner provided by law, of their right to attend the Special Meeting and to exercise their voting rights.**

With respect to participation and voting, the following should be borne in mind:

(a) pursuant to Art. 83-*sexies* of the TUF, the legitimate attendance of the Special Meeting and the exercise of voting rights is confirmed by a statement to the Company from an intermediary enrolled in the centralised system of Monte Titoli S.p.A. made on behalf of the person with voting rights, and made also on the basis of the evidence from to the end of the seventh market trading day before the scheduled date of the Special Meeting convened on single call (18 April 2018 – “record date”);

(b) only those holding voting rights on that date (18 April 2018) shall be entitled to attend and vote at the Special Meeting.

#### **4.2 Casting of a vote by the Promoter in a manner differing from that proposed**

Pursuant to Art. 138 of the Issuers Regulation, even when significant circumstances should occur that were not known at the time the proxy was granted and cannot be disclosed to the delegating party, and it could be reasonably inferred that if the delegating party had known of these significant events it would have given its approval, or in the event of changes or additions to the resolution proposals, in accordance with the current regulatory framework, the Promoter – through the Appointed Representative – may not express a different vote to the one indicated in the instructions imparted by the shareholder.

#### **4.3 Proxy revocation**

The proxy is revocable at any time by means of a written declaration that has been brought to the attention of the Promoter by the Appointed Representative in the same manner as indicated above and delivered by **23:59 on 26 April 2018**.

\* \* \*

### **DECLARATIONS OF RESPONSIBILITY**

Without prejudice to the information on the agenda made available by the Issuer in accordance with prevailing law, the Promoter declares that the information contained in this Prospectus and in the proxy statement and form is sufficient to permit the solicited party to make an informed decision regarding conferral of the proxy.

The Promoter will also be responsible for the completeness of the information provided during the course of the solicitation.

\* \* \*

This proxy statement was sent to Consob at the same time as it was provided to the solicitation recipients.

### **LIST OF ATTACHMENTS**

Attachment 1 - Proxy solicitation form

Attachment 2 - Explanatory report of the Board of Directors of Intesa Sanpaolo on the agenda item concerning the conversion of savings shares into ordinary shares to be discussed by the Special Savings Shareholders' Meeting of the company, convened, on single call, on 27 April 2018 at 16:00 and in any case at the end of the meeting of ordinary shareholders to take place

on the same date at 10:00 at the new headquarters in Turin, with entrance in corso Inghilterra no. 3

Turin, 20 March 2018

**Promoter**

Intesa Sanpaolo S.p.A.

Stefano Del Punta

Chief Financial Officer

*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.*

**ATTACHMENT 1**

**PROXY SOLICITATION FORM**

## PROXY SOLICITATION FORM

Intesa Sanpaolo S.p.A. (the “**Promoter**”, “**Intesa Sanpaolo**” or the “**Issuer**”), acting through Morrow Sodali S.p.A. (the “**Appointed Representative**”), is seeking to solicit proxies (the “**Proxy Solicitation**”) for the Special Savings Shareholders’ Meeting of Intesa Sanpaolo that has been convened, on single call, on **27 April 2018 at 16:00** and in any case at the end of the Meeting of Ordinary Shareholders, convened on the same date at 10:00 at the New Headquarters in Turin, with entrance in Corso Inghilterra no. 3, with the manner and within the deadline highlighted in the notice of call published, *inter alia*, on the Issuer’s website [www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com) on 6 February 2018.

The proxy is revocable at any time by means of a written declaration that has been brought to the attention of the Promoter by the Appointed Representative within the day preceding the Special Meeting and, therefore, by **23:59 on 26 April 2018**. The declaration must be delivered:

- by fax to the following numbers: 06 45212861; 06 45212862; 06 485747;
- by email to: [assemblearisparmio.intesasanpaolo@morrowsodali.com](mailto:assemblearisparmio.intesasanpaolo@morrowsodali.com); or
- by post or hand delivery to the following address:

Morrow Sodali S.p.A.  
Via XXIV Maggio, 43  
00185 – Roma  
Attn: Mr. Renato Di Vizia

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**The delegating party will not have to pay anything for signing this form**

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### Natural person granting the proxy<sup>1</sup>

I, the undersigned, \*..... (*name and surname of the party with voting rights*), born in \*..... on the date of \*....., resident in ..... (*city/town*) at ..... (*address*), fiscal code \*....., telephone number ..... email address \*.....

### Legal person or other entity granting the proxy<sup>2</sup>

\*..... (*name of the legal person or other entity with voting rights*), with registered office in \*..... (*city/town*) at ..... (*address*), fiscal code / VAT number \*..... telephone number ..... email address \*....., in the person of our *pro-tempore* legal representative or special attorney authorised to sign this form (**attach documentation attesting to possession of voting rights**)

\* *mandatory information*

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<sup>1</sup> In the instance of joint ownership of shares in relation to which a common representative has not been appointed pursuant to Art. 2347 of the Italian Civil Code, the information and signatures of all joint owners will be required.

<sup>2</sup> In the instance of joint ownership of shares in relation to which a common representative has not been appointed pursuant to Art. 2347 of the Italian Civil Code, the information and signatures of all joint owners will be required.

and holder of voting rights at **18 April 2017** (the “record date”) to which it is entitled as:

owner of the shares  pledgee (*creditore pignoratizio*)  taker-in (*riportatore*)  beneficial interest holder (*usufruttuario*)  receiver (*custode*)  manager  legal representative or agent with authority to sub-delegate  common representative pursuant to Art. 2347 of the Italian Civil Code  other (please specify) .....

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Other information to be filled in at the discretion of the party granting the proxy:

- communication no. .... (reference for the communication provided by the intermediary)

- identification codes, if any .....

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**NOTING** that, pursuant to Art. 138, par. 2, of the CONSOB Regulation no. 11971 of 14 May 1999 (the “**Issuers Regulation**”), the Promoter, being also the issuer of the shares for which the proxy has been solicited, is bound to exercise all votes, including even those dissimilar to its own proposal;

**HAVING SEEN** the explanatory report of the Board of Directors of Intesa Sanpaolo;

**HAVING SEEN** the Prospectus for the Solicitation of Proxies, with particular regard to the potential presence of conflicts of interest;

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#### DELEGATES

**Morrow Sodali S.p.A., with registered office in Rome, Via XXIV Maggio no. 43, as the Appointed Representative of the Promoter, which shall be represented by one of the following persons who are not disqualified for conflict of interest under Art. 135-decies of the TUF:**

- Fabio Bianconi, born in Urbino on 14 May 1980, fiscal code BNCFBA80E14L500I
- Renato Di Vizia, born in Capaccio (SA) on 26 August 1970, fiscal code DVZRNT70M26B644G
- Andrea Di Segni, born in Rome on 17 April 1966, fiscal code DSGNDR66D17H501N
- Benjamin Keyes, born in Rome on 18 December 1973, fiscal code KYSBJM73T18H501Q

to attend and vote at the aforementioned Special Savings Shareholders’ Meeting of Intesa Sanpaolo in accordance with the instructions set out below with reference to (*number*) ..... savings shares (ISIN code IT0000072626 or IT0000072634) registered in the account(s) in the name of .....<sup>3</sup> no(s). ..... held at (*name of the intermediary depository*) ..... ABI ..... CAB .....

(Please be reminded that pursuant to Art. 135-novies of the TUF, a shareholder whose shares are deposited in several share accounts may delegate a different representative for each account or delegate a single representative for all accounts).

#### A) RESOLUTIONS FOR WHICH PROXIES ARE SOLICITED (\*)

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<sup>3</sup> In the instance of joint ownership the information of all joint owners is required.

Promoter's Proposal	Assignment of Proxy	
<p><i>“The Special Savings Shareholders’ Meeting of Intesa Sanpaolo S.p.A, having examined the explanatory report of the Board of Directors drafted pursuant to Art. 72 of the CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended,</i></p> <p style="text-align: center;"><b>Resolves</b></p> <p><b>(1)</b> <i>to approve, pursuant to Art. 146 par. 1 (b) of Legislative Decree no. 58/1998, to the extent of its responsibility, the following resolution passed by the Extraordinary Shareholders’ Meeting of Intesa Sanpaolo S.p.A. held today:</i></p> <p style="padding-left: 40px;"><i>“The Extraordinary Shareholders’ Meeting of Intesa Sanpaolo S.p.A, having examined the explanatory report of the Board of Directors drafted pursuant to Art. 72 of the CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended,</i></p> <p style="text-align: center;"><b>Resolves</b></p> <p><b>(1)</b> <i>to approve the mandatory conversion of the outstanding savings shares – following the cancellation of 61 savings shares by an authorised intermediary, with the reduction of said shares to no. 932,490,500 – into no 969,790,120 ordinary shares of the Company, the latter to consist in newly issued shares, with regular economic rights and having the same features of the ordinary shares outstanding at the date of the conversion, at a conversion ratio, equal to no. 1.04 ordinary shares for each savings share with concurrent removal of the indication of the nominal value of all of the shares of Intesa Sanpaolo S.p.A. outstanding as at the relative date of effectiveness of the conversion, pursuant to Art. 2328 and 2346 of the Italian Civil Code, so that the corporate share capital remains unchanged and divided into only ordinary shares;</i></p> <p><b>(2)</b> <i>to provide that the mandatory conversion of the savings shares under item (1) above (and therefore also the effectiveness of any withdrawals that may be exercised by the savings shareholders entitled thereto and of the cancellation of the 61 savings shares) take place subject to:</i></p> <p style="padding-left: 40px;"><i>(i) the approval of the mandatory conversion, along with the relative amendments to the Articles of Association, pursuant to Art. 146, par. 1 (b) of Legislative Decree no. 58 of 1998 by the special meeting of the savings</i></p>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>	<p>ASSIGNS THE PROXY FOR A VOTE IN FAVOUR</p> <p>ASSIGNS THE PROXY FOR A VOTE AGAINST</p> <p>ASSIGNS THE PROXY FOR AN ABSTENTION FROM THE VOTE</p>

*shareholders;*

*(ii) the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders; and*

*(iii) the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-quater, par. 1 and 2 of the Italian Civil Code;*

*(3) to amend Articles 5, with sole regard to paragraph 5.1, and 29 of the Company's Articles of Association, as follows:*

