Report of the Board of Directors
Ordinary Part - Item 3 on the Agenda

Remuneration and own shares:

f) Approval of the 2018-2021 LECOIP 2.0 Long-term Incentive Plan for all employees that are not recipients of the POP Plan.

Distinguished Shareholders,

You have been invited to attend this Ordinary Meeting to discuss and resolve on the approval of a plan based on financial instruments called Leveraged Employee Co-Investment Plan - LECOIP - 2.0.
This Plan is open to all employees, meaning by that all Professionals and Managers in Italy, with the exception of Top Management, Risk Takers and Key Managers, who are eligible to take part in the POP Plan.

The LECOIP 2.0 Plan, in continuity with the same principles of inclusivity and cohesion that inspired the Bank for 2014-2017 LECOIP, approved by the Ordinary Meeting in 2014, is aimed at:

- enhancing the alignment of all employees with the long-term objectives of the 2018-2021 Business Plan.
- enabling the sharing of the value created over time, at every level of the organization, because of the achievement of the above-mentioned objectives.
- fostering the identification (ownership) and the spirit of belonging to Intesa Sanpaolo Group.

Key Features of the LECOIP 2.0 Plan (1/2)			
Topic	**Features of LECOIP 2.0**		**Detail**
Beneficiaries	Approximately 69,000 employees in Italy belonging to either of the following categories: 1. Managers (excluding Top Managers, Risk Takers and Key Managers) 2. Professionals		Paragraph 1
Financial Instrument	Manager LECOIP 2.0 Certificates issued by a main Financial Arranger	Professional LECOIP 2.0 Certificates issued by a main Financial Arranger	Paragraph 2.3
Participation Model	**Manager** Each beneficiary receives the right to participate to the LECOIP 2.0 Plan. Participation means receiving LECOIP 2.0 Manager Certificates. They have the following features: i. They ensure a base level return protected from share price volatility (Protected Capital) equal to 75% of the Initially Assigned Capital ii. Appreciation is calculated on a larger shares base (**8 times larger**) than the Initially Assigned Capital	**Professional** Each beneficiary is granted the right to receive an advance payment of the 2018 PVR and is given the option to receive the payment in cash or, alternatively, in shares (Free Shares). Those who elect Free Shares are obliged to allocate them towards LECOIP 2.0 Professional Certificates. In this case: i. They receive a higher Protected Capital (from share price volatility) than the capital initially allocated (the Free Shares) ii. Appreciation is calculated on a shares base **eight times larger** than the Protected Capital	Paragraph 2

Key Features of the LECOIP 2.0 Plan (2/2)		
Value of the Initially Assigned Capital	• Differentiated by seniority and professional family (i.e. Investment banking, Asset management, Governance Functions …) • Equal to the value of the sum of Free and Matching Shares, which participants receive exclusively instrumental to the purpose of signing the Certificates • For Managers and highly remunerated professional families (i.e. Investment banking, Asset management, Treasury …): up to 100% of fixed remuneration for the entire period (25% of fixed remuneration on annual basis) • For remaining Staff: to be negotiated with Trade Unions	Paragraph 3
Trigger Events 2018 - 2021	• CET1 ≥ SREP • NSFR ≥ 100% Protected Capital (except for Free Shares) is subject to: • CET1 ≥ SREP	Paragraph 4
Appreciation model	Asian floored: appreciation is calculated on the basis of monthly observations, where each observation is the difference between share price at the time of the observation and share price at grant (any negative differences are calculated as nil and therefore do not result in a decrease in the total net value accrued up to that moment).	
Vesting Period	In line with 2018-2021 Business Plan time horizon.	
Payout Scheme	Upfront cash pay-out in 2022 (employees may also elect pay-out in ISP shares). If value at grant is higher than € 80,000, 40% of the amount to be paid is deferred in cash.	Paragraph 5
Individual Compliance Breach and Clawback	In line with the provisions of the Group's Remuneration policies.	Paragraph 6
LECOIP 2.0 in case of extraordinary events	• Forfeiture of any rights connected with the LECOIP 2.0 in case of resignation, termination for cause, dismissal, consensual termination and similar situations • Prorated payment at the natural end of the Plan in case the beneficiary reaches retirement age, signs up to the pre-retirement solidarity fund "Fondo di Solidarietà" or in case of death • Prorated payment before the natural end of the Plan in case of change of control	Paragraph 7
Source of Shares serving the Plan (assuming 100% take up)	• Share capital increase (inclusive of share premium), as allowed by section 2349, paragraph 1 of the Italian Civil Code, for a maximum amount of € 400 million, with the free issue of Intesa Sanpaolo ordinary shares • Share capital increase (inclusive of share premium and net of a discount) as allowed by Article 2441, paragraph 8 of the Italian Civil Code, for a maximum amount of € 1,200 million, with the issue of discounted Intesa Sanpaolo ordinary shares excluding option rights for Group employees.	Paragraph 2.2
CET1	+€ 1,200 milion, equal to +45 b.p. (assuming a 100% take up)	Paragraph 2.2
Dilution (assuming 100% take up)	3.5% (assuming price per ISP share of € 3), up to a maximum of 4.4% (assuming stress scenario price per ISP share of € 2.4).	
Cost	€ 570 million	

The LECOIP 2.0 has been formulated in compliance with the provisions of Article 114-bis of Legislative Decree 58 dated February 24 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; for this purpose, an informative document has been prepared, describing the details of the remuneration plan illustrated in this Report pursuant to Article 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law - attached hereafter for any consultation (Annex 1). This proposal is in line with the Group Remuneration Policies, with provisions issued by Bank of Italy on remuneration policies and practices, and with the indication provided by Directive 2013/36/EU (CRD IV) and EBA (European Banking Authority) guidelines.

LECOIP 2.0 Plan

1. Beneficiaries

The LECOIP 2.0 Plan is intended for employees of Intesa Sanpaolo and of the Italian Group Companies other than those beneficiaries of the POP Plan (totaling approximately 69,000 people), who can be divided into two clusters:

- Managers
- Professionals

The cluster of Managers (other than Group Risk Takers and Key Managers[1]) includes "Dirigenti" and employees who belong to the "Quadri Direttivi" professional category and have formal responsibility over an organizational structure. This cluster includes approximately 2,000 beneficiaries.

The Professional cluster includes all the remaining staff belonging to the "Quadri Direttivi" (including Branch Managers) and "Aree Professionali" professional categories. This cluster includes around 67,000 beneficiaries.

2. Participation model

2.1 Adherence to the Plan

The Intesa Sanpaolo Group grants Professionals the right to receive an advance payment of the 2018 Variable Result Bonus, also referred to as PVR ("Premio Variabile di Risultato") in cash or in shares (Free Shares). In case shares are chosen, these are automatically allocated towards the LECOIP 2.0 Plan.

The advance payment of 2018 PVR is subject to gateway and ex-post conditions.

Gateway conditions are verified at the time of grant on the basis of data for the quarter preceding the grant. They are:

- Common Equity Tier Ratio (CET1) equal at least to the limit set by the Supervisory Review and Evaluation Process;
- Net Stable Funding Ratio (NSFR) equal or higher than 100%;
- Positive Gross Income[2] at Group Level.

Furthermore, grant is anyway subject to verification of the so called individual compliance breach, i.e. absence of disciplinary measures involving suspension from service and pay for a period equal to or greater than one day.

If the selected mode of advance payment of the 2018 PVR is shares, given the absence of impacts on the liquidity of the Group (which makes the adoption of the NSFR as a prudential criterion unnecessary), the only ex-post condition to be verified for year 2018 is the maintenance of the capital adequacy levels envisaged by the SREP, measured in terms of Common Equity Tier 1 Ratio (CET1) and the achievement of the productivity KPI[3].

