
Report of the Board of Directors

Ordinary Part - Item 3 on the agenda

Remuneration:

d) Approval of the 2019 and 2020 Annual Incentive Plans based on financial instruments

Notice

It should be noted that, as anticipated in the Press Release of 31 March 2020, with regard to the COVID-19 epidemic, the Managing Director and CEO and 21 top managers (of whom 19 top managers were identified as Key Managers in 2019 and 2 top managers, belonging to the 2019 Risk Taker cluster, were identified as Key Managers starting from 2020¹) will waive part of the bonuses awarded to them under the 2019 Annual Incentive Plan, subject to the approval of this Meeting. The waived amount will be allocated to donations in support of healthcare initiatives connected to the COVID-10 epidemic emergency.

Distinguished Shareholders,

You have been called to this Ordinary Meeting to discuss and pass resolutions on the 2019 and 2020 Incentive Plans (hereinafter, also, the “Plans”) of the Intesa Sanpaolo Group, intended for Risk Takers² who accrue a bonus exceeding the so-called “materiality threshold” (equal to 80,000 euro), recipients of a “particularly high” amount³, and those who, among Managers or Professionals who are not Risk Takers, accrue “relevant bonuses” (i.e. an amount exceeding 80,000 euro and 100% of the fixed remuneration).

These Plans involve the use of Intesa Sanpaolo ordinary shares⁴ to be purchased on the market, as required by the Provisions on remuneration, upon your specific authorisation.

Indeed, the issue of remuneration of listed companies and, more specifically, in the financial sector, has been gaining growing attention by international bodies and regulators, aiming to guide issuers and intermediaries towards the adoption of remuneration systems that are consistent with the principles – strengthened following the economic and financial crisis – governing the process for drawing up and approving the remuneration and incentive policies, the compensation structure and their transparency.

In particular, according to these principles, remuneration systems must take into account current and future risks and the level of capital strength and liquidity of each intermediary, and guarantee remuneration based on results actually achieved and sustainable over time.

In accordance with European Union regulations and with effect from 2011, the national Authorities defined a set of key rules on these matters.

¹ As they were assigned roles reporting directly to the Managing Director and CEO starting from such year.

² These shall mean both the Risk Takers of the Group and the so-called Risk Takers of the Legal Entities belonging to Banks of greater and medium size.

³ Pursuant to the Group Remuneration and Incentive Policies, for the three-year period 2019-2021, the variable remuneration exceeding 400,000 euro is considered “particularly high”.

⁴ With the exception of that set out in the Bank of Italy Regulation implementing Article 4-undecies and Article 6, paragraph 1, letters b) and c-bis) of the Consolidated Law on Finance for Group Risk Takers belonging to significant asset management companies and in the cases in which this (i.e. the payment in Parent Company shares) conflicts with local regulations.

By regulation dated 30 March 2011, the Bank of Italy issued Provisions which, in addition to providing that a portion of the bonus must be awarded in financial instruments, dictate harmonised rules and regulations for banks' remuneration policies, systems and practices with reference to their design and control, to compensation structures and disclosure obligations. The Supervisory Authority enhanced the focus on this last issue, including remuneration systems and practices among the information to be disclosed under Pillar 3, pursuant to Circular no. 285 of 17 December 2013.

In 2014, the European Commission issued Delegated Regulation (EU) No. 604/2014 containing new "Regulatory Technical Standards" (RTS) relating to suitable qualitative and quantitative criteria for the identification of categories of personnel whose professional activities have a material impact on the institution's risk profile (so-called "Risk Takers") intended to supplement Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (CRD IV), effective from June 2014.

Subsequently, in application of CRD IV, published in the EU Official Journal on 27 June 2013, the Bank of Italy updated and published the "Provisions regarding remuneration and incentive policies" under Title IV – Chapter 2, Circular 285 of 17 December 2013 in the Official Gazette of the Italian Republic on 2 December 2014.

In December 2015, the EBA, based on the provisions contained in CRD IV, published the update of the "Guidelines on Sound Remuneration Policies", defining in detail the rules relating to the remuneration structure, remuneration policies and the related governance and implementation processes.

In order to implement the "Guidelines on Sound Remuneration Policies" issued by the EBA, on 12 November 2018 the Bank of Italy further updated and published the "Provisions regarding remuneration and incentive policies", Title IV – Chapter 2, Circular 285 of 17 December 2013 in the Official Gazette of the Italian Republic.

Lastly, in 2019 Directive 2019/878 (CRD V) was issued, which amends CRD IV and which the Bank of Italy shall comply with by 28 December 2020 and apply starting in 2021, in addition to Regulation (EU) 2019/876 (CRR II), which amends CRR I. In application of the provisions of CRD V, the EBA is revising the regulatory technical standards (RTS) that specify the criteria for identifying Risk Takers.