*"Article 5. Share capital.*

*5.1. The Company's subscribed and paid-in share capital amounts to 8,731,984,115.92 euro, represented by 16,829,576,705 ordinary shares without nominal value"*

*"Article 29. Financial statements and net income.*

*29.1.- The Company's financial year closes on 31 December of each year.*

*29.2.- The Board of Directors shall examine and approve the draft separate financial statements and consolidated financial statements in accordance with legal requirements.*

*29.3.- Net income as reported in the financial statements, net of the portion allocated to legal reserves, and the portion which is not available pursuant to the law, shall be allocated as follows:*

*a) to all of the ordinary shares to the extent that the Shareholders' Meeting resolves to proceed with its distribution;*

*b) any excess funds shall be allocated to the extraordinary reserve and other reserves, without prejudice to the fact that a portion of such earnings may be used for charities and to*



*support social and cultural activities, through the creation of a specific reserve.*

*29.4.- Unclaimed and forfeited dividends shall be remitted to the Company and allocated to the extraordinary reserve.”*

*with the removal of Article 30 of the Articles of Association of the Company and renumbering of Articles 31, 32, 33, 34, 35 and 36 to 30, 31, 32, 33, 34 and 35, respectively;*

*(4) to grant powers and mandate to the Board of Directors and to the Chairman of the Board of Directors and the Chief Executive Officer, severally and with full power to sub delegate, to carry out all actions deemed necessary or appropriate to fully implement the above resolutions, including without limitation, (i) to define any additional terms and conditions of the Mandatory Conversion, including, inter alia, the date on which such conversion will be effective upon agreement with Borsa Italiana S.p.A., which must fall after the ex-right date of dividends relating to the financial year ended 31 December 2017; (ii) to define the terms and conditions of the procedure relating to the exercise of the right of withdrawal to which savings shareholders are entitled pursuant to Art. 2437, par. 1 (g) of the Italian Civil Code; (iii) to carry out the liquidation process of the savings shares which are the subject matter of the withdrawal process, also purchasing if necessary such shares using the available reserves; and (iv) to carry out any other formality and actions in relation to the overall number of outstanding shares as at the date of effectiveness of the conversion and to obtain the necessary authorisations for the above resolutions and, generally, any other authorisation to fully implement the resolutions, together with any necessary power thereof, with no exclusion and exemption, including the power to fulfil any requests made by the relevant Supervisory Authorities as well as to proceed with the deposit and the registration with the Companies' Register of the updated Articles of Association with the approved amendments thereto;*

*(5) to authorise the Board of Directors to sell the Company's own shares that may be bought as a consequence of rights of withdrawal being exercised, at the end of the liquidation process pursuant to Art. 2437- quater of the Italian Civil Code, without limitation, for*

<i>a consideration which shall not be lower than the share reference price on the trading day preceding each sale with a 10% discount, specifying that the disposal may be carried out on the market or off the market, as spot and/or forward transactions;"</i>		
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**If circumstances emerge that were unknown at the moment of the issuing of the proxy, the undersigned party, in respect of the vote to be cast on the proposed resolution(\*):**

- CONFIRMS THE PROXY INSTRUCTION ALREADY ISSUED
- REVOKES THE PROXY INSTRUCTION ISSUED
- CHANGES THE PROXY INSTRUCTION ISSUED TO:  IN FAVOUR  AGAINST  ABSTAIN

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**If the Special Meeting is called to vote on amendments of or additions to the resolution proposal submitted to its approval, the undersigned party, in respect of the vote to be cast (\*):**

- CONFIRMS THE PROXY INSTRUCTION ALREADY ISSUED
- REVOKES THE INSTRUCTION ISSUED
- CHANGES THE PROXY INSTRUCTION ISSUED TO:  IN FAVOUR  AGAINST  ABSTAIN

---

(\*): Pursuant to Art. 138 par. 6 of the Issuers Regulation, in relation to the proposals for motions for which voting instructions were not given, the shares will in any case be used to calculate whether a quorum has been reached to form the shareholders' meeting; however these shares will not be counted for the purpose of calculating majorities or the portion of capital required to approve the resolutions

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Section C) of the Consob model provided for under Attachment 5C of the Issuers Regulation is omitted as there are no resolutions to vote other than that for which the proxies are being solicited by the Promoter.

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**To be completed only if the person signing is not the same as the holder of the shares**

I, the undersigned (*surname and name of the signatory, if different from the holders of the shares*) ..... subscribe this Proxy Solicitation Form in my capacity as (*tick as appropriate*)

- pledgee (*creditore pignoratizio*)

- taker-in (*riportatore*)
  - beneficial interest holder (*usufruttuario*)
  - receiver (*custode*)
  - manager
  - legal representative or agent with authority to sub-delegate
  - common representative pursuant to Art. 2347 of the Italian Civil Code
  - other (please specify)
- 

Date .....

Signature.....

## Regulatory appendix

### Provisions of Legislative Decree no. 58 of 24 February 1998 (“TUF”)

#### *Article 135-novies*

##### *(Representation at the shareholders' meeting)*

- 1. Any person with the right to vote may indicate one representative for each shareholders' meeting, without prejudice to the right to specify one or more replacements.*
- 2. As an exception to paragraph 1, any person with the right to vote may appoint a different representative for each account, used to record financial instrument transactions, valid where the communication envisaged in Article 83-sexies has been issued.*
- 3. As a further exception to paragraph 1, if the person indicated as owner of the shares in the communication envisaged in Article 83-sexies acts alone or through registered trustees on behalf of his or her customers, the person in question may indicate others on whose behalf he/she acts, or one or more third parties indicated by such customers, as their representative.*
- 4. If the proxy form envisages such an option, the proxy may arrange for personal substitution by another person of his or her choice, without prejudice to compliance with Article 135-decies paragraph 3 and to the right of the person represented to indicate one or more substitutes.*
- 5. In place of the original, the representative may deliver or transmit a copy of the proxy, also in electronic format, confirming his or her liability in compliance of the proxy form to the original and the identity of the delegating party. The representative shall retain the original of the proxy form and keep track of any voting instructions received for a period of one year from closure of the shareholders' meetings concerned.*
- 6. The appointment may be made with a document in an electronic format with a digital signature in accordance with article 21, paragraph 2 of Italian Legislative Decree 82 of 7 March 2005. The companies specify in the Articles of Association at least one way of electronic notification of the proxy.*
- 7. Paragraphs 1, 2, 3 and 4 shall also apply to cases of share transfer by proxy.*
- 8. All of the above without prejudice to the provisions of Article 2372 of the Italian Civil Code. As an exception to article 2372, second paragraph of the Italian Civil Code, asset management companies, SICAVs, harmonized management companies and non-EU parties providing collective investment management services may grant representation for more than one shareholders' meeting.*

#### *Article 135-decies*

##### *(Conflict of interest of the representative and substitutes)*

- 1. Conferring proxy upon a representative in conflict of interest is permitted provided that the representative informs the shareholder in writing of the circumstances giving rise to such conflict of interest and provided specific voting instructions are provided for each resolution in which the representative is expected to vote on behalf of the shareholder. The representative shall have the onus of proof regarding disclosure to the shareholder of the circumstances giving rise to the conflict of interest. Article 1711, second paragraph of the Italian Civil Code does not apply.*
- 2. In any event, for the purposes of this article, conflict of interest exists where the representative or substitute:*
  - a) has sole or joint control of the company, or is controlled or is subject to joint control by that company;*
  - b) is associated with the company or exercises significant influence over that company or the latter exercises significant influence over the representative;*

*c) is a member of the board of directors or control body of the company or of the persons indicated in paragraphs a) and b);*

*d) is an employee or auditor of the company or of the persons indicated in paragraph a);*

*e) is the spouse, close relative or is related by up to four times removed of the persons indicated in paragraphs a) to c);*

*f) is bound to the company or to persons indicated in paragraphs a), b), c) and e) by independent or employee relations or other relations of a financial nature that compromise independence.*

*3. Replacement of the representative by a substitute in conflict of interest is permitted only if the substitute is indicated by the shareholder. In such cases, paragraph 1 shall apply. Disclosure obligations and related onus of proof in any event remain with the representative.*

*4. This article shall also apply in cases of share transfer by proxy.*

*Article 136  
(Definitions)*

*1. For the purposes of this section, the following definitions shall apply:*

*a) "proxy", means of representation conferred for the exercise of votes at shareholders' meetings;*

*b) "solicitation", a request to more than two hundred shareholders for proxy to be conferred in relation to specific voting proposals, or accompanied by recommendations, statements or other indications capable of influencing the vote;*

*c) "promoter", the person or persons, including the issuer, acting in concert to promote the solicitation.*

*Article 137  
(General Provisions)*

*1. For the purposes of this section, Articles 135-novies and 135-decies shall apply to proxies.*

*2. Articles of Association that in any way limit representation in shareholders' meetings shall not apply to proxies given pursuant to the provisions of this chapter.*

*3. The Articles of Association may contain rules aimed at facilitating voting by proxy by employee shareholders.*

*4. The provisions of this section shall not apply to cooperatives.*

*4-bis. The provisions of this section also apply to Italian companies with financial instruments other than shares admitted with the consent of the issuer to trading on regulated markets in Italy or other European Union Member States with regards to the conferral of representation to exercise voting rights in shareholders' meeting by the owners of the said financial instruments.*

*Article 138  
(Solicitation)*

*1. Solicitation is performed by the promoter through dissemination of a statement and a proxy form.*

*2. The vote relating to shares for which proxy is conferred is exercised by the promoter. The promoter may be substituted only by a person specifically indicated in the proxy form and in the solicitation statement.*

*Article 139  
(Requirements for promoters)*

*...article repealed by Legislative Decree no. 27 of 27 January 2010...*

*Article 140*

*(Persons authorised to engage in solicitation)*

*...article repealed by Legislative Decree no. 27 of 27 January 2010...*

*Article 142*

*(Proxies)*

- 1. Proxies shall be signed by the givers, may be revoked and may be given only for one shareholders' meeting that has already been called, remaining effective for subsequent calls where applicable; they may not be given blank and shall show the date, the name of the appointee and the voting instructions.*
- 2. Proxy may also be conferred for only a number of the voting proposals indicated in the proxy form or for only certain items on the agenda. The representative shall vote on behalf of the person conferring proxy also on items of the agenda for which he or she has received instructions, even if not included in the solicitation. Shares for which full or partial proxy is conferred are calculated for the purpose of determining due constitution of the shareholders' meeting.*