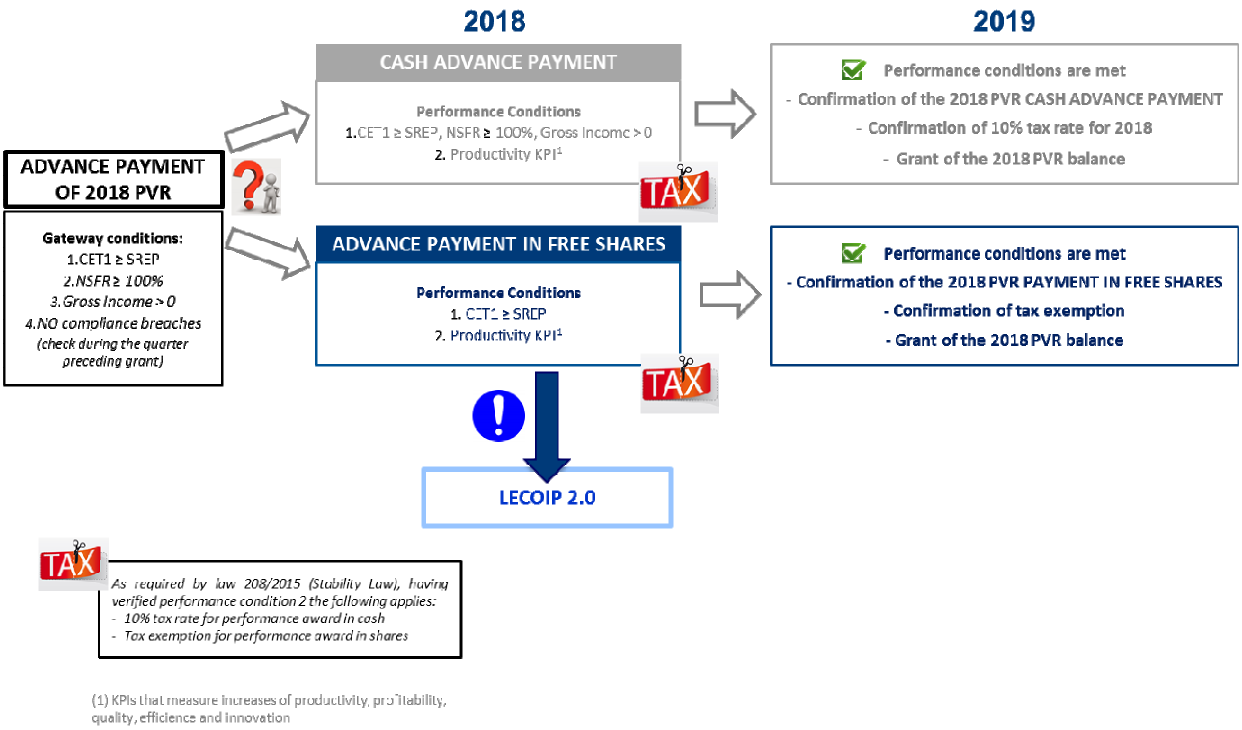
[1] Managers are identified as "Key" when they have a level equivalent to Risk Takers in terms of Global Banding. The Intesa Sanpaolo Group's Global Banding model is based on international IPE (International Position Evaluation) job evaluation methodology of a leading consulting firm.

[2] Net of any contribution of profits from buyback of the 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.

[3] Indicator measuring increases in productivity, profitability, quality, efficiency and innovation in line with art. 1, paragraphs 182-190, of Law 208/2015 and the Interministerial Decree of 25 March 2016.

Failure to verify CET1 requirements as at 31 December 2018 entails the claw back of the 2018 PVR paid in advance. Its value will be deducted from the PVR for year 2019 or, in absence of the 2019 PVR, from base salary on a prorated basis[4].

Chart 1



Intesa Sanpaolo intends the LECOIP 2.0 Plan for Professionals as a voluntary and individual choice of employees to receive part of their annual variable bonus in the form of long-term remuneration. This should demonstrate that participants consider their contribution to the achievement of the objectives of the Business Plan 2018-2021 significant and that they wish to take part in the potential creation of value that the Bank will carry out in the coming years. In other words, we can state that, on the one hand, the LECOIP 2.0 is an opportunity that Intesa Sanpaolo offers its employees to share the expected value creation from the Business Plan 2018-2021 and, on the other, that the Plan is a sort of "back-testing" of the level of employees' commitment to the Plan.

Unlike the LECOIP 2.0 Plan for Professionals, the LECOIP 2.0 Plan for Managers does not use a sacrifice bonus model but is based on the direct granting to targeted employees of LECOIP 2.0 Manager Certificates issued by the Financial Arranger. However, recipients retain the right to refuse this assignment as is the case for every other incentive plan.

2.2 Subscription Scheme:

a. The employee who signs up to the LECOIP 2.0 plan by signing the Certificates receives:

i. Newly issued shares (**Free e Matching Shares,** which together constitute the "Initially Assigned Capital") resulting from a capital increase without payment

[4] If as of 31 December 2018 the productivity KPI is not verified, employees must refund the difference between the tax rate applied (by virtue of the tax benefits per Article 1, paragraphs 182-190, of Law 208/2015 and the Interministerial Decree of 25 March 2016) and ordinary taxation. In other words the cash award or the normal value of the shares granted shall be subject to IRPEF and additional taxes according to the ordinary rules for employment income tax.

through allocation of profits to employees. At the same time the employee subscribes newly issued discounted[5] shares (seven times the sum of Free and Matching Shares) deriving from a capital increase with payment reserved for employees (“**Discounted Shares**”). Together with Free Shares and Matching Shares, Discounted Shares constitute the “**Underlying shares**”.

ii. Newly issued shares (**Sell to cover**) issued against the same capital increase without payment referred to in point a.i. paragraph for the immediate sale to cover tax obligations arising from the granting of Free and Matching Shares and from the benefit deriving from the discount in the subscription of Discounted Shares;

b. The employee stipulates a forward sale contract of the Underlying Shares with the Financial Arranger (the "**Forward Sale**") on the basis of which (i) the Financial Arranger immediately pays to the employee the price of the sale (the "**Price**[6]" which, therefore, is paid in advance of the expiry of the forward sale) and (ii) the employee agrees to deliver the Underlying Shares upon expiry of the contract.

c. The employee subscribes the Certificates and the Discounted Shares with the “Price” received

d. The settlement date of the Forward Sale (which will take place approximately 45 months after stipulation) will coincide with the expiration of the Certificates. Therefore, on that date the employee will:

i. Receive amounts accrued under the LECOIP Certificate;

ii. Transfer the Underlying Shares to the Financial Arranger, in accordance with the conditions of the forward sale

e. Between stipulation and settlement date,

i. Underlying Shares will remain bonded to the Financial Arranger based on a pledge agreement (with right of use on all shares);

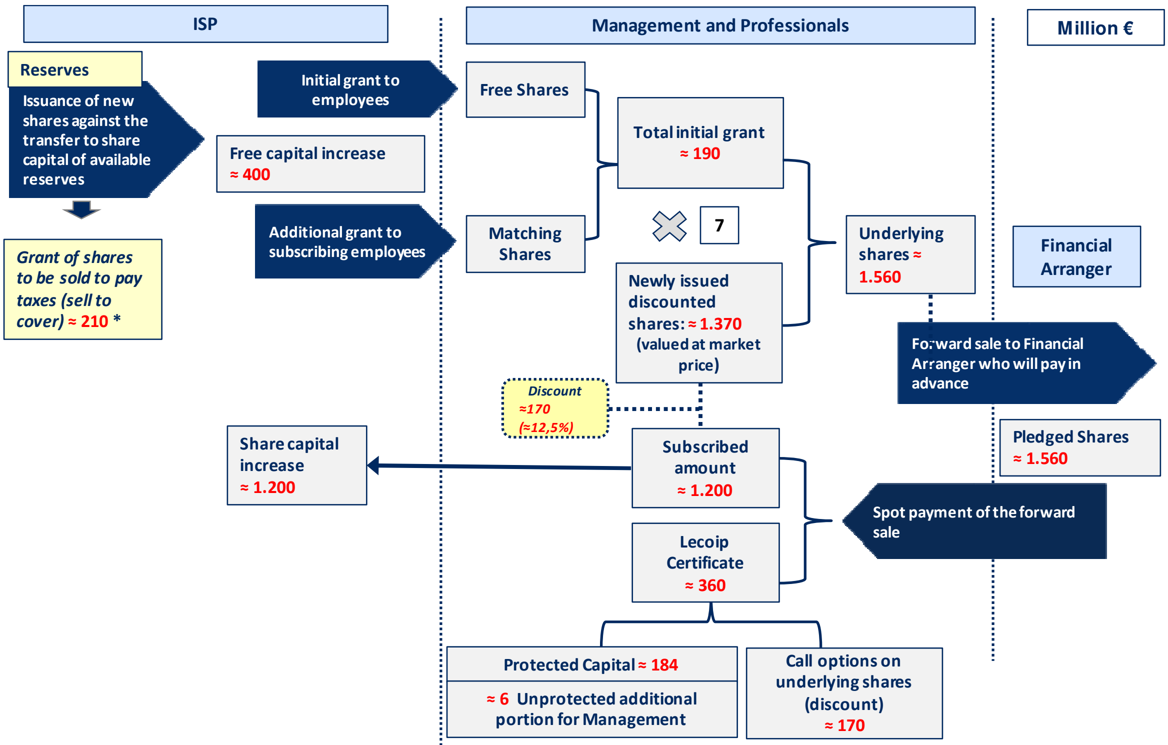
ii. For the whole duration of the Plan, the employee will not financially enjoy dividend rights related to the Underlying Shares, nor will he/she be able to vote at the Annual General Meeting (in case of exercise of the right of use pursuant to the pledge agreement, the Financial Arranger will have full ownership of the shares and will therefore enjoy dividend and voting rights deriving from it).