The proposed Plans are fully consistent with the above regulatory provisions, with specific reference to:

- the identification of the so-called "Material Risk Takers", meaning those whose decisions have a significant impact on the Bank's risk profile, to which specific remuneration rules must be applied in terms of payment of variable remuneration;
- the ratio between the variable and fixed component of the remuneration, appropriately balanced;
- the structure of the variable component, in relation to which, the aforementioned regulatory provisions require, with reference to banks of greater size, and without prejudice to the proportionality principle, that:
 - a. at least 40% must be subject to deferred payment systems (this can be raised to 60% when the variable component is a particularly high amount⁵), for no less than 3 - 5 years (the latter being the minimum duration of the deferral period for executive directors, top managers and heads of the main business lines, corporate functions or geographical areas, as well as those who report directly to bodies with strategic supervisory duties);
 - b. at least 50% must be awarded in shares or instruments linked to shares. The obligation to pay at least this percentage in shares or instruments linked to shares applies to both the deferred variable component and the non-deferred component (so-called upfront), without prejudice to the fact that, for executive directors, top managers and heads of the main business lines, corporate functions or geographical areas, and those who report directly to bodies with strategic supervisory duties, more than 50% of the deferred portion must be composed of financial instruments;

⁵ Pursuant to the Group Remuneration and Incentive Policies, for the three-year period 2019-2021, the variable remuneration exceeding 400,000 euro is considered "particularly high".

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- a specific retention mechanism must be in place (equal to 1 year both for the upfront component and for the deferred component) for the financial instruments mentioned under point b.

Therefore, please note that the Incentive Plans can be classified as a financial instrument-based remuneration plans pursuant to Article 114-bis, paragraph 1, of Legislative Decree 58 of 24 February 1998.

In accordance with the provisions of Article 114-bis of the Consolidated Law on Finance and Article 84 bis of Consob's Issuers' Regulation, the characteristics of the Incentive Plans are illustrated in detail in the specific Information Document provided hereunder, of which this report is an integral part.

In this regard, the Plans are to be considered as being of "particular importance" since they address, *inter alia*, top executives and, more generally, key managers who have regular access to inside information and have the power to make management decisions which may affect the Group's evolution and outlook.

Distinguished Shareholders, you are therefore invited to approve the 2019 and 2020 Annual Incentive Plans based on financial instruments in accordance with the terms illustrated.

17 March 2020

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

INFORMATION DOCUMENT

Pursuant to Art. 84-bis, paragraph 1, of the Regulation adopted by Consob with Resolution 11971 of 14 May 1999, as subsequently amended and supplemented

relating to the

2019 AND 2020 ANNUAL INCENTIVE PLANS
BASED ON FINANCIAL INSTRUMENTS

OF

INTESA SANPAOLO S.p.A.

17 March 2020

Introduction

This Information Document is published in order to provide the Company's shareholders and the market with information on the 2019 and 2020 Annual Incentive Plans based on financial instruments (hereinafter the "Plans") in accordance with the contents of Article 84-bis, paragraph 1, of the Issuers' Regulation.

The Information Document is available to the public within the terms provided, at the registered office of INTESA SANPAOLO, Piazza San Carlo, 156, Turin, as well as in the authorised storage system (at www.emarketstorage.com) and on the website group.intesasanpaolo.com (in the "Governance"/"Shareholders' Meeting" section), where further information can be found.

The publication of the Information Document has been communicated to the market through a press release.

The Ordinary Shareholders' Meeting called upon to approve the Plans has been convened for 27 April 2020 (on single call).

Recipients

The Plans are targeted to Risk Takers⁶ who accrue a bonus higher than the “materiality threshold” (equal to 80,000 euro), identified according to the “Rules for identifying staff whose professional activities have a material impact on the risk profile of the Intesa Sanpaolo Group and of the Banks that do not have their own remuneration policies drawn up pursuant to the Regulatory Technical Standards - RTS”⁷, the recipients of a “particularly high” amount, as well as Middle Managers and Professionals who are not Risk Takers, who receive “Relevant Bonuses” (i.e. of amounts exceeding 80,000 euro and 100% of fixed remuneration).

To the extent relevant herein, it is noted that 393 Group Risk Takers⁸ and 130 Legal Entity Risk Takers of Banks of greater size or operational complexity and medium-sized Banks have currently been identified⁹.

Pursuant to the Supervisory Provisions on remuneration, among Risk Takers, a further cluster represented by the so-called “Top Risk Takers” (which coincide with the “Key Managers”) is identified:

- Managing Director and CEO;
- Heads of the Business Divisions;
- Chief Operating Officer, Chief IT, Digital & Innovation Officer, Chief Cost Management Officer, Chief Financial Officer, Chief Lending Officer, Chief Governance Officer, Chief Risk Officer, Chief Compliance Officer, Chief Institutional Affairs & External Communication Officer and Chief Audit Officer;
- Head of the Administration and Tax Head Office Department in his capacity as the Manager responsible for preparing the Company’s financial reports;
- The Heads of the Head Office Departments that report directly to the Managing Director;

Therefore, recipients of the Plans include Executives who have regular access to inside information and have the power to make management decisions which may affect the issuer’s evolution and outlook.