*Article 143*

*(Liability)*

- 1. The information contained in the proxy statement or the proxy form and any sent out during a solicitation or collection of proxies must enable shareholders to make an informed decision; its suitability for this purpose shall be the liability of the promoter.*
- 2. The promoter shall be liable for the completeness of information sent out during a solicitation.*
- 3. In actions for damages arising from violation of the provisions of this section and the related regulations the burden of proof of having acted with the due diligence required shall be on the promoter.*

*Article 144*

*(Performance of solicitations and collections of proxies)*

- 1. CONSOB shall issue a regulation on the transparency and correctness of solicitations and collections of proxies. In particular, the regulation shall lay down rules for:*
  - a) the content of proxy statements and proxy forms and the procedures for their distribution;*
  - b) the procedures for solicitation and the collection of proxies, and the conditions and procedures for casting proxy votes and revoking proxies;*
  - c) the forms of cooperation between the promoter and the persons possessing the information on the identity of shareholders in order to permit the performance of solicitations.*
- 2. CONSOB may;*
  - a) request that the statement and proxy form include additional information to establish their specific dissemination methods;*
  - b) suspend solicitation activities in the event of a grounded suspicion of breach of the provisions of this section or prohibit it in the event of ascertained breach of said provisions;*
  - c) exercise the powers envisaged in Article 114 paragraph 5 and Article 115 paragraph 1 against the promoters.*
- 3. ...article repealed by Legislative Decree no. 27 of 27 January 2010...*
- 4. In cases in which the law envisages forms of control over investments in company share capital, a copy of the statement and proxy form must be sent to the competent supervisory authority prior to solicitation. The authorities shall prohibit any solicitation that compromises the purpose of the control of capital investments.*

## **Provisions of the CONSOB Regulation no. 11971 of 14 May 1999**

### *Art. 135 (Definitions)*

*1. For the purposes of this Chapter, the definitions of "intermediary", "participant" and "last intermediary" established in Article 1 of the Regulations governing the central depository, settlement and guarantee systems and related management companies, as adopted by the Bank of Italy and Consob on 22 February 2008 and subsequently amended, apply*

### *Article 136 (Solicitation procedure)*

*1. Anyone intending to promote a proxy solicitation shall send a notice to the issuing company, that promptly publishes it on its Internet site, to Consob, to the stock exchange company and to the central depository company.*

*2. The notice shall indicate:*

*a) the identity of the promoter and the company issuing the shares for which the proxies are sought;*

*b) the date of the shareholders' meeting and the list of items at the agenda;*

*c) how the proxy statement and the proxy form are published as well as the Internet site that these documents are available on;*

*d) the date beginning from which the party with the voting right may request the prospectus and the delegation form from the promoter or view it at the stock exchange operator;*

*e) the proposals for which the solicitation is to be carried out.*

*3. The proxy statement and the proxy form, containing at least the information provided under the schedules in Annexes 5B and 5C, will be published through the contextual transmission to the issuing company, Consob, the stock exchange company and the central depository, and made promptly available on the Internet site indicated by the promoter in accordance with sub-paragraph 2, letter c). This Internet site may be the issuer's Internet site if the issuer so agrees. The central depository will promptly inform the intermediaries of the availability of the proxy statement and the proxy form.*

*4. ... article repealed by resolution no. 17730/2011...*

*5. The promoter shall deliver the form along with the prospectus to whomever requests it.*

*6. Any change in the prospectus and form made necessary by circumstances that have arisen shall be immediately communicated with the procedures set forth in subsection 3.*

*7. Upon request of the promoter:*

*a) the central depository shall communicate the identification details of the participating intermediaries on the accounts of which the issuing company shares are registered, in addition to the relative quantity of shares, using computer support and within one business day of receiving the request;*

*b) the intermediaries will communicate receipt of the request, using computer support and within three business days from receiving the request:*

*– the identification details of the parties that have the voting rights, and that have not expressly prohibited communication of their details, in relation to which they operate as last*

*intermediaries, in addition to the number of shares of the issuing company registered on the respective accounts;*

*– the identification details of the parties that have opened accounts as intermediaries and the quantity of shares of the issuing company respectively registered on said accounts;*

*c) the issuing company will make the identification details of the shareholders and the other records on the shareholders' register and the other disclosures received in accordance with the law or regulations available on computer support and within three business days from receipt of the request.*

*8. Starting from when the notice provided under sub-paragraph 1 has been published, anyone who releases information that is pertinent to the solicitation will simultaneously notify the stock exchange company and Consob, who may request publication of more details or clarifications.*

*9. The promoter will bear the solicitation related costs.*

*10. The mere decision, by more than one party, to jointly promote a solicitation is irrelevant for the purposes of the duties provided under Article 122 of the Consolidated Act.*

*Section 137  
(Conduct of obligations)*

*1. The promoter will act with diligence, correctness and transparency.*

*2. In its contacts with the solicited parties, the promoter will abstain from carrying out its activity with persons who declare that they are not interested, provide comprehensible responses to requests for clarifications and explain the reasons for the solicitation, making clear in every case the implications resulting from business or shareholding relationships with it or persons belonging to its group, with the issuing company or entities belonging to its group.*

*3. If the promoter is different from the issuing company, it will note that, where expressly authorised by the solicited party, if significant events occur which were not known when the proxy was being issued, and cannot be communicated to the solicited party, and it could be reasonably inferred that if this party had known of these significant events it would have given its approval, the vote may be exercised differently from the way it was proposed.*

*4. The promoter will keep the results of the solicitation secret.*

*5. The promoter will announce how it voted with a press release, issued without delay in the manner indicated in Article 136, sub-paragraph 3, in addition to the reasons behind any vote exercised differently to what had been proposed in accordance with sub-paragraph 3, and the result of the voting.*

*6. In accordance with Article 142.2 of the Consolidated Act, anyone who exercises the vote at shareholders' meetings must also vote on behalf of the delegating party for matters on the agenda that the promoter has not made proposals on, in accordance with the wish expressed by the delegating party in the proxy form in accordance with Article 138.3.*

*7. The promoter may not acquire voting proxies in accordance with Article 2372 of the Italian Civil Code.*

*Section 138  
(Conferring and revoking proxies)*

*1. For the conferment of the delegate, the subject with the voting right transmits to the promoter the delegation form, also as an electronic document signed in electronic mode, in*



*accordance with Article 21, subsection 2, of Italian Legislative Decree n° 82 of 7 March 2005.*

*2. The promoter will decide whether to exercise the vote even in a way that does not reflect the actual proposal and will note this choice in the proxy statement. If the proxy solicitation has been promoted by the issuing company, it must exercise the vote, even if it does not reflect the actual proposals.*

*3. The party with voting rights who has given a full or partial proxy, may use the same proxy form to vote for the items on the agenda for which the promoter has not requested the proxy. The promoter may not make recommendations, declarations or give other indications which could influence the vote regarding these items.*

*4. In the cases provided under sub-paragraphs 2 and 3, the promoter, if different from the issuing company, may express, where expressly authorised by the delegating party, a different vote to the one indicated in the instructions if significant events should occur that were not known when issuing the proxy, and that cannot be communicated to the delegating party, and it could be reasonably inferred that if the delegating party had known of these significant events it would have given its approval, or in the event of changes or additions to the proposed motions submitted to the shareholders' meeting.*

*5. In the cases provided under sub-paragraph 4, the promoter will state at the meeting:*

*a) the number of votes expressed differently to the instructions received, or, in the event of additions to the proposed motions submitted to the shareholders' meeting, expressed without instructions, with respect to the total number of votes exercised, distinguishing between abstentions, votes against and votes in favour;*

*b) the reasons behind the vote expressed differently to the instructions received or in the absence of instructions.*

*6. In the cases provided in sub-paragraphs 3 and 4, in relation to the proposals for motions for which voting instructions were not given and where authorisation was not provided to express a different vote to the one indicated in the instructions, the shares will in any case be used to calculate whether a quorum has been reached to form the shareholders' meeting; however these shares will not be used in order to calculate majorities and the capital quota required to approve resolutions.*

*7. The proxy will be revoked by written statement, issued as prescribed by subsection 1, made known to the promoter at least the day before the shareholders' meeting.*

#### *Section 139*

##### *(Interruption of the solicitation)*

*1. In the case of the interruption, for any reason whatsoever, of the soliciting, the promoter discloses the same with the procedures contemplated by Article 136, subsection 3.*

*2. Unless there is a provision to the contrary in the proxy statement, the promoter will exercise the vote pertaining to the shares that the proxy was given for prior to publication of the notice provided under sub-paragraph 1. This provision is not applied if the interruption of the soliciting is provided for by Article 144, subsection 2, letter b), of the Consolidated Law on Finance.*

## **ATTACHMENT 2**

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF INTESA SANPAOLO ON THE AGENDA ITEM CONCERNING THE CONVERSION OF SAVINGS SHARES INTO ORDINARY SHARES TO BE DISCUSSED BY THE SPECIAL SAVINGS SHAREHOLDERS' MEETING OF THE COMPANY, CONVENED, ON SINGLE CALL, ON 27 APRIL 2018 AT 16:00 AND IN ANY CASE AT THE END OF THE MEETING OF ORDINARY SHAREHOLDERS TO TAKE PLACE ON THE SAME DATE AT 10:00 AT THE NEW HEADQUARTERS IN TURIN, WITH ENTRANCE IN CORSO INGILTERRA NO. 3**

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# Report of the Board of Directors

## Item on the agenda

**Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the Extraordinary Shareholders' Meeting concerning the mandatory conversion of the Company's savings shares into ordinary shares of the same Company, as well as the removal of the indication of the nominal value of the shares from the Articles of Association and the relative amendments to the Articles of Association. Pertinent and consequent resolutions.**

Dear Shareholders,

You have been invited to attend the Special Savings Shareholders' Meeting of Intesa Sanpaolo S.p.A. (the "**Company**" or "**Intesa Sanpaolo**" or the "**Bank**") to discuss and resolve upon the mandatory conversion of the savings shares into ordinary shares of Intesa Sanpaolo, as per the description in item 1 below.

