
Report of the Management Board

Item 3 on the agenda

Remuneration and own shares:

a) Remuneration policies in respect of Board Directors

Dear Shareholders,

this Shareholders' Meeting is called to resolve, pursuant to Article 7.3 of the Articles of Association (included in the text approved at the Shareholders' Meeting of 26 February 2016), on the Remuneration policies in respect of Board Directors.

Reference is made to the contents of the Intesa Sanpaolo "Report on Remuneration", drawn up in compliance with art. 123-ter of Legislative Decree no. 58/1998 and art. 84-quater of the Consob Issuers' Regulation, approved by the Supervisory Board at the meeting of 15 March 2016.

The Report - to which reference is made for more details - is available to the public, according to the current provisions of law in force, at the Company's Registered Office, on the authorised storage system (www.emarketstorage.com) and on the website group.intesasanpaolo.com.

Therefore, the Shareholders are kindly requested to resolve on the approval of the remuneration policies in respect of the Members of the Board of Directors of Intesa Sanpaolo - specifically concerning the general criteria, the fixed remuneration for special offices, employee termination indemnities and insurance coverage - according to the terms described in Section 1, 2 of the Report on Remuneration - "Remuneration of the members of the Board of Directors".

15 March 2016

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

b) Determination of the remuneration of Board Directors (pursuant to Articles 16.2 - 16.3 of the Articles of Association, included in the text approved at the Shareholders' Meeting of 26 February 2016)

Dear Shareholders,

following the appointment of the Board of Directors for the years 2016/2017/2018 and based on the resolution made by this Meeting on the previous item on the agenda concerning the Remuneration policies in respect of Board Directors, it is necessary to determine the remuneration due to the members of this Body.

In this regard, we remind you that, pursuant to Article 16.1 of the Articles of Association, "members of the Board of Directors are entitled to reimbursement of expenses incurred due to their office"; in addition, pursuant to Article 16.2, "upon appointing the Board of Directors, the Shareholders' Meeting determines the remuneration of Directors in a fixed amount, in accordance with applicable laws and regulations, for the entire period of their office, as well as the additional remuneration for the office of Chairman and Deputy Chairperson".

Finally, Article 16.3, states that "upon the appointment of the Management Control Committee and for the entire period of its office, the Shareholders' Meeting is responsible for determining specific remuneration for the Committee's members, which must always be of a fixed, equal amount for each member, but with a specific additional amount for the Chairman".

In respect of the foregoing, we hereby invite you to make accurate decisions on the remuneration to be recognised to the members of the Board of Directors for the entire term of their office; in particular, we hereby invite you to set, without prejudice to the reimbursement of the expenses incurred in connection with the office:

- the remuneration in favour of each member of the Board of Directors who is not also a member of the Management Control Committee;
- the additional remuneration for the post of Chairman of the Board;
- the additional remuneration for the post of Deputy Chairperson of the Board;
- the specific remuneration for each member of the Board of Directors who is also a member of the Management Control Committee, possibly also in the form of attendance fee for the actual participation in the meetings of this Committee;
- the additional remuneration for the Chairman of the Management Control Committee.

In favour of the Board of Directors there would also be the extension of the "D&O" insurance policy, as proposed under Remuneration policies in respect of Board Directors.

Finally, we hereby inform you that, pursuant to the provisions of the Bank of Italy in relation to remuneration and incentive policies and practices, contained in Circular Letter no. 285/2013, "the members of the control body may not receive any variable remuneration".

The Shareholders are therefore kindly requested to make their decisions on this item.

15 March 2016

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

c) 2016 remuneration policies for employees and other staff not bound by an employment agreement

Distinguished Shareholders,

You have been called to this Ordinary Shareholders' Meeting to pass a resolution on the proposal to approve 2016 Remuneration policies for employees and other staff not bound by an employment agreement, pursuant to Article 7.3 of the Articles of Association (approved on 26 February 2016), in compliance with Regulator provisions (the Bank of Italy "Provisions regarding remuneration and incentive policies", Title iv – Chapter 2, Circular 285 of 17 December 2013 published in the Official Gazette of the Italian Republic on 2 December 2014 of art. 123-ter of Legislative Decree no. 58/1998 and adopted in application of 2013/36/EU Directive of the European Parliament and of the Council of 26 June 2013 (CRD IV), published in the EU Official Journal on 27 June 2013).

Furthermore pursuant to the provisions of art. 123-ter of Legislative Decree no. 58/1998, the Shareholders' Meeting is asked to express its vote with regard to the procedures used to adopt and implement the remuneration policies. This resolution is non-binding.

In this regard, please note that, information on the remuneration policies for employees and other staff not bound by an employment agreement, as well as on the procedures used to adopt and implement said policies is reported in the first Section of the Intesa Sanpaolo "Report on Remuneration", drawn up in compliance with the aforementioned art. 123-ter and art. 84-quater of Consob Issuers' Regulation, approved by the Supervisory Board for what it concerns, as proposed by the Management Board, at the meeting of 15 March 2016.

The Report on Remuneration - to which reference is made for more details - is available to the public, according to the current provisions of law in force, at the Company's registered office, on the authorized storage system (www.emarketstorage.com) and the website group.intesasanpaolo.com.

Dear Shareholders, you are therefore kindly asked:

- to pass a binding resolution on 2016 Remuneration policies for employees and other staff not bound by an employment agreement, as described in the Report on Remuneration, Section I, 4 of "Remuneration policy for employees and other staff not bound by an employment agreement";
- to pass a non-binding resolution on procedures for adoption and implementation of the remuneration policies, as described in the Report on Remuneration, Section I, 1 – "Procedures for adoption and implementation of the remuneration policies".