The recipients are indicated in the attached Table.

Plan rationale

The Incentive Plans of the Intesa Sanpaolo Group aim to align the conduct of the management and of the employees with the interests of all Stakeholders, steering their action towards the achievement of sustainable medium-long term objectives within the framework of a prudent risk-taking approach in respect to both current and prospective risks, as well as to enable the Group to be an “Employer of choice” for its ability to attract, motivate and retain top resources. Whether granted fully or partially in financial instruments, the plans strengthen the alignment between the Management’s conduct and the interests of Shareholders, also allowing managers to directly participate in business risk.

The structure of the incentive mechanism is also instrumental in ensuring compliance with the

⁶ These shall mean both the Risk Takers of the Group and the Risk Takers of the Legal Entities belonging to banks of greater and medium size.

⁷ Delegated Regulation (EU) No. 604/2014 of the European Commission of 4 March 2014, which supplements Directive 2013/36/EU of the European Parliament and of the Council as regards the regulatory technical standards relating to suitable qualitative and quantitative criteria for the identification of categories of personnel whose professional activities have a substantial impact on the entity’s risk profile.

⁸ The following subjects are not included among the Group Risk Takers who are recipients of Incentive Plans based on ISP shares:

- i. non-executive members of the Board of Directors of Intesa Sanpaolo, identified in application of qualitative criteria 1 and 2, who, in light of the office they hold, are not recipients of Incentive Plans;
- ii. the Group Risk Takers identified in PBZ and in VUB (in the latter case, only with reference to those who have a local contract), as, pursuant to local regulations and law, the portion of remuneration awarded in Intesa Sanpaolo shares is awarded in financial instruments issued by the institution to which each subject belongs (i.e. PBZ shares or VUB Certificates);
- iii. the Group Risk Takers belonging to asset management companies, as, pursuant to the applicable sector regulation, the portion of remuneration awarded in Intesa Sanpaolo shares is replaced by the allocation of units of the managed funds.

⁹ The following subject are not included among the Legal Entity Risk Takers who are recipients of Incentive Plans based on ISP shares:

- i. the non-executive members of the Legal Entity’s Supervisory Board / Board of Directors identified as risk takers in application of the qualitative criteria 1 and 2, who are not recipients of Incentive Plans in light of the role they hold in the Legal Entity;
- ii. the Legal Entity Risk Takers identified in PBZ and in VUB who, as provided for the Group Risk Takers, are awarded financial instruments issued by the legal entity they belong to.

Supervisory Provisions in force, when these require that a part of the variable remuneration accrued by Risk Takers be awarded in shares or related instruments.

It should be noted that any cash payments made and the value of the financial instruments assigned to recipients will be subject to social security provisions and will be considered income from employment for tax purposes, pursuant to the applicable legislation in force from time to time. Lastly, it is confirmed that accounting and fiscal considerations have had no significant impact on the definition of the Plans.

Approval process and timeframe for award of the instruments

Both Incentive Plans proposed are subject to approval by the Ordinary Shareholders' Meeting called for 27 April 2020 on single call, on proposal by the Board of Directors of 17 March 2020.

In particular, with reference to the 2019 Annual Incentive Plan, it is noted that:

- the Board of Directors approved the financing mechanism for such Plan on 16 April 2019, in line with the Remuneration and Incentive Policies of Intesa Sanpaolo, on the proposal of the Remuneration Committee (which examined its characteristics and parameters during the meetings held in the period between November 2018 and April 2019);
- the official quoted price of an Intesa Sanpaolo ordinary share on the dates of the meetings of the Remuneration Committee fluctuated from a minimum of 1.8971 euro (quoted price on 27 December 2018) to a maximum of 2.2791 euro (on 12 April 2019).
- Intesa Sanpaolo's 2019 Remuneration and Incentive Policies were approved by the Shareholders' Meeting based on a proposal of the Board of Directors on 30 April 2019.

With reference to the 2020 Annual Incentive Plan, it is noted that:

- the Board of Directors approved the financing mechanism for the 2020 Annual Incentive Plan on 17 March 2020, in line with the Remuneration and Incentive Policies of Intesa Sanpaolo, on the proposal of the Remuneration Committee (which examined its characteristics and parameters during the meetings held in the period between October 2019 and March 2020);
- the official quoted price of an Intesa Sanpaolo ordinary share on the dates of the meetings of the Remuneration Committee fluctuated from a minimum of 1.7652 euro (quoted price on 10 March 2020) to a maximum of 2.6094 euro (on 19 February 2020);
- Intesa Sanpaolo's 2020 Remuneration and Incentive Policies are subject to approval by the Shareholders' Meeting of 27 April 2020, based on the proposal of the Board of Directors.

