INTESA SANPAOLO

Report on remuneration policy and compensation paid 15 March 2022

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Intesa Sanpaolo S.p.A. Registered Office: Piazza S. Carlo, 156 10121 Torino Secondary Registered Office: Via Monte di Pietà, 8 20121 Milano Share Capital Euro 10,084,445,147.92 Torino Company Register and Fiscal Code 00799960158 "Intesa Sanpaolo" VAT Group representative Vat Code No. 11991500015 (IT11991500015) Included in the National Register of Banks No. 5361 ABI Code 3069.2 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund and Parent Company of the banking group "Intesa Sanpaolo" included in the National Register of Banking Groups.

This is an English translation of the original Italian document. In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.

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Introduction

Over the last few years, international bodies and regulators have paid increasing attention to the issue of remuneration across different industries, including that of listed companies, of banks and banking groups, of insurance, of assets management as well as that of investment firms, with the aim of guiding issuers and operators towards the adoption of remuneration policies and 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 and incentive policies, the compensation structure and their transparency.

The regulatory framework has undergone a significant evolution - which is still ongoing - both at the European level and at the national level, in each of the above-mentioned sectors.

With reference to listed companies, Art. 123-ter of the Consolidated Law on Finance ("**CLF**") provides for the obligation to prepare and make available to the public a report on remuneration, divided into two sections (the first illustrating the company's policy in relation to remuneration and the procedures used for the adoption and implementation of this policy, the second providing information on the remuneration paid), to be drawn up including the information set out in the Issuers' Regulation (Consob Regulation 11971 of 14 May 1999 updated with the amendments made by Resolutions 21623 and 21625 of 10 December 2020 and 21639 of 15 December 2020), and to be submitted to the Shareholders' Meeting resolution. Until 2019, the Shareholders' Meeting was called upon to issue its opinion with a non-binding vote on the first section of the policy; in 2019, in implementation of the so-called Shareholders' Rights Directive II (Directive (EU) 2017/828), Art. 123-ter of the CLF was amended thereby requiring, among other things, that the Shareholders' Meeting cast a binding vote on the first section of the report and a non-binding vote on the second section. The Issuers' Regulation - in the part relating to the report on the remuneration policy and remuneration paid - was also amended in implementation of the Shareholders' Rights Directive, with the aim of enhancing transparency vis-à-vis shareholders. Also in terms of self-governance of listed companies, remuneration is the subject of the provisions laid down in the Corporate Governance Code, merged into the new "Corporate Governance Code" in January 2020 with application starting from the first financial year after December 31st, 2020.

In the banking sector, remuneration and incentive policies and practices are the subject of specific regulations at European and national level. These regulations have changed significantly over time. More specifically, and among other things, in implementation of the so-called CRD III (Directive 2010/76/EU) and taking into account the guidelines and criteria defined internationally (including the principles and standards of the Financial Stability Board, the methodologies of the Basel Committee on Banking Supervision, and the Guidelines issued by CEBS), the Bank of Italy, with a measure dated March 30th 2011, issued Supervisory Provisions containing a harmonised set of regulations of remuneration policies, systems and practices in banks and banking groups, relating to the drawing up and control processes, the remuneration structure and the disclosure obligations to the public, thereby requiring, among other things, the approval of the remuneration and incentive policies by the shareholders' meeting, in order to achieve remuneration systems in line with the long-term corporate strategies and objectives linked with company results, appropriately adjusted to take into account all risks, consistently with the capital and liquidity levels required to fulfil the activities undertaken and, in any case, such as to avoid distorted incentives that could lead to regulatory violations or excessive risk-taking for the bank and the system as a whole. The Bank of Italy intervened once again in the matter with the two recommendations contained in the communications dated 2nd March 2012 and 13th March 2013, highlighting in general the need for banks to establish a strategy that is aligned to the objective of preserving the stability of the business, also from a forward-looking perspective, as well as maintaining the conditions of capital strength and prudent management of liquidity risk. Subsequently, in 2014 the Supervisory Provisions on remuneration policies and practices - contained in Bank of Italy Circular no. 285/13 - were revised to implement the regulations contained in the so-called CRD IV (Directive 2013/36/EU). In implementation of CRD IV, in 2014, the European Commission issued the Regulatory Technical Standards (RTS) relating to qualitative and quantitative criteria for the identification of categories of personnel whose professional activities have a material impact on the institution's risk profile (so-called "Risk Takers"). In December 2015, the EBA, based on the provisions contained in CRD IV, published the update of the "Guidelines on sound remuneration policies", drawn up by its predecessor CEBS, defining in detail the rules relating to the remuneration structure, remuneration policies and the related governance and implementation processes. The indications of these

Guidelines were implemented by the Bank of Italy which, in 2018, updated the regulations on remuneration policies and practices referred to in Circular 285. Finally, in 2019, the CRD V (Directive 2019/878/EU) and the Regulation (EU) 2019/876 (CRR II) were issued. Following the adoption of the provisions of CRD V, the EBA revised (i) the Regulatory Technical Standards (RTS) that specify the criteria for identifying Risk Takers reported in the Delegated Regulation (UE) 2021/923, published on 9 June 2021; as well as (ii) the Guidelines on sound remuneration policies publishing a new version in July 2021 and providing for its application starting from 31 December 2021; as a result of the issue of CRR II, the European Commission has published the Regulation (EU) n. 637/2021 – so-called Implementing Technical Standards - which govern the methods of disclosure of the information on remuneration. The Bank of Italy has implemented CRD V and the essential contents of the new EBA Guidelines as well as the so-called Implementing Technical Standards with 37th update of Circular 285/2013 published on 24 November 2021.

With regard to the insurance sector, ISVAP (now IVASS), with regulation No. 39 of 9 June 2011, laid down the principles regarding the decision-making processes, structure and disclosure obligations for the remuneration policies of insurance companies. Regulation No. 39 was subsequently replaced by IVASS Regulation No. 38 of 3rd July 2018 on corporate governance of insurance companies and groups, which implements the so-called Solvency II (Directive 2009/138/EU) and the guidelines adopted by the European Insurance and Occupational Pensions Authority (so-called EIOPA) on the corporate governance system and incorporates the provisions of ISVAP Regulation No. 39 of 9th June 2011 concerning remuneration policies. Furthermore, on 5th July 2018 IVASS sent a Letter to the market regarding the guidelines on the application of the principle of proportionality in the corporate governance system.

With regard to the asset management sector, the provisions of the Joint Bank of Italy/Consob Regulation on remuneration (issued pursuant to article 6, paragraph 2-bis, of the Consolidated Law on Finance) – updated on 27 April 2017 to transpose the rules on remuneration and incentive policies and practices set out in Directive 2014/91/EU (UCITS V Directive) into the Italian regulations and included, from December 2019, in the Bank of Italy Regulation implementing Articles 4-undecies and 6, paragraph 1, sub-paragraph b) and c-bis) of the Consolidated Law on Finance – also apply to managers belonging to banking groups in different ways according to whether or not the asset management company (Società di Gestione del Risparmio) is classed as significant.

Finally, with reference to investment firms, the Directive (EU) 2019/2034 of November 27, 2019, relating to the prudential supervision of investment firms and also containing provisions on remuneration, is currently awaiting implementation by the Italian legislator. The aforementioned Directive is completed by, inter alia, the Delegated Regulation (EU) 2021/2154 which provides for the technical regulatory standards that specify the criteria for identifying the categories of personnel whose professional activity has a substantial impact on the risk profile of the investment firm (so-called "Risk Taker"), effective from 12 December 2021.

Art. 123-ter (1), CLF

This Report has been prepared in accordance with the above-mentioned Article 123-ter of the CLF and the Issuers' Regulation, and also takes into account the obligations of disclosure to the Shareholders' Meeting, pursuant to the Supervisory Provisions issued by the Bank of Italy which also implement the EU Regulation no. 637/2021 - so-called Implementing Technical Standards.

Intesa Sanpaolo has always paid particular attention to remuneration matters, the related regulatory compliance and maximum transparency to the market. The Report gathers into a single, well-organised and structured document all the qualitative and quantitative information that until 2011 was separately disclosed by topic in the Report on Corporate Governance and Ownership Structures, in the Supervisory Board report submitted to the Shareholders' Meeting – pursuant to Article 153 of the CLF – and in the financial statements.

Art. 123-ter (2), (3), (3 bis), and (4) CLF

This Report, available in the "Governance" section of the website *group.intesasanpaolo.com*, is divided into two Sections. The first section concerns the remuneration and incentive policies adopted by the Bank for the year 2022 with respect to its corporate bodies, the corporate bodies of its subsidiaries and the employees and other staff of the Group – with a particular focus on the General Manager, Key Managers (i.e. Group Top Risk Takers) and other Risk Takers – together with the procedures for adoption and implementation of these policies. It also describes how the remuneration policy contributes to the business strategy, the pursuit of long-term interests and the sustainability of the company and how it is determined taking into account the remuneration and working conditions of the employees of the company. This section also includes a description of the aims pursued, the principles underpinning them, the changes with respect to the 2021 Remuneration Policy and how the Company has taken into account the votes and observations made by the shareholders at the Shareholders' Meeting of 28th April 2021 that approved the policy. The second section, splitted into three parts, provides a description of each item that makes up the remuneration, together with quantitative, analytical and aggregate information.

With a view to disclosing information in accordance with the regulatory obligations, this document describes the levels of compliance with the provisions on remuneration established by Article 5 of the Corporate Governance Code. In this respect, to facilitate interpretation, specific margin notes citing the related Principles and Recommendations have been provided alongside the text, together with the indications provided in Articles 123-bis and 123-ter of the CLF.

The Appendix to this document contains specific check lists that indicate, on one side, the Principles and Recommendations of the Code and the provisions of Articles 123-bis and 123-ter of the CLF and, on the other side, the page of this Report in which the matter is discussed.
These check lists should be read together with the explanatory notes and details provided in the Report concerning the application of the individual provisions.

Information contained in this Report, unless otherwise stated, refers to the position as at March 23rd, 2021, the date of its approval by the Board of Directors.

The first section of this Report shall be subject to the binding resolution of the Shareholders' Meeting, called pursuant to Article 2364, second paragraph, of the Italian Civil Code, as expressly required by Article 123-ter of the Consolidated Law on Finance and by Bank of Italy in Circular 285/2013, First Part, Title IV, Chapter 2 - "Remuneration and incentive policies and practices", and the second section shall be subject to the non-binding resolution of the Shareholders' Meeting called in accordance with Article 2364, second paragraph, Italian Civil Code. Art. 123-ter (3-bis), (3-ter), and (6), CLF

Section I – 2022 Group Remuneration and Incentive Policies

1. Procedures for adoption and implementation of the Group Remuneration and Incentive policies

Art. 123-ter (3)(a) and (b) CLF

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Transp. Prov.[1]

1.1 The role of corporate bodies

1.1.a Shareholders' Meeting

The Shareholders' Meeting, on proposal of the Board of Directors, approves:

- the Remuneration Policies for the members of the Board of Directors and the Remuneration and Incentive Policies of the Group (employees and staff not bound by an employment agreement), which also include the Rules for identifying Risk Takers;
- the remuneration plans based on financial instruments;
- the criteria for the determination of any amounts to be awarded in the event of early termination of the employment agreement or early termination of the office, including the limits established for said amounts in terms of fixed annual remuneration and the maximum amount arising from the application of such limits;
- if applicable, with the qualified majorities as defined by the applicable regulations, a variable-to-fixed remuneration cap higher than 100%, but not exceeding the maximum cap established by the regulations;
- if applicable, solely for the Group's key staff identified in the asset management companies (SGR entities), SICAVs and SICAFs and work exclusively for those companies, a variable-to-fixed remuneration cap exceeding 200%.

In addition, the Shareholders' Meeting, upon proposal from the Board of Directors, resolves with a non-binding vote on the annual disclosure of the remuneration paid pursuant to Article 123-ter Consolidated Law on Finance (Section 2 of the Report on Remuneration).

Finally, pursuant to the Articles of Association, the Shareholders' Meeting establishes the remuneration of Board Members (including the additional remuneration for the office of Chairman and Deputy Chairperson) and the remuneration of the Members of the Management Control Committee (determined on a fixed and equal basis for all members, but with a special increase for the Chairman) at the time of appointment and for the entire term of office.

1.1.b Board of Directors

The Board of Directors, in addition to the fixed remuneration set by the Shareholders' Meeting: P. XVI

- may set the remuneration of the Board Members to whom the Board assigns further special duties in compliance with the Articles of Association, including the office of Managing Director;
- is responsible for setting the remuneration of the General Manager and of the Manager responsible for preparing the Company's financial reports, pursuant to Article 154-bis of Legislative Decree No. 58 of 24 February 1998, as well as of all other Group Top Risk Takers and the higher-level Executives of the Company Control Functions, in accordance with the provisions of the applicable regulations;
- is responsible for drafting the remuneration and incentive policies of the Group to be submitted to the Shareholders' Meeting and drawing up the remuneration and incentive systems for persons for whom the supervisory regulations require that this task be performed by the body responsible for strategic supervision, including identifying parameters used to evaluate performance targets and setting variable remuneration deriving from the application of said systems.

1.1.c Remuneration Committee

The Remuneration Committee was set up by the Board of Directors in order to support with all activities concerning remuneration. R. 25

In particular, the Committee:

- supports the Board of Directors in preparing proposals to submit to the Shareholders' Meeting;

[1] The grey squares in the Remuneration and Incentive Policy indicate – as required by the Bank of Italy Provisions on "Transparency of the banking and financial transactions and services – correctness of the relations between intermediaries and customers" – Section XI – paragraph 2-quater.1 - the parts of the Policy that implement the rules on remuneration therein provided.

- makes the proposals for the remuneration for the Managing Director and CEO and for the members of the Board of Directors who have been assigned further special duties in compliance with the Articles of Association;
- proposes the remuneration systems for the Group Top Risk Takers and the higher-level Executives of the Company Control Functions, taking into account the opinion of the Risks Committee and the Management Control Committee insofar as within its competence;
- expresses an opinion on the achievement of the performance targets to which the incentive plans are linked and on the setting of the other requirements for the payment of the remuneration.

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Focus: Composition of the Remuneration Committee

In line with the recommendations of the Corporate Governance Code, the Remuneration Committee is composed of non-executive directors, of whom at least the majority are independent. All members of the Committee must have knowledge and experience relating to the areas of competence of the Committee itself and, in line with the Corporate Governance Code, at least one member of the Committee has adequate knowledge and experience in financial matters or remuneration policies, assessed by the Board at the time of appointment and recognised.

1.1.d Risks Committee

Without prejudice to the responsibilities of the Remuneration Committee, the Risks Committee supports the Board of Directors by analysing the Remuneration and Incentive Policies to verify their link with current and prospective risks and the capital strength and levels of liquidity of the Group, with specific regard to the performance targets (KPIs) assigned by the Incentive System to the Group Top Risk Takers not belonging to the Company Control Functions and similar roles.

In order to strengthen the independence of the Company Control Functions, the Risks Committee, also after the examination in a joint meeting with the Management Control Committee, expresses its opinion on the Incentive System for the Chief Risk Officer and the Head of the Internal Validation and Controls Head Office Department.

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1.1.e Management Control Committee

In order to strengthen the independence of the Company Control Functions, the Management Control Committee expresses its opinion on the Incentive System for the Group Top Risk Takers belonging to the Company Control Functions, the higher-level personnel[2] and similar roles[3]. This opinion is expressed in a joint meeting with the Risks Committee with regard to the Incentive System for the Chief Risk Officer and the Head of the Internal Validation and Controls Head Office Department.

1.2 Chief Operating Officer Governance Area

As mentioned above, the Shareholders' Meeting is responsible for approving the Group Remuneration and Incentive Policies upon proposal from the Board of Directors and with the involvement of the Remuneration Committee.

The Chief Operating Officer Governance Area is responsible for drawing up the above-mentioned Policies, which undergo the related approval procedure, involving the following, to the extent of their responsibilities, as required by the Regulations:

- the Planning and Management Control Head Office Department (see paragraph 1.3);
- the Chief Risk Officer Governance Area (see paragraph 1.4);
- the Chief Compliance Officer Governance Area (see paragraph 1.5).

The Chief Operating Officer Governance Area is also responsible for implementing the Incentive Systems, plans and initiatives.

1.3 Planning and Management Control Head Office Department

The Planning and Control Head Office Department is involved in drawing up the Group Remuneration and Incentive Policies, in order to ensure that those policies and the resulting Incentive Systems are consistent with:

- the strategic short-and medium-long term objectives of the Companies and of the Group;

[2] Heads and higher-level personnel of the Company Control Functions means the Head of the Internal Validation and Controls Head Office Department and the Head of the Anti-Financial Crime Head Office Department in his capacity as Head of the Anti-Money Laundering Function.