This report is designed to illustrate the reasons for the resolution proposals relating to the matters on the agenda, in compliance with the provisions of Art. 72 and Annex 3 of the Issuers' Regulation – CONSOB resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers Regulation**" or the "**Regulation**").

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**Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the Extraordinary Shareholders' Meeting concerning the mandatory conversion of the Company's savings shares into ordinary shares of the same Company, as well as the removal of the indication of the nominal value of the shares from the Articles of Association and the relative amendments to the Articles of Association. Pertinent and consequent resolutions.**

The proposal hereby submitted for your approval – pursuant to Art. 146 par. 1 (b) of Legislative Decree no. 58/1998, as subsequently supplemented and amended (the “TUF”) – provides for the mandatory conversion of the issued and outstanding savings shares of Intesa Sanpaolo into ordinary shares (the “**Mandatory Conversion**”), which is intended to rationalise and strengthen the capital structure, determining at the same time a simplification of corporate governance with the alignment of the rights of all of the shareholders. The initiative is also being carried out within a context of progressive diminishing interest for savings shares in the banking sector. The transaction is aimed at uniting all of the ordinary shares and the savings shares of the Company into a single class of shares, in a manner that balances the interests and expectations of those holding shares belonging to the classes existing today.

The aforementioned proposal will entitle the holders of savings shares who have not taken part in the resolution to exercise their right of withdrawal and to liquidate their shares pursuant to Art. 2437, par. 1 (g) of the Italian Civil Code.

As described in more detail in paragraph 1.11. below, this proposal is conditioned upon:

- a) the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders; and
- b) the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption (*diritto di opzione*) and pre-emptive (*diritto di prelazione*) rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-*quater*, par. 1 and 2 of the Italian Civil Code.

The mandatory conversion of the savings shares, if approved by the Extraordinary Shareholders' Meeting convened for 27 April 2018, on single call, will be effective on the condition that the same conversion is also approved by the Special Savings Shareholders' Meeting.

### **1.1. Reasons underlying the proposal**

As pointed out above, the primary aims of the Mandatory Conversion are to rationalise and simplify the capital structure of Intesa Sanpaolo, and to reduce the number of corporate actions and costs connected to the existence of different classes of shares. Furthermore, as the Mandatory Conversion would entail the unification of ordinary shares and savings shares into a single class of listed shares, the Mandatory Conversion may benefit shareholders as it would allow the simplification of the Company's corporate organization, align the rights of all shareholders, and increase the total number of ordinary shares, which would allow increased share liquidity. The proposed conversion reflects an inclination towards a more simple shareholding structure of listed companies, which is clearly visible both in Italy and abroad.

The conversion, as further detailed in paragraph 1.9 below, will be carried out on the basis of a conversion ratio set at 1.04 Intesa Sanpaolo ordinary shares per each savings share.

Furthermore, on the basis of the figures as at 31 December 2017 and all other terms remaining unchanged, following the conversion the Company may benefit from strengthening its CET 1 ratio by up to a maximum of 18 basis points if the Company is not required to purchase savings shares of withdrawing shareholders following the pre-emption rights offering to shareholders or their placement on the market.

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## 1.2. DESCRIPTION OF THE RIGHTS OR PRIVILEGES ATTACHED TO INTESA SANPAOLO SAVINGS SHARES

As at the date of this report, Intesa Sanpaolo's share capital is equal to Euro 8,731,984,115.92, divided into no. 16,792,277,146 shares having a nominal value of Euro 0.52 each, of which no. 15,859,786,585 are ordinary shares and no. 932,490,561 are non-convertible savings shares.

Therefore, the savings shares represent approximately 5.6% of the Bank's share capital.

In accordance with the provisions of the Company's Articles of Association currently in force, the savings shares do not grant the right to vote in general shareholder meetings.

Moreover, pursuant to Art. 29.3 of the Bank's Articles of Association, as currently in force, the distribution of net profits for the year, minus the amount to be allocated to the statutory reserve and non-disposable capital in accordance with provisions of law, is as follows:

- a) a dividend of up to 5% of the nominal value of the non-convertible savings shares shall be distributed to non-convertible savings shares. If, in a financial year, the dividend of non-convertible savings shares is less than 5% of the nominal value of the non-convertible savings shares, the difference shall be added to the preferred dividend paid in the following two accounting periods;
- b) the remaining net income made available for distribution by the Shareholders' Meeting, shall be allocated to all shares so that the dividend attributable to non-convertible savings shares shall exceed the dividend attributable to ordinary shares by an amount equal to 2% of the nominal value of the shares.

In accordance with the Company's Articles of Association in force as at the date of this report, any reduction of share capital due to losses does not have the effect of reducing the nominal value of the savings shares, other than for the portion of any loss exceeding the overall amount of the share capital represented by other shares. In the event the Company is wound up, savings shares possess pre-emptive rights in respect of the redemption of the entire nominal value of the shares.

Whenever ordinary or savings shares are barred from trading, the savings shares shall maintain all of their rights and features, unless the Extraordinary and Special Shareholder's Meeting resolve otherwise.

## 1.3. SPECIFIC CRITICALITIES AND ADVANTAGES OF THE MANDATORY CONVERSION

As a result of the Mandatory Conversion, and provided that its conditions precedent have been fulfilled:

- a) on the effective date of the Mandatory Conversion, the owners of savings shares who do not exercise their withdrawal rights will lose the economic privileges (including the right to cumulate any non-distributed dividends) and the share class protections set forth by the applicable laws and regulations and by the Articles of Association of Intesa Sanpaolo for that class of shares and shall receive ordinary shares of the Company on the basis of the conversion ratio set out in paragraph 1.9. below. Therefore, following the Mandatory Conversion all of the shareholders of Intesa Sanpaolo will have voting rights exercisable at any general shareholders' meeting (in both ordinary and extraordinary session) and will acquire all the rights and protections attached to the ordinary shares, benefitting, *inter alia*, from the higher share liquidity of the market for such class of shares and from the greater float represented by the ordinary shares; and
- b) on the effective date of the Mandatory Conversion, the voting rights of the ordinary shareholders will be diluted pro-rata to the amount of ordinary shares issued for the purposes of the Mandatory Conversion. The amount of ordinary shares issued before that date will represent about 94.2% of the share capital of the Company following the Mandatory Conversion, while the aggregate amount of ordinary shares issued in connection with the Mandatory Conversion will represent about 5.8% of the share capital of the Company following the Mandatory Conversion;

As the shares will have no express nominal value, the application of the conversion ratio described in paragraph 1.9. below, as said above, will not result in an increase of the share capital of Intesa

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Sanpaolo, which will therefore remain unchanged, but only in an increase in the overall number of outstanding shares.

The overall number of outstanding shares following the Mandatory Conversion will increase, with respect to the current amount of the corporate share capital, to no. 16,829,576,705 shares as a result of the issue of new ordinary shares to perform the Mandatory Conversion.

#### **1.4. QUANTITY OF SAVINGS SHARES HELD BY THE CONTROLLING SHAREHOLDER PURSUANT TO ART. 93 OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 1998 (“TUF”)**

As of the date of this report, no entity controls the Company pursuant to Art. 93 of the TUF. Therefore, this section does not apply.

#### **1.5. INTENTION OF THE CONTROLLING SHAREHOLDER TO BUY AND SELL SAVINGS SHARES ON THE MARKET**

As already indicated, as of the date of this report, no entity controls the Company pursuant to Art. 93 of the TUF. Therefore, this section does not apply.

#### **1.6. POSSIBLE CONVERSION COMMITMENTS BY SAVINGS SHAREHOLDERS, WITH PARTICULAR REGARD TO THE CONTROLLING SHAREHOLDER**

Due to the mandatory nature of the conversion, all savings shares (with the exception of the cancelled shares, as detailed below) will be automatically converted into ordinary shares. Therefore, this section does not apply.

For the sake of completeness, at the date of publication of this report, based on the information available to the Company and the information available on the Consob website with respect to shareholders' agreements, no shareholder has assumed any commitment to vote in favour of the proposed resolutions concerning the Mandatory Conversion.

#### **1.7. DIVIDENDS DISTRIBUTED TO SAVINGS SHAREHOLDERS DURING THE PAST FIVE YEARS**

It should be noted that ordinary shares issued in connection with the Mandatory Conversion will bear regular dividend rights and the holders of such shares will participate in the distribution of dividends relating to the annual financial statements ending 31 December 2018, if any, as a holder of ordinary shares.

The table hereunder shows dividends distributed by Intesa Sanpaolo to the savings shareholders, starting from the 2012 financial year:

Financial Year	2012	2013	2014	2015	2016
Dividend per savings share (€)	0.061	0.050	0.081	0.151	0.189

#### **1.8. CASH ADJUSTMENT AND RELEVANT CALCULATION CRITERIA**

The Mandatory Conversion does not provide for any cash adjustment in relation to the cash conversion of savings shares.

#### **1.9. CONVERSION RATIO AND RELEVANT CALCULATION CRITERIA**

##### 1.9.1 Introduction

The Company's Board of Directors resolved to propose a conversion of the Company savings shares into ordinary shares based on a conversion ratio of 1.04 ordinary shares per each savings share (the

“**Conversion Ratio**”), corresponding to a premium equal to 7.5% in relation to the market closing price of 5 February 2018.

The Conversion Ratio has been determined by the Board of Directors on the basis of specific information and considerations, including the analysis of a financial advisor and an external evaluation of an independent expert, the latter having confirmed the adequacy of the Conversion Ratio and of the relative implied premium. In particular, the Conversion Ratio has been determined, *inter alia*, on the basis of the following criteria:

- a) the reasons underlying the proposed Mandatory Conversion, the details of which have been provided in paragraph 1.1 above;
- b) the specific economic and administrative features of the savings shares compared to the ordinary shares, the details of which have been provided in paragraph 1.2 above;
- c) the movements over time of the market prices of the savings shares compared to those of the ordinary shares;
- d) a fundamental analysis taking into account the present value in perpetuity of the expected cash flows deriving from the increased dividend relating to the savings shares;
- e) a statistical analysis aimed at determining a conversion premium that will encourage the savings shareholders to convert their savings shares and, at the same time, generate value for both the Company and the ordinary shareholders;
- f) the conversion ratios and the implied premiums relating to conversions that were applied in similar recent transactions on the Italian market.