The financial structure described above is shown in the following chart (Chart 2, Assumptions: 12.5% discount on the Intesa Sanpaolo share price, 100% take-up).

[5] The discount is determined based on the market price of the ISP share, calculated as the arithmetic mean of the weighted average price for the volumes of the last 30 days prior to the issue of the Certificate. It is aimed at guaranteeing a Participation Rate of 100% to the appreciation of Intesa Sanpaolo shares. The discount will be determined at the end of the trading day before the issue of discounted shares and the Certificate. At current ISP stock prices, the discount is estimated to be around the center of the range 10-15%.

[6] The price of the forward sale is equivalent to the current market value of Free Shares, Matching Shares and Discounted Shares and it is equal to the value needed to subscribe Discounted Shares and the Certificate.

Chart 2



* Value included in the LECOIP 2.0 cost estimation

For the sake of administrative simplicity, each employee's participation in the Plan will take place through a trust company (the "**Fiduciaria**"), which, on the basis of a mandate received from the employee, will act on behalf of the latter in relations with the Financial Arranger.

2.3 The Financial Instrument

The "LECOIP 2.0 Professional Certificate" gives the right to:

- Receive, upon maturity and upon verification of the specific conditions described in Paragraph 4, an amount of money equal to the original market value of the Free Shares and Matching Shares (Initially Assigned Capital);
- Receive, also upon maturity, any appreciation on an amount of shares equal to 8 times the Initially Assigned Capital;

Managers sign the "LECOIP 2.0 Manager Certificate", which has essentially the same structure as the "LECOIP 2.0 Professional Certificate", except for the fact that it gives the right to receive, upon expiry and upon verification of the specific conditions described in Paragraph 4, 75% of the Initially Assigned Capital (instead of 100%).

3. Initially Assigned Capital

The Initially Assigned Capital is determined according to the principles of the Remuneration Policies of the Intesa Sanpaolo Group in terms of internal equity and external competitiveness of remuneration.
The Initially Assigned Capital has the same value as the sum of the value of Free and Matching Shares (see Paragraph 2.2.a). These shares are granted to the beneficiaries of the Plan only upon their subscription to the plan and exclusively for purposes instrumental to the signing of the Certificates. In other words, Free and Matching Shares cannot be held or sold in the context of arrangements different from the Forward Sale (see Paragraph 2.2.b.).

The criteria according to which the value of these components is determined are:

For Professionals:

a. Free Shares: the same amount for all participants, as agreed with Trade Unions;

b. Matching Shares: differentiated amounts depending on the combination of the following criteria:

  - Business segment/job family;
  - Job title/formal role if available. If not available, seniority level assigned in the Group's Performance evaluation system "Performer 2.0" will be used

For Managers:

a. Free Shares: the amount of free shares to be granted is defined according to the band to which the manager's position belongs within the Intesa Sanpaolo Global Banding[7], following a principle of proportionality whereby a higher level of Free Shares is assigned to a higher band

b. Matching Shares: the amount granted depends on the business segment/professional family of the beneficiary; a higher number of Matching Shares is allocated to the most revenue-generating job families (e.g. Investment Banking, Asset Management, Treasury, ...).

In any case, the value of the Initially Assigned Capital cannot exceed 100% of fixed remuneration.

4. Trigger Events 2018 - 2021

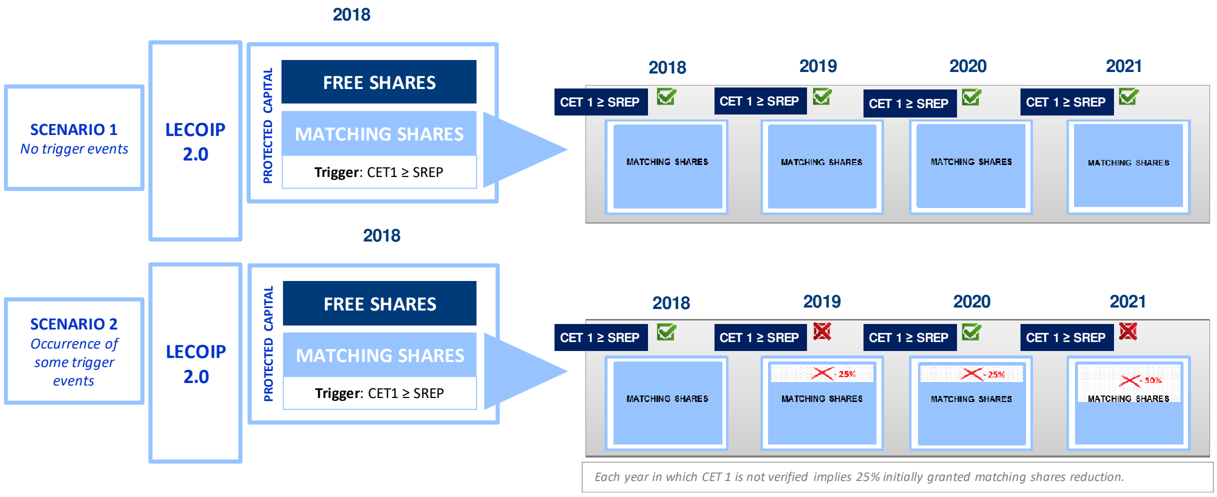
The operating mechanism of Trigger Events is structured differently according to the type of LECOIP 2.0 Certificate (Professional or Manager).
Upon the occurrence of Trigger Events, rights lost by Professionals and Managers respectively under the "LECOIP 2.0 Professional Certificate" and "LECOIP 2.0 Manager Certificate" (i.e. the monetary obligation contracted by the issuer against the signing of the LECOIP 2.0 Certificate) will be devolved to Intesa Sanpaolo.

4.1 Trigger Events - LECOIP 2.0 Professional Certificate

In the "LECOIP 2.0 Professional Certificate" the Initially Assigned Capital is reduced according to a single "Trigger Event", which is the failure to maintain capital adequacy levels per the Supervisory Review and Evaluation Process (SREP), measured in terms of Common Equity Tier 1 Ratio (CET1) that may occur during one single year or during more than one year in the duration of the Plan.
In each Plan year, deterioration of CET1 resulting in lower levels than those set in the SREP triggers a 25% reduction of the Initially Assigned Capital, limitedly to Matching Shares and to any correlated participation to share appreciation (i.e. Free Shares are not subject to the trigger, see Chart 3).

[7] The Intesa Sanpaolo Group's Global Banding model is based on the international IPE (International Position Evaluation) job evaluation methodology, according to which each managerial position is assigned a band depending on the level of complexity/responsibility managed by the position.

Chart 3



LECOIP 2.0 Professional Certificate: each component of the Initially Assigned Capital is subject to trigger events that can determine its reduction until its forfeiture

In line with the general framework of variable remuneration of the Intesa Sanpaolo Group, each component of the Initially Assigned Capital is reduced if the CET1 is lower than the requirements set by SREP:

- ***Matching Shares are subject to the achievement of CET1 levels set by SREP in every Plan year (see Paragraph 4.1 – Chart 3);***
- ***Free Shares are equally subject to the achievement of CET1 levels for year 2018 (measured on 31 December 2018), verified in 2019 in accordance with PVR negotiated award (see Paragraph 2.1 – Chart 1)***