[3] "Similar roles for the purposes of the remuneration" means the Manager responsible for preparing the Company's financial reports and the Head of the Safety and Protection Head Office Department in his capacity as Data Protection Officer.

- the capital strength and the liquidity level of the Companies and of the Group.
  In that regard, together with the Chief Compliance Officer Governance Area and the Chief Risk Officer Governance Area, it supports the Chief Operating Officer Governance Area in identifying the parameters used to evaluate performance targets, on which to base and link the award of incentives to the Group Top Business and Governance Risk Takers.

The Planning and Management Control Head Office Department also supports the Chief Operating Officer Governance Area in the periodic monitoring of the parameters set to evaluate the achievement of the performance targets assigned to the Risk Takers.

1.4 Chief Risk Officer Governance Area

The Chief Risk Officer Governance Area:

- verifies, ex ante, *inter alia*, the consistency of the Group Remuneration and Incentive Policies and of the resulting Incentive Systems with the Group Risk Appetite Framework (RAF);
- supports the Chief Operating Officer Governance Area in preparing the list of Risk Takers, providing – insofar as within its competence – additional information.

1.5 Chief Compliance Officer Governance Area

The Chief Compliance Officer Governance Area:

- conducts ex ante verification of compliance of the Remuneration and Incentive Policies with the law, the Articles of Association, the Code of Ethics of the Group and any additional standards of conduct applicable;
- verifies that the list of identified Risk Takers is consistent with the rationales described in the Group Remuneration and Incentive Policies and the regulatory provisions in force from time to time.

1.6 Chief Audit Officer

On an annual basis, the Chief Audit Officer, in accordance with the guidelines of the Supervisory Authority, verifies the compliance of the remuneration implementation practices with the related Policies and, in that context, also checks the correct implementation of the process for identifying Risk Takers, reporting to the Board of Directors and the Shareholders' Meeting on the results of the verifications conducted.

2. Remuneration of the members of the Board of Directors

2.1 Remuneration of Board Members

Art. 123-ter (3)(a) and (b) CLF

The Bank's Articles of Association establish that the members of the Board of Directors are entitled, in addition to the reimbursement of expenses incurred due to their office, to a fixed remuneration for the services rendered, which is set for the entire period of their office by the Shareholders' Meeting at the time of their appointment.
The Shareholders' Meeting also sets the additional remuneration for the office of Chairman and Deputy Chairperson.

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The Shareholders' Meeting is therefore called upon to determine the fixed annual gross remuneration of the members of the Board of Directors as well as the additional fixed remuneration of the office of Chairman and Deputy Chairperson, upon the appointment thereof at the start of the mandate.

An insurance policy for civil liability has been taken out for the members of the Board of Directors according to the terms illustrated below.

In addition, as required by the Supervisory Provisions on remuneration, the amount of the remuneration paid to the Chairman is consistent with the key role assigned and must not be higher than the fixed remuneration paid to the Managing Director and CEO.

2.2 Remuneration of Management Control Committee members

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Pursuant to the Articles of Association, the Shareholders' Meeting is required, at the time of the appointment of the Management Control Committee and for the entire term of office, to set a specific remuneration for the Board Members of that Committee, consisting exclusively of a fixed and equal amount for each Member, but with a special addition for the Chairman.

The Shareholders' Meeting is therefore invited to determine said remuneration.

If the Board of Directors decides to appoint some members of the Management Control Committee as members of the Risks Committee or of the Committee for Transactions with Related Parties, in line with the provisions laid down by Article 13.5.6 of the Articles of Association, they will also be entitled to the additional remuneration set by the Board of Directors for these offices, to the same extent defined for the other members of each Committee, in line with the Remuneration and Incentive Policies (see next paragraph).
To this end, it is understood that for the Board Members who are also members of the Management Control Committee, the remuneration accrued for the performance of any office held in the Risk Committee or in the Related Parties Transactions Committee,, in any event, may not exceed the maximum limit equal to half the overall remuneration that the Shareholders' Meeting will determine for the office of member of the Management Control Committee.

2.3 Remuneration of members of the Board Committees

In terms of the activities that the Board Members are called upon to carry out as members of the additional Committees established within the Board, the Articles of Association assign to the Board of Directors, on proposal from the Remuneration Committee, the task of setting the remuneration for these Members, in addition to the remuneration set by the Shareholders' Meeting, in line with the remuneration policies approved by the Shareholders' Meeting.
This remuneration is set on a fixed and annual basis for the Chairs of the Committees, plus an attendance fee for each meeting of those Committees actually attended by them. For members of the Management Control Committee it is understood that the remuneration thus accrued is recognized in compliance with the maximum limit indicated in paragraph 2.2 above and, therefore, cannot exceed the half of the remuneration established by the Shareholders' Meeting for the office of member of the Management Control Committee.

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Focus: Verification of competitive remuneration of members of Corporate Bodies

During 2021, at the initiative of the Remuneration Committee, the Bank assigned a specialised company the task of conducting an analysis of the positioning of the salaries of the members of Corporate Bodies of Intesa Sanpaolo in relation to the Peer Group set out in the Remuneration and Incentive Policies (see par. 4.4.2). The benchmarking analysis confirmed that the salaries paid to said members are absolutely competitive in relation to the sample used for comparison. This positioning also considers the extensive

Focus: Verification of competitive remuneration of members of Corporate Bodies

work that is carried out by the Board of Directors and, above all, by the Board committees, which translates into a number of meetings much higher than those of their Peer Group, making the unit cost of participation of Directors in each meeting decisively efficient.

2.4 Remuneration of the Managing Director and CEO

In accordance with the Articles of Association, the Managing Director also acts as the General Manager of Intesa Sanpaolo.
In this perspective, in addition to the fixed remuneration relating to the offices of member of the Board of Directors and Managing Director, the Managing Director, in his capacity as General Manager, is entitled to receive the gross annual remuneration, set by the Board of Directors, as well as participating in the short- and long-term incentive system for Executive personnel as well as the supplementary pension scheme, and to receive the additional fringe benefits established for the role in accordance with the Remuneration and Incentive Policies for employees.

2.5 Insurance policy for Board Members and General Managers

In line with the best practice on international financial markets and taking into account the nature, size and operational complexity of the Bank and the Group, following the resolution of the Shareholders' Meeting adopted on 28 April 2021, it was decided to take out an insurance policy to cover the administrative liability of the Bank's Board Members as well as all the representatives in the subsidiaries against a limit of liability between 150 million euro and 200 million euro (D&O – Directors' and Officers' Liability Insurance). The aforementioned resolution of the shareholders' meeting authorised the renewal of this insurance cover, including for subsequent years, at the best market conditions, also taking into account any future adjustments and revaluations, against a limit of liability proportionate to market best practices, with annual disclosure to the Shareholders' Meeting in the context of the Report on remuneration policy and compensation paid and until resolved otherwise by the Shareholders' Meeting.

The terms of the D&O policy for 2021 were as follows:

- Effective date: from 30 June 2021 until 30 June 2022
- Limit: 170,000,000.00 euro, for each loss and for each year
- 2021 premium on an annual basis: approximately 4,500,000.00 euro.

The maintenance of such insurance cover is deemed to serve the Bank and the Group's best interests and to represent a necessary component of the remuneration policies.

2.6 Termination of office; employment termination indemnities

The Members of the Board of Directors, with the exception of the Managing Director who is also General Manager, are not Bank employees.

No agreements exist obliging the Bank to pay non-executive Board Members an indemnity in the event of their resignation or revocation of office without just cause or termination of their office following a public takeover bid. Article 123-bis 1, (i) CLF

The criteria and maximum limits for determining the indemnities payable under the provisions of the personnel remuneration policies shall apply to the Managing Director and General Manager, in the event of early termination of the employment agreement or early termination of office. It should be noted that, in 2022, following a resolution passed by the Board of Directors, on the proposal of the Remuneration Committee and taking into account the Chief Compliance Officer's favourable opinion, in line with the practices commonly used among competitors and the leading Italian listed companies, an agreement containing specific conventional regulations on employment termination which also provides for a non-competition agreement for the period following said termination, was entered into with the Managing Director and General Manager, effective from the approval of these policies (see paragraph 4.9.1). R. 27

3. Remuneration policy for the corporate bodies of subsidiaries

Remuneration for members of the corporate bodies of Group companies is set by Intesa Sanpaolo in its capacity as majority shareholder and entity responsible for management and coordination activities, pursuant to the relative statutory and banking regulations.

The remuneration policy for corporate bodies, therefore, complies with the following principles, applied uniformly at Group level, in accordance with the regulatory framework in the various countries in which Intesa Sanpaolo operates through its subsidiaries.

Members of the management and supervisory boards of companies of the Intesa Sanpaolo Group receive remuneration according to their assigned duties and responsibilities.

To ensure uniformity in accordance with Group standards, the remuneration of directors is set specifically based on parameters such as the capital and economic size and organisational complexity of the company concerned, as well as other objective and qualitative elements, such as the nature of the business carried out by the subsidiary and its operational risk profile.

Similar criteria apply to the setting of the remuneration for directors appointed to special offices, pursuant to Article 2389 of the Italian Civil Code and similar provisions in force in foreign countries.

Variable remuneration amounts, bonuses linked to results, profit-sharing clauses or options to buy shares at predetermined prices are not normally envisaged. Exemptions from this principle are envisaged only on an exceptional and justified basis, in accordance with the Group Remuneration Policies and the related supervisory regulations in force.

In general, there are no differences in the remuneration of directors, regardless of the fact they are either Group employees, professionals or independent, etc. The remuneration of Group employees who are appointed as directors in subsidiaries is paid to the company with which the employment agreement is in place.

The remuneration of members of the board of statutory auditors of Italian subsidiaries is set upon appointment for the entire term of office, pursuant to Article 2402 of the Italian Civil Code, with a fixed yearly amount.

The amount paid to statutory auditors is determined through a uniform calculation method at Group level that takes into account objective parameters, namely capital and revenues of the company, in order to identify a specific remuneration amount.

Members of the corporate bodies normally have the right to reimbursement of the expenses incurred as a result of their office.

Finally, an insurance policy is taken out for board members and general managers of subsidiaries (the “D&O policy”).

4. Group remuneration and incentive Policies

The Group Remuneration and Incentive Policies for 2022 set out below were drawn up substantially in line with those for 2021, which received the favourable vote of most of the participants of the Shareholders' Meeting of 28 April 2021 (votes in favour totalling 91.78% of the participants).

The changes made for 2022 mainly derive from the need to bring the Policies into line with the approach set out in the regulations and with the recommendations of the Supervisory Authority. In this regard, the 2022 Policies incorporate the changes introduced: (i) by the 37th update of the Bank of Italy's "Provisions regarding remuneration and incentive policies and practices"; (ii) by the Guidelines on sound remuneration policies of the European Banking Authority ("EBA"), in force from 31 December 2021; as well as (iii) by Regulation (EU) 923/2021 containing the Regulatory Technical Standards on identified staff for remuneration purposes, in force from 14 June 2021[4].

In particular, the following changes are noted:

- the gateway and bonus funding conditions of the annual Incentive Systems were integrated and, by symmetry, the malus conditions as well, by introducing, in compliance with EBA's Guidelines on sound remuneration policies, the verification of the leverage ratio and the minimum requirement for own funds and eligible liabilities (MREL) with respect to the limits of the Risk Appetite Framework (RAF), as well as of the ICAAP outcome and of the recommendations on (dividend) distributions by the competent authorities and by the European Supervisory Authorities (par. 4.5.1 and 4.4.5.6);

- a corrective mechanism was introduced for the bonus pool allocated at Division level according to the degree of deviation from the Economic Value Added (EVA) target level in order to strengthen the link with Pillar 2 metrics as required by the Supervisory Authority (par. 4.5.2);

- two corrective mechanisms have been introduced which act as de-multipliers in the bonus accrued as part of the annual incentive systems with a view to strengthening risk management. In particular, for the non-Business Group Top Risk Takers, the Heads of the Head Office Departments reporting to the Managing Director and CEO as well as for the Heads of structures reporting to the abovementioned subjects, a corrective mechanism has been envisaged linked to the failure to comply with a predetermined target for the containment of operating costs in order to strengthen the control of the "stability of profits" risk. Furthermore, a corrective mechanism is defined for all management and for the recipients of specific incentive initiatives for categories of personnel and business segments for failure to comply with the expected levels of mandatory training in order to strengthen the supervision of conduct risk;

- as part of the variable remuneration payment procedures (paragraph 4.0), in application of the provisions laid down by the 37th update of the Bank of Italy Circular 285/2013, the classification of banks by size/operational complexity was eliminated since, taking into account the Group's consolidated balance sheet assets in excess of 30 billion euro, none of the Group banks can be classified as "of smaller size or operational complexity". This resulted in the Risk Takers identified in the Sub-consolidating Groups and/or Legal Entities being subject to the application of the same payment schedules already applied to the Risk Takers of the Intesa Sanpaolo Group. The foregoing leads to a simplification with respect to the 2021 Remuneration Policies as it is no longer possible to provide for less restrictive schedules in Banks previously classified as "intermediate" or of "smaller size and operational complexity" on the basis of individual balance sheet assets.
  Conversely, the classification of banks based on their significance continues to apply pursuant to art. 6(4) of the EU Regulation n. 1024/2013 of the Council of the European Union of 15 October 2013 (SSMR) with the consequent identification - at all significant Banks - of the Top Risk Takers of the Sub-consolidating Group and/or of the Legal Entity. These Risk Takers, as required by the 37th update of Circular 285/2013 and by the EBA Guidelines, are subject to application of payment schedules which were updated in order to provide for the payment of over 50% of variable remuneration in financial instruments (par. 4.6, schedules 3 and 4);

- the criteria for the identification of the key function holders were revised in line with Regulation (EU) 923/2021, that has confirmed a combination of quantitative and qualitative criteria, as well

[4] It should be noted that, given that this Regulation entered into force on 14 June 2021, the Rules for the identification of the key function holders (see Section B) were updated and approved by the Board of Directors in November 2021; this update was applied as from 14 June 2021.

as the duty to identify additional criteria, if necessary, to identify additional risk takers - is confirmed. It was clarified that the scope of application of these criteria includes also the Sub-consolidated level, as well as at the consolidated and individual level. Furthermore, compared to the previous regulations, the quantitative criteria were updated and simplified by redefining the remuneration threshold to be considered Risk Takers[5] and the regulations relating to the cases of exclusion of subjects who meet these quantitative criteria were revised and now require prior authorisation from the ECB (Section B).

Furthermore, on the occasion of the launch of the new 2022-2025 Business Plan, as per the consolidated tradition of the Intesa Sanpaolo Group, new long-term Incentive Plans were launched to support the Plan, (Performance Share Plan, LECOIP 3.0 and the Long-Term Plan for Non-Employee Financial Advisors), the main characteristics of which are described in the 2022 Policies.

Finally, further change introduced in the 2022 Policies concerns the possibility of defining individual prior agreements for the definition of the remuneration to be granted in the event of early contract termination (so-called severance) with the aim of protecting the Group's interest in managing the delicate employment relationship termination phase, thereby limiting the risk of potential litigation or out-of-court litigation and recognising, at the same time, the positive and distinctive contribution provided over time by the resource concerned. In particular, a prior agreement was entered into for the definition of severance pay with the Managing Director and CEO (paragraph 4.9) in line with the provisions of the Remuneration and Incentive Policies and within the limits previously approved by the Shareholders' Meeting in terms of annual fixed remuneration and maximum payable amount;

In the light of the above, this document describes the Remuneration and Incentive Principles, Systems and Instruments (Section A) and the Risk Taker Identification Rules (Section B); the mentioned Sections, jointly, represent the Group Remuneration and Incentive Policies.

Both Sections are supplemented, where necessary, by Technical Rules – detailed in specific boxes – which set out the operational content of the Policies in order to ensure their precise implementation.

Lastly, it is noted that it is not possible to derogate from any elements of the 2022 Remuneration and Incentive Policies.

[5] Specifically, the following subjects are identified:

a) staff members who were entitled to significant remuneration in the previous financial year, provided that the following conditions are met: i) the remuneration of the staff member is equal to or greater than 500,000 euro and equal to or greater than the average remuneration paid to the members of the management body and senior management of the entity; ii) the staff member conducts the professional activity within a material business unit and the activity is such as to have a significant impact on the risk profile of the material business unit.

b) the staff members, including those set out above, who were awarded in or for the preceding financial year a total remuneration that is equal to or greater than 750,000 euro.

Section A – Remuneration and Incentive Principles, Systems and Instruments

Art. 123-ter (3)(a) CLF

This Section describes the Remuneration and Incentive Principles, Systems and Instruments defined for 2022 and addressed to all personnel of the Group[6] and those special categories governed by the agency contract.