The potential recipients of the Plans include the CEO, as General Manager of Intesa Sanpaolo. All the resolutions of the Board of Directors regarding the Plans and their implementation are adopted in compliance with legislative, regulatory and company provisions on conflicts of interest.

With regard to both Plans, the proposed resolution submitted to the aforementioned Shareholders' Meeting includes the assignment to the Board of Directors of a specific mandate, with the right to sub-delegate, to carry out all required and suitable actions in order to execute said resolutions. To this end, the Board of Directors shall avail itself of the assistance of the Group Treasury and Finance Head Office Department and/or Banca IMI, which shall also be assigned the task of carrying out any sales of shares which may exceed the effective needs.

The Chief Operating Officer's Department is responsible for managing the Plan, supporting the Chief Executive Officer and the Board of Directors in drawing up the required measures to implement the Plan. To this end, it is supported by other corporate functions for the activities under their respective remits.

Characteristics of the financial instruments to be assigned

For all the recipients identified above – except for the Top Risk Takers not belonging to the Company Control Functions who accrue a bonus exceeding 100% of the fixed remuneration, the recipients of a variable remuneration of a “particularly high” amount¹⁰ regardless of the macro segment to which they

¹⁰Pursuant to the Group Remuneration and Incentive Policies, for the three-year period 2019-2021, the variable remuneration exceeding 400,000 euro is considered “particularly high”.

belong and Legal Entity Risk Takers of medium-sized banks – the Plans provide for the allocation of a bonus consisting of 50% cash and 50% Intesa Sanpaolo ordinary shares.

In particular, for the Top Risk Takers not belonging to the Control Functions who accrue a bonus exceeding 100% of the fixed remuneration and for all recipients of a “particularly high” amount and exceeding 100% of fixed remuneration, 60% of the awarded bonus is assigned in shares; on the other hand, for the Top Risk Takers not belonging to the Control Functions who accrue a bonus equal to or lower than 100% of the fixed remuneration and for recipients of a variable remuneration of a “particularly high” amount and equal to or lower than 100% of fixed remuneration, 55% of the awarded bonus is assigned in shares; for Legal Entity Risk Takers belonging to medium-sized Banks who accrue a bonus exceeding the “materiality threshold” (equal to 80,000 euro), in application of the aforementioned proportionality principle, 30% of the awarded bonus is assigned in shares.

The Plans set out methods differentiated by the quantity of deferred remuneration and the duration of the related deferral period, based on both the cluster of recipients and the ratio of variable –to-fixed remuneration (greater than or equal to/lower than 100% of fixed remuneration).

In particular, for the Top Risk Takers and for all those who, regardless of the macro-segment they belong to, accrue a “particularly high” amount of variable remuneration, the following two schedules are envisaged, depending on the weight of the variable remuneration compared to the fixed remuneration:

1. **Schedule 1:** if the variable remuneration exceeds 100% of the fixed remuneration, 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 20% in cash and 40% in financial instruments) will be deferred in 5 years.

Reported below is the accrual schedule:

ACCRUAL SCHEDULE		X	X + 1	X + 2	X + 3	X + 4	X + 5
CASH (40%)		20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)		20%	12%	12%	8%	8%	

“X” means the year of granting, i.e. the year following that when performance is measured.

2. **Schedule 2:** if the variable remuneration is equal to or lower than 100% of the fixed remuneration, 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 25% in cash and 35% in financial instruments) will be deferred in 5 years.

Reported below is the accrual schedule:

ACCRUAL SCHEDULE		X	X + 1	X + 2	X + 3	X + 4	X + 5
CASH (45%)		20%		4%	4%	5%	12%
FINANCIAL INSTRUMENTS (55%)		20%	12%	8%	8%	7%	

“X” means the year of granting, i.e. the year following that when performance is measured.

For the remaining clusters of personnel who do not accrue a “particularly high” amount of variable remuneration, the following three deferral schedules are envisaged, providing a different duration and portion paid in shares depending on the cluster and the weight of the variable remuneration compared to the fixed remuneration:

3. **Schedule 3:** for the other Group Risk Takers or Legal Entity Risk Takers belonging to banks of greater size who accrue a variable remuneration exceeding 100% of the fixed remuneration and higher than the “materiality threshold” (equal to 80,000 euro), 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 30% in cash and 30% in financial instruments) will be deferred for 3 years.

Reported below is the accrual schedule:

ACCRUAL SCHEDULE		X	X + 1	X + 2	X + 3
CASH (50%)		20%		10%	20%
FINANCIAL INSTRUMENTS (50%)		20%	20%	10%	

“X” means the year of granting, i.e. the year following that when performance is measured.