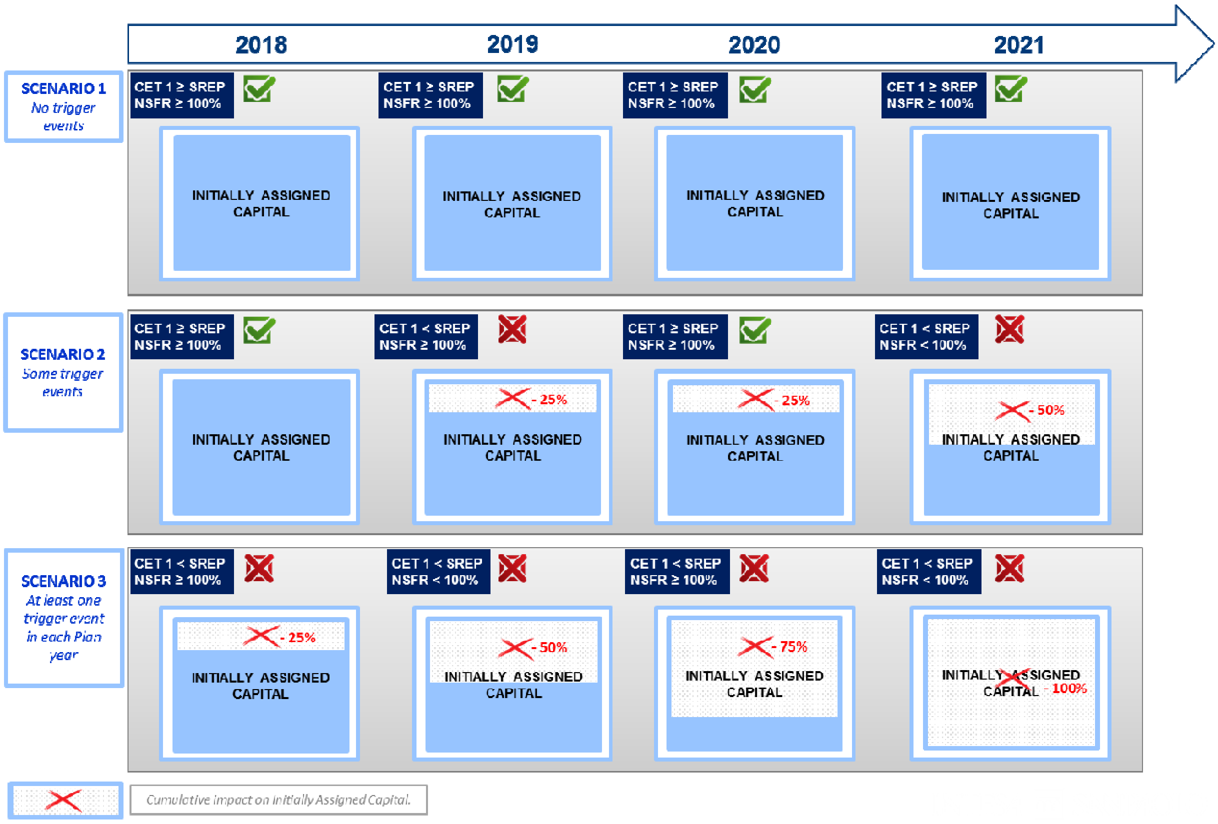
4.2 Trigger Events - LECOIP 2.0 Manager Certificate

In the "LECOIP 2.0 Manager Certificate" the Initially Assigned Capital may be reduced upon the occurrence of one of several "trigger events" that may take place during one single year or during more than one year in the duration of the Plan:

- Failure to maintain capital adequacy levels per the Supervisory Review and Evaluation Process (SREP), measured in terms of Common Equity Tier 1 Ratio (CET1);
- Failure to maintain adequate liquidity levels, measured by Net Stable Funding Ratio (NSFR)

In each Plan year, deterioration of CET1 and/or NSFR lower than 100%, triggers a 25% reduction of the Initially Assigned Capital (sum of Free and Matching Shares) and to any correlated participation to share appreciation (examples in Chart 4).

Chart 4



5. Payout scheme

The payout scheme of the LECOIP 2.0 Plan depends on the value of the Certificate at grant:

- A grant below the so called materiality threshold of € 80,000 results in a 100% upfront cash payout at the end of the vesting period (i.e. at the end of the Plan) in 2022.
- A grant above the materiality threshold results in a cash upfront payment of 60% at the end of the vesting period in 2022 and a deferred cash payment of the remaining 40% portion after two years in 2024.

Employees may elect physical settlement in shares.

6. Individual Compliance Breaches and Clawback

The LECOIP 2.0 Plan is in any way subordinated to the verification of the so called compliance breaches, i.e. disciplinary measures consisting in a suspension from pay and service of one day or more.

In case of disciplinary measures during the Plan Period 2018-2021, any right deriving from the Certificate is forfeited.
In case the award has a deferred portion (see Paragraph 5), if disciplinary measures are received after the end of the Plan but before the date of settlement, unvested portions of the award are subject to forfeiture.

The same claw-back mechanisms already envisaged in Group Remuneration Policies are extended and applied also to the LECOIP 2.0 Plan[8].

7. LECOIP 2.0 in case of extraordinary events

Participation to LECOIP 2.0 is subject to the beneficiary being still employed with Intesa Sanpaolo or with a company belonging to the Group in Italy at the moment of the Plan subscription.

Any rights deriving from the Certificate, including the right to protection of the Initially Assigned Capital, are forfeited in case of resignation, termination for cause, dismissal, consensual termination and similar situations[9]. Instead, rights may be recognized (if appropriate in a prorated manner that reflects the actual service period) if the beneficiary reaches the retirement age, signs up to the pre-retirement Solidarity Fund "Fondo di Solidarietà" or in case of death.

In the above-mentioned cases, the rights that would have been granted to employees pursuant to the Certificates will be transferred to Intesa Sanpaolo.

In addition to that, in the event of a change of control, early liquidation will take place. If the change of control occurs within the first 12 months of the Plan, the liquidation is a lump sum at least equal to the value of the initially granted Free Shares. If the change of control takes place after the first 12 months of the Plan, the payment is prorated and proportional to the duration of the Plan.

Final considerations

In conclusion, expected benefits of the LECOIP 2.0 Plan for the Bank's Professionals and Managers not included in the Risk Taker and in the Key Manager groups, are:

1. Intangible benefits
   a. cohesion and inclusiveness
   b. increase in the sense of belonging (*ownership*)
   c. alignment to medium/long term time horizon
   d. reinforcement of a *"shareholder" mindset*

2. Tangible benefits:
   a. Offer of an instrument, the LECOIP 2.0, that fosters and protects employee saving
   b. Tax benefits for employees compared to traditional remuneration schemes, as capital gains proceeding from the appreciation of Underlying Shares are subject to taxation on financial income.
   c. Increased levels of staff retention, as it is expected that any job offers by competitor companies to the Bank's staff should include, besides standard elements such as an increase of fixed remuneration, also a sign-on payment aimed at compensating the forfeiture of the LECOIP 2.0 Plan or at least its protected component.
   d. Efficient use of economic resources available to the Bank (due to their accounting and tax treatment, the LECOIP 2.0 has a lower cost compared to traditional remuneration schemes, with equal net benefit for the employee)
   e. Costs of the Plan are distributed over a multi-year time horizon

[8] "The company reserves the right to activate claw-back mechanisms, namely the return of bonuses already paid as required by regulations, as part of the disciplinary initiatives and provisions envisaged for fraudulent behaviour or gross negligence by personnel, also taking into account the relative legal, contribution and fiscal profiles."
[9] In the event of an organizational change leading to the cancellation of the position and the consequent consensual termination of the employment relationship, the payment is prorated and proportional to the duration of participation in the Plan.

Distinguished Shareholders, you are therefore invited to approve the Long-term Incentive Plan based on financial instruments “LECOIP 2.0” for all employees except Top Management, Risk Takers and Key Managers, in accordance with the terms illustrated.

20 March 2018

For the Board of Directors
the Chairman – Gian Maria Gros-Pietro

ATTACHMENT 1

INFORMATION DOCUMENT

Pursuant to Article 84-*bis* of CONSOB Regulation that CONSOB No. 11971 of 14 May 1999, as amended

in relation to

2018-2021 LECOIP 2.0 LONG-TERM INCENTIVE PLAN FOR ALL EMPLOYEES THAT ARE NOT RECIPIENTS OF THE POP PLAN

OF

INTESA SANPAOLO S.p.A.

20 March 2018

Introduction

This information document (the “**Information Document**”) is published pursuant to Article 114-*bis* of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Consolidated Financial Law**”), and article 84-*bis* of the CONSOB Regulation. 11971 of 14 May 1999, as amended (the “**Issuers’ Regulations**”), in order to provide the Bank's shareholders and the market, with the information regarding the plan based on financial instruments that is to be proposed to the Professionals and the Managers (as defined below) in the form of a Leveraged Employee Co-Investment Plan (the "**Professional LECOIP 2.0**" and the "**Manager LECOIP 2.0**", respectively, and, together, the "**Plan**").

This Information Document has been made available to the public at the registered office of Intesa Sanpaolo at Piazza San Carlo 156, Turin, as well as on the authorised storage system www.emarketstorage.com and on the website group.intesasanpaolo.com (section “Governance”/ “Shareholders’ Meeting”), in which there are further information.

Publication of the Information Document has been disclosed to the market.

The Ordinary Shareholders' Meeting to resolve upon the approval of the Plan has been called for 27 April 2018 (on single call).