4.1 Purposes and principles of the Remuneration and Incentive Policies

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The Remuneration and Incentive Policies of the Intesa Sanpaolo Group aim to align the management's and personnel's behaviour with the interests of all Stakeholders, guiding their action towards the achievement of sustainable medium-long term objectives within the framework of a prudent assumption of current and prospective risks, as well as to contribute to making the Group an "Employer of choice" for its ability to attract, motivate and retain top resources.
In particular, the Policies of the Intesa Sanpaolo Group are based on the following principles:

STAKEHOLDERS' INTEREST

Alignment of management and personnel conduct with the interests of all **Stakeholders**, with a focus on value creation for **Shareholders**, as well as on the social impact generated on the **Communities**

CORRELATION BETWEEN REMUNERATION AND RISK TAKING

- direction of management and personnel conduct towards the achievement of objectives within a **framework of rules** aimed at controlling corporate risks
- remuneration systems aligned with prudent **financial and non-financial risk** management policies (including legal and reputational risks), in line with what is defined in the Group Risk Appetite Framework
- definition of a sufficiently high fixed component to allow the variable portion to reduce significantly, even down to zero, upon occurrence of specific conditions

ALIGNMENT WITH MEDIUM AND LONG-TERM OBJECTIVES in accordance with Group Risk Tolerance

- definition of a set of Incentive Systems in order to drive performance over a **multi-year accrual** period and to share the medium-long term results consequent to the implementation of the Business Plan

MERIT

- **remuneration flexibility**: bonuses are linked to the results achieved and the risks undertaken
- **competitiveness**: focus on key staff members with high managerial skills, to whom competitive salary brackets, compared with the reference market, are reserved
- best performers' **recognition** through above-average bonuses

EQUITY

- **correlation** between fixed remuneration and the level of responsibility, measured through the Global Banding System or the seniority/professional role
- **differentiation** of salary brackets and the ratio of the variable component to the total remuneration according to the relevant professional category and/or geographical market, with the Banding bracket or the seniority/professional role being equal

GENDER NEUTRALITY

- **recognition of an equal level of remuneration**, for the same activities carried out, regardless of gender
- attention to the **gender pay-gap** and its **evolution over time**

SUSTAINABILITY: expenses reduction deriving from application of the policies to values compatible with the available economic and financial means

- selective reviews of fixed remuneration based on strict **market benchmarks**
- mechanisms to **adjust allocations** to the total incentive provisions according to the profitability and the results achieved by the Group
- **appropriate caps** on both total incentives and the amount of individual bonuses

REGULATORY COMPLIANCE

- compliance with **legislative and regulatory provisions, with codes of conduct and other self-regulation provisions** with focus on the Risk Takers (and among these on the so-called Top Risk Takers, including the Key Managers) and on the Corporate Control Functions
- **fairness in customer relations**

[6] including those operating at branches located in third countries

Focus: Gender Neutrality

Intesa Sanpaolo pays great attention to the issues of "Diversity & Inclusion" and is committed to implementing and disseminating, within and outside the Group, a policy in favour of the inclusion of all forms of diversity. In this context, Intesa Sanpaolo adopted the "Principles on Diversity & Inclusion" within which it made specific commitments aimed at ensuring gender equality in HR processes and in the management of people. Compliance with these commitments is monitored periodically, also in order to set corrective measures.

The Intesa Sanpaolo Group adopts gender-neutral Remuneration and Incentive Policies that contribute to pursuing complete equality among staff. They ensure, for the same activity carried out, that the personnel have an equal level of remuneration, also in terms of the conditions for its recognition and payment.

In particular, the Group guarantees that the definition of the remuneration and incentive systems and the taking of decisions regarding remuneration are independent of gender (as well as of any other form of diversity such as affective-sexual orientation, marital status and family situation, age, ethnicity, religious belief, political and trade union membership, socio-economic condition, nationality, language, cultural background, physical and psychological conditions or any other characteristic of the person also linked to the expression of one's thought) and are based on merit and professional skills and are inspired to principles of fairness.

In order to make it possible to apply gender-neutral policies and to be able to evaluate their effectiveness, the Group adopts:

1. systems for measuring organizational positions that take into account the responsibilities and complexity managed by the various roles.
   Specifically, for the management cluster, the Group has adopted the Global Banding System (see below “Focus: Global Banding System”) based on grouping in homogeneous categories managerial positions that are similar by levels of complexity/responsibility managed, measured using the international IPE (International Position Evaluation) methodology.
   Instead, the cluster of professionals is segmented on the basis of seniority, i.e. the degree of work complexity that characterises the supervised activities (5 levels identified, the highest of which corresponds to the role of Coordinator), or of the respective professional category, also taking into account the system of roles defined in the second level collective labour agreement. A mapping model is also being implemented for this cluster which provides for the attribution of a career title based on certain criteria that integrate those of seniority (i.e. autonomy, complexity but also skills, economics, impact and exposure) in order to enhance in a more granular way the level of professional contribution provided in their operations and the progressive specialisation of skills;
2. for the management cluster, market remuneration references associated with each Global Banding bracket and differentiated according to the professional category they belong to and geography. On the other hand, as regards the cluster of professionals at seniority and/or career title levels, market trend references differentiated on the basis of the professional category they belong to and geography are associated;
3. incentive/reward systems linked to objective parameters that therefore allow to recognise merit and performance.

Finally, on an annual basis, the Board of Directors, with the support of the Remuneration Committee, analyses the gender neutrality of the policies and checks the gender pay gap and its evolution over time in accordance with the methodology defined by the regulations. In summary, the gender pay gap is calculated for positions of equal value and country by country, making a distinction for: (i) Risk Takers, excluding members of the Board of Directors; (ii) the members of the Board of Directors in its management function; (iii) the members of the Board of Directors in its supervisory function; (iv) the remaining personnel.
It is noted that the reasons for the gender pay gap are appropriately documented and, where necessary, corrective measures are taken.

4.2 Segmentation of personnel

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The Intesa Sanpaolo Group Remuneration and Incentive Policies are based on personnel segmentation logics that allow the operational adaptation of the principles of merit, fairness and neutrality in order to suitably differentiate the total remuneration and arrange mechanisms of payment that are specific for the various personnel clusters, with a particular focus also on those of a regulatory importance for which more stringent requirements are set. The distinction of the population into macro segments also allows to take into account the **remuneration** and **working conditions** of employees both in the declination of policies in **specific** remuneration and incentive systems and in the adoption of remuneration decisions **tailored** to each macro segment.

In application of these logics, three macro segments are identified:

- Risk Takers;
- Middle Managers[7];
- Professionals.

Focus: Risk Takers

The Intesa Sanpaolo Group identifies the personnel whose professional activities have a material impact on the entity's risk profile (so-called "Risk Takers") based on the "Rules for identifying Risk Takers", stated in Section B, which form an integral part of the Remuneration and Incentive Policies. These Rules were defined on the basis of the provisions laid down in article 92, paragraph 3 of CRD V, as well as Regulation (EU) 923/2021 and supplemented by additional criteria that reflect the specific risks taken by the Group based on the business model and the organisational structure adopted and set out in line with the Global Banding System adopted by Intesa Sanpaolo (see focus below).

The following segments of Risk Takers are identified[8]:

- Intesa Sanpaolo Group Risk Takers (so-called Group Risk Takers);
- Sub-consolidating Group Risk Takers;
- Legal Entity Risk Takers.

Furthermore, within each Risk Taker segment and solely with reference to significant Banks[9] – including Intesa Sanpaolo – the Top Risk Takers are also differentiated.

In particular, the Group Top Risk Takers segment consists of:

- Managing Director and CEO;
- Heads of the Business Divisions (Asset Management, Banca dei Territori, Insurance, IMI Corporate & Investment Banking, International Subsidiary Banks and Private Banking) as well as the Deputy to the Head of the IMI Corporate & Investment Banking Division;
- Chief Operating Officer, Chief IT, Digital & Innovation Officer, Chief Cost Management Officer, Chief Financial Officer, Chief Lending Officer, Chief Governance Officer, Chief Risk Officer, Chief Compliance Officer, Chief Institutional Affairs & External Communication Officer and Chief Audit Officer;
- Heads of the Head Office Departments that report directly to the Managing Director and CEO;
- Head of the Administration and Tax Head Office Department in his capacity as the Manager responsible for preparing the Company's financial reports.

This segment coincides with the so-called Key Managers identified pursuant to Consob Regulation No. 17221 of 12 March 2010 containing provisions relating to transactions with related parties.

With reference to 2021, a total of 654 Group Risk Takers were identified, with an increase of 135 people compared to the number of Risk Takers identified in 2020. In addition, in application of the exclusion criteria set by the Rules for 2021, 284 people were not included in the scope of the Group Risk Takers while, in 2020, 301 people had been excluded.

Furthermore, an additional 96 Sub-consolidating Group Risk Takers[10] and 476 Legal Entity Risk Takers not included among Group and Sub-consolidating Group Risk Takers have been identified for 2021. Consequently, considering the 3 Risk Taker segments (including Top Risk Takers) – for 2021 a total of 1.226 subjects have been identified.

[7] These shall mean all Heads of Organisational Units not already included in the cluster of Risk Takers.

[8] It is noted that, in the following paragraphs, unless otherwise specified, the term "Risk Taker" is generally understood to refer to all three segments.

[9] Reference is made to banks considered significant pursuant to art. 6, paragraph 4, of Regulation (EU) 1024/2013 (the so-called Regulation of the Single Supervisory Mechanism)

[10] It should be noted that the Sub-consolidating Group Risk Takers were identified in 2021, following the entry into force of Regulation 923/2021 as of 14 June 2021.

Focus: Global Banding System

The Global Banding System adopted by the Intesa Sanpaolo Group is based on the grouping in homogeneous categories of managerial positions that are similar by levels of complexity/responsibility managed, measured using the international IPE (International Position Evaluation) methodology.

In correlation to Global Banding, Intesa Sanpaolo also adopted a job titling system that clearly identifies the responsibilities and the contribution of the roles, overcoming the purely hierarchical-organisational logics.

In particular, the following are identified with the title of:

- Chief, the roles that define and/or exert a strong influence on the Group medium/long-term strategy or define the reference Division/Governance Area strategy, with an impact on the results of the Group in the medium-long term;
- Executive Director, positions that define and/or exert a strong influence on function/business/country strategies, consistently with the Division/Group strategies, and ensure their implementation even in highly complex contexts;
- Senior Director, positions that define business/function policies and plans and lead their implementation by taking managerial responsibility for financial and human resources.
- Head of, the roles that define or contribute to defining programmes and plans for their own organisational structure, also in coordination with other corporate structures, and ensure their implementation by taking managerial responsibility for human resources and, possibly, financial responsibility.

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Focus: "Relevant Persons" and credit intermediaries to which the Provisions regarding "Transparency of the banking and financial transactions and services – correctness of the relations between intermediaries and customers" (Bank of Italy) apply

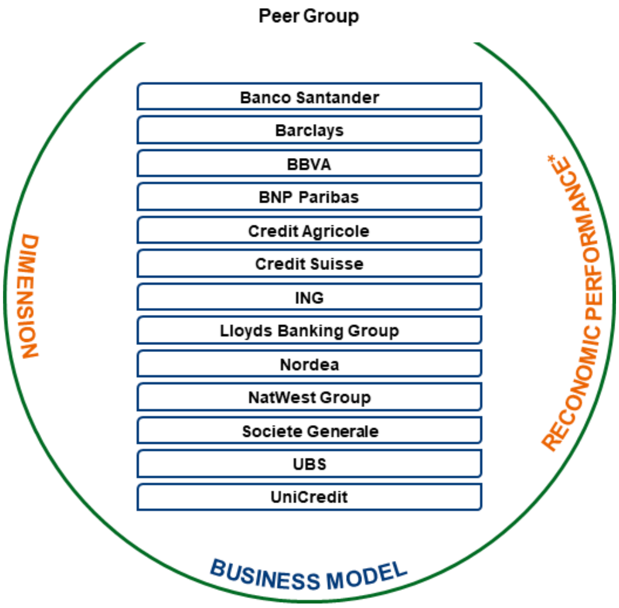
In line with Bank of Italy Provisions regarding "Transparency of the banking and financial transactions and services – correctness of the relations between intermediaries and customers", the number of relevant persons and credit intermediaries to which the Provisions apply are shown below, based on their role held.

Role	Number as at 31/12/2021
Banca dei Territori Division	
Branch Managers of Retail and Personal Branches	3,454
Managers at Retail and Personal Branches	32,947
Collaborators of Agents4You (Financial Agent) with ancillary role of Team Leader	11
Collaborators of Agents4You (Financial Agent)	185
Financial agents of Prestitalia	453
Private Banking Division	
Branch Managers of Private Banking Branches	110
Intesa Sanpaolo Private Banking Private Bankers	744
Non-employee Financial Advisors of Fideuram, Sanpaolo Invest SIM, IW Private Investments SIM (IW SIM) and Intesa Sanpaolo Private Banking	4,748
Non-employee Financial Advisors with an accessory contract of Fideuram, Sanpaolo Invest SIM and IW SIM	170

Focus: External competitiveness of remuneration

As part of defining the total remuneration, Intesa Sanpaolo continuously focuses on external competitiveness in order to attract and retain the best resources.
In relation to market data and practices, the Intesa Sanpaolo Group aims to align the overall remuneration with median values, notwithstanding the possibility to make the appropriate differentiations for particularly critical positions and/or resources with high management skills.

Furthermore, the adequacy of the amounts is further verified in comparison to market data, with ongoing participation in national and international remuneration surveys; for management roles and other particular business positions, the comparison is based on specific peer groups, in order to evaluate the competitive alignment with the most appropriate reference market.



* Economic results in terms of Net Income, ROE, and Market Cap

4.3 Remuneration components

Employee remuneration is broken down into the following:
a) fixed component;
b) variable component.

Focus: Remuneration components received by Financial Advisors and Financial Agents other than employees

The remuneration received by Non-employee Financial Advisors and Financial Agents, due to the very nature of their employment as freelancers operating under agency contracts, is entirely variable and is composed primarily of commissions. Pursuant to the provisions laid down by the Supervisory Provisions, commissions are broken down into:
a) a “recurring” component, representing the most stable and ordinary portion of remuneration. This component is equivalent to the fixed remuneration;
b) a "non-recurring" component that has an incentive purpose, specifying that the commission does not in itself have any incentive purpose. This component is equivalent to the variable remuneration.

With particular reference to the remuneration of the employee with mixed contract[11], in the capacity of part-time employee, this consists of both a fixed and a variable portion and, in the capacity of freelancer, of both a recurring and non-recurring component.

[11] It is meant a way to carry out the working activity introduced by Intesa Sanpaolo that allows the same person to activate, at the same time, a part-time employment contract and a free-lance employment contract as a financial advisor to carry out the “out-of-branch services”, separately, concurrently and in parallel with respect to the employment agreement.
This mixed employment agreement is envisaged for the personnel belonging to the Network of the Banca dei Territori Division and the Private Banking Division.

4.3.1 Fixed and/or recurring remuneration

Fixed remuneration

The fixed component is the component of the remuneration that is stable and irrevocable in nature and determined on the basis of pre-established and non-discretionary criteria such as: the contractual framework, the role held, the responsibilities assigned, the particular experience and the expertise acquired by the employee.

The following are considered fixed components of remuneration:

- the **gross annual remuneration** which reflects the level of professional experience and seniority of the personnel;
- the **allowances** assigned in a non-discretionary manner and not tied to any kind of performance indicator. This type of fixed remuneration is assigned to the following categories of personnel:
  - Risk Takers (within Italy and some foreign countries[12]) and Middle Managers (within Italy and some foreign countries[13]) belonging to the Company Control Functions[14] and to related roles (see below), as well as heads of commercial roles of the physical and digital distribution network within the scope of the Banca dei Territori Division, due to the role held;
  - expatriate personnel in order to cover for any differences in cost, quality of life and/or remuneration levels of the target reference market;
- allowances and/or **compensation deriving from offices held in corporate bodies**, provided that these are not reversed to the companies to which they belong;
- any **benefits** designed to increase employee motivation and loyalty of the resources and assigned on a non-discretionary basis. These may be of a contractual nature (e.g., supplementary pension, health benefits, etc.) or the result of remuneration policy decisions (e.g., company car) and, therefore, have different treatment with respect to different categories of personnel.

As regards the allowances envisaged for Risk Takers and Middle Managers belonging to the Company Control Functions (i.e. Compliance, Risk Management, Audit as well as Anti-Money Laundering and Validation), the rationale behind their introduction lies in the need to ensure that this role is provided with an adequate level in terms of total remuneration with respect to the responsibilities managed, against a limit to the ratio between variable remuneration and fixed remuneration set by the Bank of Italy[15] at 33%, a limit which is not found in similar regulations issued by other European Union countries[16].

Concerning the definition of the amount, the Group Global Banding System graduates the overall remuneration levels by diversifying by title the amount of the allowances to acknowledge the complexity of the responsibilities managed, based on the weight of the role determined with the Mercer International Position Evaluation (IPE).