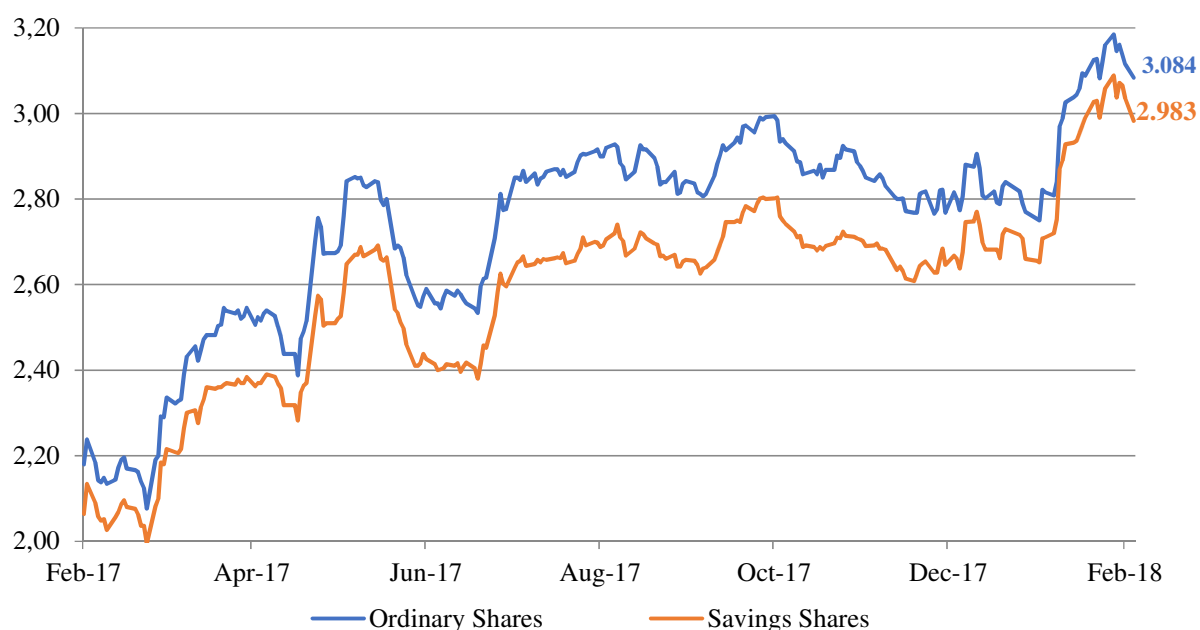
In the evaluation of the Conversion Ratio, the Board of Directors made reference to the trading day closed 5 February 2018 (*i.e.* the day before the conversion proposal was announced) as the last reference date for the market prices of both the savings and the ordinary shares.

Please find below a more detailed analysis of items (c) (d) (e) and (f) above.

#### 1.9.2 Market price movements of Intesa Sanpaolo ordinary and savings shares

The following chart shows the movements of the market prices of the shares belonging to each class of shares with reference to 5 February 2018:

**Chart – market price movements of the ordinary and savings shares in the last 12 months**



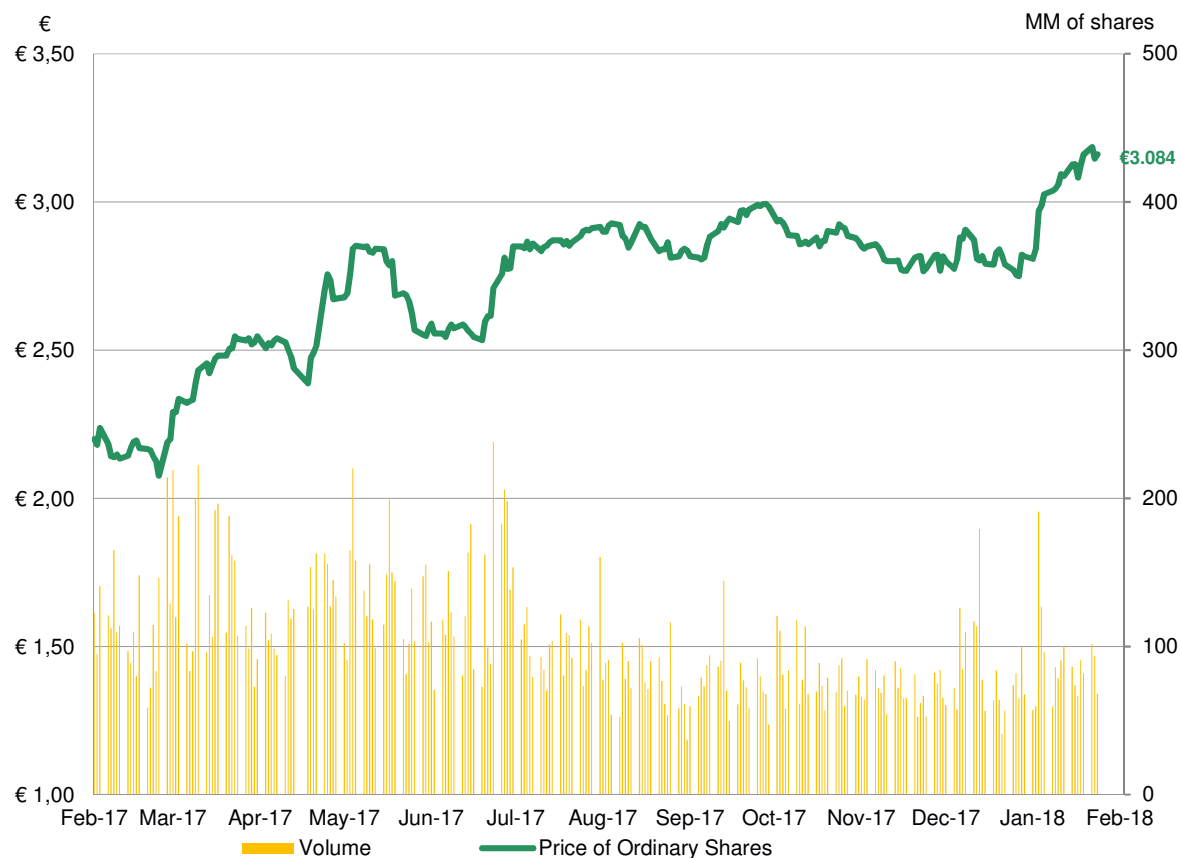
The following table shows the movements of the market prices of the shares belonging to each class of shares with reference to 5 February 2018, as well as to certain historical averages:

**Chart – market price movements of the shares: final market closing price of the shares vs. historical averages**

	Ordinary share price (in Euros)	Savings share price (in Euros)	Ordinary share market price / savings share market price
5 February 2018	3.08	2.98	3.4%
Average in the last month	3.06	2.96	3.3%
Average in the last 6 months	2.89	2.74	5.6%
Average in the last 12 months	2.74	2.59	6.0%

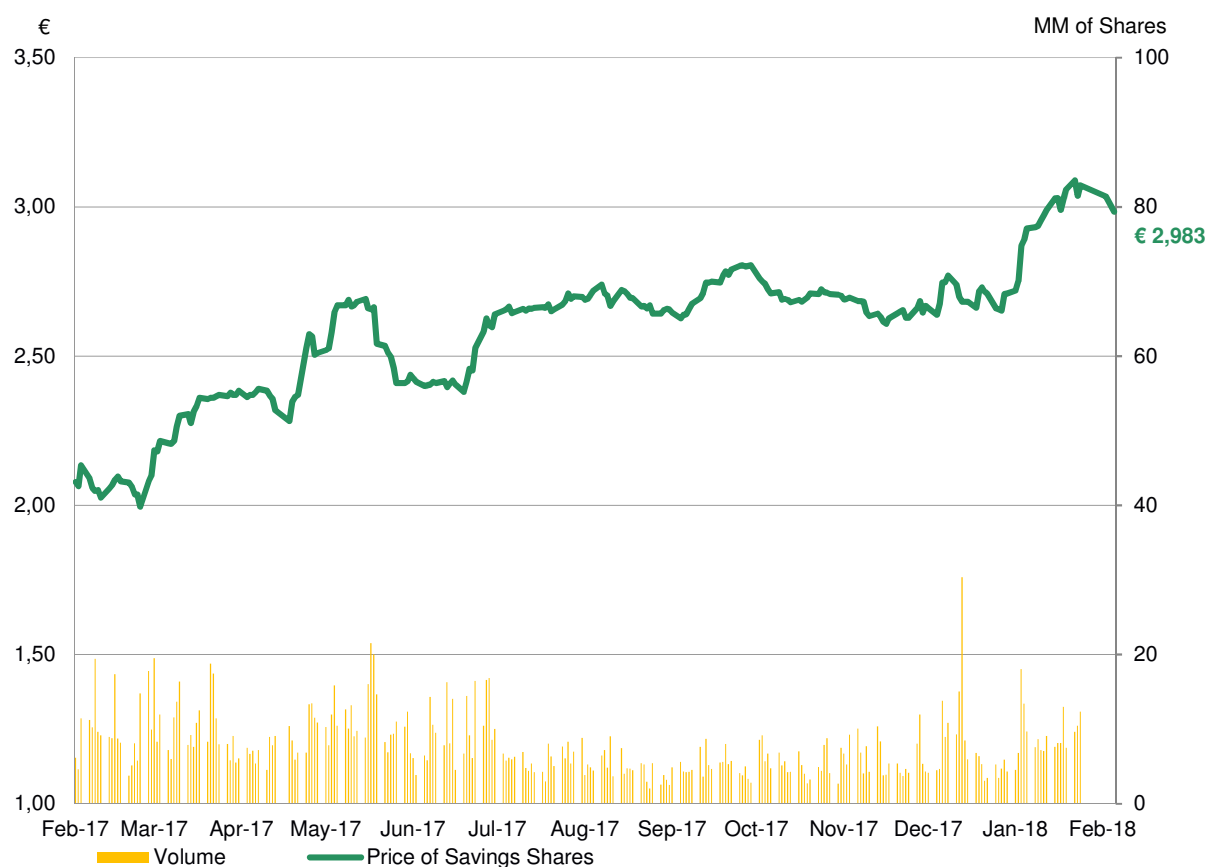
The following charts show historical information concerning the trading volumes and prices of each share class:

**Chart – market price and trading volume movements of the ordinary shares in the last 12 months**





**Chart – market price and trading volume movements of the savings shares in the last 12 months**



### 1.9.3. Fundamental analysis

The analysis has been aimed at identifying the present value in perpetuity of the expected cash flows deriving from the increased dividend relating to the savings shares (consisting in the extra dividend to be attributed to said shares as per the relevant provisions of the Articles of Association), which is equal to approximately Euro 0.11, *i.e.* 4% of the current stock market price of the same shares (assuming an adequate discount rate considering the risk profile of these dividend flows).