15 March 2016

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

d) Increase in the cap on variable-to-fixed remuneration for specific and limited professional categories and business segments

Distinguished Shareholders,

You have been called to this Ordinary Shareholders' Meeting to resolve on the proposal to increase the variable remuneration-to-fixed remuneration cap for specific and limited professional categories and business segments, in accordance with the Supervisory Provisions on remuneration ("Provisions regarding remuneration and incentive policies and practices", Title IV – Chapter 2, Circular 285 of 17 December 2013 published in the Official Gazette of the Italian Republic on 2 December 2014 and adopted in application of "Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013" (CRD IV), published in the EU Official Journal on 27 June 2013).

In particular, the maximum limit set in the general criteria (1:1) is increased to 2:1, according to CRD IV, as permitted by the Bank of Italy and subject to your qualified majority binding approval at the Shareholders' Meeting, for specific and limited professional categories and business segments:

- segment of the Asset Management portfolio managers (excluding MD/GM of Eurizon) both in the Asset Management Division and in Intesa Sanpaolo Vita (ISP Vita CEO excluded);
- segment of the so-called Investment Banking (Departments: Global Markets and Corporate & Strategic Finance; excluding GM of Banca IMI) and Industry Leaders of International Network & Global Industries, Corporate and Public Finance, Financial Institutions Departments;
- Head of Treasury Department and professionals in the Money Market e Pagamenti Gestione Portafogli, Tesorerie Estere, Finanza MLT sub-departments which are similar to Investment Banking professionals;
- segment of the Private Bankers (excluding MD/GM of Intesa Sanpaolo Private Banking).

There are many reasons behind the corporate need to differentiate the maximum limit of the variable remuneration for these clusters.

Firstly, these clusters belong to business segments that, in current and future terms, are particularly important for the implementation of the Business Plan 2014-2017 and they significantly contribute to the Group Results with regard both to the operating income and income before tax from continuing operations.

In addition, these intensely people-based business segments feature a high level of competitiveness concerning resources, therefore with high retention risk and high attraction difficulty, which is a particularly important element in growth scenarios.

In terms of compensation, the reference competitive context is uneven, considering that:

- of the banks with registered office in the EU, a good 13 out of 14 players¹ requested, and obtained, the increase of the cap to 2:1;
- important players are located in Switzerland or the USA and, therefore, do not have cap limits on variable remuneration; the global nature of these business segments intensifies their power of attraction among top talents also outside domestic borders;
- in general, Asset Managers are independent, as they do not belong to large banking groups, do not have limits on variable remuneration and, therefore, are very aggressive operators in the people competition, often in a way that is not linked to the corporate size.

In any case this provision ensures compliance with prudential regulations given that:

- it affects a limited number of people
- it does not imply an increase in the resources with variable remuneration, since it does not affect the ex ante structured funding mechanism of the Incentive System, but only leads to a different distribution and differentiation of the premiums in favour of the most talented people in the above-mentioned business segments (in line with their culture);

¹ Société Générale, Crédit Agricole, BNP Paribas, Natixis, Deutsche Bank, UniCredit, UBI Banca, Mediobanca, Lloyds Banking Group, HSBC, Barclays, Banco Santander, BBVA.

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- the close correlation between premiums and protection of the prudential requirements in terms of capital and liquidity is ensured at many levels by the connection of the Incentive System with the RAF, i.e.:
 - o compliance with the CET1 and NSFR limits set by the RAF as preliminary conditions to access the System (and with Malus Condition in the settlement of bonus deferred portions);
 - o derivation of the KPIs from the Budget, with the definition process requiring the assumption of the general and specific limits set by the RAF as constraints.

The cap increase affects 2.236 Group resources , of which:

- 581 in Asset Management, of which 11 Risk Takers;
- 866 in Private Banking, of which 32 Risk Takers;
- 644 in Investment Banking and Industry Leaders, of which 51 Risk Takers;
- 145 in Treasury, of which 7 Risk Takers;

Overall, these resources equate to approximately 3.4% of the Group's personnel and 31% of the scope of Risk Takers.

Distinguished Shareholders, you are therefore invited to approve with binding resolution the proposed increase in the variable remuneration-to-fixed remuneration cap from 1:1 to 2:1 in 2015, only for Asset Management, Private and Investment Banking professional categories and Industry Leaders, according to the abovementioned terms

15 March 2016

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

e) Approval of the Incentive Plan based on financial instruments and authorisation for the purchase and disposal of own shares

Distinguished Shareholders,

You have been called to this Ordinary Meeting to discuss and pass resolutions on the Incentive System (hereinafter, also, the "System") of Intesa Sanpaolo Group, intended for the so-called "Risk Takers" and for managers or professionals who eventually grant a so-called "relevant bonus", as defined in greater detail below, which involves the use of Intesa Sanpaolo ordinary shares to be purchased on the market, as required by the Provisions on remuneration, following your specific authorisation.

Actually, the issue of remuneration of listed companies and, more specifically, in the financial sector, has been gaining growing attention in the last few years by international bodies and regulators, aiming to guide issuers and intermediaries towards the adoption of remuneration systems that are consistent with the principles – intensified following the economic and financial crisis – governing the process for drawing up and approving the remuneration 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 capitalisation of each intermediary, and guarantee remuneration based on results actually achieved.

