

## **REPORT OF THE BOARD OF DIRECTORS ON THE SECOND ITEM ON THE AGENDA OF THE ORDINARY SESSION**

### **Allocation of net income for the year and distribution of available reserves.**

Dear Shareholders,

We remind you that the dividend policy – which was approved by the Board of Directors at its meeting on 26 February 2018 and communicated to the public at the presentation of the strategic plan 2018-2022 – provides (i) an amount of the dividend for the year 2017 equal to 0.42 euro per share, and (ii) an increase by 5% per annum up to 2020.

In addition to the above, we remind you that during the year 2019 the Board of Directors has updated the above mentioned dividend policy, also providing – across the five-year duration of the “Deliver 2022” Strategic Plan – the distribution of the annual dividend in two tranches: one as an interim dividend and one as a balance dividend.

In light of the above, on 11 November 2020 the Board of Directors has approved, pursuant to Article 2433-*bis* of the Italian Civil Code and Article 26.3 of the Corporate Bylaws, the distribution of an interim dividend for the financial year 2020 of 0.162 euro per share (for a total amount of about euro 211 million), that has been paid, gross of any withholding tax, from 25 November 2020.

Given the amount of the paid interim dividend and considering that the Poste Italiane Group’s net consolidated income for 2020 amounts to 1,206 million euro, in accordance with the dividend policy referred to above, we propose the distribution of a balance of the dividend amounting to 0.324 euro per share, to be paid in June 2021 in accordance with the dates communicated to the market on 28 January 2021, when the corporate calendar of events for the year 2021 was released, and precisely: (i) 23 June 2021 as the payment date, (ii) 21 June 2021 as the “ex dividend” date, and (iii) 22 June 2021 as the record date (i.e., the date of entitlement to the aforesaid dividend).

Therefore, the total dividend for the financial year 2020 amounts to 0.486 euro per share, in increase of 5% in comparison with the dividend of 0.463 euro per share for the financial year 2019 and therefore in line with the said dividend policy.

Taking also into account that Poste Italiane S.p.A.'s net income for 2020, available for the distribution, amounts to approximately 273 million euro, in order to allow the distribution of the aforementioned balance of the dividend, it is envisaged that, in addition to Poste Italiane S.p.A.'s net income, an amount deriving from the partial distribution of the available reserves (amounting to approximately 1,015.7 million euro as of 31 December 2020) will be used, whose exact amount will be determined at the time of the payment of the aforementioned balance of the dividend on the base of the shares in circulation on the ex-dividend date.

In light of all the foregoing, and considering that:

- the legal reserve exceeds the maximum of one-fifth of the share capital (as required by article 2430, paragraph 1, of the Italian Civil Code); and
- as provided for by article 8.3 of the Rules for BancoPosta's Ring-fenced Capital (the text of which is available on the Company's website [www.posteitaliane.it](http://www.posteitaliane.it)), given the absence of contributions by third parties to BancoPosta's Ring-fenced Capital, Shareholders' Meetings resolve – including upon proposal by the Board of Directors – on the allocation of the Company's net income for the year, and specifically: (i) the part regarding BancoPosta's Ring-fenced Capital, as shown in the related report, taking into account its specific rules and, in particular, the necessity of complying with the capital requirements of prudential supervision, and thus (ii) the remaining part, including the part of the net income referred to under (i) not allocated to the ring-fenced capital;

we submit for your approval the following

### **Proposal**

The present Shareholders' Meeting of Poste Italiane S.p.A., having examined the report of the Board of Directors,

**resolves**

1. to allocate the net income of BancoPosta's Ring-fenced Capital, amounting to 628,795,707 euro, as follows.
  - to the reserve named "Retained Earnings" for 50,000,000 euro;
  - to the disposal of the Company for the possible distribution for 578,795,707 euro;
2. to allocate Poste Italiane S.p.A.'s net income for 2020, amounting to 324,755,377 euro, as follows:
  - 2.1) to the aforementioned reserve named "Retained Earnings" of BancoPosta's Ring-fenced Capital for 50,000,000 euro;
  - 2.2) to the not available reserve for 1,896,981 euro;
  - 2.3) to the distribution to the Shareholders for the remaining amount of 272,858,396 euro;
3. in light of the above, to distribute a total dividend of 0.486 euro per share, using (i) Poste Italiane S.p.A.'s net income for 2020, available for distribution, equal to 272,858,396 euro, and (ii) for the remaining part, whose exact amount will be determined at the time of the payment of the balance of the dividend on the base of the shares in circulation on the ex-dividend date, an amount deriving from the partial distribution of the available reserves (amounting to 1,015,712,369 euro as of 31 December 2020);
4. to distribute the aforementioned dividend of 0.486 euro per share as follows:
  - the amount of 0.162 euro for each ordinary shares in circulation on the ex-dividend date, excluding treasury shares on that date to cover the interim dividend payable from 25 November 2020, with the ex-dividend date of coupon no. 7 having fallen on 23 November 2020 and the "record date" (i.e. the date of the title to the payment of the dividend, pursuant to Article 83-terdecies of the Legislative Decree no. 58 of February 24, 1998 and to Article 2.6.6, paragraph 2, of the Rules of the Markets organized and managed by Borsa Italiana S.p.A.) falling on 24 November 2020, for an overall amount of 210,738,030 euro;
  - the amount of 0.324 euro for each ordinary shares in circulation on 21 June 2021, the day scheduled as the ex-dividend date, excluding treasury shares on that date, as the balance of the dividend;

5. to pay the aforesaid balance of the dividend for 2020 of 0.324 euro per ordinary share – before withholding tax, if any – from 23 June 2021, with the “ex-dividend” date of coupon n. 8 falling on 21 June 2021 and the record date (i.e., the date of entitlement to the payment of the aforesaid dividend pursuant to article 83-*terdecies* of Legislative Decree n. 58 of 24 February 1998 and article 2.6.6, paragraph 2, of the Regulations of the markets organized and managed by Borsa Italiana S.p.A.) falling on 22 June 2021.