4. Schedule 4: for the other Group Risk Takers or Legal Entity Risk Takers belonging to Banks of greater size who accrue a variable remuneration equal to or lower than 100% of the fixed remuneration and higher than the “materiality threshold” (equal to 80,000 euro) and for Middle Managers and Professionals who accrue a variable remuneration exceeding 100% of the fixed remuneration and higher than the “materiality threshold” (equal to 80,000 euro), 60% of the payment will be up-front (of which 30% in cash and 30% in financial instruments) and 40% (of which 20% in cash and 20% in financial instruments) will be deferred for 3 years.

Reported below is the accrual schedule:

ACCRUAL SCHEDULE	X	X + 1	X + 2	X + 3
CASH (50%)	30%		7%	13%
FINANCIAL INSTRUMENTS (50%)	30%	13%	7%	

“X” means the year of granting, i.e. the year following that when performance is measured.

5. Schedule 5: for the Risk Takers of medium-sized Legal Entities who accrue a variable remuneration exceeding the “materiality threshold” (equal to 80,000 euro), 60% of the payment will be up-front (of which 45% in cash and 15% in financial instruments) and 40% (of which 25% in cash and 15% in financial instruments) will be deferred for 2 years.

Reported below is the accrual schedule:

ACCRUAL SCHEDULE	X	X + 1	X + 2
CASH (70%)	45%	5%	20%
FINANCIAL INSTRUMENTS (30%)	15%	15%	

“X” means the year of granting, i.e. the year following that when performance is measured.

In all cases not set out in this Information Document, the variable remuneration shall be fully paid in cash and, therefore, there will be no payment in shares.

In compliance with applicable regulations and with the Group Remuneration and Incentive Policies, each portion of the bonus assigned in shares shall be subject to a period of time during which they cannot be sold or accessed (so-called retention period) of 1 year, both for the upfront portion and the deferred portion. The retention period starts from the date of assignment of each portion of the bonus. At the end of the retention period, recipients may freely dispose of the shares, without any additional restrictions, except for the obligation not to directly sell said shares to Intesa Sanpaolo or to companies in the Group.

The shares accrued over time shall be delivered only at the end of the retention period described above and, except for the cases described below, subject to the continuation of employment in any company of the Group.

Recipients shall be paid the dividends accrued during the retention period, on the portions assigned in shares (it being understood that, in compliance with applicable regulations, the dividends accruing during the deferral period shall not be paid). Dividends shall be paid to the recipient, along with the shares, at the end of the retention period. Recipients may exercise the voting rights connected with ownership of the shares only following the date of actual delivery of the shares (and, therefore, at the end of the retention period).

In the light of the above, the shares which will be purchased on the basis of the powers delegated by the Shareholders’ Meeting, may be delivered to the recipients:

- with reference to the 2019 Incentive Plan, starting in 2021 (referring to the upfront component) and up to 2025 (for the last deferred tranche due to Top Risk Takers and recipients of a “particularly high” amount);
- with reference to the 2020 Incentive Plan, starting in 2022 (with regard to the upfront component) and up to 2026 (for the last deferred tranche due to Top Risk Takers and recipients of a “particularly high” amount);

As the shares are offered to recipients under an incentive mechanism, they will be assigned to recipients, if the conditions set forth are met, for free and, as a result, no loans or other subsidies to employees are foreseen for their purchase.

As has become traditional practice in the Group and in line with regulators’ indications based on which

the ratio of the fixed component of remuneration and the variable one “must be suitably balanced, exactly determined and carefully assessed in relation to the characteristics of the bank and of the various categories of personnel”, the bonus which may be theoretically paid is related to the level of each recipient’s fixed remuneration.

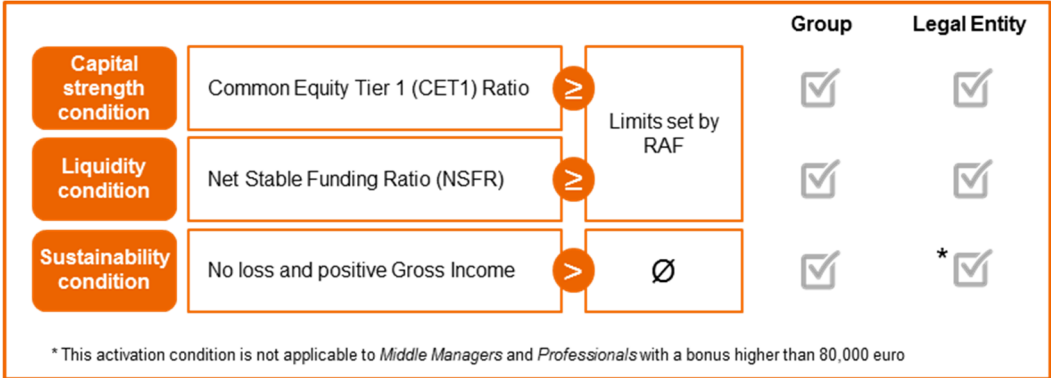
As allowed by the Provisions and approved by a qualified majority of the Shareholders’ Meeting of 27 April 2018, the Group Risk Takers not belonging to Company Control Functions may receive a variable remuneration inclusive of the bonus granted through these Plans and the annually accrued amount resulting from the POP Plan¹¹, equal to a maximum of 200% of the fixed remuneration (around 67% of the remuneration pay mix).