Definitions

Ordinary Shareholders' Meeting	The Ordinary Shareholders' Meeting of Intesa Sanpaolo called for 27 April 2018 (on single call), to resolve upon the Plan (item 3f) of the agenda of the Shareholders' Meeting.
Extraordinary Shareholders' Meeting	The Extraordinary Shareholders' Meeting of Intesa Sanpaolo called for 27 April 2018 (on single call), to resolve upon the granting of powers to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to: (i) increase the share capital pursuant to Article 2349, paragraph 1 of the Italian Civil Code for the allocation of Free Shares and Matching Shares to Employees, in accordance with the provisions of the Plans (as item 2 on the agenda of the Shareholders' Meeting); and (ii) increase of the paid-in share capital with the exclusion of the option rights in favour of Employees pursuant to Article 2441, paragraph 8 of the Italian Civil Code, by issuing shares at a discount from the market price of the ISP Ordinary Shares (i.e. Discounted Shares), in compliance with the Professional LECOIP 2.0 Plan and the LECOIP 2.0 Manager (as in item 2 on the agenda of the Shareholders' Meeting).
ISP Ordinary Shares	The ordinary shares of Intesa Sanpaolo, traded on the *Mercato Telematico Azionario* (MTA), the electronic share market organised and operated by Borsa Italiana.
Discounted Shares	The newly issued ISP Ordinary Shares which in the context of the LECOIP 2.0, the Professionals and the Managers will underwrite as a result of a share capital increase reserved for the Employees pursuant to Article 2441, paragraph 8 of the Italian Civil Code, in which the issue price incorporates a discount with respect to the market value of the ISP Ordinary Shares calculated as the average of the prices observable in the 30day period immediately prior to the issue date.
Underlying Shares	Free Shares, Matching Shares, and Discounted Shares, as the financial assets underlying the Forward Sale Agreement.
Borsa Italiana	Borsa Italiana S.p.A., a company with registered office at Piazza degli Affari 6, Milan, and a member of the London Stock Exchange group.
Certificates	The LECOIP 2.0 Professional Certificates and the LECOIP 2.0 Manager Certificates.
Civil Code	The Italian Civil Code, approved by Royal Decree No. 262 of 16 March 1942, as amended from time to time.
Remuneration Committee	The committee that consults upon and proposes matters of remuneration, pursuant to the Corporate Governance Code for Listed Companies of Borsa Italiana S.p.A.
Board of Directors	The current Board of Directors of Intesa Sanpaolo.
CONSOB	The National Commission for Companies and the Stock Exchange, with offices at Via G.B. Martini 3, Rome.

Counterparty	The leading bank selected by Intesa Sanpaolo.
Employees	The Managers and Professionals who, as at the date of the subscription to the respective Plan, have a permanent employment relationship with Intesa Sanpaolo in Italy or with other companies belonging to the Intesa Sanpaolo Group.
POP Employees	The Top Management, Risk Takers and Key Managers of the Intesa Sanpaolo Group in Italy to whom the POP Plan is addressed (please refer to the relevant Information Document).
Information Document	This information document, prepared pursuant to Article 84-*bis* of the Issuers' Regulations, and in accordance with the indications set forth in Form 7 of Annex 3A to the Issuers' Regulations.
Fiduciary	Società Italiana di Revisione e Fiduciaria S.I.RE.F. S.p.A., a company with registered office at Via dell'Unione 1, 20122 Milan, registered on the Register of Companies of Milan, VAT No. and Taxpayer Reference No. 01840910150, which will act, on the basis of a mandate from the Employees, in its own name and on behalf of the Employees in dealings with the Counterparty.
Free Shares	The newly-issued ISP Ordinary Shares, allocated to Managers and Professionals under the Plan, against a free capital increase pursuant to Article 2349, paragraph 1 of the Italian Civil Code.
Global Banding	Classification model according to which all managerial positions are distributed among different levels according to the complexity / responsibility.
Intesa Sanpaolo Group or the Group	The Intesa Sanpaolo Banking Group.
Intesa Sanpaolo, ISP or the Bank	Intesa Sanpaolo S.p.A., a company with registered office at Piazza San Carlo 156, Turin, registered with the Register of Companies of Turin, VAT No. and Taxpayer Reference No. 0799960158, and the parent company of the Intesa Sanpaolo Banking Group.
LECOIP 2.0 Manager Certificates or the Manager Certificates	The financial instruments denominated certificates issued by the Counterparty, which reflect the terms of some options having as underlying ISP Ordinary Shares, allocated to the Group Managers as part of the Manager LECOIP 2.0.
LECOIP 2.0 Professional Certificates or Professional Certificates	The financial instruments denominated certificates issued by the Counterparty, which reflect the terms of some options having as underlying ISP Ordinary Shares, assigned in the context of the Professional LECOIP 2.0 to the Group's Professional who have not opted for the allocation of the basic component of the PVR in cash within the Plan.
Managers	The managers of the Intesa Sanpaolo Group other than Top Managers, Risk Takers and Key Managers to whom the POP Long-term Incentive Plan is addressed (please refer to the relevant Information Document).
Matching Shares	The newly issued ISP Ordinary Shares, allocated to Managers and Professionals in the context of the

	Plans, against a free capital increase pursuant to Article 2349, paragraph 1 of the Italian Civil Code and for an amount calculated on the basis of Free Shares allocated.
Pledge	The pledge agreement with the right of use concerning the Underlying Shares concluded by each recipient of LECOIP 2.0 in favour of the Counterparty.
Plan	Depending on the context in which the term is used, means the Professional LECOIP 2.0 and / or the Manager LECOIP 2.0.
Manager LECOIP 2.0	The LECOIP 2.0 incentive plan addressed to Managers, whose terms and conditions are described in this Information Document
Professional LECOIP 2.0	The LECOIP 2.0 plan for Professionals, whose terms and conditions are described in this Information Document.
2018-2021 Business Plan	The Intesa Sanpaolo Business Plan for the four-year period 2018-2021 approved by the Board of Directors on 6 February 2018.
Remuneration Policy	The remuneration policies of the Intesa Sanpaolo Group employees for the financial year 2018.
Professionals	The employees of the Intesa Sanpaolo Group, other than the Managers, to whom the Professional LECOIP 2.0 is addressed.
PVR	PVR ("*Premio Variabile di Risultato*"), i.e. short term variable remuneration system, for the year ending 31 December 2018, as defined under the Bank's 2018 Remuneration Policies.
Issuers' Regulations	The CONSOB Regulation adopted by CONSOB No. 11971 of May 14, 1999, as subsequently amended and supplemented.
Consolidated Financial Law	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented, containing the consolidated act on financial intermediation.
Forward Sale Agreement	The forward sale of ISP Ordinary Shares that each assignee of LECOIP 2.0 will enter into with the Counterparty, under which (i) the Counterparty immediately performs its obligation to pay the Employee the agreed price for the sale (which is thus paid in advance of the expiry of the Forward Sale Agreement); and (ii) the Employee agrees to deliver a certain number of ISP Ordinary Shares at the agreement's expiration date.

General

In the context of the 2018-2021 Business Plan, Intesa Sanpaolo intends to present two systems for the long-term variable remuneration of its employees, and those of other companies of the Intesa Sanpaolo Group, with the objective of, *inter alia*, promoting a sense of ownership of the Group, and aligning employees' objectives with those set out in the 2018-2021 Business Plan (the "**Transaction**").

By contrast with the action taken at the time of the 2014-2017 Business Plan, as a result of both changes in the regulatory environment and the business of the Intesa Sanpaolo Group it is considered desirable that different long-term incentives be applied t to Management, Risk Takers and Key Managers, on the one hand, and the Managers not within that cluster and the Professionals, on the other, always within the perimeter of the Group's Italian activities.

The two systems are:

- the incentive plan – "*Performance-Based Option Plan*" - **POP**; and
- the remuneration plan addressed to Managers - the Manager LECOIP 2.0, and to the other employees - the Professional LECOIP 2.0.

The POP long-term incentive plan

For a description of the POP incentive plan addressed to the POP Employees, please refer to the relevant Information Document.

The Manager LECOIP 2.0 and the Professional LECOIP 2.0

The LECOIP 2.0 plan will be allocated to the remaining ISP employees and the employees of other companies belonging to the group and has different characteristics for Professionals and Managers.

In particular, for both Managers and Professional, LECOIP 2.0 is a form of variable remuneration linked to the employee's stay in service, which is implemented through a dedicated structured financial instrument.

With respect to the Managers, with the view to ensuring co-participation in the achievement of the Group's strategic objectives based on the role of employees in the scope of consolidation, it is expected that the LECOIP 2.0 Manager Certificate will be assigned.

With reference to the Professional, with the view to encouraging voluntary participation in the Group's strategic objectives and the consequent creation of value by the employees in general, the Professional Plan consists of an advance of the basic PVR component for 2018, with the employee being able to choose whether to receive cash or shares that are automatically allocated towards the Professional Certificate.

The Manager Certificates and the Professional Certificates have different characteristics, in terms of level of capital protection and the trigger events that reduce both the amount of protected capital and participation in any appreciation in the underlying securities.

The methods of assignment are common to both the Manager Certificates and Professional Certificates.