In view of this analysis, an intrinsic “added value” of the savings shares has been identified, deriving from the peculiar nature of the relative economic rights, regardless of any analysis (no matter how complex) aiming to set the specific value of other factors (in other words, corporate rights, share liquidity, market expectations concerning the possibility of carrying out the mandatory conversion transaction).

### 1.9.4. Statistical analysis

In the light of this analysis, the conversion premium has also been determined on the basis of the comparison between the liquidation price (equal to Euro 2.74 per savings share) and the price of the ordinary shares that, up until the date on which the conversion becomes effective, will be subject to: (i) market volatility; and (ii) the ex-right date to the dividends set for 21 May 2018. In this context, another element taken into account is the fact that the ordinary shares and the savings shares will receive dividends relating to the financial year of 2017, inclusive of the economic privileges provided under Article 29.3 of the Articles of Association as currently in force.

On the basis of the foregoing, a statistical analysis has been carried out, which aims at setting a conversion premium that, in the absence of significant market corrections, may absorb: (i) the market price volatility concerning the ordinary shares registered in the last 12 months with a certain confidence interval, also considering the ex-right of the dividends.

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### 1.9.5 Analysis of similar transactions

The application of this analysis, even though it has an objective value as it collects the results of similar transactions that have effectively taken place on the market, is limited as the results must be interpreted in the light of the peculiar features of each transaction, both in terms of size, corporate governance structures and different market conditions, as well as within the context of a limited number of case examples.

Taking into account the empirical analysis and making reference to a set of case examples represented by the transactions of greatest significance, the mandatory conversions of savings shares into ordinary shares that have taken place in Italy in the past years involved a conversion premium equal to approximately 14% as the median value within a range between 3% and 38%. In particular, please note that in previous conversion transactions with similar features to those of the proposed conversion (especially in terms of ratios between market prices of the ordinary shares and of the savings shares prior to the conversion) a conversion premium was applied within a range between 3% and 12%.

### 1.9.6 Conclusions

In light of the above and of the independent expert analysis described herein, the Board of Directors believes that the Conversion Ratio has been set in the interest of both the Company and of the shareholders.

## **1.10. PROCEDURES FOR THE EXERCISE OF THE MANDATORY CONVERSION**

The Company shall issue new ordinary shares for the purpose of executing the Mandatory Conversion.

Please note that the removal of nominal value indication will concern all of the ordinary shares.

The Mandatory Conversion will be carried out through Monte Titoli S.p.A., which will give instructions to the intermediaries adhering to the centralized management system with which savings shares are deposited. All the necessary transactions for the completion of the Mandatory Conversion shall be carried out by the aforementioned intermediaries and by Monte Titoli S.p.A.

The Mandatory Conversion transactions shall be free of charges for the shareholders.

The intermediaries, keeping the accounts in the name of each holder of savings shares, will assign to each holder the number of ordinary shares resulting from the conversion ratio.

The Company will proceed to appoint an authorised intermediary for management of the conversion of fractions of ordinary shares resulting from the conversion ratio of the Mandatory Conversion. The intermediary will also be entrusted with managing the cancellation of the 61 savings shares which is necessary in order to carry out the conversion in whole numbers.

The effective date of the Mandatory Conversion shall be agreed with Borsa Italiana S.p.A. and made publicly available on the website of the Company and in at least one national daily newspaper, in accordance with Art. 72, par. 5, of the Issuers Regulation. In the notice, the Company will provide details on the methods of assignment of the ordinary shares resulting from the conversion ratio of the Mandatory Conversion and on the management of any fractions of shares resulting from the conversion ratio. On the same date, the savings shares shall be revoked from listing on the *Mercato Telematico Azionario*, organized and managed by Borsa Italiana S.p.A., and the ordinary shares resulting from the Mandatory Conversion will be listed on the *Mercato Telematico Azionario*, organized and managed by Borsa Italiana S.p.A.

## **1.11. CONDITIONS TO THE MANDATORY CONVERSION**

The execution of the Mandatory Conversion is subject to the following conditions:

- a) the approval of the Mandatory Conversion by this Special Savings Shareholders' Meeting;

- 
- b) the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders. In this regard, please note that, in addition to the approval that is required in order to amend the articles of association, the prior authorisation of the European Central Bank is necessary, pursuant to the Regulation (EU) no. 575/2013 (CRR), in order for the Company to proceed with any purchase of own shares at the end of the liquidation procedure, in case the savings shareholders exercise their withdrawal rights, as well as to include the ordinary shares issued in connection with the conversion in the CET 1 capital. Any shares that are repurchased by the Company at the end of the liquidation procedure will be fully deducted from shareholders' equity and from CET 1 capital until they are sold on to third parties;
- c) the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-*quater*, par. 1 and 2 of the Italian Civil Code.

The Company shall make information as to whether the conditions of the Mandatory Conversion have been fulfilled publicly available, on the website of the Company and in at least one national daily newspaper. It is understood that the Mandatory Conversion resolution may not be carried out prior to the publication of such notice.

In addition:

- a) the withdrawal procedure will commence and will conclude after the ex-right date of the dividends relating to the financial year ended 31 December 2017 (set for 21 May 2018). The savings shareholders who exercise the withdrawal right – as well as those who do not exercise such right – will receive such privileged dividend in accordance with Art. 29.3 of the Articles of Association currently in force;
- b) it is foreseen that the date of effectiveness of the Mandatory Conversion – where the relevant conditions have been fulfilled – shall fall after the ex-right date of dividends relating to the financial year ended 31 December 2017; said dividend shall therefore be distributed in accordance with the Articles of Association in place prior to the Mandatory Conversion (Art. 29.3 of the Articles of Association).

For more information on withdrawal rights, please see paragraph 1.19. below.

#### **1.12. NUMBER OF SAVINGS SHARES TO BE CONVERTED**

All of the savings shares, minus the 61 shares that will be cancelled by an authorised intermediary in order to ensure that the conversion will result in a whole number of shares, will be converted into ordinary shares with the same features as the outstanding ordinary shares on the effective date of the Mandatory Conversion.

On the basis of the Conversion Ratio described above, the total number of ordinary shares to perform the Mandatory Conversion will therefore be equal to 969,790,120.

#### **1.13. PERFORMANCE OF THE PRICES OF SAVINGS SHARES IN THE PAST SEMESTER**

The chart below shows the performance of the savings shares prices in the past semester ended on 5 February 2018 (*i.e.* the date before the publication of the notice of call of the Extraordinary Shareholders' Meeting and of the Special Savings Shareholders' Meeting).

**Chart – price of the savings shares in the last six months**



#### **1.14. INCENTIVES FOR THE MANDATORY CONVERSION**

The Company's Board of Directors has resolved to propose a conversion of the Company's savings shares into ordinary shares on the basis of a Conversion Ratio of 1.04 ordinary shares per each savings share.

Please see paragraph. 1.9. above concerning the determination of the implied premiums.

Please note that market conditions existing at the time of the execution of the conversion may be different and may affect, or eliminate, an implied premium in carrying out the conversion.

#### **1.15. EFFECTS OF THE MANDATORY CONVERSION ON STOCK OPTION PLANS RELATING TO SAVINGS SHARES**

As of the date of this report, there are no stock option plans with underlying savings shares. Therefore, this section does not apply.

#### **1.16. BREAKDOWN OF THE COMPANY'S CAPITAL BEFORE AND AFTER THE MANDATORY CONVERSION**

As at the date of this report, Intesa Sanpaolo's share capital is equal to Euro 8,731,984,115.92, divided into no. 16,792,277,146 shares having a nominal value of Euro 0.52 each, of which no. 15,859,786,585 are ordinary shares and no. 932,490,561 are non-convertible savings shares.

Following the Mandatory Conversion and nominal value removal, and taking into account the cancellation of the savings shares to be carried out by an authorised intermediary in order to have a whole number post conversion, the Company's current share capital shall be divided into a no. 16,829,576,705 ordinary shares without nominal value.

#### **1.17 SIGNIFICANT CHANGES IN THE OWNERSHIP STRUCTURE FOLLOWING THE MANDATORY CONVERSION**

Considering the amount of savings shares issued by the Bank and currently outstanding and the percentage of share capital they represent, the Mandatory Conversion will not significantly change the ownership structure of the Company.

If the Mandatory Conversion is performed, the ordinary share capital representing the existing company share capital is expected to be affected by a 5.8% voting rights dilution in the case of a full

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conversion of savings shares. In the instance of maximum costs being incurred by the Company following the exercise of withdrawal rights (without placement of the shares purchased in the context of the abovementioned liquidation procedure on the market), said dilution will instead be equal to approximately 4.9%. The economic dilution, following the increase in the total number of shares due to the Conversion Ratio of 1.04 ordinary shares per each savings share, will be equal to around 0.2% in the case of all of the savings shares being converted into ordinary shares, while the conversion would be accretive by approximately 0.7% in the case of maximum costs being incurred by the Company following the exercise of withdrawal rights without placement of the shares purchased on the market.

#### **1.18. MAIN USES TO WHICH THE COMPANY INTENDS TO PUT THE NET PROCEEDS OF THE MANDATORY CONVERSION**

The Mandatory Conversion does not anticipate the payment of any cash conversion adjustment in favour of the Company. Therefore, there will be no proceeds in favour of the Company following the Mandatory Conversion.