With effect from 2011, Italian Authorities defined a set of key rules, also in accordance with the European Community regulations adopted on this issue.

By regulation dated 30 March 2011, the Bank of Italy issued provisions which, in addition to subordinating the disbursement of a portion of the bonus in financial instruments, dictate harmonised rules and regulations to govern the remuneration policies, systems and practices in banks, in terms of the relative process of drawing up and control, compensation structure and disclosure obligations. The Supervisory Authority further intensified monitoring of this last issue by including remuneration systems and practices among the information to be disclosed under Pillar 3, pursuant to Circular 263 of 27 December 2006.

In 2014, following a proposal from the EBA, the European Union arranged the issue of 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 (the "Risk Takers").

Lastly, in application of the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (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", Title iv – Chapter 2, Circular 285 of 17 December 2013 in the Official Gazette of the Italian Republic on 2 December 2014.

The proposed System is fully consistent with the above regulatory provisions, with specific reference to:

- identification of "Material Risk Takers", meaning those whose decisions have a significant impact on the Bank's risk profile, to whom specific remuneration rules must be applied in terms of payment of variable remuneration;
- the ratio of the fixed component to the variable component of remuneration, suitably balanced;
- the structure of the variable component, of which:
 - a. at least 40% must be subject to deferred payment systems for not less than 3 years (this can be raised to 60% for not less than 5 years 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 for not less than 5 years);
 - b. at least 50% must be disbursed in shares or instruments linked to shares; this percentage is applied, in the same proportion, to the deferred variable component as well as to the non-deferred (upfront) component;
- the presence of a specific retention mechanism (of at least 2 years for the upfront component, shorter for the deferred component) for the financial instruments pursuant to point b.

Therefore, please note that the proposed incentive system belongs to the category of remuneration plan based on financial instruments pursuant to Art.114-bis, paragraph 1 of Legislative Decree 58 of 24 February 1998.

In accordance with the provisions of art. 84 bis of the Issuers' Regulation by Consob, the characteristics of the Incentive System are illustrated in detail in the specific Information Document provided hereunder, of which this report is an integral part.

In this regard, the System is to be considered as being of "particular importance" since it addresses, inter alia, top executives and, more generally, key managers who have regular access to privileged information and have the power to make management decisions which may affect the Group's evolution and outlook.

As the Company currently does not hold a sufficient number of own shares in its portfolio to ensure implementation of the System, it was decided to request authorisation from the Shareholders' Meeting pursuant to Article 2357 and following of the Italian Civil Code, so that the Company may purchase the necessary own shares and assign them to its employees and other staff and to directors, employees and other staff of its subsidiaries, in implementation of the variable remuneration system illustrated.

For these purposes, authorisation is requested for the purchase, in one or more tranches, of ordinary shares with a nominal value of 0.52 euro each, up to a maximum number of ordinary shares and a maximum percentage of Intesa Sanpaolo share capital calculated by dividing the comprehensive amount of approximately 22,000,000 euro by the official price recorded by the share on 27 April 2016 (date of the Shareholders' Meeting). The above amount thus includes both the portion for employees of Intesa Sanpaolo and the portion for employees of companies it directly and/or indirectly controls. By the start date of the purchase plan at Group level, said companies shall complete the procedure for requesting the equivalent authorisation from their shareholders' meetings, or from the related competent decision making bodies on the matter.

Intesa Sanpaolo's share capital subscribed and paid-in amounts to 8,731,874,498.36 euro, represented by 16,792,066,343 shares with a nominal value of 0.52 euro each, comprising 15,859,575,782 ordinary shares and 932,490,561 non-convertible savings shares.

The maximum number of ordinary shares for which purchase authorisation is requested pursuant to Art. 2357 of the Italian Civil Code is thus within the legal limits, also considering any shares owned by subsidiaries.

Own shares shall be purchased within the limits of distributable income and available reserves as per the latest approved financial statements at the time the purchases are carried out.

Purchase authorisation is requested for the maximum period of 18 months permitted by applicable law, from the date of the Ordinary Shareholders' Meeting resolution.

The Management Board may implement the authorised purchases, delegating suitable powers for such actions to the Managing Director and CEO, who shall avail himself of the competent corporate functions, in one or more steps and at any time.

The authorisation to use the own shares purchased as above is requested for the time period required to implement the Plan.

The Management Board proposes that the purchase be made, in compliance with any regulatory restrictions or permitted market practices, at a price identified on a case by case basis, net of accessory charges, in the range of a minimum and maximum price which can be determined using the following criteria:

- the minimum purchase price cannot be lower than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, less 10%;
- the maximum purchase price cannot be higher than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, plus 10%.

At any rate, the purchase price will not be higher than the higher of the price of the last independent trade and the highest current independent bid on the market.

Purchases shall be made on the regulated market - pursuant to Article 144-bis, letter b) of the Issuers' Regulation - in full compliance with the regulations on the equality of shareholders, the measures to prevent market abuse and the related market practices permitted by Consob.

Ordinary shares purchased based on the authorisation requested in this proposal shall be assigned to the recipients according to the terms and conditions envisaged by the System. The shares shall be assigned free of charge, at a value for recipients calculated in compliance with the provisions of tax and social security regulations in force from time to time.

If the shares purchased exceed the actual needs in service of the System, the Company may dispose of them on the regulated market, using the same methods provided for their purchase, at a price of no less than the reference price that the share recorded in the stock market session on the day prior to each single transaction decreased by 10%, or retain them for the service of any future incentive plans.