- ISP assigns Free Shares to Professionals who have not opted to receiving the cash-in-hand and Managers. In the case of Professionals, Free Shares are assigned for a counter value equivalent to the amount of the individual basic PVR, while, in the case of Managers, for a different value depending on the level of Global Banding adopted by ISP.
- The Certificates are issued against the transfer by Professionals and Managers (the mechanism is automatic, in the sense that the Manager or the Professional cannot dispose of

the shares assigned to them if not through the contribution to the Plan), a number of ISP Ordinary Shares, equal to the sum of (i) the Free Shares, (ii) the Matching Shares, as well as (iii) the Discounted Shares, namely the ISP shares resulting from a paid-in share capital increase, pursuant to Article 2441, paragraph 8 issued at a discount with respect to the market value and subscribed by the employees with the pre-paid price of a forward sale.

- By virtue of the Certificate, the employee will acquire the right to receive, at maturity, (x) a value based on the original market value of the Free Shares and the Matching Shares transferred (the degree of protection of the original market value will be differ according to the type of employee) and (y) any appreciation of the Underlying Shares with respect to their original market value, to be calculated according to a model of payout, the so-called, Asian floored. For the sake of administrative simplicity, it should be noted that the participation of each Employee in the respective Plan will take place through the Fiduciary which, on the basis of a mandate received from each employee, will act on behalf of employees in dealings with the counterparty.

1. Persons to whom the offer is addressed

The LECOIP 2.0 Plan is addressed to Managers and Professional Employees of Intesa Sanpaolo S.p.A or companies belonging to the Intesa Sanpaolo Group in Italy.

1.1. Names of the persons who are members of the board of directors, or the management board of the issuer of financial instruments, of companies that control the issuer, or the companies that the issuer controls, directly or indirectly

The Plan is not addressed to the members of the Board of Directors of the Bank or of the companies directly or indirectly controlled by it.

Among the beneficiaries of the Plan there are no Professionals or Managers who hold offices in Administrative Bodies of companies, directly or indirectly, controlled by Intesa Sanpaolo.

1.2. Categories of employees and other staff of the issuer, of the companies that control the issuer and companies that the issuer controls

In addition to the information provided in paragraph 1.1,

(a) Professional LECOIP 2.0 is reserved for the following categories of employees of the Intesa Sanpaolo Group:

- junior managers (*quadri direttivi*) of Intesa Sanpaolo and the companies belonging to the Group in Italy (including branch managers); and
- clerks of Intesa Sanpaolo and the companies belonging to the Group in Italy;

(b) The Manager LECOIP 2.0 is reserved for the following categories of employees of the Intesa Sanpaolo Group:

- managers and junior managers (excluding branch managers) who have formal responsibility for an organizational structure and do not belong to the cluster of POP Employees.

1.3. Names of the persons benefitting from the Plan

(a) General managers of Intesa Sanpaolo

There are no general managers of Intesa Sanpaolo among the beneficiaries of the Plan.

(b) Other executive employees with strategic responsibilities whose aggregate compensation is higher than those mentioned above

Not applicable.

(c) Natural persons controlling Intesa Sanpaolo, who are employees or otherwise work for the Bank

There are no natural or legal persons that control Intesa Sanpaolo; not applicable.

1.4. Description and an indication of numbers in individual categories:

(a) executive employees with strategic responsibilities other than those named in paragraph 1.3(b)

Not applicable.

(b) in the case of smaller companies, all executive employees with strategic responsibilities

Not applicable.

(c) other categories of employees or persons who otherwise work for the Bank, receiving particular treatment under the Plan

The Plan does not provide for different characteristics applicable to for Professionals and Managers, respectively.

2. Grounds for adopting the Investment Plan

2.1. The objectives to be achieved through the allocation of the Plan

Simultaneously with the launch of the 2018-2021 Business Plan, the Bank intends to allocate to the employees of the Intesa Sanpaolo Group, who qualify as Professional and Manager, respectively, the Professional LECOIP 2.0 and the Manager LECOIP 2.0, in order to introduce an original way to motivate and boost the loyalty of the employees, whose involvement and valorisation, at all levels of the organization, are key and enabling factors for the achievement of the results of the aforementioned business plan.

2.1.1. Additional information

The Bank's Board of Directors, having received the positive opinion of the Remuneration Committee, has decided to make available to its Employees the Plan with maturity of approximately 45 months, coinciding with the duration of the Certificates (as per paragraph 2.3 below) and aligned with that of the Business Plan 2018-2021.

2.2. Key variables, also in the form of performance indicators taken into consideration in allocations under plans based upon financial instruments

Intesa Sanpaolo intends to allocate, under the Professional LECOIP 2.0, to the Professionals an advance of the basic PVR component for 2018, in an amount to be negotiated with the trades unions.

Professionals entitled to receive an advance PVR payment may decide whether to receive the bonus as (i) an allocation in cash; or (ii) an allocation in shares, which must be contributed into the relevant Plan for the purchase of Professional Certificates. Professionals who elect to receive the PVR in shares will receive a number of Free Shares from ISP that corresponds to the amount of the individual basic PVR.

For the 2018 PVR is subject a number of conditions precedent and subsequent.

The conditions precedent, which must be confirmed to be satisfied at the time the allocation is made based on the information as at and for the previous quarter, comprise:

- a Common Equity Tier Ratio (CET1) that is at least equal to the limit under the Supervisory Review and Evaluation Process (SREP);
- a Net Stable Funding Ratio (NSFR) of at least 100%; and
- a Gross Income that is positive, on a consolidated basis.

Allocation is also subject to confirmation that there has been no compliance breach by the individual, which is to say, no disciplinary measures entailing suspension from office or from pay for any period of a day or longer.

Where the election is made to take the 2018 PVR in shares, the only condition subsequent that must be satisfied in relation to 2018 is that the Common Equity Tier 1 Ratio (CET1) as at 31 December 2018 must continue to meet the capital adequacy levels contemplated by the SREP.

Failure to maintain CET1 requirement as at 31 December 2018 entails restitution of the 2018 PVR advance, meaning its value will be subsequently withheld from the 2019 PVR, or, if no 2019 PVR is allocated, from salary, on a pro rata basis.

As mentioned, the issuance of Certificates takes place against the contribution by the Professionals of a number of ISP Ordinary Shares that is the sum of the (i) Free Shares; (ii) Matching Shares; and (iii) the Discounted Shares. That contribution occurs automatically, and is mandatory.

Pursuant to the Professional Certificates, the employees acquire the right to receive, at maturity, (x) an amount linked to the original market value of the Free Shares and the Matching Shares contributed; and (y) any appreciation in the Underlying Shares over their original market value, calculated using the so-called Asian floored payout model.

Managers will receive allocations of ISP shares (i.e., Free Shares) for contribution into the Manager LECOIP 2.0 for the acquisition of Manager Certificates, and also contribute Matching Shares and Discounted Shares, under the same mechanism described above.

In the latter case, the allocation of Free Shares that is made will be based on the level of Global Banding (in the system employed by the Group) to which the particular Manager belongs.

2.2.1. Additional information

It should be noted that the Certificates will provide for certain assumptions (such as trigger events) in which both the protection and any portion determined by the appreciation of the Underlying Shares may be reduced. For more details, refer to what is specified in paragraph 4.1.

2.3. Factors underlying the determination of the size of the compensation based upon financial instruments, and/or criteria applied in such determinations

The amount of Free Shares that can be allocated to each Employee is different depending on the cluster to which such Employee belongs.

In particular, with reference to the Professionals, the amount of Free Shares that may be allocated is the same for all participants and negotiated with the trade unions.

Instead, with reference to Managers, the amount is defined according to the Intesa Sanpaolo Global Banding bracket to which the manager's position belongs.

Unlike the LECOIP 2.0 Manager Certificate, which contemplates the possible loss of the allocated Free Share, the LECOIP 2.0 Professional Certificate offers a protection of the component corresponding to the Free Shares equal to 100% of the value of the base PVR assigned to it.

2.3.1. Additional information

Please see paragraph 2.3, above.

2.4. Grounds underlying any decision to have compensation plans based upon financial instruments not issued by Intesa Sanpaolo

In order, on the one hand, to provide protection to the Employee against any loss of market value of the allocated ISP Ordinary Shares and, on the other, to allow the Employee to benefit from the potential appreciation of a number of ISP Ordinary Shares greater than those assigned, the Plan provides for a third party, i.e. the Counterparty, to issue the Certificates that will be signed by the Professional who will request the allocation of the Plan. These Certificates reflect the terms of certain options having ISP Ordinary Shares as their underlying.

2.5. Assessments of significant tax and accounting implications that affected the preparation of the Investment Programme

It should be noted that the preparation of the Plan has not been influenced by significant assessments of a fiscal or accounting nature. In particular, it should be noted that the tax regime applicable to employee income from time to time will be taken into account.

With reference to the accounting profile, the Plan is recorded in the Consolidated Financial Statements of the ISP as an equity settled plan pursuant to IFRS 2. At the date of allocation, the fair value of the instruments representing the capital subject of the plan is calculated (equivalent to the sum of the fair value of the shares allocated for free and the fair value of the discount for the paid shares) and no longer modified.