In light of the regulator’s indications, Top Risk Takers and Heads and higher level personnel of the Company Control Functions, even if they are partly included among Key Managers, may benefit from a more limited variable component of remuneration, including the annually accrued amount resulting from the POP Plan, equal to, at most, 33% of the fixed remuneration¹².

The granting of incentives to recipients is funded by a structured bonus pool mechanism. In full harmony with the criteria of symmetry between the amount of the bonuses paid and the actual performance achieved, the total amount of the incentives at Group level is linked to the performance of an economic indicator, Gross Income.

The access to the bonus pool both at Group and Division level is based on exceeding the so-called “access threshold”, expressed *ex ante* as the minimum value of the relative Gross Income.

The principles of capital strength, liquidity and financial sustainability are ensured, in compliance with the requirements determined by the Regulator, by preliminary conditions set out both at Group level and Legal Entity level, as shown in the chart below:



Failure to achieve even only one of the above conditions results in the non-activation of the incentive Plans for Group personnel¹³.

The Top Risk Takers are subject to a further gateway condition:



The total amount due to the recipients is defined, in compliance with the Group and Division bonus pools, based on the position reached by each Manager in the “internal ranking” of their specific Division/Area. This ranking is obtained by ordering the scores of the results of the individual scorecards, which measure performance at several levels, both quantitative (profitability, growth, productivity, cost of risk/sustainability) and qualitative (strategic actions or projects and managerial qualities), as well as extending to different scopes (Group/Structure/Individual).

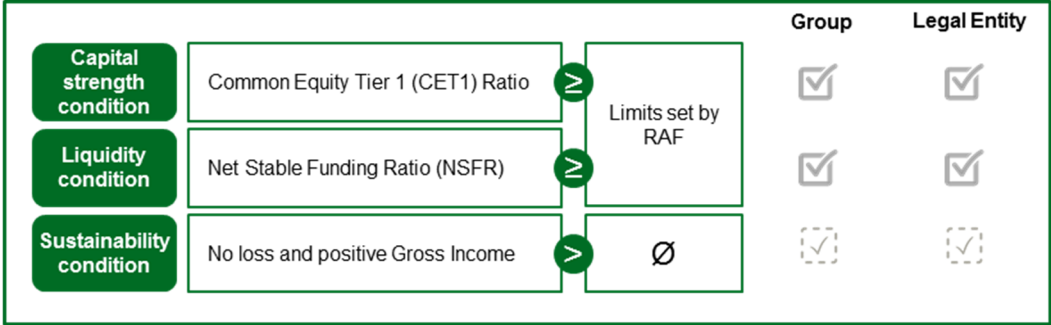
¹¹ Performance-based Option Plan: long-term incentive plan linked to the performance of the 2018-2021 Business Plan and based on options, introduced along with the launch of the Plan and approved by the Shareholders’ Meeting on 27 April 2018.

¹² Including the role allowance representing a component of fixed remuneration, paid monthly; said allowance is not included in the calculation basis for employee termination indemnities or supplementary pension (if the fund has an annual gross remuneration calculation basis). However, social security contributions are calculated on the amount paid.

¹³ It should be noted that, only in the specific case where the gateway condition of sustainability at Legal Entity level is not reached, the Middle Managers and Professionals of said Legal Entity are still eligible for the incentive systems.

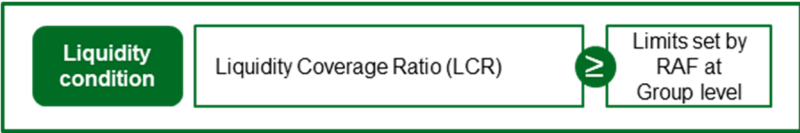
The payment of the individual bonus is, in any case, subject to the verification of the absence of the so-called individual compliance breaches.

Moreover, each deferred portion is subject to *ex-post* adjustment mechanisms – the “malus conditions” – according to which the amount granted and the number of shares assigned, if any, may be reduced, even down to zero, in the year that the deferred portion refers to, in relation to the level of achievement of the minimum conditions set by the Regulator, both at Group level and Legal Entity level, as shown in the chart below:



In particular, if either the first or the second condition does not occur individually, the deferred portion is brought down to zero; if the third condition is not met, the deferred portion is reduced by 50%.

For Top Risk Takers, in line with the provisions for the activation of the Plans, a fourth condition – in addition to the three mentioned above – is also envisaged:



For this cluster, if the condition regarding the Group LCR is not met, the deferred portion is reduced by 50%.