Dear Shareholders, you are thus requested to approve the share-based Incentive System for 2015, as well as to approve the proposed authorisation for the purchase and use of own shares, all in accordance with the terms illustrated.

23 February 2016

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

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 integrated

relating to the

INCENTIVE SYSTEM BASED ON FINANCIAL INSTRUMENTS

OF

INTESA SANPAOLO S.p.A.

23 February 2016



Introduction

This Information Document is published in order to provide the Company's shareholders and the market with information on the incentive system based on financial instruments (hereinafter the "System") in accordance with the contents of Art. 84-bis, paragraph 1 of the Issuers' Regulation.

The Information Document is available at the registered office of INTESA SANPAOLO, in Torino, piazza San Carlo, 156, and on the website group.intesasanpaolo.com. The Information Document is also available on the authorised storage system (at www.emarketstorage.com). Publication of the document has been announced to the market through a press release.

The Ordinary Shareholders' Meeting called upon to approve the System has been convened for 27 April 2016 (on single call).

Beneficiaries

The System is addressed to Risk Takers, in application of the Supervisory Instructions and the Regulatory Technical Standards - RTS¹, identified through the self-assessment process set up, guided and coordinated by the Parent Company, as well as, in compliance with 2015 Group Remuneration Policies, to managers or professionals eventually granting a "relevant bonus".

Application of the RTS has led to the identification of approximately 300 Risk Takers, based on qualitative and quantitative criteria. Among the Risk Takers, the Supervisory Instructions on remuneration identify a further cluster represented by "Top Risk Takers"²:

- Managing Director and CEO;
- General Manager;
- Heads of the Divisions and of Capital Light Bank;
- Chief Operating officer, Chief Financial Officer, Chief Lending Officer, Chief Governance Officer, Chief Innovation Officer, Chief Risk Officer and Chief Compliance Officer;
- Manager responsible for preparing the company's financial reports;
- Heads of Head Office Departments that report directly to the Managing Director, the Chairman of the Management Board and the Chairman of the Supervisory Board.

Therefore, beneficiaries include managers who have regular access to privileged information and have the power to make management decisions which may affect the Group's evolution and outlook.

The Plan's beneficiaries also include Top Managers and those who report directly to the Heads of the Control Functions for whom, in compliance with Bank of Italy instructions, the specific characteristics relating to the parameters used to determine incentives remain confirmed.

These officers play a key role in corporate processes, especially in the light of the lessons learnt from the financial crisis, since they are responsible for the correct presentation of income statement and balance sheet results and for guaranteeing efficient measurement and control of the Group's exposure to different types of risk (market, credit, rate, liquidity, operational and country risk), including the risk of noncompliance.

Therefore, we deem it appropriate for the Top Managers and those reporting directly to the Control Functions, as part of the Group's management component, to be able to participate in and benefit from the same incentive schemes. This will be done ensuring that the value of the relevant bonuses is, as required by regulators, strictly dependent on the quality of performance of the above mentioned duties and adjusted to be in line with the Group's economic results.

² European Commission Delegated Regulation (EU) 604/2014 of 4 March 2014, which integrates the 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.

³ This cluster includes, but does not reduce, Group Key Managers which also comprises the Head of the Corporate Affairs Department

Among System beneficiaries, Managers or professionals eventually granting a “relevant bonus”, i.e. higher than 80,000 euros threshold and higher than 100% fixed remuneration are also included.

The recipients are indicated in the attached Table.

Plan Objectives

Incentive plans are designed, in general terms, to retain managers and support their motivation to achieve the company’s long-term goals. Where they include financial instrument-based compensation, they also strengthen the alignment of Management conduct, Shareholders’ interests and medium-/long-term results, also via the managers’ direct participation in corporate risk.

Under this approach, the plans are an integral component of the Intesa Sanpaolo Group compensation system addressed to executive officers and Remaining Personnel, fully in line with its investment in human capital development, in the framework of a policy targeting sustainable long-term development and accountability vis-à-vis all stakeholders, by incentivising the achievement of targets identified by the competent corporate functions from among the indicators that best reflect Group profitability over time, also taking account of risks assumed, the cost of capital, liquidity and the level of capital base required to handle the activities implemented.

The structure of the incentive mechanism is also compliant with the Supervisory provisions in force, when these require that at least 50% of the variable part accrued by Risk Takers be assigned in shares or related instruments.

Note that any cash payments made and the amount of the financial instruments assigned to beneficiaries will come under social security provisions and will constitute income from employment, 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 definition of the System.

Approval process and timeframe for award of the instruments

Intesa Sanpaolo’s remuneration and incentive policies were approved by the Supervisory Board based on a proposal of the Management Board on 3 March 2015 and, limited to the areas of responsibility, subject to an advisory vote of the Shareholders' Meeting of 27 April 2015, which was favourable. The Management and Supervisory Boards, each within the scope of its remit, approved the funding for the incentive system for the Top Management, the so-called Risk Takers and for managers or professionals granting a “relevant bonus” implementing said policies, on 17 March 2015.

The Remuneration Committee examined the characteristics and parameters at the meetings of 18 and 27 February 2015. The official quoted price of an ordinary share in Intesa Sanpaolo on such dates fluctuated from a minimum of 2.8844 euro (quoted price on 18 February 2015) to a maximum of 2.9785 euro (on 27 February 2015).

The System relates only to 2015.