Please note that allowances are also paid to roles (Italy scope) for which the Supervisory Provisions on remuneration require the variable component, if present, to be limited. In light of this provision, Intesa Sanpaolo has set, also for the Heads of the Human Resources Function of the Group and the Manager responsible for preparing the Company's financial reports, a ratio between variable remuneration and fixed remuneration limited to 33%, providing the concurrent payment of the above-mentioned role allowance, defined in line with the methodology adopted for the Company Control Functions, based on the positioning inside the Group Global Banding System.

In addition, the Intesa Sanpaolo Group integrates the express requirements of the Supervisory Provisions by assimilating to the Company Control Functions also the Manager responsible for preparing the Company's financial reports, the Head of the Safety and Protection Head Office Department in his capacity

[12] Slovakia and Croatia.
[13] Egypt and China.
[14] With reference to the insurance sector, the scope of the Company Control Functions coincides with the Key Functions.
[15] Bank of Italy Circular 285/2013.
[16] Unlike what occurs in Italy and in some specific foreign countries (China, Egypt, Slovakia and Croatia), the application of the 33% limit to the ratio between variable remuneration and fixed remuneration to personnel belonging to the Company Control Functions operating in international subsidiary banks of the Intesa Sanpaolo Group does not usually represent a critical issue with respect to the safeguarding of adequate levels of total remuneration of such personnel, since the variable remuneration practices in place in those countries provide remuneration levels which are below the limit set by the Bank of Italy. Consequently, it is not deemed necessary to introduce the allowance in other foreign countries.

as Group Data Protection Officer and the Head of Privacy, acknowledging their role of compliance monitoring.

As regards the heads of physical and digital distribution Network commercial roles, their allowance is defined in order to allow the provision of adequate remuneration commensurate with the responsibilities attributed to them under the current service model of the Banca dei Territori Division, while maintaining the remuneration flexibility which has become necessary in view of the turnover rates of the employees called upon to hold these roles.

The allowances paid to expatriate personnel are aimed at ensuring the equity of the net remuneration treatment between the amount received in the country of origin and in the target country, so as to cover for any differences in cost, quality of life and/or remuneration levels of the target reference market.

Recurring remuneration

For Non-employee Financial Advisors and Financial Agents, the “recurring” component consists of commissions which represent the stable and ordinary portion of remuneration.
In particular, for Non-employee Financial Advisors, the commissions that have a "recurring" nature allow to:

- remunerate the Non-employee Financial Advisors for placement, customer assistance and management;
- refund the expenses incurred individually to perform their activity, including the fulfilment of the contribution obligations required by law.

With specific reference to Non-employee Financial Advisors with an accessory contract (i.e. Advisors with the responsibility of commercial coordination and supervision of specific activities and/or groups of Non-employee Financial Advisors), the “recurring” remuneration consists of:

- supervision commissions (so-called “maintenance over”) for the activity of coordination and supervision of a group of Non-employee Financial Advisors who operate in the related area;
- development commissions (so-called “development over”) for the development and growth of the group of Financial Advisors.

Finally, as regards the Financial Agents in Prestitalia[17], the recurring remuneration is divided into 3 components:

- ordinary commissions calculated on the basis of the product sold or on a portion of the overall interest on the loan (“interest delta”) or as a percentage of the Company's gross revenues deriving from the placement of banking and insurance products in mandate;
- recurring commissions (“management fees”) linked to the maintenance of the existing portfolio;
- constant supplementary commissions for production bands determined on the basis of forecasts of volumes that will be developed by the agent.

In addition, with reference to Financial Agents with the accessory role (so-called Team Leader), an additional coordination fee is provided for the performance of the task of supervising the commercial activity.

Focus: Fixed and recurring remuneration of employees with mixed contract

The “fixed” remuneration of employees with a mixed contract is represented by the portion of the gross annual remuneration received as a part-time employee. Instead the “recurring” remuneration consists of the commissions of a more stable and ordinary nature.

[17] It should be noted that, until March 2022, a network of financial agents was also active in the company Intesa Sanpaolo Agents4you, whose recurring commissions, aimed at remunerating the placement of banking and insurance products in office, consisted of a portion of the gross revenues of the Company deriving from the placement of these products. This quota was differentiated according to the type of product and was regulated in the agency contract. In addition, an additional coordination fee was provided for collaborators with the accessory role of Team Leader for carrying out the task of supervising the commercial activity.

4.3.2 Variable and/or non-recurring remuneration

Variable remuneration

The variable component of remuneration is linked to the employee's performance and aligned to the results actually achieved and the risks prudentially taken, and consists of:

- short-term variable component paid through:
  - the annual Incentive Systems (see paragraph 4.5);
  - the Broad-based Short-Term Plan – PVR (see paragraph 4.7);
- long-term variable component paid through:
  - the Performance Share Plan addressed to Management of Intesa Sanpaolo Group, including the Top and other Risk Takers of the Group – Italy and foreign perimeter (see paragraph 4.8.1);
  - the LECOIP 3.0 Plan addressed to Professionals of Intesa Sanpaolo Group – Italy perimeter (see paragraph 4.8.2);
  - any other long-term incentive plans (e.g. Multi-year loyalty plan for some employees from the UBI Top Private Network – see focus in paragraph 4.8.4).
- the Carried Interests, i.e. the share in the profits of the Undertakings for Collective Investment in Transferable Securities (UCITS) or Alternative Investments Funds (AIF) received by personnel as compensation for the management of the UCITS or AIF[18];
- any variable short- and long-term components, tied to the period of employment in the company (stability, non-competition, one-off retention agreements) or extraordinary agreements (entry bonus);
- any discretionary benefits.

The distinction of the variable remuneration component into a short-term portion and a long-term portion encourages the attraction and retention of staff, allowing the performance to be directed on a more than annual accrual period and the medium/long-term results deriving from the implementation of the Business Plan to be shared.

Focus: Carried Interest

With reference to the personnel of the “Investments” area of the asset management companies that manage AIFs, Carried Interest is envisaged, providing the use of equity instruments with strengthened rights (possibly phantom – see below), i.e. that imply a participation in the profits that is proportionally greater than that of the other investors. This instrument aims to strengthen the alignment of the management’s interest with the interest of shareholders and investors.

Consequently, Carried Interest is subject to the achievement of a minimum return and it is postponed. In line with market best practices, Carried Interest is awarded:

- upon exceeding a certain minimum return threshold (hurdle rate);
- according to the European Waterfall model (“on a whole-fund basis”), i.e. calculated and paid only at the end of the entire investment’s life.

It is worth noting that, for the personnel mentioned above, it will be possible to exceed the limit of the ratio between variable and fixed remuneration and up to a maximum of 400% (see paragraph 4.4.4.2) only through the carried interest. Again in order to strengthen the alignment of management's interests with that of shareholders and investors, incentive plans may alternatively be adopted which provide for the use of phantom equity instruments, aimed at synthetically replicating the effects of a direct investment in shares/units of managed funds and which attribute to the participants the right to accrue a bonus linked to the Carried Interest that would accrue in the case of direct investment, under conditions and with characteristics similar to those indicated above. At present plans of these types have been launched in NEVA SGR and in ECRA SGR.

Focus: Guaranteed bonuses

NO granting of guaranteed bonuses is provided.

[18] However, the portion of *pro rata* profit assigned to personnel by virtue of any investments made by them in the UCITS or AIF, provided that they are proportional to the actual percentage of participation in the UCITS or AIF and not exceeding the return recognised to the other investors does not constitute remuneration. For a proper implementation of the regulation, managers must therefore be able to clearly identify the portions of profit which exceed the *pro rata* profit of the investments and that qualify as carried interest.

Focus: Entry Bonus

To attract new personnel, a one-off welcome bonus may be paid upon hiring, without prejudice to the accurate assessment and analysis of market practices.
According to the Supervisory Provisions, this type of bonuses is not subject to any requirement applicable to variable remuneration, including variable remuneration cap and pay-out schemes, if recognized in a single instalment (known as **welcome bonus**). It should be noted that the mentioned bonus can be assigned only once to the same staff member at Group level.

Focus: One-off retention

Any retention bonuses tied to the period of employment of the personnel:

- are paid for a certain period of time or until a given event;
- are awarded not before the end of this period or upon the occurrence of the event;
- contribute to the calculation of the cap between the variable and fixed component of remuneration;
- are subject to the payment methods of the variable remuneration and both ex ante and ex post correction mechanisms.

It is understood that the recognition of the retention bonus cannot lead to a situation in which the total variable remuneration is no longer linked to the performance of the individual, the single business unit, as well as the Company and the Group.

Furthermore, multiple retention bonuses (for example, an individual retention bonus and another one deriving from a collective plan) may be awarded to the same staff member in exceptional and suitably justified cases, providing that the payment of the retention bonuses takes place at different times and provided that there are specific reasons for the recognition of each of them.

As regards retention bonuses, Intesa Sanpaolo – in line with the industry practises – envisages a **minimum duration agreement** (or **stability agreement**), i.e. an agreement with which the beneficiary undertakes not to exercise the right to withdraw from the employment agreement for the duration of the Agreement, against a payment made at the end of such period, and which provides a penalty in case of breach of the commitment.

Focus: Discretionary pension benefits

Should discretionary pension benefits – which are currently NOT envisaged – be introduced, these will be assigned to beneficiaries in accordance with the applicable regulations, according to which they are similar to variable remuneration, and, therefore:

- in the case of resources who are not entitled to receive a pension, they shall be invested in Intesa Sanpaolo shares or other related instruments, held in custody by the bank for a period of at least five years and subject to *ex-post* adjustment mechanisms related to the Group's performance net of risk;
- in the case of resources entitled to a pension, they shall be paid to the employee in Intesa Sanpaolo shares or other related instruments and they shall be subject to a retention period of five years;
- they contribute to the calculation of the cap between the variable and fixed component of remuneration.

Non-recurring remuneration

For Non-employee Financial Advisors, the "non-recurring" component is represented by the commissions paid as annual incentives, with the aim of guiding the sales activity to reach specific targets, taking into account both the long-term company strategies and objectives of the Networks they belong to and the correctness of customer relations. Transp. Prov.

Moreover:

- a 2022-2025 Long-term Incentive Plan is envisaged for around 5,000 Non-employee Financial Advisors of the Fideuram, Sanpaolo Invest SIM and IW SIM Networks (see paragraph 4.8.3);
- for new Non-employee Financial Advisors of Fideuram, Intesa Sanpaolo Private Banking (ISPB) Sanpaolo Invest SIM and IW SIM a specific non-recurring component is envisaged as part of the recruitment offer (see the following focus).

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Focus: Recruitment offer for non-employee Financial Advisors of the Fideuram, Intesa Sanpaolo Private Banking (ISPB), Sanpaolo Invest SIMand IW SIM

The recruitment of new Financial Advisors has always been one of the pillars of the growth and development of the Fideuram, Intesa Sanpaolo Private Banking, Sanpaolo Invest SIM and IW SIM networks.
Therefore, in accordance with the Supervisory Provisions, in order to attract the best talents, an attractive and competitive recruitment offer is provided for the market.

This offer can have a differentiated duration (i.e. between 24-42 months) and provides for:

- a recurring component that remunerates the Financial Advisor for the acquisition and management of the assets actually transferred to the Company;
- a non-recurring component which represents an additional remuneration aimed at rewarding the effort to acquire assets by non-employee Financial Advisors and necessary to attract them and remunerate the entrepreneurial risk.

The **recurring** remuneration component consists of monthly or quarterly amounts determined as a rule by portfolio range, in the first quarter according to the commercial potential of the Financial Advisor recruited and subsequently to the Net Inflows actually achieved in the previous quarter.

It is specified that this remuneration is considered recurring as it represents the ordinary remuneration for the new non-employee Financial Advisors, which is not subject to revocation, is not determined on a discretionary basis and has no incentive value.

With reference to the **non-recurring** component, the offer provides for the accrual of annual bonus instalments based on the Net Inflows recorded at the end of each year with the application of different rates by type of collection (i.e. Managed and Unmanaged Net Inflows). The annual bonus instalments recognized in the years following the first one are determined on the basis of the accumulated net inflows, or taking into account what has already been transferred in previous years and, therefore, are determined net of any amounts already recognized.

In light of the above, with regard to the payment methods, a "disbursement limit" of € 350,000 was introduced for the intermediate bonus shares, also in order to mitigate the risk of recognizing significant amounts before the effective consolidation of the Net inflows transferred.
These intermediate portions, in compliance with the aforementioned “disbursement limit” and the cap on non-recurring remuneration (see paragraph 4.2), are paid entirely in cash according to specific payment schemes. In particular, in the event that the amount:

- is equal to or lower than the "materiality threshold" defined in these Policies (see paragraph 4.6), the intermediate portion will be paid entirely upfront;
- is higher than the “materiality threshold”[19] but lower than 100% of the recurring remuneration, the intermediate portion will be paid for 60% up-front and 40% over a deferral period of 2 years;
- is higher than the “materiality threshold” and 100% of the recurring remuneration, the interim portion will be paid for 50% up-front and 50% over a deferral period of 2 years.

The last portion of the Bonus, recognized at the end of the duration of the recruitment offer according to the accumulated Net Collection from the insertion until the end of the offer itself, will be paid:

- in the event of amounts lower than € 350,000, entirely in cash according to the aforementioned payment schedules defined for the intermediate instalments;
- in the event of amounts exceeding € 350,000, in line with the payment schemes envisaged in the remuneration and incentive policies in force from time to time.

In line with the provisions of these Policies, it should be noted that all Bonus shares are in any case subject to verification of the activation conditions, the compliance gate[20], individual access conditions and malus conditions.

[19] With specific reference to ISPB, in the event that the amount is higher than the "materiality threshold", the intermediate fee will be paid for a third up-front and for two thirds over a deferral period of 2 years.
[20] We mean the indicators for monitoring the quality of the relationship with customers (i.e. MiFID, AML profiling, MiFID adequacy check). Failure to reach the minimum thresholds defined for each of the indicators precludes the payment of the Bonus shares.

Focus: Recruitment offer for non-employee Financial Advisors of the Fideuram, Intesa Sanpaolo Private Banking (ISPB), Sanpaolo Invest SIMand IW SIM

Finally, in the particular case of Financial Advisors who are not employees of Fideuram, Sanpaolo Invest SIM and IW SIM, it is specified that the Bonus portions are subject to any partial or total recoveries depending on the maintenance of performance during the control period, or the 2 years beyond the performance measurement horizon.

Focus: Variable and non-recurring remuneration of employees with a mixed contract

With regard to the variable remuneration of employees with a mixed contract, this consists of the portion of Broad-based Short-Term Plan (see paragraph 4.7) while the non-recurring one is represented by the welcome commissions, reward for behaviour and reward for sales.

Finally, as regards the Agents in financial activities with ancillary contracts (the so-called Team Leader) of Prestitalia, the non-recurring remuneration consists of the coordination quality bonus envisaged in order to incentivize the coordination and supervision activity of the group of Agents who operate in the area of competence.

4.4 The remuneration pay mix

4.4.1 General criteria

The term "pay mix" refers to the weight of the fixed (or recurring) and variable (or non-recurring) components expressed as a percentage of total remuneration, as described above. R. 27

In accordance with the regulatory guidelines, the Intesa Sanpaolo Group traditionally adopts a pay mix that is appropriately balanced, in order to:

- allow flexible management of labour costs, as the variable portion may significantly decline, even down to zero, depending on the performance actually achieved during the year in question or when the Group was not able to maintain or restore a solid capital base;
- discourage behaviour focused on the achievement of short-term results, particularly if these involve taking on greater risk.

4.4.2 Ratio between variable remuneration and fixed remuneration

In order to achieve the above objectives, it is standard Group practice to establish *ex-ante* limitations in terms of balanced maximums for variable remuneration for all the Group personnel clusters, through the definition of specific caps on the increase of bonuses in relation to any over-performance.

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This cap to the variable remuneration was determined in general in 100% of the fixed remuneration with the exception of the roles belonging to the Company Control Functions and those similar to them as well as the Group Human Resources Function who are assigned a cap of 33% of the fixed remuneration.

Personnel for whom the variable-to-fixed remuneration cap increase up to 200% is required

As approved by the Shareholders' Meeting with a qualified majority, the variable remuneration cap set in the general criteria was increased up to 200%[21] of the fixed remuneration for:

- the Group Risk Takers, except for those belonging to the Company Control Functions and similar roles, the non-executive members of the Board of Directors of Intesa Sanpaolo and the Group Risk Takers operating in Slovakia, Slovenia, Moldova and Romania since the local regulations allow a maximum limit of 100%;
- specific and limited high-profitability professional categories and business segments; this increase was made in line with the principle of external competitiveness (Private Bankers, the professional category of Investment Banking, Insurance and Private Banking investment managers, Treasury and Finance, commercial professional category of the Asset Management Division dedicated to the non-captive market, Heads managing and developing products of the Insurance Division, Heads of the structures of the Global Banking & Sovereign Institutions Department, Global Relationship Managers of the Global Corporate Department and the Global Banking & Sovereign Institutions Department, Heads of the Corporate and Financial Institutions Desks of the Hubs of the International Department as well as Mortgage Specialists and Personal Bankers within the Všeobecná Úverová Banka – VUB – Network);

[21] In accordance with the right granted by CRD and the Bank of Italy.