#### **1.19. RIGHT OF WITHDRAWAL**

Since the resolution approving the mandatory conversion of savings shares into ordinary shares involves an amendment to the Company's Articles of Association regarding voting and participation rights, the savings shareholders who do not take part in the approval of the related resolution of the Special Meeting will be entitled to exercise the right of withdrawal pursuant to Art. 2437, par. 1 (g) of the Italian Civil Code, as detailed below.

Pursuant to Art. 127-*bis*, par. 2, of the TUF, shareholders who have been registered as holders of the savings shares following the record date pursuant to Art. 83-*sexies*, par. 2, of the TUF (*i.e.*, 18 April 2018) but before the opening of the Special Savings Shareholders' Meeting, will also be considered as not having taken part to the adoption of the resolution for the purposes of exercising the right of withdrawal.

##### 1.19.1 Liquidation value

The liquidation value of each savings share has been calculated in accordance with Art. 2437-*ter* of the Italian Civil Code and set by the Board of Directors at Euro 2.74 (which is the arithmetic average of closing prices of the savings shares on the market in the six months before the date of publication of the notice of call of the shareholder meeting whose resolutions would entitle shareholders to exercise the right of withdrawal (*i.e.* 6 February 2018)). The Company's Articles of Association do not deviate from these legal criteria.

##### 1.19.2 Modalities for exercising the right of withdrawal

The terms and procedures for the exercise of the right of withdrawal and the liquidation procedure for the shares for which the right of withdrawal has been exercised are explained below.

- a) In accordance with Art. 2437-*bis* of the Italian Civil Code, shareholders who are entitled to exercise the right of withdrawal may exercise such right, for all or part of the savings shares held, by means of a registered letter (the "**Withdrawal Statement**") that shall be sent to the registered office of the Company within 15 calendar days from the date of registration of the resolution in the Companies Register. Such registration shall be communicated to the public by means of a notice in at least one national daily newspaper and on the website of the Company.

The Withdrawal Statement must contain the following information:

- the identification details, tax identification number, and domicile address (and, where possible, a telephone number and email address) of the withdrawing shareholder for the communications concerning the right of withdrawal;
- the number of savings shares for which the right of withdrawal is being exercised;

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- the details of the current account (including IBAN details) of the withdrawing shareholder to which the liquidation value of the shares shall be credited;
  - the indication of the intermediary with which the account, where the shares for which the right of withdrawal is exercised are registered, is opened, together with the details of the aforesaid account;
  - the declaration that such shares are free of pledges or other constraints in favor of third parties.
- b) Save the provisions in item a) above, please note that, according to Art. 23 of the Regulation of Banca d'Italia-Consob of 22 February 2008, as subsequently amended (the "**Banca d'Italia-Consob Regulation**"), the entitlement to exercise the right of withdrawal pursuant to Art. 2437 of the Italian Civil Code is certified by a communication by the intermediary to the issuer. The savings shareholders who intend to exercise the right of withdrawal must therefore request that the intermediary, authorised to keep the accounts according to the law, to send the aforesaid communication to the Company, pursuant to Art. 21 of the Banca d'Italia-Consob Regulation.

Such correspondence shall certify the following:

- the continuous ownership by the withdrawing shareholder of the Intesa Sanpaolo savings shares in relation to which the withdrawal right is exercised, from the date of the shareholder meeting whose resolution entitles the exercise of the right of withdrawal up until the date upon which such right is exercised, taking into account the requirements set forth by Art. 127-*bis*, par. 2, of the TUF;
  - the absence of pledges or other liens on the Intesa Sanpaolo savings shares in relation to which the withdrawal right is being exercised; otherwise, the withdrawing shareholder shall send to the Company, as a condition for the admissibility of the Withdrawal Statement, a specific declaration by the relevant secured creditor or by such other person who has other encumbrances on the shares, whereby such person gives its irrevocable consent to carry out the liquidation of the shares in relation to which the right of the withdrawal is exercised, in accordance with the instructions given by the withdrawing shareholder.
- c) As provided for in Art. 2437-*bis* of the Italian Civil Code and applicable regulations, the shares in relation to which the communication has been made under Art. 23 of the Banca d'Italia-Consob Regulation (and therefore the savings shares for which the withdrawal right is exercised by the entitled person) are made unavailable by the intermediary, and therefore may not be subject to acts of disposal, until their liquidation.
- d) If one or more shareholders exercise the withdrawal right, the liquidation procedure will be carried out in accordance with the provisions of Art. 2437-*quater* of the Italian Civil Code, as explained below.

Art. 2437-*quater* of the Italian Civil Code provides that:

- the directors of the Company offer for pre-emption the shares of the withdrawing shareholders to all the other savings shareholders who have not exercised withdrawal rights, as well as to the ordinary shareholders of the Company; such pre-emption right may be exercised within a period of at least 30 days from the filing of the pre-emption offer with the competent Companies Register. Shareholders who exercise the pre-emption right also have a pre-emptive right to purchase the shares for which no pre-emption right has been exercised, provided that they make a concurrent request.
- in the event that any of the shares for which the withdrawal right has been exercised have not been acquired in whole or in part by the Company's shareholders, such shares may be offered by the Company on the market;

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- in the event any of the shares for which the right of withdrawal has been exercised are not purchased within 180 days from the communication of withdrawal, the Company will purchase such shares using available reserves.

Information on the terms and conditions for the exercise of the right of withdrawal that cannot be determined before the date of the Meeting, including the date of effective registration of the resolution at the Companies' Register, will be disclosed by the Company – together with the details on the terms and conditions for exercising the right – in accordance with the rules established by current regulations, with the related notices published on the Company's website as well as in at least one national newspaper.

The terms and conditions of the liquidation procedure (including the number of savings shares in relation to which the right of withdrawal was exercised, any offer with pre-emption and pre-emptive rights and any offer on the market) will also be disclosed in accordance with the terms and methods set forth in current regulations, with the related notices published on the Company's website, as well as in at least one national newspaper.

The proposed resolution is subject to the conditions precedent detailed above in paragraph 1.11. In particular, with regard to the exercise of the right of withdrawal, the resolution is also conditioned upon the aggregate amount owed to those who elect to exercise withdrawal rights not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-*quater*, par. 1 and 2 of the Italian Civil Code.

Please note that:

- a) the ordinary shares that will be issued to perform the Mandatory Conversion shall bear regular dividend rights;
- b) the withdrawal procedure will commence and will conclude after the ex-right date of the dividends relating to the financial year ended 31 December 2017 (set for 21 May 2018). The savings shareholders who exercise the withdrawal right – as well as those who do not exercise such right – will receive such privileged dividend in accordance with Art. 29.3 of the Articles of Association currently in force;
- c) it is foreseen that the date of effectiveness of the Mandatory Conversion – where the relevant conditions have been fulfilled – shall fall after the ex-right date of dividends relating to the financial year ended 31 December 2017; said dividend shall therefore be distributed in accordance with the Articles of Association in place prior to the Mandatory Conversion (Art. 29.3 of the Articles of Association).

## **1.20. AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

In light of the above, it is necessary to amend Articles 5, with sole regard to paragraph 5.1, and 29 and to remove Article 30 of the Company's Articles of Association, in order to reflect the Mandatory Conversion. After the removal of Article 30, it will also be necessary to renumber the following articles of the Articles of Association, from Article 31 to 36.

The table below shows the proposed amendments to the Articles of Association connected to the Mandatory Conversion, assuming that the proposed resolution under the previous item on the Agenda is approved.

For ease of reference, the proposed amendments to the Articles of Association are shown below in comparison to the current version of the Articles of Association.

**TEXT OF THE CURRENT ARTICLES OF ASSOCIATION AND PROPOSED AMENDMENTS**

CURRENT WORDING	PROPOSED AMENDMENTS
<p><b>TITLE III</b></p> <p><b>CAPITAL AND SHARES</b></p>	<p><b>TITLE IV</b></p> <p><b>SHAREHOLDERS' MEETING</b></p>
<p>Article 5. Share capital</p> <p><b>5.1.-</b> The Company's subscribed and paid-in share capital amounts to 8,731,984,115.92 euro, represented by 16,792,277,146 shares with a nominal value of 0.52 euro each, comprising 15,859,786,585 ordinary shares and 932,490,561 non-convertible savings shares.</p>	<p>Article 5. Share capital</p> <p><b>5.1.-</b> The Company's subscribed and paid-in share capital amounts to 8,731,984,115.92 euro, represented by <del>16,792,277,146</del> <b>16,829,576,705</b> ordinary shares <del>without</del> a nominal value of <del>0.52</del> euro each, comprising <del>15,859,786,585</del> ordinary shares and <del>932,490,561</del> non-convertible savings shares.</p>
<p><b>TITLE VI</b></p> <p><b>FINANCIAL STATEMENTS - NET INCOME – SAVINGS SHARES</b></p>	<p><b>TITLE VI</b></p> <p><b>FINANCIAL STATEMENTS - NET INCOME – SAVINGS SHARES</b></p>
<p>Article 29. Financial statements and net income</p> <p><b>29.1.-</b> The Company's financial year closes on 31 December of each year.</p> <p><b>29.2.-</b> The Board of Directors shall examine and approve the draft separate financial statements and consolidated financial statements in accordance with legal requirements.</p> <p><b>29.3.-</b> Net income as reported in the financial statements, net of the portion allocated to legal reserves, and the portion which is not available pursuant to the law, shall be allocated as follows:</p> <p>a) a dividend of up to 5% of the nominal value of the non-convertible savings shares shall be distributed to non-convertible savings shares. If, in a financial year, the dividend of non-convertible savings shares is less than 5% of the nominal value of the non-convertible savings shares, the difference shall be added to the preferred dividend paid in the following two accounting periods;</p> <p>b) the remaining net income made available for distribution by the Shareholders' Meeting, shall be allocated to all shares so that the dividend attributable to non-convertible savings shares shall exceed the dividend attributable to ordinary shares by an amount equal to 2% of the nominal value of the shares;</p>	<p>Article 29. Financial statements and net income</p> <p><b>29.1.-</b> The Company's financial year closes on 31 December of each year.</p> <p><b>29.2.-</b> The Board of Directors shall examine and approve the draft separate financial statements and consolidated financial statements in accordance with legal requirements.</p> <p><b>29.3.-</b> Net income as reported in the financial statements, net of the portion allocated to legal reserves, and the portion which is not available pursuant to the law, shall be allocated as follows:</p> <p><del>a) a dividend of up to 5% of the nominal value of the non-convertible savings shares shall be distributed to non-convertible savings shares. If, in a financial year, the dividend of non-convertible savings shares is less than 5% of the nominal value of the non-convertible savings shares, the difference shall be added to the preferred dividend paid in the following two accounting periods;</del></p> <p><b>a b) to all of the ordinary shares to the extent that the remaining net income made available for distribution by the Shareholders' Meeting resolves to proceed with its distribution, shall be allocated to all shares so that the dividend attributable to non-convertible savings shares shall exceed the dividend attributable to ordinary shares by an amount equal to 2% of the nominal value of the shares;</b></p>