This Incentive System shall be subject to approval of the Shareholders' Meeting called for 27 April 2016 in single call.

The proposed resolution which shall be submitted to the aforementioned Shareholders' Meeting includes the assignment to the Management Board 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 Management Board shall avail of the assistance of the Treasury Department and/or Banca IMI, which shall also be assigned to carry out any sales of shares which may exceed requirements.

The Human Resources Department is responsible for managing the System, supporting the Chief Executive Officer and the Management Board in drawing up the required measures to implement the System, and availing itself, to this end, of the support of other corporate functions for the activities under their respective remits.

Characteristics of the financial instruments to be awarded

The System provides for the assignment to the recipients identified above of a bonus comprised of 50% cash and 50% Intesa Sanpaolo ordinary shares, which will be purchased on the MTA market (mercato telematico azionario) in compliance with the powers delegated by the Shareholders' Meeting.

60% of the entire bonus (reduced to 40% for the Top Risk Takers, excluding those in Control Functions and for who, amongst Risk Takers, grants a bonus higher than 100% fixed remuneration) will be paid to the beneficiaries in the year following the year the bonus refers to (upfront portion) according to the same cash/shares ratio as above.

The remaining portion will instead be assigned in subsequent years, broken down as follows:

- for Top Risk Takers, excluding those in the Control Functions and for who, amongst Risk Takers, grants a bonus higher than 100% fixed remuneration, the deferral period is equal to 5 years, with payment of an instalment of 20% of the entire bonus in the first year (100% in cash) and 10% of the entire bonus in the following four years (the first three 100% in shares, the last 100% in cash);
- for the Top Risk Takers belonging to the Control Functions, the remaining Risk Takers and the managers or professionals who grant a "relevant bonus" (i.e. higher than both 80,000 euros and 100% fixed remuneration), the deferral period is equal to 3 years, with payment of an instalment of 20% of the entire bonus in the first year (100% in cash) and 10% of the entire bonus in the following two years (both 100% in shares).

As per the Supervisory Instructions, each portion of the bonus assigned in shares shall be subject to a retention period of 2 years for the upfront portion and a shorter period (6 months) for the deferred portions. The retention period starts from the accrual date of the bonus. The Supervisory Instructions also state that interest at market rates can be calculated on the deferred portions paid in cash.

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

In light of the above, the shares to be purchased on the basis of the Shareholders' Meeting delegated powers may be delivered to the recipients starting from 2018 (for the upfront portion referring to 2015 results) and up to the second half of 2020 (for the last deferred portion due to Top Risk Takers and to who, amongst Risk Takers, grants a bonus higher than 100% fixed remuneration).

In any event, accrued incentives lower than or equal to both "relevant bonus" identification threshold and 100% fixed remuneration, are paid entirely in cash and upfront, inasmuch as the amounts that would result from the application of the deferral, payment in shares and holding period regulations would be quite insignificant in both absolute and relative terms with respect to total remuneration collected, to such an extent as to result in effective invalidation of the principle that inspires the mechanism (correlation between the amount of the incentive and assumption of risks).

In the particular case of a bonus lower than 80,000 euros but higher than 100% fixed remuneration, the total amount will be paid 60% upfront cash and the remaining 40% in one tranche, always in cash, after 2 years of vesting, subject to malus and clawback conditions.

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 theoretical bonus paid is related to the level of each recipient's fixed remuneration component.

More specifically, recipients may at the most receive variable remuneration including the bonus assigned through this System and the annualised portion of the LECOIP Co-Investment Plans⁴, equal to 50% of the remuneration pay mix, increased at 67% only for some specific business families.

In the light of regulators' indications, the Top Managers and those reporting directly to the Control Functions, even if partly included among the Key Managers, may benefit from a more limited variable portion – including the part relating to LECOIP Co-Investment Plans – assigned by the System and at most equal to 33% of fixed remuneration⁵.

The assignment of incentives to recipients is funded by a structured bonus pool mechanism. In full harmony with the criterion of symmetry between the amount of bonuses paid and actual performance achieved, the total amount of the incentives at Group level is linked to the trend of an economic indicator, Income before Tax from Continuing Operations, appropriately adjusted (approximately +/- 10%) in relation to an evaluation of the performance of Intesa Sanpaolo relative to a panel of its international and domestic peers, identified based on comparability in terms of size, business mix, capital and talent markets.

The opening of a bonus pool at Group and department level is based on the exceeding of the so-called "access threshold", expressed ex ante as the minimum value of the relative Income before Tax from Continuing Operations.

The financial sustainability principle is ensured, in accordance with the requirements of the Regulator, by the following preliminary conditions:

- Common Equity Tier Ratio (CET1) at least equal to the limit envisaged in the Risk Appetite Framework (RAF);
- Net Stable Funding Ratio (NSFR) at least equal to the limit envisaged in the RAF;
- No loss or a positive Income before Tax from Continuing Operations, net of any contribution of profits from buyback of the Bank's own liabilities, from the fair value measurement of Bank liabilities and from income components arising from accounting policies following changes to the internal model on core deposits.

Non-achievement of even only one of the above conditions results in non-activation of the incentive systems for Group personnel.

The Top Risk Takers are subject to a further condition represented by the Liquidity Coverage Ratio (LCR), the level of which must be at least equal to the limit envisaged in the RAF.