The Plan provides for conditions as to employment and non-market performance (the trigger events), which must be taken into account in order to determine the number of shares for the valuation of the cost of the plan. These calculations will be reviewed during the vesting period and until the expiration date.

The cost of the Plan, thus determined, is recognised in the income statement (as an employment cost), on pro rata basis over the period during which the benefit accrues, with a matching reserve in Shareholders' Equity.

On the occurrence of the events that entail for employees the loss of the right to the benefits of the LECOIP 2.0 Certificates (trigger events and losing of employment), ISP records a financial asset in the financial statements (the "transferred receivable" representing the Certificates”) with a matching change in Shareholders’ Equity. In particular, the Certificates entered in the financial statements of the group, under IFRS 9, are classified among the financial assets that are necessarily valued at fair value.

2.6. Any support for the Investment Programme from the Special Fund for Incentivising Worker Participation in Companies, pursuant to Article 4(112) of Law No. 350 of 24 December 2003

No support is anticipated for the Plan from the Special Fund for Incentivising Worker Participation in Companies, pursuant to Article 4(112) of Law No. 350 of 24 December 2003.

3. Approval process, and timetable for allocation of the instruments

3.1. Scope of the powers and duties delegated by the shareholders' meeting to the Board of Directors for implementation of the Plan

The Plan referred to in this Information Document is subject to approval by the Ordinary Shareholders' Meeting of Intesa Sanpaolo scheduled for 27 April 2018 (on single call).

The Extraordinary Shareholders' Meeting of Intesa Sanpaolo convened for 27 April 2018 (on single call), will be called to resolve upon the granting of the powers to the Board of Directors pursuant to article 2443 of the Italian Civil Code to: (i) increase the capital pursuant to Article 2349, paragraph 1 of the Italian Civil Code for the allocation of Free Shares and Matching Shares to Employees, in compliance with the provisions of the respective Plan (as item 2 on the agenda of the Shareholders' Meeting); and (ii) increase the paid-in capital with the exclusion of the option rights in favour of Employees pursuant to Article 2441, paragraph 8 of the Italian Civil Code, by issuing shares at a discount with respect to the market price of the ISP Ordinary Shares (i.e. Discounted Shares), in accordance with the provisions of the Plans (as item 2 on the agenda of the Shareholders' Meeting).

3.2. Persons appointed to administer the Plan, and their role and duties

The Chief Operating Officer is responsible for administering the Plan, with the assistance, where necessary, of other departments for matters within their particular purview.

3.3. Procedures (if any) for the revision of the Plan, also further to changes in the basic objectives

No procedures are contemplated for the revision of the Plan.

3.4. Description of the process by which the availability and allocation of the financial instruments on which the Plan is based is determined

With reference to the availability of the relevant financial instruments, Free Shares and Matching Shares will be allocated for free to Employees to whom the Plan is addressed, and issued on the basis of a resolution to assign profits to employees by issuing shares pursuant to Article 2349, paragraph 1 of the Italian Civil Code.

Finally, in relation to the Discounted Shares, a capital increase will be approved excluding the option rights with a subscription offer to Employees, pursuant to Article 2441, paragraph 8 of the Italian Civil Code.

With reference to the allocation of the financial instruments on which the Plan is based, the methods through which to determine the allocation are described, in general, in paragraph 4.1 of this Information Document.

3.5. The role of each director in determining the Plan's characteristics; and any conflicts of interest for the directors involved

Having obtained the favourable opinion of the Remuneration Committee, the Bank's Board of Directors is proposing to the Shareholders' Meeting of Intesa Sanpaolo to approve the resolution in relation to the Plan.

3.6. Date of the decision by the corporate body proposing approval of the Plan to the shareholders' meeting, and any proposal from a remuneration committee

The LECOIP 2.0 Plan, on the proposal of the Remuneration Committee of 16 March 2018, was approved by the Board of Directors on 20 March 2018 and submitted, limited to the areas of competence, to the Shareholders' Meeting of ISP to be held on 27 April 2018.

3.7. Date of the decision by the relevant corporate body, regarding the allocation of the financial instruments, and of any proposal to that body from the remuneration committee

Not applicable.

3.8. Market price of the financial instruments on which the plans are based on the specified dates, where they are traded on regulated markets

The price recorded on the Intesa Sanpaolo ordinary share on 16 March and 20 March 2018 ranged from a minimum of Euro 3.0621 to a maximum of Euro 3.0644.

3.9. Terms upon which the timetable for allocating the financial instruments in implementation of the Investment Programme is determined, taking into consideration any correspondence in time between: (i) the allocation and decisions related thereto by the remuneration committee; and (ii) the release of any material information, pursuant to article 17 of Regulation (EU) No. 596/2014

The entire execution phase of the Plan will be carried out in full compliance with the information obligations imposed on the Bank, deriving from applicable laws and regulations, in order to ensure transparency and equal information to the market, and in compliance with the procedures adopted by Intesa Sanpaolo.

4. Characteristics of the financial instruments to be allocated

4.1. Description of the Plan's structure

The Plan provides that each of the Professionals will have a few weeks (a detailed timetable will be determined shortly) to decide whether (i) to receive the PVR advance in cash; or (ii) to request allocation under the Plan, executing a number of financial instruments (the LECOIP 2.0 Professional Certificates) issued by the Counterparty following (i) allocation of the Free Shares to a value equal to the PVR advance; (ii) allocation of further Matching Shares, at a multiple of the Free Shares received; and (iii) subscription of a share capital increase at a discount (under which they will receive the Discounted Shares).

For the Managers, the Bank will proceed to the direct allocation of the relevant Plan.

At the time the Certificates are subscribed, each of the Employees will enter into an agreement for forward sale of the Underlying Shares (i.e. the Free Shares, the Matching Shares, and the Discounted Shares), under which: (i) the Counterparty will pay the Employee, upon execution of the Forward Sale Agreement, the price of the Underlying Shares Agreement; and (ii) the Employee will deliver the Shares only at the end of the relevant Plan (Forward Sale Agreement).

The price received from the Counterparty for the forward sale will be used by the Employee in part for the subscription of the Discounted Shares, and in part for the purchase of the Certificates.

Inter alia, the Underlying Shares subject to the forward sale will be subject to a pledge, with rights of use, granted pursuant to Legislative Decree 170/2004 in favour of the Counterparty. In the event that the Underlying Shares are used, the Counterparty will acquire the title thereto, and will receive the dividends.

The Certificates issued by the Counterparty will reflect the terms of certain options that have ISP Ordinary Shares as their underlying, and allow the Employees to receive, at the maturity date:

(i) an amount in cash equal to the original market value of the Free Shares and the Matching Shares (without prejudice to the elements stated above in relation to trigger events); and

(ii) any appreciation in the Underlying Shares in relation to their original market value.

The Forward Sale Agreement expires at the LECOIP 2.0 Certificates' maturity date (a period of 45 months). For administrative convenience, each Employee's participation in a Plan shall be through the Fiduciary, who shall act under the mandate and on behalf of each Employee in dealings with the Counterparty.

The Manager Certificates and the Professional Certificates have different characteristics, in terms of level of capital protection and of trigger events that reduce both the amount of protected capital and the participation in any appreciation in the underlying securities.

More specifically, the Manager Certificates provide for a level of protection equal to 75% of the capital initially allocated, comprising the sum of the Free Shares and the Matching Shares (compared to the 100% provided for the Professional Certificates).

With respect to the Professionals, the entitlements arising out of the Professional Certificates are subject to a trigger event, related to capital adequacy, measured in terms of Common Equity Tier 1. For each year of the Professional Plan, any deterioration in the Common Equity Tier 1 to levels below those required by SREP results in a reduction of 25% in the amount of protected capital corresponding to the Matching Shares (and not the Free Shares, whose original value will in all circumstances be paid to the relevant Employees at the end of the Plan, also where a trigger event occurs in relation to Common Equity Tier 1), and in the corresponding participation in any appreciation in the underlying securities.

With respect to the Managers, the entitlements arising out of the Manager Certificates are subject to trigger events related to the Group's capital adequacy levels and liquidity, measured in terms of Common Equity Tier 1 Ratio (CET1) and Net Stable Funding Ratio (NSFR). In particular, for each year of the Manager Plan, any deterioration in Common Equity Tier 1 levels below those required by SREP and/or the Net Stable Funding Ratio below 100%, results in a reduction of 25% in the amount of the

Free Shares and the Matching Shares and in the corresponding participation in any appreciation in the underlying securities.

In the event that a trigger event occurs, the entitlements that the Employees would have received under the Certificates will be assigned to Intesa Sanpaolo, pursuant to the terms and conditions of those Certificates.

4.2. Indication of the period in which the Plan will be implemented, and any other cycles anticipated

The period of the Plan's implementation will be finalised following its approval by the Shareholders' Meeting.