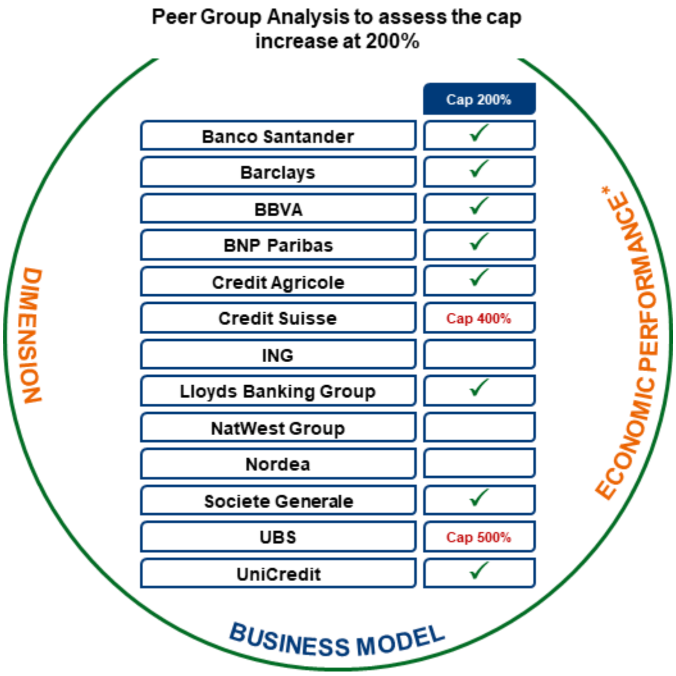
- Non-employee Financial Advisors of Private Banking Division recipients of the recruitment offer in order to attract key resources from the market for the growth and development of the Networks as these significantly affect the total annual average net inflows of the Group.

The reasons for increasing the cap for the above-mentioned clusters and the related impacts on the Group's capital base remain unchanged with respect to the subject matter of previous shareholders' meeting resolutions.

The total number of Group resources to whom the cap increase is applied stands at approximately 3,060, of which 538[22] are Group Risk Takers[23].

Focus: Competitiveness analysis with respect to the introduction of the 200% cap

As illustrated in the image to the right, most of the players with which Intesa Sanpaolo compares itself have increased the cap up to 200% or, where allowed by local legislation (FINMA), the cap was also set above this threshold



*Economic results in terms of Net Income, ROE, and Market Cap

Focus: Compliance with the prudential regulations (see paragraph 4.**Error! Reference source not found.**)

The increase in the cap on the variable remuneration ensures, in any event, compliance with prudential regulations as:

- it does not lead to a proportional increase in the resources allocated to the annual Incentive Systems, since the *ex-ante* funding mechanism of these Systems correlates, with a top-down approach, the resources allocated to the overall bonus pool to a specific Group indicator, currently identified in Gross Income;
- having checked the gateway conditions required by the Regulator and individual access conditions:
    - the bonus allocation is precluded to at least 10% of the entire category of Group Risk Takers if the funding condition envisaged at Group level exceeds the Access Threshold but is below the set target;
    - the incentive system is not activated for Group Top Risk Takers if the funding condition envisaged at Group level is below the Access Threshold;
    - if the Access Threshold is not reached by the Group and/or the Division, the Incentive System precludes the payment of the bonus for certain clusters depending on the level reached of the Gross Income of the Group and the Division;

[22] Figures updated as at 31 December 2021.

[23] From the overall number of Group Risk Takers identified for 2021, the following are excluded: (i) the roles belonging to the Company Control Functions and similar roles; (ii) the non-executive members of the Board of Directors of Intesa Sanpaolo; (iii) the Risk Takers operating in Slovakia, Slovenia, Moldova and Romania since the regulations of the country do not allow the cap to be raised beyond 100%.

Focus: Compliance with the prudential regulations (see paragraph 4.**Error! Reference source not found.**)

- the strong correlation between bonus pay out and prudential requirements in terms of capital and liquidity is guaranteed at multiple levels through the links between the Incentive Systems and the Risk Appetite Framework (RAF) in terms of gateways, malus and target setting of the economic-financial KPIs.

Personnel for whom the variable-to-fixed remuneration cap increase up to 400% is required

With particular reference to the personnel of the "Investment" category of the Group's Asset Management Companies (SGR entities) that carry out their activities exclusively for the same Asset Management Company, since 2019, in compliance with the right granted by the Supervisory Provisions[24], the ratio between variable and fixed remuneration was increased to above 2:1 and up to a **maximum of 4:1**.

The resources of the Group's Asset Management Companies to which this ratio is applied are about **319**, of which **10** Group Risk Takers and 26 subjects identified as key personnel for the individual Companies[25]. It is also highlighted that this increase in the cap does not regard the Group Top Risk Taker of the Asset Management Division.

For this category of personnel, the application of such ratio up to a maximum of 4:1 is due to the by the need to foster international growth in Wealth Management and to attract and retain key resources both in foreign countries and in the Italian domestic market given, on the one hand, the absence of regulatory constraints on the cap and, on the other, the increase in competitive pressure.

The above-mentioned reasons and the related impacts on the Group's capital base remain unchanged with respect to those in 2019 which were the subject matter of a previous shareholders' meeting resolution.

[24] Introduced by update of 26 October 2018 of Bank of Italy Circular 285/2013.
[25] Figures updated as at 31 December 2020.

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4.5 Annual Incentive Systems for Group personnel

The annual Incentive Systems adopted by the Intesa Sanpaolo Group are directed at reaching the medium and long-term objectives included in the Business Plan, taking into account the Group Risk Appetite and Risk Tolerance – as expressed in the RAF – and aim to encourage objectives of value creation for the current year, in a framework of sustainability, given that the bonuses paid are related to the financial resources available.

Reported below is a summary of the operating mechanisms and the main characteristics of the annual Incentive Systems. Further details are provided in the following paragraphs.

STEP	PURPOSE	MECHANISM	
BONUS POOL	Solidity and sustainability in a prudential approach	Gate e Funding	• **The bonus pool is activated** only if the main capital and liquidity requirements, namely the minimum regulatory conditions of solidity at Group level, are met and if the economic and financial sustainability condition is in place (see para. 4.5.1) • **The funding of the bonus pool** at Group level (quantum) is based, verified the gateways conditions, on the available resources deriving from the economic and financial results achieved, adjusted for the non-financial risks incurred (see para. 4.5.2)
BONUS ALLOCATION	Alignment of behaviours and managerial conduct with medium and long-term objectives of the Business Plan and within a risk prevention framework	Sistemi di Incentivazione di Gruppo	**INCENTIVE SYSTEMS FOR SPECIFIC CLUSTERS** Incentive System for Risk Takers and Group Middle Managers (see para. 4.5.3) Specific incentive initiatives (see para 4.5.4): • Non-Performing Loans • Team system – Insurance **INCENTIVE SYSTEMS FOR SPECIFIC BUSINESS CATEGORIES (see pars. 4.5.4)** P&C Insurance Excellence System; Private Banking Network; Advisory Private; Financial Advisors; Investment Management (Middle Management e Professional); Sales Extra Captive; Network of International Subsidiary Banks; Insurance Client Advisor
BONUS PAY-OUT	Adjustment based on conduct/ monitoring the impact of managerial conduct over time	Individual access conditions	Failure to meet the individual access conditions precludes any bonus pay-out and the settlement of the deferred portions to be paid in the year (see para. 4.5.5)
		Malus condition	Failure to meet the malus conditions (symmetrical to those envisaged as gate) leads to a reduction, even down to zero, in the deferred portions of the bonus to be paid in the year (see para. 4.5.6)
		Claw-back	Return of bonuses already paid following disciplinary measures imposed in the event of fraudulent behaviour or gross negligence by personnel (see para. 4.5.7)

Focus: Integration of sustainability risks into the Group Incentive Systems (Regulation (EU) 2019/2088)

Intesa Sanpaolo Remuneration and Incentive Policies are also consistent with the provisions on the integration of sustainability risks pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27th November 2019.

In particular, consistency is guaranteed at annual Incentive Systems level on one hand by attributing specific KPIs to all the management and distribution networks and on the other hand providing, for the Investment Management cluster, a corrective mechanism for the bonus linked to the activity performed in terms of sustainability risks management (see paragraph 4.**Error! Reference source not found.**).

With reference to the specific KPIs, it should be noted that:

- as part of the Incentive System for Risk Takers and Middle Managers of the Group, an "ESG" KPI has been confirmed among the strategic action objectives (see paragraph 4.5.3);
- the Group distribution networks (i.e. Non-employee Financial Advisors and Private Banking Network) a KPI linked to customer profiling within which the ESG preferences of customers are acquired (see paragraphs 4.5.4) has been assigned. Furthermore, a specific KPI aimed at measuring the attendance of an ESG training course and passing of the relative final test has been assigned to Non-employee Financial Advisors.

4.5.1 Gateway conditions for annual Incentive Systems

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All the annual Incentive Systems for the Group personnel are subject to the minimum gateway conditions requested by the Regulator and failure to achieve even only one of those conditions shall result in the non-activation of the annual Incentive Systems for the Group personnel.

These conditions are based, on a priority basis, on the principles envisaged by the prudential regulations concerning **sound capital base** and **liquidity,** represented by the consistency with the limits set as part of the RAF, as well as the principles of **financial sustainability** of the variable component that consist in checking the availability of sufficient economic-financial resources to meet the expenditure requirement.

In the Intesa Sanpaolo Group these conditions are as follows:

Capital strength	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF at Group level
	Leverage Ratio	≥	
	Minimum requirement for own funds and eligible liabilities (MREL)	≥	Early Warning set by the RAF at Group level
	Assessment of the results of the ICAAP and of the Recommendations on distributions by competent authorities and European Supervisory Authorities		
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at Group level
Sustainability condition	No loss and positive Gross Income	>	Ø

In particular, the Gross Income (condition of sustainability) is measured net of:

- profits from the buyback of the Bank's own liabilities;
- fair value of the Bank's own liabilities;
- income components arising from accounting policies following changes to the internal model on core deposits.

Focus: Gate set for the Top Risk Takers

Top Risk Takers are subject to a further gateway condition:

Liquidity condition	Liquidity Coverage Ratio (LCR)	≥	Hard limits set by the RAF at Group level

Please note that:

- for those Legal Entities which calculate their limits of sound capital base (CET1 or Total Capital, Leverage ratio, MREL and the assessment of the results of the ICAAP for Banks, Solvency Ratio in the case of insurance companies, as well as the regulatory Capital Requirements in the case of Asset Management Companies) and liquidity (NSFR for Banks), failure to respect these limits constitutes a non-activation condition for all the Incentive Systems addressed to the resources operating in the Legal Entity, also when those of the Intesa Sanpaolo Group and of the Sub-holding (if any) may be positively met.
  Furthermore, in line with the Intesa Sanpaolo Group previsions, an additional gateway condition linked to LCR at least equal to limit set out in Sub-holding/Legal Entity RAF is applied to Top Risk Takers of Sub-holdings and of the significant banking Legal Entities.
- if sustainability conditions (i.e. no loss and positive Gross Income) at the level of individual Bank are not met, the Head of the Bank and any Risk Takers identified therein shall be excluded from the annual Incentive System, and the economic resources intended to finance the bonus pool of that Bank shall be reduced.

4.5.2 Group Bonus Funding and configuration by Division / Governance Area

Calculating the bonus pool

All the annual Incentive Systems for Group personnel are funded by a structured bonus pool mechanism that, in order to ensure sustainability, is indexed to the level of achievement of a measure of profitability represented by Intesa Sanpaolo's Gross Income at Consolidated Financial Statements level.

In particular, funding the bonus pool at Group level is:

- defined with a **top-down** approach;
- calculated **according to the level of Gross Income;**
- allocated to **finance all the annual Incentive Systems** of the Group and the PVR.

Focus: Funding the Incentive Systems of Non-employee Financial Advisors and Agents

The Incentive Systems of Non-employee Financial Advisors and Agents are not financed by the Group bonus pool. These Systems are actually self-funded since these categories of personnel consist of freelance professionals operating under agency contracts whose non-recurring remuneration is represented by commissions defined as a percentage of the gross revenues generated by the Company they belong to.

The portion of Gross Income allocated to fund the Group target bonus pool is determined in advance, on an annual basis, once the abovementioned gateway conditions are met, according to an historical analysis and budget forecasts as well as the payout ratio objective set for the dividend distribution.

Focus: Bonus pool sizing mechanism

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Having checked the gateway conditions required by the Regulator, the bonus pool increases progressively starting from when it exceeds the so-called Access Threshold (i.e. the minimum Gross Income target which, though lower than the budget, is deemed acceptable) up to a predefined cap.

In contrast, failure to reach the Access Threshold implies a significant reduction in the resources to service the annual Incentive Systems in both absolute and relative terms and determines the payment of the bonuses accrued only to certain clusters of personnel.

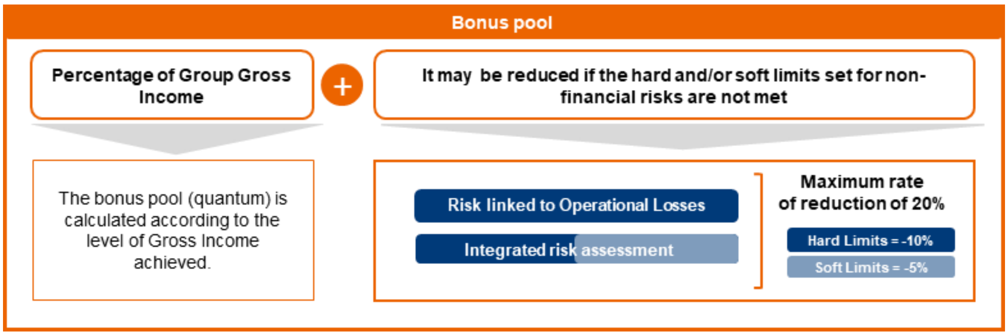
In particular, in the case of:

- a positive Gross Income, though lower than the Access Threshold, a portion of the bonus pool called “Buffer 1” is made available, even though the payment of the bonuses to the Group Top Risk Takers is in any case precluded, regardless of the performance evaluation achieved;
- a negative Gross income, a portion of the bonus pool called “Buffer 2” of a significantly smaller size than “Buffer 1” is made available, even though the payment of the bonuses is precluded – other than to the Group Top Risk Takers – also to the other Risk Takers and Middle Managers (i.e. only the bonuses of the Professional best performers are paid).

In any case, the bonus pool calculated according to the rules described is subject to another correction mechanism in order to strengthen the consistency of the Incentive Systems with the Group’s Risk Tolerance. This mechanism requires a possible reduction of the bonus pool accrued in case of non-compliance of the limits connected to the non-financial risks defined in the RAF.

Focus: Connection between bonus pool and non-financial risks

The Group Risk Appetite Framework sets specific limits both for financial and non-financial risks; as part of the latter, hard or soft limits are set according to the level of severity implied by the possible breach of one of these limits.
For this reason, the impact in terms of bonus pool reduction of the limits connected to non-financial risks varies according to the nature of the limit and is 10% for hard limits and 5% for the soft limit.



Configuration of the bonus pool by Division/Governance Area

The Group bonus pool is allocated, *ex ante in primis*, to the various Incentive Systems funded by the Group and, in the case of Incentive Systems that involve transversal clusters (e.g. the annual Incentive System for the Risk Takers and Middle Managers), it is subsequently configured at individual Division/Governance Area level.

In line with the principle of financial sustainability, the actual figure (*ex post*) of the bonus pool initially attributed to each Division is "modulated" depending on the level of the Gross Income reached by each Division.
This implies that only the Divisions which exceed their Access Threshold receive the full pool attributed at the beginning of the year (once the Group Gate is activated); whereas, the portion of bonus pool of the Division that does not exceed the Access Threshold may be reallocated among the other Divisions / Governance Areas that have exceeded the Threshold[26] ("additional" bonus pool).

Similarly to the Group bonus pool, also the portion of bonus pool allocated to each Division is subject to a correction mechanism that provides a possible reduction in the accrued bonus pool in case of failure to respect the hard and/or soft limits set for non-financial risks found specifically on each Division (i.e. Risk linked to the Operational Losses and Integrated Risk Assessment).
Furthermore, in order to strengthen the link with Pillar 2 metrics, the portion of the bonus pool allocated to each Division[27] is subject to an additional correction mechanism based on the level of deviation from the Economic EVA *(Economic Value Added)* target. More in detail, this mechanism acts as a de-multiplier if target level is exceeded beyond a certain tolerance level. In particular, it is provided a reduction of 10% of the Divisional bonus pool in case of failure to achieve the 90% of the Economic EVA target assigned at budget.