<p>c) any excess funds shall be allocated to the extraordinary reserve and other reserves, without prejudice to the fact that a portion of such earnings may be used for charities and to support social and cultural activities, through the creation of a specific reserve.</p> <p><b>29.4.-</b> Unclaimed and forfeited dividends shall be remitted to the Company and allocated to the extraordinary reserve.</p>	<p><del>b</del> e) any excess funds shall be allocated to the extraordinary reserve and other reserves, without prejudice to the fact that a portion of such earnings may be used for charities and to support social and cultural activities, through the creation of a specific reserve.</p> <p><b>29.4.-</b> Unclaimed and forfeited dividends shall be remitted to the Company and allocated to the extraordinary reserve.</p>
<p>Article 30. Savings Shares</p> <p><b>30.1.-</b> Savings shares, which may be in bearer form, entitle the holder to attend and vote at the Special Meeting of savings shareholders.</p> <p><b>30.2.-</b> Savings shares shall receive privileged dividends as set forth in Article 29.3.</p> <p><b>30.3.-</b> Savings shares have the same rights as other shares in the event of the distribution of reserves.</p> <p><b>30.4.-</b> In the case of liquidation of the Company, savings shares shall have pre-emptive rights with regard to the reimbursement of the entire nominal value of the shares. The reduction of share capital due to losses does not result in the reduction in the nominal value of savings shares, with the exception of the part of the loss which exceeds the total nominal value of other shares.</p> <p><b>30.5.-</b> In the case of exclusion of the Company's ordinary or savings shares from trading in regulated markets, the savings shares retain their rights and characteristics, unless otherwise approved by the Extraordinary Shareholders' Meetings and by the Special Shareholders' Meetings.</p> <p><b>30.6.-</b> The Common Representative of savings shareholders is appointed for three financial years.</p> <p>The remuneration of the Common Representative is approved by the Special Meeting. Such remuneration shall be paid by the Company, up to the amount of 25,000 euro for the entire three-year period.</p> <p>The Special Meeting may resolve upon a further remuneration, which shall be paid drawing on a fund set up to cover expenses necessary to safeguard common interests.</p> <p><b>30.7.-</b> The Common Representative shall be required to fulfil the obligations and powers provided for by law. The Chairman of the Board</p>	<p><del>Article 30. Savings Shares</del></p> <p><del><b>30.1.-</b> Savings shares, which may be in bearer form, entitle the holder to attend and vote at the Special Meeting of savings shareholders.</del></p> <p><del><b>30.2.-</b> Savings shares shall receive privileged dividends as set forth in Article 29.3.</del></p> <p><del><b>30.3.-</b> Savings shares have the same rights as other shares in the event of the distribution of reserves.</del></p> <p><del><b>30.4.-</b> In the case of liquidation of the Company, savings shares shall have pre-emptive rights with regard to the reimbursement of the entire nominal value of the shares. The reduction of share capital due to losses does not result in the reduction in the nominal value of savings shares, with the exception of the part of the loss which exceeds the total nominal value of other shares.</del></p> <p><del><b>30.5.-</b> In the case of exclusion of the Company's ordinary or savings shares from trading in regulated markets, the savings shares retain their rights and characteristics, unless otherwise approved by the Extraordinary Shareholders' Meetings and by the Special Shareholders' Meetings.</del></p> <p><del><b>30.6.-</b> The Common Representative of savings shareholders is appointed for three financial years.</del></p> <p><del>The remuneration of the Common Representative is approved by the Special Meeting. Such remuneration shall be paid by the Company, up to the amount of 25,000 euro for the entire three-year period.</del></p> <p><del>The Special Meeting may resolve upon a further remuneration, which shall be paid drawing on a fund set up to cover expenses necessary to safeguard common interests.</del></p> <p><del><b>30.7.-</b> The Common Representative shall be required to fulfil the obligations and powers provided for by law. The Chairman of the Board</del></p>

of Directors shall inform the Common Representative without delay, by means of specific communications, of Company operations which may influence the price of savings shares, and in particular of proposals which the Board of Directors has approved to submit to the Shareholders' Meeting with regard to capital transactions, mergers and spin-offs.

~~of Directors shall inform the Common Representative without delay, by means of specific communications, of Company operations which may influence the price of savings shares, and in particular of proposals which the Board of Directors has approved to submit to the Shareholders' Meeting with regard to capital transactions, mergers and spin-offs.~~

**The Articles 31, 32, 33, 34, 35 and 36 of the Articles of Association need to be renumbered as 30, 31, 32, 33, 34 and 35, respectively.**

Now, therefore, the Board of Directors submits for your approval the following proposal:

*“The Special Savings Shareholders’ Meeting of Intesa Sanpaolo S.p.A, having examined the explanatory report of the Board of Directors drafted pursuant to Art. 72 of the CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended,*

#### **Resolves**

- (1) *to approve, pursuant to Art. 146 par. 1 (b) of Legislative Decree no. 58/1998, to the extent of its responsibility, the following resolution passed by the Extraordinary Shareholders’ Meeting of Intesa Sanpaolo S.p.A. held today:*

*“The Extraordinary Shareholders’ Meeting of Intesa Sanpaolo S.p.A, having examined the explanatory report of the Board of Directors drafted pursuant to Art. 72 of the CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended,*

#### **Resolves**

- (1) *to approve the mandatory conversion of the outstanding savings shares – following the cancellation of 61 savings shares by an authorised intermediary, with the reduction of said shares to no. 932,490,500 – into no 969,790,120 ordinary shares of the Company, the latter to consist in newly issued shares, with regular economic rights and having the same features of the ordinary shares outstanding at the date of the conversion, at a conversion ratio, equal to no. 1.04 ordinary shares for each savings share with concurrent removal of the indication of the nominal value of all of the shares of Intesa Sanpaolo S.p.A. outstanding as at the relative date of effectiveness of the conversion, pursuant to Art. 2328 and 2346 of the Italian Civil Code, so that the corporate share capital remains unchanged and divided into only ordinary shares;*
- (2) *to provide that the mandatory conversion of the savings shares under item (1) above (and therefore also the effectiveness of any withdrawals that may be exercised by the savings shareholders entitled thereto and of the cancellation of the 61 savings shares) take place subject to:*
- (i) *the approval of the mandatory conversion, along with the relative amendments to the Articles of Association, pursuant to Art. 146, par. 1 (b) of Legislative Decree no. 58 of 1998 by the special meeting of the savings shareholders;*
  - (ii) *the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders; and*
  - (iii) *the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period*

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concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-quater, par. 1 and 2 of the Italian Civil Code;

- (3) to amend Articles 5, with sole regard to paragraph 5.1, and 29 of the Company's Articles of Association, as follows:

*"Article 5. Share capital.*

*5.1. The Company's subscribed and paid-in share capital amounts to 8,731,984,115.92 euro, represented by 16,829,576,705 ordinary shares without nominal value"*

*"Article 29. Financial statements and net income.*

*29.1.- The Company's financial year closes on 31 December of each year.*

*29.2.- The Board of Directors shall examine and approve the draft separate financial statements and consolidated financial statements in accordance with legal requirements.*

*29.3.- Net income as reported in the financial statements, net of the portion allocated to legal reserves, and the portion which is not available pursuant to the law, shall be allocated as follows:*

- a) to all of the ordinary shares to the extent that the Shareholders' Meeting resolves to proceed with its distribution;*
- b) any excess funds shall be allocated to the extraordinary reserve and other reserves, without prejudice to the fact that a portion of such earnings may be used for charities and to support social and cultural activities, through the creation of a specific reserve.*

*29.4.- Unclaimed and forfeited dividends shall be remitted to the Company and allocated to the extraordinary reserve."*

*with the removal of Article 30 of the Articles of Association of the Company and renumbering of Articles 31, 32, 33, 34, 35 and 36 to 30, 31, 32, 33, 34 and 35, respectively;*

- (4) to grant powers and mandate to the Board of Directors and to the Chairman of the Board of Directors and the Chief Executive Officer, severally and with full power to sub delegate, to carry out all actions deemed necessary or appropriate to fully implement the above resolutions, including without limitation, (i) to define any additional terms and conditions of the Mandatory Conversion, including, inter alia, the date on which such conversion will be effective upon agreement with Borsa Italiana S.p.A., which must fall after the ex-right date of dividends relating to the financial year ended 31 December 2017; (ii) to define the terms and conditions of the procedure relating to the exercise of the right of withdrawal to which savings shareholders are entitled pursuant to Art. 2437, par. 1 (g) of the Italian Civil Code; (iii) to carry out the liquidation process of the savings shares which are the subject matter of the withdrawal process, also purchasing if necessary such shares using the available reserves; and (iv) to carry out any other formality and actions in relation to the overall number of outstanding shares as at the date of effectiveness of the conversion and to obtain the necessary authorisations for the above resolutions and, generally, any other authorisation to fully implement the resolutions, together with any necessary power thereof, with no exclusion and exemption, including the power to fulfil any requests made by the relevant Supervisory Authorities as well as to proceed with the deposit and the registration with the Companies' Register of the updated Articles of Association with the approved amendments thereto;
- (5) to authorise the Board of Directors to sell the Company's own shares that may be bought as a consequence of rights of withdrawal being exercised, at the end of the liquidation process pursuant to Art. 2437-quater of the Italian Civil Code, without limitation, for a consideration which shall not be lower than the share reference price on the trading day preceding each sale

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*with a 10% discount, specifying that the disposal may be carried out on the market or off the market, as spot and/or forward transactions;”.*

5 February 2018

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.*