As previously mentioned, the payment of the promised incentives, both in terms of the upfront portion and the deferred portion, whether assigned in cash or in shares, is conditioned on the participant being an employee of one of the companies in the Group at the time of actual payment of the incentive, or of the actual delivery of the shares at the end of the retention period. In fact, any right to receive the “promised” incentives shall be forfeited in the event of resignation or dismissal for just cause of the employees concerned or similar situations. On the other hand, any amounts/shares accrued may be paid, at the end of the deferral/retention period and possibly on a *pro quota* basis in proportion to the period of actual service, in the event of termination by mutual consent or due to having reached retirement age or other similar situations.

With regard to the expected costs of the Plans, considering the criteria, parameters and characteristics of the Plans, as well as, with regard to the 2019 Plan, taking into account the performance results achieved at Group, Structure and Individual level and, with reference to the 2020 Plan, taking into account the granted bonus pool, the following costs are estimated (including indirect costs borne by the employer, therefore including the amount referring to the cash component of the bonus):

Incentive Plan	Estimated cost
2019 Incentive Plan	86 million euro
2020 Incentive Plan	0¹⁴- 90 million euro

The Intesa Sanpaolo ordinary shares serving the 2019 and 2020 Incentive Plans shall be purchased on the MTA market (*mercato telematico azionario*) in compliance with the delegated powers duly granted by the Shareholders’ Meeting. It is estimated that, for each Incentive Plan, the maximum number of shares that may be assigned to the recipients is equal to the one corresponding to a comprehensive maximum value of approximately 40,000,000 euro.

¹⁴If the gateway conditions are not met.

In the event of extraordinary transactions on the share capital or of other transactions involving variation of share capital composition, of the Company's equity or of the number of underlying instruments (capital increases, grouping or subdivision of the underlying shares, mergers and demergers, conversions of shares into other categories, distribution of extraordinary dividends drawing on reserves, etc.), the Board of Directors shall assess whether it is necessary to adjust the number of shares promised/accrued. The above-mentioned checks will be performed in accordance with the rules commonly accepted in financial market practice and, to the extent possible, implementing any adjustments as may be set by Borsa Italiana.

Note that, pursuant to the Group Internal Code of Conduct, employees are forbidden from "carrying out transactions in derivative instruments, such as those identified in Article 1, paragraph 3, of Legislative Decree no. 58 of 24 February 1998 and in the Regulation of Markets managed by Borsa Italiana S.p.A. (for example, covered warrants, options, futures and leverage certificates), or, in any event, implement highly speculative transactions and/or operating strategies". As a result and as illustrated in the Remuneration and Incentive Policies, the recipients may not carry out hedging transactions on the shares assigned through the Plan.

Lastly, it is noted that if the delivery of the shares to the recipients at the end of the retention period were to occur in the "blocking periods" pursuant to the Internal Dealing Regulations or in other periods of operating restrictions referring to the Group's staff, the need remains for each recipient to respect the special authorisation and communication procedures applicable from time to time in order to arrange possible operations on the securities received.

The assignment of financial instruments according to the above terms, also in light of the opinions provided by the Chief Compliance Officer, is fully in line with the requirements set at an EU level by the CRD IV and by the Bank of Italy in Circular 285/2013.

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS
Table n. 1, Scheme 7, Annex 3A, Regulation n. 11971/1999