Once said conditions have been exceeded, the total amount due to the recipients is defined, in compliance with the Group and Division/Business Unit bonus pools, based on the position reached by each Manager in the "internal ranking" of their specific Division/Business Unit. This ranking is obtained by ordering the scores of the results of the individual "target sheets", which measure performance at several levels, both quantitative (profitability, growth, productivity, cost of risk/sustainability) and qualitative (2014-2017 Business Plan projects, strategic actions and managerial qualities).

Moreover, each deferred portion is subject to ex-post adjustment mechanisms – the "malus conditions" – according to which the relative amount paid and the number of shares assigned, if any, may be reduced, even down to zero, in the year to which the deferred portion refers, in relation to the level of achievement of the minimum conditions set by the Regulator, namely:

- Common Equity Tier Ratio (CET1) at least equal to the limit envisaged in the RAF;
- Net Stable Funding Ratio (NSFR) at least equal to the limit envisaged in the RAF;
- No loss or a positive Income before Tax from Continuing Operations, net of any contribution of profits from buyback of the Bank's own liabilities, from the fair value measurement of Bank liabilities and from income components arising from accounting policies following changes to the internal model on core deposits.

⁴ Leveraged Employee Co-Investment Plans, approved by the Shareholders' Meeting on 8 May 2014, represent the long-term variable component, based on instruments associated with Intesa Sanpaolo shares, introduced at the time of launch of the 2014-2017 Business Plan.

⁵ Including the position indemnity representing a portion of fixed remuneration assigned according to the period in that role, paid monthly, not representing the calculation basis for employee termination indemnities and supplementary pension (if the fund has a base salary calculation basis). Social security contributions are calculated on the amount paid.

In particular, if either condition 1 or 2 does not occur individually, the deferred portion is reduced by 50%; if condition 3 is not met, the deferred portion is brought down to zero.

For the Top Risk Takers, in parallel with the provisions for activation of the System, a fourth condition – in addition to the three mentioned above – is also envisaged, relating to verification of the LCR compared to the RAF limits. For this category, if conditions 1 or 2 or that relating to the LCR do not occur individually, the deferred portion is reduced by 1/3; if condition 3 is not met, the deferred portion is brought down to zero.

As previously mentioned, the disbursement of the promised incentives, both in terms of the upfront portion and the deferred portion, whether assigned in cash or via shares, is conditioned on the participant being an employee of one of the companies in the Group at the time of actual disbursement 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 incentives “promised” 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 deferment/retention period and possibly measured 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.

In light of the System’s criteria, parameters and characteristics and, more generally, the information available to date, a total charge – inclusive of indirect charges pertaining to the employer and therefore also the cash component of the bonus - for recipients of the share-based plan, can be estimated at a maximum of 50.4 million euro, equal to 0.9% of personnel expenses recorded in the 2015 consolidated financial statements.

In light of the information available to date, including the share value (on 19 February 2016) the maximum number of shares to be purchased on the market to meet the total requirements of the System can be estimated at 9.4 million, equal to around 0.06% of ordinary share capital and total share capital. As these are purchases of own shares, there will be no dilutive effects for shareholders.

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

Recipients shall be entitled to the rights deriving from ownership of the shares starting from the effective share delivery date, at the end of the retention period. From said date, recipients may freely use the shares, without any additional restrictions, except for the impossibility of directly selling said shares to Intesa Sanpaolo or companies in the Group.

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 spin-offs, conversions of shares into other categories, distribution of extraordinary dividends drawing on reserves, etc.), the Management Board shall assess whether it is necessary to adjust the number of shares promised/accrued. The above checks will be performed in accordance with the rules commonly accepted in financial market practice and, to the extent possible, implementing any new instructions as may be issued by Borsa Italiana.

Note that, pursuant to the Group Corporate Governance Code of Conduct, employees are forbidden from “carrying out transactions in derivative instruments, such as those identified in Art. 1, paragraph 3 of the Consolidated Law on Finance and 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, the recipients may not carry out hedging transactions on the shares assigned through the System.

Lastly, it should be emphasised that if, at the end of the retention period, delivery of the shares to beneficiaries should occur during “blocking periods” as referred to in the Regulation on Internal Dealing or in periods subject to other operating restrictions relating to Group employees, each beneficiary will still

need to comply with the special authorisation and notification procedures applicable from time to time in order to arrange any transaction involving the shares 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 European level requirements of CRD IV and of the Bank of Italy in its 285 Circular⁶ in reference to the deferral period for Top Risk Takers.

⁶ In application of the Directive 2013/36/EU of the European Parliament and of the Council dated 26 June 2013 (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”, Title iv – Chapter 2, Circular 285 of 17 December 2013 in the Official Gazette of the Italian Republic on 2 December 2014.