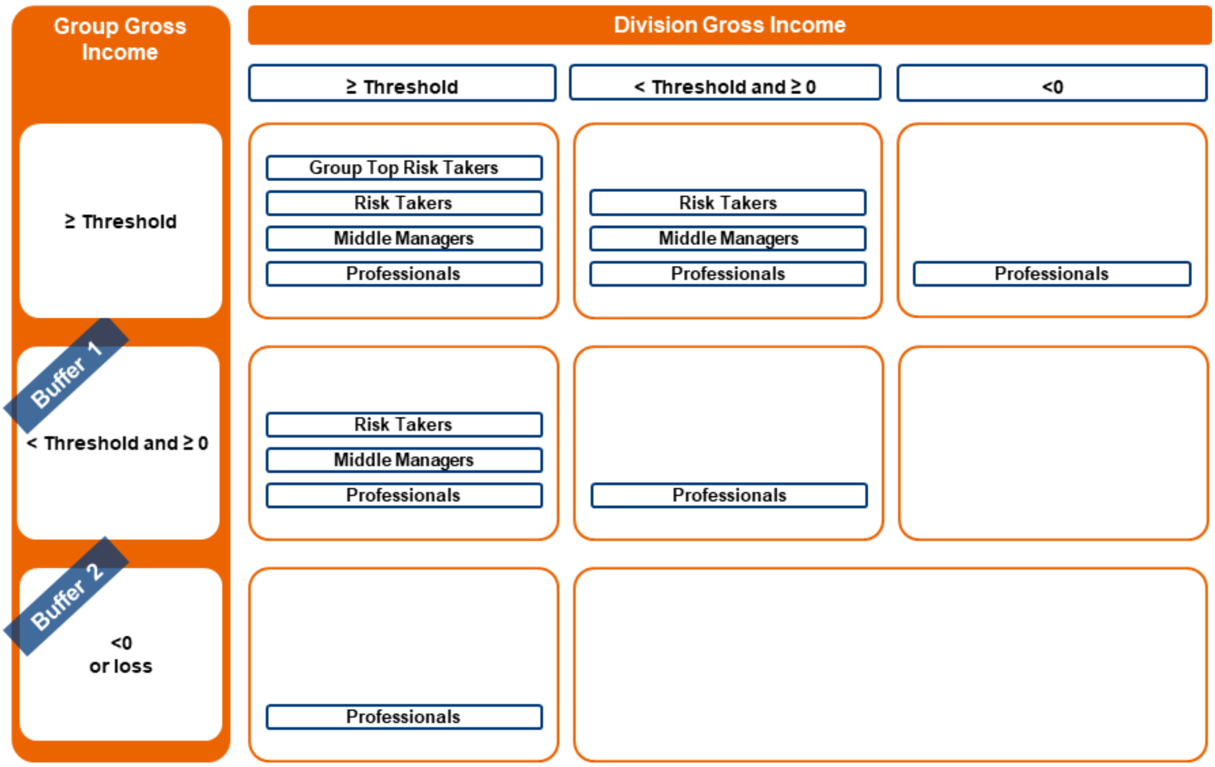
Finally, there are limits to the clusters eligible for the annual Incentive Systems in particular cases where, having positively verified the conditions relating to the CET1 and NSFR referred to in the previous paragraph, the Division's Gross Income does not exceed the Access Threshold.
In particular, similarly to what happens at Group level, in the case where:

- the Group Gross Income exceeds the Access Threshold and:
    - at Division level, the Gross Income is positive though lower than the Threshold, the payment of the bonus is precluded to the Group Top Risk Taker of the Division regardless of the performance evaluation achieved;
    - at Division level, the Gross Income is negative, the payment of the bonus is precluded – other than to the Group Top Risk Taker – also to other Group Risk Takers, Risk Takers of Sub-consolidating Groups and of Legal Entity, as well as Middle Managers of the Division;
- the Group Gross Income is positive though lower than the Access Threshold ("Buffer 1"), and, at Division level, the Gross Income is positive though lower than the Threshold, the payment of the bonuses is precluded to Group Risk Takers, Risk Takers of sub-consolidating Groups and of the Legal Entity (including Top ones), as well as Middle Managers of the Division (i.e. only the Professional best performers are eligible).

In the remaining cases: (i) the Group Gross Income is positive though lower than the Access Threshold and the Gross Income of the Division is negative; (ii) the Group Gross Income is negative and the Gross Income of the Division is lower than the Threshold, the Incentive Systems are not activated for any of the clusters of personnel.

Below is a summary representation of the **clusters of personnel eligible for the Incentive Systems** according to results of the Group and the Division.

[26] For the Governance Areas, the Access Threshold coincides with that of the Group.
[27] It should be noted that this KPI is not defined at Legal Entity level..


Group Gross Income
Division Gross Income
≥ Threshold
< Threshold and ≥ 0
<0
≥ Threshold
Group Top Risk Takers
Risk Takers
Middle Managers
Professionals
Risk Takers
Middle Managers
Professionals
Professionals
Buffer 1
< Threshold and ≥ 0
Risk Takers
Middle Managers
Professionals
Professionals
Buffer 2
<0
or loss
Professionals

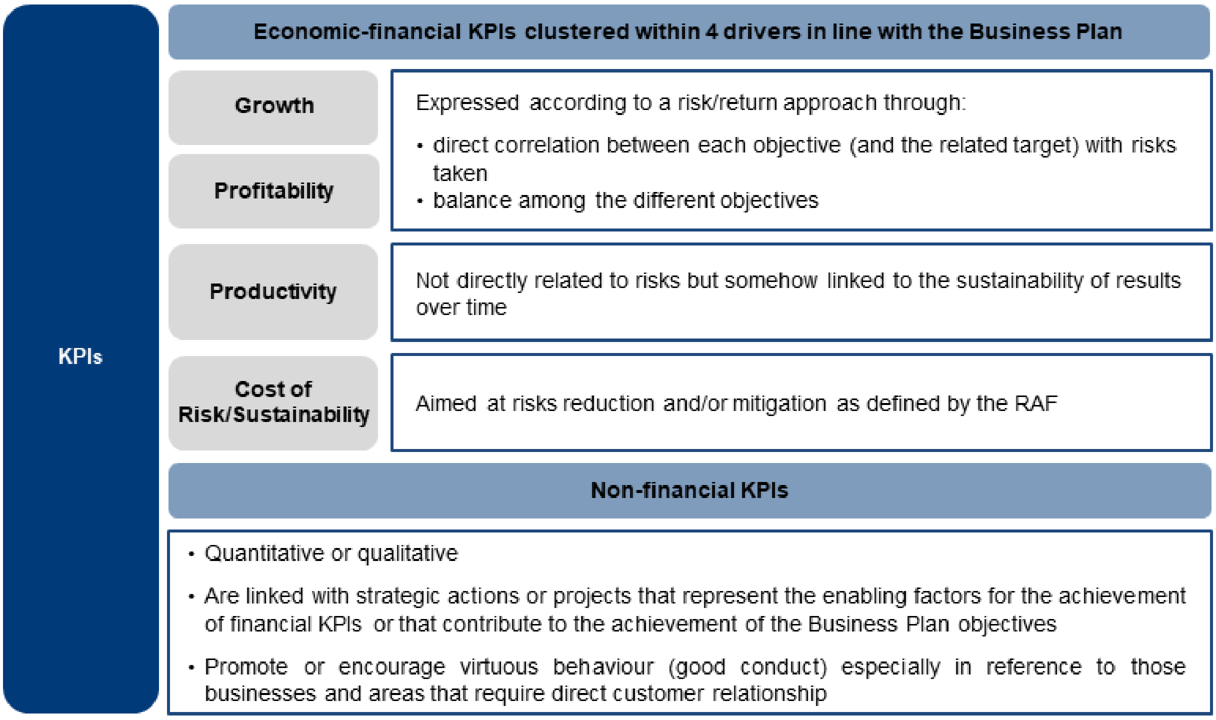
4.5.3 The annual Incentive System for Risk Takers and Middle Managers

The Incentive System for the Risk Takers and Middle Managers aims to guide the behaviour and managerial actions towards reaching the objectives set in the Business Plan and reward the best annual performance assessed with a view to optimise the risk/return ratio. P. XV R. 27

This System is formalised through Performance Scorecards which:

- for Risk Takers and Middle Managers with the title of *Senior Director* in the Business, Governance Functions and in the Company Control Functions as well as those with the title of *Head of*[28] limited to the Business Functions, are managed through the Managers' Performance Accountability (MAP) system;
- for Middle Managers with the title of *Head of* in the Governance and Control Functions[29], are managed through the aHead system.

The Performance Scorecards of Risk Takers and Middle Managers (the *Senior Directors* in all the Functions and the *Heads of* in the Business Functions) include both KPIs of an economic-financial nature and non-financial KPIs.



Identification of KPIs, on which incentives granting is based, is carried out by the competent functions, considering the most significant economic and financial indicators for achievement of the budget objectives, periodically monitored through internal reporting tools and available at the consolidated level, as well as at division and/or business unit level.
The process used to identify the above-mentioned KPIs involves Chief Risk Officer and Chief Compliance Officer Governance Areas, in order to ensure respectively the consistency of the KPIs with the limits set in the Group's RAF as well as their compliance with the regulatory provisions in force from time to time.

This allows the selection of a complex mix of qualitative and quantitative parameters – anyway transparent, objective and measurable – allowing a 360-degree evaluation of company's performance in terms of profitability and risks prudently taken.

[28] Including the *Head of* some Group functional areas.
[29] Including Managers with similar roles to the *Head Of*.

Focus: Examples of qualitative and quantitative KPIs contained in the Performance Scorecards for Risk Takers and Middle Managers (the *Senior Directors* in all the Functions and the *Heads of* in the Business Functions)

KPIs		
	Economic-financial KPIs	
	Growth	Net Inflows, Medium/long-term Loans, Insurance Operating Margin
	Profitability	Operating Income/RWA, Revenues/Assets, Insurance Operating Margin/Mathematical Reserves
	Productivity	Cost/Income, Operating Costs reduction, Full Combined Ratio
	Cost of Risk/Sustainability	Gross NPL ratio, Concentration Risk, Gross flows from performing to NPE, Operational Losses/Operating Income, Maintaining LCR levels
	Non-financial KPIs	
	Managerial Qualities	Risk Culture – Promoting awareness regarding "emerging" risks (for the Company Control Functions)
	Strategic Actions/Projects	ESG, Growth in Wealth Management & Protection, International business Development, Retail Banking Digital transformation

The Performance Scorecards for all Risk Takers and Middle Managers (the *Senior Directors* in all Functions and the *Heads of* in the Business Functions) have a three-fold structure:

- **Group section**, containing at least one quantitative KPI measured on the Group scope and common to all the Scorecards, except those intended to the Company Control Functions and similar roles. For 2022, in line with the previous year, the Net Income was assigned as Group KPI. Moreover, in the Group Governance Areas, for the Risk Takers and those reporting directly to the Chief, the objective to minimise the Group's Cost/Income Ratio was also provided;
- **structure section**, containing KPIs that are consistent with the strategic drivers of the Group and the levers used by the Risk Taker/Middle Managers. The reporting boundary is the Division/Governance Area or, in any case, the area of responsibility;
- **qualitative section**: containing KPIs relating to the taking of actions envisaged by the Business Plan or the measurement of managerial skills (possibly also individual), whose reporting is usually objectified by identifying project milestones and/or subject to evaluation by the Head based on supporting drivers defined *ex ante*. For 2022, in continuity with the previous financial year, the Group transversal KPI "Environmental, Social and Governance (ESG)" identified among the strategic actions, was assigned. Furthermore, for the Company Control Functions, for 2022, in keeping with 2018, a transversal KPI was confirmed that lies within the objective of "Risk Culture – Promoting awareness at all levels of the organisation regarding *emerging* risks, with a particular focus on the risks related to climate change and technological innovation, by means of educational, awareness raising and training initiatives".

Focus: Group transversal KPI "ESG"

The Intesa Sanpaolo Group is aware of having a significant impact on the social and environmental context in which it carries out its business, choosing to act not only on the basis of profit, but also with the aim of creating long-term value for the Bank, its people, its customers, the community and the environment.

Intesa Sanpaolo aims to be a responsible financial intermediary that generates collective value, aware that innovation, development of new products and services and corporate responsibility can contribute to reducing the impact on society of phenomena such as climate change and social inequalities.

Furthermore, environmental, social and governance factors are issues of increasing interest to Regulators, as well as to the Group's Proxies, Shareholders and Stakeholders.

Focus: Group transversal KPI “ESG”

In light of the foregoing, in line with the commitment to strengthening its own leadership in social, cultural and environmental sustainability and consistently with the 2022-2025 Business Plan, as well as in line with the provisions of Regulation (EU) 2019/2088, the Intesa Sanpaolo Group has decided to confirm a specific "ESG" KPI among the strategic action objectives that will be assigned to all Managers.

The evaluation of the ESG KPI takes place both at Group level, with a view to recognising the commitment of the Group as a whole, and at the Governance Area/Division or Sub-consolidating Group/Legal Entity level, in order to enhance the areas of action of the individual Group structures. Specifically:

- at Group level, the presence of Intesa Sanpaolo in the sustainability indexes of specialized companies will be assessed;
- at the Governance Area/Division or Sub-consolidating Group/Legal Entity level, the following will be assessed:
  - specific projects/actions in the ESG field (such as, for example, Support to the green economy and the circular economy in terms of YoY increase in customer lending volumes relating to ESG Products (Sustainability Linked Loans, Green / Transition Loans, Circular Economy Loans and Green Mortgages) and reduction of exposures on sectors at ESG risk; Growth of Sustainable Investments through the increase in the assets of ESG products managed and the increase in the % incidence of AuM present in Asset Management products classified under articles 8 and 9 – EU Regulation 2019/2088 (YoY growth); Enhancement of the Group's artistic and cultural heritage);
  - the achievement of the commitments on Diversity & Inclusion expressed in line with the Group's Principles on that issue.

Each KPI is assigned a weight equal to at least 10% to ensure the relevance of the objective, and no more than 30% to guarantee appropriate weighting of the numerous objectives.

The performance evaluation period (accrual period) is annual.

Focus: The structure of the Performance Scorecard for Risk Takers and Middle Managers (the *Senior Directors* in all the Functions and the *Heads of* in the Business Functions)

The sum of the weights assigned to the KPIs of each section is equivalent to the overall weight of the section; this weight varies according to the macro-area pertaining to the Risk Takers and Middle Managers.

Below is a summary of the Performance Scorecard for each cluster:

Risk Takers of the Business and Governance functions and Middle Managers (the *Senior Directors* in all the Functions and the *Heads of* in the Business Functions):

	Strategic Driver/KPIs	Weight range on the Performance Scorecard – BUSINESS	Weight range on the Performance Scorecard – GOVERNANCE
Structure Objectives of an economic-financial nature[1]	Growth Profitability Productivity Cost of risk/Sustainability	45% - 60%	40% - 50%
Group Objectives – cross-functional	Net income Cost/Income (Group Governance Areas: Group Risk Takers and direct reports of the Chief)	10%	20%
Qualitative evaluation	ESG	15% - 20%[2]	15% - 20%[2]
	Other managerial skills (if any) Strategic actions/Projects – consistent with the Business Plan and measured either through quantitative parameters or on the basis of strategic drivers	30% - 10%	25% - 10%

(1) the economic-financial KPIs are consistent with the strategic guidelines of the Business Plan and are challenging in relation to the budget, which is usually the target level

(2) for the CFO and the Head of the Strategic Support Head Office Department as heads of the ESG Control Room.

Risk Takers and Middle Managers (limited to the Senior Directors) of the Company Control Functions and similar roles

	Strategic Driver / KPIs	Weight range on the Performance Scorecard – COMPANY CONTROL FUNCTIONS and SIMILAR ROLES
Non-financial - quantitative objectives	Productivity Cost of risk/Sustainability	45% - 70%
Group Objectives – cross-functional	Profitability	The Group economic-financial objective is not envisaged
Non-financial - qualitative objectives	ESG	15% - 20%[2]
	Risk Culture – Promoting awareness at all levels of the organisation regarding "emerging" risks[1] with a particular focus on the risks related to climate change and technological innovation, through of information, awareness and training	15% - 10%
	Other managerial skills (if any) Strategic actions/Projects – consistent with the Business Plan and measured either through quantitative parameters or on the basis of strategic drivers	25% - 0%

(1) for Chief Compliance Officer Governance Area, Chief Risk Officer Governance Area and Chief Audit Officer

(2) for the Chief Compliance Officer in light of the relevance of Compliance issues in the ESG area

Focus: The 2022 Incentive System for the Managing Director and CEO

Reported below is the Performance Scorecard of the Managing Director and CEO, indicating, for each quantitative KPI, the reference target level and, for the qualitative KPIs, the *ex-ante* evaluation drivers.