4.3. The Plan's term

The tenor of the Plan is at least 45 months.

4.4. Maximum number of financial instruments, including options, allocated in each tax year in relation to the named persons or the categories of persons

Assuming that all of the Professionals and Managers agree to participate in the Professional Plan and Manager Plan, Intesa Sanpaolo may issue (a) Free Shares and Matching Shares up to a maximum amount of approximately Euro 400,000,000, corresponding to approximately 4.6% of the entire share capital, in a free share capital increase pursuant to Article 2349, paragraph 1 of the Italian Civil Code; and (b) Discounted Shares up to a maximum amount of approximately Euro 1,200,000,000, corresponding to approximately 13.7% of the entire share capital of the Bank, in a share capital increase excluding option rights for employees, pursuant to Article 2441(8) of the Italian Civil Code.

4.5. Terms of implementation of the Plan (specifying whether the actual allocation of the instruments is subject to the satisfaction of conditions, or the achievement of particular results, including in terms of performance, and a description of those conditions or results)

For the Professionals, the effective allocation of the Free Shares, which is an essential condition to any Employee's participation in a Plan, is subject to prior confirmation that the conditions for the advance PVR is satisfied. For further information, please refer to paragraph2.2 of this Information Document.

4.6. Restrictions upon the ability to dispose of the instruments, or the instruments obtained by exercise of the options, with reference in particular to any date after within which transfer to the company or third parties is permitted, or after which, prohibited

The employee participating in a Plan is not permitted to transfer the Certificates at any date prior to its maturity date. The ISP Ordinary Shares underlying the Certificates are deposited with a custodian bank acting on behalf of the Fiduciary, and a pledge is granted thereover in favour of the Counterparty, as described above.

4.7. Description of any conditions subsequent to the allocation under the Plan, where the Employees carry out hedging transactions that overcome any prohibitions upon the sale of the financial instruments thus allocated, including in the form of options, or the financial instruments obtained through the exercise of such options

Under existing Remuneration Policies and of the Group's Code of Conduct, Employees are prohibited from carrying out derivative transactions, or otherwise putting in place transactions or operating strategies with highly speculative features. Consequently, the beneficiaries are not permitted to carry out hedging transactions on financial instruments they may be allocated under the Plan.

4.8. Description of the effects of termination of employment

Each Employee's participation in a Plan remains subject to there being an employment relationship with Intesa Sanpaolo or one of the companies of the Intesa Sanpaolo Group, at the time of participating in that Plan.

Certificates will cease to confer any rights, including the right to protection related to the Free Shares and the Matching Shares, in the event of the Employee's resignation, dismissal for gross negligence, breach of contract, or another fair reason, and in similar situations.[10] The amounts or shares that have accrued may however be recognised at the end of a Plan, *pro rata* with the Employee's actual period of service, where the Employee has achieved pension eligibility other directly or through the Solidarity Fund; or in the event of the beneficiary's death.

In all such cases, the entitlements that the Employees would have received under the Certificates will be assigned to Intesa Sanpaolo, as set out in the terms and conditions of those Certificates.

4.9. Any grounds for cancelling the plans

In the event of a change of control, an early liquidation will occur at the time of the event, and, where such an event is within the first twelve months of a Plan, liquidation is *pro rata* and subject to a minimum amount, which is to say, at least the value of the Free Shares at the time of allocation if that is greater than the accrued *pro rata* value at the time of the event. Where the change of control occurs in the following twelve months, the amount liquidated is such amount as may have accrued, on a *pro rata* basis with the remaining duration of the Plan.

4.10. Grounds for any 'redemption' by the company of the financial instruments under the plans, pursuant to Article 2357 *et seq*. of the Italian Civil Code; beneficiaries of such redemption, including an indication as to whether it is for particular categories of employee; effects of termination of employment upon such redemption

Not applicable to the Plan described in this Information Document.

4.11. Loans or other preferential arrangements to be granted for the purchase of the shares pursuant to Article 2358 of the Italian Civil Code

Not applicable to the Plan described in this Information Document.

4.12. Indications of estimates of the anticipated charge to the company at the date of the allocation, as calculable on the basis of the terms already settled, as an aggregate amount and for each of the instruments under the plan

In light of the criteria, parameters and characteristics of the Plan, and more generally, the information available as at the date of this Information Document, the maximum aggregate charge, inclusive of indirect charges borne by the employer, for the beneficiaries of the Plan, may be estimated as Euro 570 million.

4.13. Any dilutive effects upon the share capital resulting from the Plan

The total dilutive effect upon the whole of ISP's share capital would be approximately 3.5% assuming a price per ISP share of Euro 3; it would be 4.4% assuming that the maximum amount of shares per the Shareholder’s Meeting resolution is issued, with a stress scenario price of Euro 2.4.

4.14. Any limits upon the exercise of voting rights, and the entitlement to receive dividends and other income

Each Employee's participation in a Plan will be through the Fiduciary, who will act on the basis of an irrevocable mandate of the Employee on behalf of the latter in dealings with the Counterparty.

As mentioned in paragraph 4.6 of this Information Document, pending the Forward Sale Agreement:

(i) the Underlying Shares will remain pledged to the Counterparty pursuant to a pledge agreement under which the Counterparty also has the right to make use of such shares (such that the term to expiry of the Forward Sale Agreement, of the Certificates, correspond to a lock-up in relation to the Underlying Shares); and

[10] In particular, where organisational changes mean a position is eliminated, and there is a consequent consensual termination of the beneficiary's employment, the amount liquidated is *pro rata* with the period of participation in the Plan.

(ii) the Employee will not receive dividends or other income in relation to the Underlying Shares, or be able to vote in the shareholders' meeting.

4.15. Information where the shares are not traded on regulated markets

Not applicable to the Plan described in this Information Document.

4.16. Number of financial instruments underlying each option

Not applicable.

4.17. Maturity of the options

Not applicable.

4.18. Style of option (American or European), timing (e.g. periods when options may be exercised), and terms of exercise (e.g. knock-in or knockout terms)

Not applicable.

4.19. Exercise price for the option, or terms for its determination, with regard in particular to: *(a)* any formula used for calculating the exercise price in relation to a particular market price; *(b)* the terms by which a market price is determined as the reference for determining the exercise price

Not applicable

4.20. In the event that the exercise price is not the same as the market price determined as indicated in paragraph 4.19.b (fair market value), reasons for that difference

Not applicable.

4.21. Criteria applied where there are different exercise prices for different persons, or different categories of persons

Not applicable.

4.22. Where the financial instruments underlying the options are not tradable on regulated markets, an indication of the value attributable to the underlying financial instruments or the criteria for determining that value

Not applicable.

4.23. Criteria for any adjustments made necessary following extraordinary corporate transactions affecting the share capital, or other transactions that imply a change in the number of underlying instruments

Not applicable.

4.24. Tables related to the Plan

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

Date: 20 / 03 / 2018

<table>
<tr><td rowspan="5">Name and Surname
or Category</td><td rowspan="5">Office

(only for named persons)</td><td colspan="7">CHART 1</td></tr>
<tr><td colspan="7">Financial instruments other than stock options</td></tr>
<tr><td colspan="7"><u>Section 2</u></td></tr>
<tr><td colspan="7">Newly allocated financial instruments on the basis of the decision
☑ of the Supervisory Board to implement the shareholders’ resolution
☐ of the competent power to implement the shareholders’ resolution</td></tr>
<tr><td>Shareholders' resolution date</td><td>Type of financial instrument</td><td>N° of financial instruments</td><td>Granting date</td><td>Possible purchase price of instruments</td><td>Market price at granting</td><td>Vesting period</td></tr>
<tr><td colspan="2">Managers (other than Top Management, Risk Takers and Key Managers) of Intesa Sanpaolo and Group companies</td><td>27/04/2018</td><td>Free grant and subscription of Intesa Sanpaolo ordinary shares</td><td>n.d. (*)</td><td>n.d.</td><td>n.d. (**)</td><td>n.d.</td><td>(***)</td></tr>
<tr><td colspan="2">Professionals of Intesa Sanpaolo and Group companies</td><td>27/04/2018</td><td>Free grant and subscription of Intesa Sanpaolo ordinary shares</td><td>n.d. (*)</td><td>n.d.</td><td>n.d. (**)</td><td>n.d.</td><td>(***)</td></tr>
</table>

(*) Up to 170.000.000 ordinary shares can be granted free of charge; to which up to 555.000.000 subscribed shares can be added

(**) The subscription price of the paid shares will be determined by the Board of Directors at a discount compared to the market value of ordinary Intesa Sanpaolo shares calculated as the average of the prices observed in the 30 days prior to the issue date (and in any case not lower than nominal value)

(***) Free and subscribed shares will be unavailable for at least three years following grant