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

Date: 23 / 02 / 2016

Name and Surname or Category	Office (only for named persons)	CHART 1						
		Financial instruments other than <i>stock options</i>						
		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	28/05/2012	Intesa Sanpaolo Ordinary Shares	227.586	28/05/2012	€ 0,97991 (2)	€ 1,02525	March 2015 / June 2016
Messina Carlo	Managing Director and CEO	22/04/2013	Intesa Sanpaolo Ordinary Shares	379.075	22/04/2013	€ 1,72759 (2)	€ 1,319	March 2015 / June 2017
Messina Carlo	Managing Director and CEO	08/05/2014	Intesa Sanpaolo Ordinary Shares (4)	266.667	01/12/2014	n.a.	€ 2,2885	April 2018
Messina Carlo	Managing Director and CEO	27/04/2015	Intesa Sanpaolo Ordinary Shares	152.730	27/04/2015	€ 3,19636 (3)	€ 3,1101	March 2017 / December 2019
Miccichè Gaetano	Executive Director General Manager	22/04/2013	Intesa Sanpaolo Ordinary Shares	454.890	22/04/2013	€ 1,72759 (2)	€ 1,319	March 2015 / June 2017
Miccichè Gaetano	Executive Director General Manager	08/05/2014	Intesa Sanpaolo Ordinary Shares (4)	249.450	01/12/2014	n.a.	€ 2,2885	April 2018
Miccichè Gaetano	Executive Director General Manager	27/04/2015	Intesa Sanpaolo Ordinary Shares	139.226	27/04/2015	€ 3,19636 (3)	€ 3,1101	March 2017 / December 2019
Del Punta Stefano	Executive Director	28/05/2012	Intesa Sanpaolo Ordinary Shares	124.034	28/05/2012	€ 0,97991 (2)	€ 1,02525	March 2015 / June 2016
Del Punta Stefano	Executive Director	22/04/2013	Intesa Sanpaolo Ordinary Shares	227.445	22/04/2013	€ 1,72759 (2)	€ 1,319	March 2015 / June 2017
Del Punta Stefano	Executive Director	08/05/2014	Intesa Sanpaolo Ordinary Shares (4)	153.812	01/12/2014	n.a.	€ 2,2885	April 2018
Del Punta Stefano	Executive Director	27/04/2015	Intesa Sanpaolo Ordinary Shares	88.262	27/04/2015	€ 3,19636 (3)	€ 3,1101	March 2017 / December 2019
Picca Bruno	Executive Director	28/05/2012	Intesa Sanpaolo Ordinary Shares	102.413	28/05/2012	€ 0,97991 (2)	€ 1,02525	March 2015 / June 2016
Picca Bruno	Executive Director	22/04/2013	Intesa Sanpaolo Ordinary Shares	151.630	22/04/2013	€ 1,72759 (2)	€ 1,319	March 2015 / June 2017
Picca Bruno	Executive Director	08/05/2014	Intesa Sanpaolo Ordinary Shares (4)	77.687	01/12/2014	n.a.	€ 2,2885	April 2018
Picca Bruno	Executive Director	27/04/2015	Intesa Sanpaolo Ordinary Shares	34.244	27/04/2015	€ 3,19636 (3)	€ 3,1101	March 2017 / December 2019
Key Managers (a)		28/05/2012	Intesa Sanpaolo Ordinary Shares	681.179	28/05/2012	€ 0,97991 (2)	€ 1,02525	March 2015 / June 2016
Key Managers (a)		22/04/2013	Intesa Sanpaolo Ordinary Shares	2.513.214	22/04/2013	€ 1,72759 (2)	€ 1,319	March 2015 / June 2017
Key Managers (a)		08/05/2014	Intesa Sanpaolo Ordinary Shares (4)	1.288.737	01/12/2014	n.a.	€ 2,2885	April 2018
Key Managers (a)		27/04/2015	Intesa Sanpaolo Ordinary Shares	863.488	27/04/2015	€ 3,19636 (3)	€ 3,1101	March 2017 / December 2019
Other Risk Takers		28/05/2012	Intesa Sanpaolo Ordinary Shares	2.537.367	28/05/2012	€ 0,97969 (3)	€ 1,02525	March 2015 / June 2016
Other Risk Takers		22/04/2013	Intesa Sanpaolo Ordinary Shares	4.993.281	22/04/2013	€ 1,72775 (3)	€ 1,319	March 2015 / June 2017
Other Risk Takers		08/05/2014	Intesa Sanpaolo Ordinary Shares (4)	7.499.651	01/12/2014	n.a.	€ 2,2885	April 2018
Other Risk Takers		27/04/2015	Intesa Sanpaolo Ordinary Shares	3.377.067	27/04/2015	€ 3,19636 (3)	€ 3,1101	March 2017 / December 2019

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

(1) In the column is indicated the time horizon in which shares could be effectively granted - eventually in more tranches.

(2) Average Intesa Sanpaolo purchase price of shares.

(3) Average issue price at Group level.

(4) ISP shares under "protected capital" of 2014-2017 LECOIP Certificates, which have been granted through ISP shares purchase/sell instrumental operations, including the forward sell of these shares - as represented in the relative Informative Prospect.

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

Date: 23 / 02 / 2016

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 Supervisory Board 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	27/04/2016	Intesa Sanpaolo Ordinary Shares	n.d.	n.d.	n.d.	n.d.	Mar.2018 / Oct.2020
Miccichè Gaetano	Executive Director General Manager	27/04/2016	Intesa Sanpaolo Ordinary Shares	n.d.	n.d.	n.d.	n.d.	Mar.2018 / Oct.2020
Del Punta Stefano	Executive Director	27/04/2016	Intesa Sanpaolo Ordinary Shares	n.d.	n.d.	n.d.	n.d.	Mar.2018 / Oct.2020
Picca Bruno	Executive Director	27/04/2016	Intesa Sanpaolo Ordinary Shares	n.d.	n.d.	n.d.	n.d.	Mar.2018 / Oct.2019
Key Managers		27/04/2016	Intesa Sanpaolo Ordinary Shares	n.d.	n.d.	n.d.	n.d.	Mar.2018 / Oct.2020
Other Risk Takers		27/04/2016	Intesa Sanpaolo Ordinary Shares	n.d.	n.d.	n.d.	n.d.	Mar.2018 / Oct.2020
Managers and professionals granting a "relevant bonus"		27/04/2016	Intesa Sanpaolo Ordinary Shares	n.d.	n.d.	n.d.	n.d.	Mar.2018 / Oct.2019