Date: 17 / 03 / 2020

Name and Surname or Category	Office (only for named persons)	CHART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments referred to ongoing Incentive Plans, approved by previous Shareholders' meetings						
Shareholders' resolution date	Type of financial instrument	N° of financial instruments	Granting date	Possible purchase price of instruments	Market price at granting	Vesting period (1)		
Messina Carlo	Managing Director and CEO	27/04/2016	Intesa Sanpaolo Ordinary Shares	248,183	27/04/2016	€ 2.149 (2)	€ 2.4639	Mar.2018 / Dec.2020
Messina Carlo	Managing Director and CEO	27/04/2017	Intesa Sanpaolo Ordinary Shares	313,170	27/04/2017	€ 2.937 (2)	€ 2.7014	Mar.2019 / Jun.2022
Messina Carlo	Managing Director and CEO	27/04/2018	Intesa Sanpaolo Ordinary Shares	670,884	27/04/2018	€ 2.291 (2)	€ 3.1530	Mar.2020 / Jun.2023
Messina Carlo	Managing Director and CEO	30/04/2019	Intesa Sanpaolo Ordinary Shares	766,795	30/04/2019	€ 2,129 (2)	€ 2,3340	Mar.2021 / Jun.2024
Key Managers (a)		27/04/2016	Intesa Sanpaolo Ordinary Shares	1,272,972	27/04/2016	€ 2.149 (2)	€ 2.4639	Mar.2018 / Dec.2020
Key Managers (a)		27/04/2017	Intesa Sanpaolo Ordinary Shares	1,516,621	27/04/2017	€ 2.937 (2)	€ 2.7014	Mar.2019 / Jun.2022
Key Managers (a)		27/04/2018	Intesa Sanpaolo Ordinary Shares	3,867,427	27/04/2018	€ 2.291 (2)	€ 3.1530	Mar.2020 / Jun.2023
Key Managers (a)		30/04/2019	Intesa Sanpaolo Ordinary Shares	3,221,936	30/04/2019	€ 2,129 (2)	€ 2,3340	Mar.2021 / Jun.2024
Other Risk Takers (b)		27/04/2016	Intesa Sanpaolo Ordinary Shares	4,396,962	27/04/2016	€ 2.149 (2)	€ 2.4639	Mar.2018 / Dec.2020
Other Risk Takers (b)		27/04/2017	Intesa Sanpaolo Ordinary Shares	4,839,712	27/04/2017	€ 2.937 (2)	€ 2.7014	Mar.2019 / Dec.2021
Other Risk Takers (b)		27/04/2018	Intesa Sanpaolo Ordinary Shares	6,530,288	27/04/2018	€ 2.291 (2)	€ 3.1530	Mar.2020 / Dec.2022
Other Risk Takers (b)		30/04/2019	Intesa Sanpaolo Ordinary Shares	9,670,951	30/04/2019	€ 2,129 (2)	€ 2,3340	Mar.2021 / Jun.2023
Managers and professionals granting a "relevant bonus"		27/04/2016	Intesa Sanpaolo Ordinary Shares	2,204,804	27/04/2016	€ 2.149 (2)	€ 2.4639	Mar.2018 / Dec.2019
Managers and professionals granting a "relevant bonus"		27/04/2017	Intesa Sanpaolo Ordinary Shares	1,421,657	27/04/2017	€ 2.937 (2)	€ 2.7014	Mar.2019 / Jun.2020
Managers and professionals granting a "relevant bonus"		27/04/2018	Intesa Sanpaolo Ordinary Shares	1,617,722	27/04/2018	€ 2.291 (2)	€ 3.1530	Mar.2020 / Jun.2021
Managers and professionals granting a "relevant bonus"		30/04/2019	Azioni ordinarie Intesa Sanpaolo	713,345	30/04/2019	€ 2,129 (2)	€ 2,3340	Mar.2021 / Jun.2022

(a) Data refers only to Key Managers still in office at the reference date.

(b) Group Risk Takers

(1) The column indicates the time frame in which the shares may be effectively granted to the beneficiaries, possibly split into tranches.

(2) Average Intesa Sanpaolo purchase price of shares carried out at a Group level.

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS
Table n. 1, Scheme 7, Annex 3A, Regulation n. 11971/1999

Date: 17 / 03 / 2020

Name and Surname or Category	Office (only for named persons)	CHART 1						
		Financial instruments other than <i>stock options</i>						
		<u>Section 2</u>						
		Newly allocated financial instruments on the basis of the decision <input checked="" type="checkbox"/> of the Board of Directors to implement the shareholders' resolution <input type="checkbox"/> of the competent power to implement the shareholders' resolution						
Shareholders' resolution date	Type of financial instrument	N° of financial instruments	Granting date	Possible purchase price of instruments	Market price at granting	Vesting period (1)		

Messina Carlo	Managing Director and CEO	27/04/2020	Intesa Sanpaolo Ordinary Shares	n.a.	n.a.	n.a.	n.a.	Mar.2021 / Jun.2025
Key Managers		27/04/2020	Intesa Sanpaolo Ordinary Shares	n.a.	n.a.	n.a.	n.a.	Mar.2021 / Jun.2025
Other Risk Takers (a)		27/04/2020	Intesa Sanpaolo Ordinary Shares	n.a.	n.a.	n.a.	n.a.	Mar.2021 / Jun.2025
Managers and professionals who accrue a "relevant bonus"		27/04/2020	Intesa Sanpaolo Ordinary Shares	n.a.	n.a.	n.a.	n.a.	Mar.2021 / Jun.2025

Messina Carlo	Managing Director and CEO	n.a.	Intesa Sanpaolo Ordinary Shares	n.a.	n.a.	n.a.	n.a.	Mar.2022 / Jun.2026
Key Managers		n.a.	Intesa Sanpaolo Ordinary Shares	n.a.	n.a.	n.a.	n.a.	Mar.2022 / Jun.2026
Other Risk Takers (a)		n.a.	Intesa Sanpaolo Ordinary Shares	n.a.	n.a.	n.a.	n.a.	Mar.2022 / Jun.2026
Managers and professionals who accrue a "relevant bonus"		n.a.	Intesa Sanpaolo Ordinary Shares	n.a.	n.a.	n.a.	n.a.	Mar.2022 / Jun.2026

(1) The column indicates the time frame in which the shares may be effectively granted to the beneficiaries, possibly split into tranches.

(a) I.e. both Group Risk Takers and Legal Entity Risk Takers belonging to banks of greater size and medium-sized banks.

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