<table>
<tr><th></th><th colspan="6">KPIs</th></tr>
<tr><th></th><th>Strategic driver</th><th>KPI</th><th>Weight (%)</th><th>Threshold level</th><th>Target level</th><th>Maximum level</th></tr>
<tr><td rowspan="4">GROUP OBJECTIVES</td><td rowspan="2">Profitability</td><td>Net income (billion)</td><td>20%</td><td>109% of the result of previous year</td><td>Budget</td><td>145% of the result of previous year</td></tr>
<tr><td>OI / RWA</td><td>20%</td><td>88% of the result of previous year</td><td>Budget</td><td>118% of the result of previous year</td></tr>
<tr><td>Productivity</td><td>Cost / Income</td><td>20%</td><td>100% of the result of previous year</td><td>Budget</td><td>96% of the result of previous year</td></tr>
<tr><td>Cost of Risk</td><td>Gross NPL ratio</td><td>10%</td><td>77% of the result of previous year</td><td>Budget</td><td>71% of the result of previous year</td></tr>
<tr><td rowspan="2">QUALITATIVE EVALUATION (Group scope)</td><td rowspan="2">Strategic Actions from the 2022-2025 Business Plan</td><td>ESG</td><td>15%</td><td colspan="3">Evaluation based on the following drivers:
1. Presence of Intesa Sanpaolo in the sustainability indices of specialized companies (number of appearances)
2. Achievement of Diversity & Inclusion commitments assigned to each Division/Governance Area with a focus on the gender equality
• in annual hires
• in the pool of candidates for first appointment to managerial roles
3. Group initiatives in the ESG area
• Support to green and circular economy:
○ YoY increase in Loans to Customers relating to ESG Products (Sustainability Linked Loans, Green/Transition Loans, Circular Economy Loans and Green Mortgages)
○ Reduction of the loans towards ESG risk related sectors
• Growth of Sustainable Investments: increase in the assets of ESG products managed
• “Giovani e lavoro” Program
• Enhancement of the Group artistic and cultural heritage</td></tr>
<tr><td>Group Digital Transformation</td><td>15%</td><td colspan="3">Evaluation based on the following drivers:
1. Isybank set-up
2. Expansion of sales channels and methods of digital interactions (both online and mobile) to support the Group distribution strategy set out in the 2022-25 Business Plan – YoY Increase
3. Digital Transformation acceleration in a Cloud-ready logic</td></tr>
</table>

The overall amount for the Managing Director and CEO is awarded based on the evaluation of the results of the individual performance scorecard applying a deterministic calculation.

Specifically, against an overall score of the performance scorecard equal to:

- 80%, the bonus accruable is equal to 30% of the fixed remuneration;
- 100% (target), the bonus accruable is equal to 100% of the fixed remuneration;
- 120% (cap), the bonus accruable is equal to 200% of the fixed remuneration, minus the amount pertaining to the year deriving from the Performance Share Plan.

For overall scores equal to the percentages that are in between those indicated above, the bonus is determined based on a proportionate scale.

Focus: The structure of the Performance Scorecard of Middle Managers with the title of *Head of* in the Governance Functions and in the Company Control Functions

The Performance Scorecards of Middle Managers with the title of *Head of* in the Governance Functions and in the Company Control Functions provide for both quantitative and qualitative KPIs and a three-fold structure as follows:

- **structure section** (30%-50% weight), containing KPIs consistent with the strategic drivers relating to productivity and the cost of risk/sustainability, with particular reference to the following categories: processes/activities, projects/initiatives, cost management and risk management;
- **transversal section** (10% weight), containing a KPI shared at Group/Governance Area / Division level;
- **qualitative section** (40% -60% weight), containing managerial indicators related to the skills of the Group's leadership model.

The total amount due is attributed annually based on the evaluation of the results of the individual performance scorecard[30] and is defined with different calculation methods depending on the cluster.
In particular, this calculation is deterministic also for the other Group Top Risk Takers (consistently with the calculation method provided for the Managing Director and CEO), is ranking-based for the other Group Risk Takers and is connected to the evaluation of the results for Risk Takers of the Sub-consolidating Groups and Legal Entities, as well as for Middle Managers.

In addition, corrective mechanisms of the accrued bonus are applied based on the level of achievement of the KPIs against excessive risk taking, which act as de-multipliers of the bonus itself.

[30] It should be noted that individual performance scorecards with a score below the minimum level (i.e. 75% for Middle Managers with Head of title in the Governance Functions and in the Company Control Functions, 80% for Risk Takers of the Business and Governance Functions and Middle Managers with Senior Director title and Head of title limited to the Business Functions, 90% for Risk Takers and Middle Managers with Senior Director title in Company Control Functions and similar roles) do not qualify for bonus allocation under any circumstances.

Below is a summary of these mechanisms:

Risk	Recipients	Relevant limits and trigger events	% bonus reduction
Residual Risk	Risk Takers (RT) and Middle Management (MM)	Detection of residual risk at medium-high / high levels (Q-factor)	max -20%
Capital Adequacy	Business and Governance Group Top RT	Failure to achieve the CET1 target set in the Group RAF	-10%
		Exceeding the Early Warning threshold set out in the Group RAF	-20%
Stability of profits	No Business Group Top RT, Heads of Head Office Departments reporting to CEO and the Heads of the Structures reporting to the abovementioned Subjects	Failure to achieve a predetermined target to contain the level of operating costs set in the budget	max -20%
Market Risk	Business Group RT[1] and MM	Regarding the VAR for the trading line: 1. Exceeding the limits attributed to the Structures through drill-down of the Early Warning limit of the Group RAF 2. Exceeding the Early Warning limit of the Group RAF	-15% Group RT identified for VAR -10% for other Group RT and MM
	Business Group RT[1]	Regarding the VAR Held to Collect and Sale (HTCS) 1. Exceeding the limits attributed to the Structures through drill-down of the Early Warning limit of the Group RAF 2. Exceeding the Early Warning limit of the Group RAF	-10%
	Business Group RT[1]	Exceeding the limits relating to the Accumulated Other Comprehensive Income (AOCI) reserve attributed to the Structures concerned through drill-down of the Soft limit set in the Group RAF	-20%
Italian Public sector Risk	Business Group RT[1]	Exceeding the limits relating to Italian government bonds classified as Held to Collect (HTC) attributed to the Structures concerned by drilling-down the Soft limit set in the Group RAF	-10%
Interest Rate Risk	Business Group RT[1]	Exceeding the consolidated limits on the sensitivity of the Economic Value of Equity ("ΔEVE") attributed to the Structures concerned through drill-down of the Soft limit provided for in the Group's RAF	-10%
	Business Group RT[1]	Exceeding the limits of the HTCS Portfolio assigned to the main companies of the Group as part of the aforementioned consolidated limit "ΔEVE", attributed to the Structures concerned through a drill-down of the Soft limit envisaged in the Group RAF	-10%
	Business Group RT[1]	Exceeding the consolidated limits on the sensitivity of the interest margin (NII), attributed to the Structures concerned through a drill-down of the Soft limit envisaged in the Group RAF	-10%
Conduct Risk	RT and MM	Failure to comply with the expected levels for the compulsory training	-10%

[1] Including the Deputy to the Head of the IMI CIB Business Division identified as Top Risk Taker

4.5.3.1 Incentive System for Risk Takers of Banks at a "non-contingent" loss

Within the framework of the annual Incentive Systems, a specific and selective annual Incentive System is envisaged for the Risk Takers belonging to the Group Banks at a "non-contingent" loss.
The System is targeted at Risk Takers specifically appointed to recover/contain the loss from the first year of appointment (and up to a maximum of three consecutive years) and, starting from the second year, in case of improved results according to that set out in the specific long-term recovery plan (Business Plan), it may be extended to the other Risk Takers possibly operating in the Bank.
For the purposes of determining the incentive due, the performance of the Bank at a loss is measured in terms of year-on-year improvement.

With reference to any other Risk Takers the System is extended to starting from the second year, the maximum incentive to be accrued does not exceed 50% of the bonus theoretically due against the outcome of the performance evaluation[31].

4.5.3.2 Incentive System for Risk Takers and Middle Managers of Legal Entities in "start-up" phase

Similarly to the description above for the Banks at a "non-contingent" loss, there is a specific annual Incentive System for Legal Entities in "start-up" phase.
This System aims to promote the achievement of the growth objectives set in the "start-up" business plan for the period of time necessary for the Company to reach a positive and/or minimum level of income (until a maximum of three consecutive years), in a broader Group framework where the conditions of capital strength, liquidity and sustainability are met.
For the purposes of determining the incentive due, the performance of the Company is measured with respect to the achievement of the milestones (i.e. Company Income/Loss) set by the specific long-term plan of the start-up, in line with the medium/long-term objectives that characterise all of the Group Incentive Systems.
In accordance with the principle of sustainability, the maximum incentive that can be accrued is in any case limited and compatible with the economic and financial context of the Company.

4.5.4 Specific incentive initiatives by personnel category and business segment

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The Intesa Sanpaolo Group develops incentive initiatives dedicated to either specific clusters or highly profitable and relevant business segments inside the strategy defined at Business Plan level.

In general, the Incentive Systems dedicated to specific clusters aim to support the cooperation and teamwork towards reaching the common objectives measured at team level.

In contrast, the Incentive Systems dedicated to specific business segments require the recognition of individual bonuses differentiated by role and measured on individual Performance Scorecards with the exception of the retail business (Italy and abroad) for which Branch Performance Scorecards are generally required. The simultaneous presence of economic-financial and non-financial KPIs is normal. For personnel operating in sales networks in direct contact with customers, KPIs regarding customer satisfaction and correctness of customer relations are always envisaged; the KPIs are not linked to the distribution of a specific product and, for the purpose of achieving the objectives, only transactions in line with the needs expressed by customers and with the adequacy checks are taken into account.

In any case, each KPI is assigned a weight equal to at least 10% to ensure the relevance of the objective.

It should be noted that bonuses deriving from these specific incentive initiatives are subject to the application of the corrective mechanisms linked to Conduct risk as described in paragraph 4.5.3.

Below is a summary of the main incentive initiatives present in the Group:

Incentive System by cluster	Beneficiaries	Main characteristics
Non-Performing Loans	Managers (excluding Risk Takers) and Professionals of the structures of Credit Value Preservation Head Office Department, NPE Head Office Department, core structures of the Credit Governance Head Office Department of the Chief Lending Officer Governance Area, as well as Credit Functions of Regional Governance	<u>Purpose:</u> Support the achievement of the challenging objectives of reducing the gross NPL ratio set out in the 2022-2025 Plan requested by the Authority to the Group with no charges for the Shareholders. <u>Mechanism to calculate the bonus:</u> Individual bonuses differentiated by role and type of contribution to the Plan. <u>Performance conditions:</u> KPIs of an **economic-financial** nature entail the **reduction** of the Group **gross NPL stock** as well as **objectives of governance of flows** between

[31] Raised to 75% in the particular case of Risk Takers belonging to the Company Control Functions because of the low level of the bonuses due to these Functions.

Incentive System by cluster	Beneficiaries	Main characteristics
	Centre of the Banca dei Territori Division	credit stages (e.g. inflows from Performing vs Past Due/UTP, outflows from UTP, outflows from Bad loans...) at Group, Division or managed portfolio level. In any case, for the Manager cluster, the System is subject to a corrective mechanism in the event of failure to achieve the **Group gross NPL ratio KPI**.
Team system – Insurance	Operational teams of the areas supporting the business of the Companies in the Insurance Group	Purpose: Support the achievement of the objectives envisaged in the Business Plan for the Insurance Division by guiding the behaviour of the individuals, including those belonging to different organisational units, towards team results. Mechanism to calculate the bonus: Team bonuses not differentiated by role. Performance conditions: The **KPIs** identified at individual Team level may be of an **economic-financial** (e.g. Operational losses/Cash Flow) or of a **non-financial** (e.g. compliance with settlement SLAs, complaints /policies, support tickets, Instant Customer Feedback) nature. The various teams can share the same KPIs to further strengthen their interactions with each other.

Incentive System by business segment	Beneficiaries	Main characteristics
P&C Insurance Excellence System	Sales network of the Banca dei Territori Division	Purpose: Support the aim to develop the Non-Motor P&C Insurance business envisaged by the 2022-2025 Business Plan. Performance conditions: The **economic-financial** KPIs reflect the drivers of **growth** (e.g. Non Motor P&C policy premiums) included in the Business Plan for the P&C business. The **non-financial** KPIs are in line with the **service quality** drivers (e.g. withdrawals/cancellations, P&C policy complaints, preliminary IVASS training, ...).

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Incentive System by business segment	Beneficiaries	Main characteristics
Insurance Client Advisor	Sales structure of Intesa Sanpaolo Insurance Agency	Purpose: Support the achievement of the commercial objectives of distribution of insurance products for the Group corporate customers. Performance conditions: The **economic-financial** KPIs reflect the funding volumes achieved with reference to the distribution of insurance products (e.g. health, industrial risks, temporary life insurance, social security). **Non-financial** KPIs are aimed at guiding behaviours and ensuring service quality.
Private Banking Network	Italian Network of Intesa Sanpaolo Private Banking (employees and agents)	Purpose: Support the achievement of the Bank's sales and economic-financial targets, taking into account the actual needs of customers and in line with their risk profile. Performance conditions: The **economic-financial** KPIs reflect the typical revenues of the relevant business (e.g. improvement in net interest income) and the increase in assets (e.g. flows of financial assets). The **non-financial** KPIs guide behaviour towards customer retention, operational risk monitoring, customer satisfaction, compliance with the principles of fairness in customer relations and the quality of the service rendered. Sustainability risks: In line with Regulation (EU) 2019/2088, a non-financial KPI is assigned within the System in relation to customer profiling, which also acquires customers' **ESG preferences.** This KPI is a "gateway condition" for the Incentive System, since failure to reach the minimum threshold envisaged for this indicator entails the non-payment of the accrued bonus. Furthermore, starting from 2022 an additional KPI is introduced linked to the frequency of a training course on ESG issues.
Private Advisory	Intesa Sanpaolo Private Banking Advisory Team	Purpose: Support the achievement of the Bank's sales and economic-financial targets, through the support provided to the

		Private Banking Network in advisory activities, taking into account the actual needs of customers and in line with their risk profile. <u>Performance conditions:</u> The KPIs of an **economic-financial** nature reflect the growth in assets under management relating to the advisory services and in the number of contracts. The **non-financial** KPIs focus on completion of mandatory training as well as on managerial or professional skills.
Non-employee Financial Advisors	Sales network of Fideuram – Intesa Sanpaolo Private Banking, Sanpaolo Invest SIM and IW SIM	<u>Purpose:</u> Support the achievement of the Company's sales and economic-financial targets, taking into account the actual needs of customers and in line with their risk profile. <u>Performance conditions:</u> The **economic-financial** KPIs reflect the volumes, profitability and stability of the Net Inflows. The **non-financial** KPIs include measures to guide behaviour towards customer satisfaction, compliance with the principles of fairness in customer relations and decrease in operational risks. <u>Corrective mechanism:</u> In line with the guidelines laid down in the new 2022-2025 Business Plan of the Intesa Sanpaolo Group and the main objectives of the Fideuram Group, in order to accelerate digitalisation and encourage the transition to an entirely paperless model, a corrective mechanism acting as a multiplier/demultiplier of the bonus according to a Digital Index score is defined within the scope of the System. <u>Sustainability risks:</u> Similarly to what has been specified for the Private Banking Network, in line with Regulation (EU) 2019/2088, a non-financial KPI is assigned within the System in relation to customer profiling, which also acquires customers' **ESG preferences.** This KPI is a "gateway condition" for the Incentive System, since failure to reach the minimum threshold envisaged for this indicator entails the non-payment of the accrued bonus. Furthermore, starting from 2022, an additional individual gateway condition

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		was introduced which makes the bonus subject to the achievement of a KPI that measures the frequency and pass rate of the final test of a training course on ESG issues.
Investment Management (Middle Managers and Professionals)	Professional categories of managers in asset management (SGR entities)	Purpose: Support the achievement of the performance targets for the products managed in the interest of the customer, while generating suitable profitability for the asset management company (SGR entity). Performance conditions: The **economic-financial** KPIs mainly relate to the performance adjusted for the risks assumed of the managed products over a multi-year time horizon. The **non-financial** KPIs focus on managerial or professional skills. Sustainability risks: In order to integrate the sustainability risks assumed in the management of portfolios, in accordance with Regulation (EU) 2019/2088, a correction mechanism has been defined for the bonus which enhances the activity undertaken in terms of managing sustainability risks (the so-called "**sustainability corrective mechanism**"). This mechanism is based on a comparison between the "sustainability rating" of the Manager's portfolio (i.e. average score of the products managed by the individual Manager with reference to ESG factors) and the related target level identified (i.e. average score of the parameters – benchmark of the investment product or universe – associated with the Manager). Depending on the deviation of the portfolio sustainability rating from the target, the mechanism can confirm the Manager's bonus determined as part of the Annual Incentive System or act as a corrective factor thereof by increasing it (+5% or +10%) or decreasing it (-5% or -10%).
Extra Captive Sales	Sales supply chain dedicated to the non-captive market in asset management	Purpose: Support the development of the sales network in terms of asset inflows through channels outside the Group. Performance conditions:

		The **economic-financial** KPIs reflect the increase in volumes and profitability of the acquired assets. The non-financial KPIs focus on the quality of the sales and on the managerial and/or professional skills of the resources.
Network of International Subsidiary Banks	Middle Managers and Professionals of the International Subsidiary Banks	Purpose: Support the achievement of the growth, profitability, credit quality and customer service targets of the Network of International Subsidiary Banks, avoiding the emergence of potential conflicts of interest while reducing the operational risks. Performance conditions: Both **economic-financial** and **non-financial** KPIs are set at Branch and/or individual level, which are differentiated depending on the business specificities, market practises and the regulations in force in the countries where the Group works.