(1) In the column is indicated the time horizon in which shares could be effectively granted - eventually in more tranches.

f) Approval of the criteria for the determination of the compensation, including the maximum amount, to be granted in the event of early termination of the employment agreement or early termination of office

Distinguished Shareholders,

You have been called to this Ordinary Shareholders' Meeting to pass a resolution on the proposal to approve the criteria and the maximum limits for the determination of compensation in the event of termination of the employment agreement, in compliance with the Supervisory Provisions on remuneration (Provisions regarding remuneration and incentive policies and practices, Title iv – Chapter 2, Circular 285 of 17 December 2013 published in the Official Gazette of the Italian Republic on 2 December 2014 and adopted in application of "Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013" (CRD IV), published in the EU Official Journal on 27 June 2013).

In particular, the Shareholders' Meeting is responsible for the approval of the criteria for the determination of the compensation to be granted in the event of early termination of the employment agreement or early termination of office, including the limits established for said compensation in terms of fixed annual remuneration and the maximum amount arising from the application of such limits.

According to the Supervisory Provisions on remuneration, the compensation agreed in view of or upon early termination of the employment agreement or early termination of office for the amount exceeding the provisions of the national collective bargaining agreement concerning indemnity for failed notice, constitutes the so-called "golden parachutes", including any compensation paid according to the noncompetition agreement.

If the compensation granted is included in this category, the Group provides for it to be paid according to the methods set for the short-term variable remuneration, for each cluster, in compliance with the requirements of the Supervisory Provisions on remuneration.

In particular, for Top Risk Takers not belonging to Group Control Functions, the severance payment agreed in view of or upon early termination of the employment relationship, for the amount exceeding the provisions of the national collective bargaining agreement as payment related to the duration of the notice period, is granted as follows:

- 40% upfront at the time of terminating the employment agreement, of which:
 - 20% in cash;
 - 20% in shares, subject to a two-year holding period;
- 60% deferred, of which:
 - 20% in cash in the year following the one of termination of the employment agreement;
 - 30% in shares, in equal amounts, in the second, third and fourth years following the one of termination of the employment agreement, subject to a 1-year holding period;
 - 10% in cash, five years following the one of termination of the employment agreement.

For Top Risk Takers belonging to the Group Control Functions and for all the remaining Risk Takers (as identified at the time of terminating the employment agreement), the amount exceeding the provisions of the national collective bargaining agreement as payment related to the duration of the notice period, is granted as follows:

- 60% upfront at the time of terminating the employment agreement, of which:
 - 30% in cash;
 - 30% in shares, subject to a two-year holding period;
- 40% deferred, of which:
 - 10% in cash and 10% in financial instruments in the year following the one of termination of the employment agreement (the latest subject to a 1-year holding period);
 - 10% in shares in the second year following the one of termination of the employment agreement, subject to a 1-year holding period;
 - 10% in cash in the third year following the one of termination of the employment agreement.

In accordance with the Remuneration Policies, which is subject to your binding vote, each deferred portion of this compensation is, symmetrically to the provisions of the Incentive System, subject to an ex post adjustment mechanism – the so-called malus conditions - according to which the relative amount recognised and the number of financial instruments assigned, if any, may be reduced, even to zero, in the year to which the deferred portion refers, in relation to the level of achievement of the minimum conditions set by the Regulator, namely:

1. Common Equity Tier Ratio at least equal to the limit envisaged in the RAF;
2. Net Stable Funding Ratio (NSFR) at least equal to the limit envisaged in the RAF;
3. No loss or positive Income before Tax from Continuing Operations, net of any contribution of profits from the buyback of Bank's own liabilities, from the fair value measurement of Bank's liabilities and from income components arising from accounting policies following changes to the internal model on core deposits.

In particular, if either condition 1 or 2 does not occur individually, the deferred portion is reduced by 50%; if condition 3 is not met, the deferred portion is brought down to zero.

For Top Risk Takers, in parallel with the provisions for activation of the Incentive System, a fourth condition – in addition to the three mentioned above – is also envisaged, relating to verification of the LCR compared to the RAF limits. As regards this cluster, if either condition 1 or 2 or that relating to the LCR does not occur individually, the deferred portion is reduced by 50%; if condition 3 is not met, the deferred portion is brought down to zero.

Severance payments awarded, net of the payment related to the duration of the notice period, for values below 80,000 euro are granted entirely in cash and paid upfront, regardless of the cluster concerned.

As provided for by EBA Guidelines of December 2015, the payments set for early termination of the employment relationship or for early termination of the office are subject to above-mentioned Regulations only in cases where this would be contrary to the provisions of law relating to the early termination of the employment relationship in a single country, or to the provisions laid down by the judicial authority or specifically represented and arranged with Bank of Italy.

Distinguished Shareholders, you are thus requested to confirm, with binding resolution, the approval, already given last year, of the maximum limit of the "golden parachute" compensation as just defined, 24 months of fixed remuneration⁷, also including the indemnity for failed notice set by the national collective bargaining agreement, according to the abovementioned terms; the adoption of this maximum limit may imply a maximum payment equal to 5 million euro.

15 March 2016

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

⁷ The fixed remuneration includes the gross annual remuneration and any role indemnity and/or remuneration received for the office and not given back to the Bank.