All the Incentive Systems are subject to specific formalisation and approval processes.

4.5.5 Individual access conditions

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

- disciplinary measures involving suspension from service and pay for a period equal to or greater than one day, including as a result of serious findings received from the control functions;
- in case of breaches specifically sanctioned by the Supervisory Authorities of the obligations as per Article 26 of the Consolidated Law on Banking regarding the requirements of professionalism, integrity and independence or Article 53, paragraph 4, of the Consolidated Law on Banking and following on the matter of transactions with related parties and of the obligations regarding remuneration and incentives referred to in CRD V, if involving a penalty of an amount equal to or greater than 30,000 euro;
- behaviour non-compliant with the legal and regulatory provisions, Articles of Association or any codes of ethics and conduct established *ex ante* by the Group or relevant Company and from which a "significant loss" derived for the Company or the customer.

Focus: Individual access conditions for personnel in the "Investments" category of the Group's asset management companies

With reference to the manager cluster (Risk Takers and not), a further access condition provides that payment of the bonus is subject to the achievement, within the Performance Scorecard, of at least the threshold level with reference to the KPI linked to the performance of the products under management.

Focus: Individual access conditions for Financial Advisors other than employees

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The Incentive System excludes:

- the Financial Advisors subject to a suspension measure, except for those cases suitably justified by the Disciplinary Committee at the time of taking such measure;
- Financial Advisors against whom well-founded complaints with an economic value exceeding 5,000 euro are individually lodged;
- the Financial Advisors who received 2 written warnings during the year.

In particular, failure to verify the individual access conditions implies both the non-payment of the bonus accrued in the same year in which the compliance breach is committed and the deletion of the deferred portions of the accrual conditions referred to the same year.

4.5.6 Malus Conditions

P. XV R. 27 In case of deferral (see paragraph 4.0), each portion is 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 in which the deferred portion is paid, in relation to the level of achievement of the minimum conditions set by the Regulator regarding the **capital strength** and **liquidity**, represented by the consistency with the respective limits set as part of the RAF, as well as the condition of **financial sustainability**.

Capital strength	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF at Group level
	Leverage Ratio	≥	
	Minimum requirement for own funds and eligible liabilities (MREL)	≥	Early Warning set by the RAF at Group level
	Assessment of the results of the ICAAP and of the Recommendations on distributions by competent authorities and European Supervisory Authorities		
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at Group level
Sustainability condition	No loss and positive Gross Income	>	Ø

In case one of the conditions of capital strength or of liquidity does not occur individually, the deferred portion is reduced to zero; if the condition of sustainability is not met, the deferred portion is reduced by 50%.

Focus: Malus condition set for Top Risk Takers

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

Liquidity condition	Liquidity Coverage Ratio (LCR)	≥	Hard limits set by the RAF at Group level

For this cluster, if the condition of liquidity is not met, the deferred portion is reduced by 50%.

Similarly with the provisions of the gateway conditions, it is specified that for those Legal Entities which calculate their limits of capital strength (CET1 or Total Capital, Leverage ratio, MREL and the assessment of the results of the ICAAP for Banks, Solvency Ratio in the case of insurance companies as well as the regulatory Capital Requirements in case of Asset Management Companies) and liquidity (NSFR for Banks), failure to respect these limits and to meet the sustainability conditions (No loss and positive Gross Income) constitutes the malus conditions of all the Incentive Systems addressed to the resources operating in the Legal Entity, also when those of the Intesa Sanpaolo Group may be positively met. In addition, in line with the Intesa Sanpaolo Group previsions, an additional malus condition linked to LCR at least equal to Hard limit set out in Sub-holding/Legal Entity RAF is applied to Top Risk Takers of Sub-holding and Top Risk Takers of a significant banking Legal Entities.

In case one of the conditions of capital strength or of liquidity does not occur individually, the deferred portion is reduced to zero; if the condition of sustainability is not met, the deferred portion is reduced by 50%.

4.5.7 Clawback mechanisms

The company reserves the right to activate clawback mechanisms[32], namely the return of bonuses already paid as required by regulations, as part of: | Transp. Prov. R. 27

- disciplinary initiatives and provisions envisaged for fraudulent behaviour or gross negligence by personnel, also taking into account the relative legal, contribution and fiscal profiles;
- violations of the obligations imposed under Article 26 of the TUB or, where the entity is a stakeholder, Article 53(4) et seq. of the TUB or of remuneration and incentive obligations;
- behaviour non-compliant with the legal and regulatory provisions, Articles of Association or any codes of ethics and conduct established *ex ante* by the Group or relevant Company and from which a “significant loss” derived for the Company or the customer.

These mechanisms may be applied in the 5 years following the payment of the individual portion (up-front or deferred) of variable remuneration.

4.6 Payment methods of the short-term variable remuneration

The remuneration payment methods are governed by specific instructions in the Supervisory Provisions concerning remuneration with particular reference to the deferral obligations, the type of payment instruments and the retention period envisaged for the possible portion paid as financial instruments. R. 27 R. 28
Illustrated below are the methods for the payment of the variable remuneration adopted by the Intesa Sanpaolo Group.

In particular, as provided for by the recent regulatory changes, payment methods defined by the Group take into account the fact that, due to the Group's consolidated balance sheet assets, none of the Group's banks is considered to be "of a smaller size or operational complexity" and, consequently, the same accrual and settlement schedules apply to all Risk Takers (i.e. Group, Sub-consolidating Group and Legal Entity), with specificities relating only to Top Risk Takers.

[32] It should be noted that, with reference to Albania, in line with local regulations, this provision applies only to Group Risk Takers and personnel seconded to the Company.

Deferral

Deferred amount

1. **60%** of the variable remuneration is deferred for a period of **5 years** in the case of:
   - remuneration paid to **Top Group Risk Takers**
   - variable remuneration of a **"particularly high" amount,** regardless of the macro segment to which the receiver belongs

2. **50%** of the variable remuneration is deferred for a period of **5 years** in the case of remuneration paid:
   - to **Top Risk Takers of Sub-consolidating Groups and of Legal Entities** if the amount is higher than both the materiality threshold and 100% of the fixed remuneration

3. **40%** of the variable remuneration is deferred for a period of **5 years** in the case of remuneration paid:
   - to **Top Risk Takers of Sub-consolidating Groups and of Legal Entities** if the amount is higher than the materiality threshold and equal to or lower than 100% of the fixed remuneration

4. **50%** of the variable remuneration is deferred for a period of **4 years** in the case of remuneration paid:
   - to other **Group Risk Takers** if the amount is higher than both the materiality threshold and 100% of the fixed remuneration[1]

5. **40%** of variable remuneration is deferred for a period of **4 years** in the case of remuneration paid:
   - to other **Group Risk Takers** if the amount is higher than the materiality threshold and equal to or lower than 100% of the fixed remuneration[1]

6. Il **40%** of variable remuneration is deferred for a period of **3 years** in the case of remuneration paid:
   - to **Middle Managers and Professionals,** if the amount is higher than both the materiality threshold and 100% of the fixed remuneration

7. **40%** of variable remuneration is deferred for a period of **2 years** in the case of remuneration paid:
   - to **Middle Managers and Professionals,** if the amount is higher than the materiality threshold and equal to or to or lower than 100% of the fixed remuneration, or equal to or to or lower than the materiality threshold and higher than 100% of the fixed remuneration

Up-front amount

The remaining amount of the variable remuneration is paid out up-front.

Regardless of the pertinent macro segment, the variable remuneration is entirely paid up-front if the amount is equal to or lower than the materiality threshold and equal to or lower than 100% of the fixed remuneration

[1] These percentages and deferral periods also apply both to those employees who are identified as Relevant Personnel but not as Group Risk Takers belonging to the Companies of the insurance sector and to Legal Entity Risk Takers belonging to Investment Banks who are not identified as Group Risk Takers.

Focus: "Particularly high" amount of variable remuneration

As required by the Provisions of the Bank of Italy, at least every three years Intesa Sanpaolo is obliged to define the "particularly high" amount of variable remuneration, as the lower between:

i) 25% of the average overall remuneration of the Italian high earners, resulting from the most recent report published by the EBA.
   This value equals, according to the report published by the EBA with reference to the data of December 2019, 435,011 euro;

ii) 10 times the average overall remuneration of the employees of the Intesa Sanpaolo Group. Intesa Sanpaolo calculated this amount as the average remuneration paid to employees in 2019, 2020 and 2021, equal to 475,667 euro.

For greater prudence, the latter amount is rounded down and, as a consequence, the variable remuneration exceeding 400,000 euro for the three-year period 2022-2024 is considered particularly high.

Focus: Materiality Threshold

The Intesa Sanpaolo Group has defined its materiality threshold, differentiated by clusters of personnel, beyond which the variable remuneration is considered "significant".

In particular:

- for **Risk Takers**[33], in accordance with the applicable legislation, the variable remuneration is considered "significant" if it exceeds the amount of **50,000 euro**[34] or if it **represents more than one third** of the total remuneration;
- for **Middle Managers and Professionals**, in continuity with Group practices, the materiality threshold of **80,000 euro**, beyond which the variable remuneration is considered "significant", is kept.

Lower thresholds may be envisaged by Group Companies according to local regulations.

Payment instruments

Financial instruments

1. **60%** of the variable remuneration is paid in **financial instruments** for:
   - **Top Risk Takers**, if exceeding 100% of the fixed remuneration
   - those receiving a **"particularly high" amount** which exceeds 100% of the fixed remuneration, regardless of the macro segment to which the receiver belongs
2. **55%** of the variable remuneration is paid in **financial instruments** for:
   - **Top Risk Takers**, if equal to or lower than 100% of the fixed remuneration
   - those receiving a **"particularly high" amount** which is equal to or lower than 100% of the fixed remuneration, regardless of the macro segment to which the receiver belongs
3. **50%** of variable remuneration is paid in **financial instruments** for:
   - other **Group Risk Takers**[1];
   - **Middle Managers and Professionals,** if higher than both the materiality threshold and 100% of the fixed remuneration

Cash

The remaining amount of the variable remuneration is paid in cash.

Regardless of the pertinent macro segment, the variable remuneration is entirely paid in cash if the amount is equal to or lower than the materiality threshold defined by the Group and equal to or lower than 100% of the fixed remuneration

[1] These percentages and deferral periods also apply both to those employees who are identified as Relevant Personnel but not as Group Risk Takers belonging to the Companies of the insurance sector and to Legal Entity Risk Takers belonging to Investment Banks who are not identified as Group Risk Takers.

In compliance with the Supervisory Provisions, the financial instruments used by the Intesa Sanpaolo Group to pay the variable remuneration are Intesa Sanpaolo shares.

There are exceptions to this general rule:

- the Risk Takers of VUB Banka having a local contract, since the portion in shares of Intesa Sanpaolo is replaced by the allocation of units of Certificates of the subsidiary, in compliance with local regulations;
- the Risk Takers of Pravex, Intesa Sanpaolo Brasil and the New York Branch of Intesa Sanpaolo and Intesa Sanpaolo IMI Securities Corporation within the International Department of IMI Corporate and Investment Banking Division, as the portion in Intesa Sanpaolo shares is replaced by the allocation of

[33] With the exception of the Risk Takers identified in the asset management companies (SGR entities) of the Group who are not identified also at Group level for which the threshold of 80,000 euro is kept. CRD V (Article 109, paragraphs 4 to 5) allows for the non-application of the provisions envisaged for Banks to these roles.

[34] With reference to the London Hub Branch, it should be noted that the threshold is equal to 44,000 English pounds, as provided by the Prudential Regulatory Authority.

phantom shares with underlying Intesa Sanpaolo ordinary shares in consideration of the operational complexity or the need to ensure compliance with local regulations;

- the Risk Takers and the personnel accruing a "significant" bonus higher than 100% of the fixed remuneration belonging to asset management companies (SGR entities), since the portion in Intesa Sanpaolo shares is replaced by the allocation of units of the funds managed, as required by the sector regulations (Regulation implementing Article 4-undecies and Article 6, paragraph 1, letters b) and c-bis) of the Consolidated Law on Finance of the Bank of Italy).

Focus: Financial Instruments assigned to the personnel of the asset management companies

The Regulation implementing Article 4-undecies and Article 6, paragraph 1, letters b) and c-bis) of the Consolidated Law on Finance of Bank of Italy as regards Risk Takers belonging to significant asset management companies (SGR entities)[35] provides that a substantial part of the variable remuneration is composed of units or shares of the UCITS or AIFs managed, or of a combination that takes into account as much as possible their proportion, or of equivalent equity interests, instruments linked to units or shares or of other equivalent non-monetary instruments that are equally effective in terms of aligning incentives.

In compliance with such provision:

- the UCITS basket is defined representing the UCITS managed by the company to be allocated to the Top Risk Taker, Head of the Asset Management Division, to the Risk Takers not involved in asset management activities and, to a lesser extent, to the Risk Takers and the remaining personnel accruing a "significant" bonus and higher than 100% of the fixed remuneration involved in asset management activities;
- the principles of selection of additional UCITS to be allocated to the Risk Takers and the remaining personnel accruing a "significant" bonus and higher than 100% of the fixed remuneration involved in asset management activities are identified in terms of representation of the activity performed by each of them.

Alternatively, in specific cases (e.g. closed AIFs, UCITS not distributed in the retail market) it is possible to provide for the assignment of synthetic or phantom instruments that ensure similar effectiveness in terms of aligning incentives.

Retention period

1 Both the **up-front** and **deferred** variable remuneration paid in financial instruments is subject to a retention period of **1 year.**
During the retention period, the related **dividends** are recognised on the portions assigned in shares (including phantom shares).

In accordance with the indications above, the Intesa Sanpaolo Group has defined the following accrual and settlement schedules depending on the category of personnel (Top Risk Takers, other Risk Takers, Middle Managers and Professionals), the amount of the variable remuneration (higher or lower than the particularly high amount or the materiality threshold) and the weight of the variable remuneration compared to the fixed remuneration (greater than or equal to/lower than 100%).

In particular:

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1. Schedule 1: for the **Group Top Risk Takers** and **all those who**, regardless of the macro-segment they belong to, **accrue a "particularly high" amount of variable remuneration**, if the variable remuneration **exceeds 100% of the fixed remuneration,** 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 20% in cash and 40% in financial instruments) on a deferral time horizon of 5 years.
   Reported below is the accrual and settlement schedule:

[35] Pursuant to the relevant legislation, the following are significant asset managers: Eurizon Capital SGR, Epsilon SGR, Eurizon Capital SA, Eurizon Asset Management Slovakia, Eurizon Asset Management Croatia, Eurizon Capital Real Asset SGR, and Fideuram Asset Management SGR.

ACCRUAL SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (40%)	20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)	20%	12%	12%	8%	8%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (40%)	20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)		20%	12%	12%	8%	8%

2. Schedule 2: for the **Group Top Risk Takers** and **all those who**, regardless of the macro-segment they belong to, **accrue a "particularly high" amount of variable remuneration**, if the variable remuneration is **equal to or lower than 100% of the fixed remuneration**, 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 25% in cash and 35% in financial instruments) on a deferral time horizon of 5 years. R. 27 R. 28
Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (45%)	20%		4%	4%	5%	12%
FINANCIAL INSTRUMENTS (55%)	20%	12%	8%	8%	7%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (45%)	20%		4%	4%	5%	12%
FINANCIAL INSTRUMENTS (55%)		20%	12%	8%	8%	7%

3. Schedule 3: for **Top Risk Takers of sub-consolidating Groups** and for **Legal Entity Top Risk Takers** (including those who are also identified as Group Risk Takers), if the variable remuneration **exceeds 100% of the fixed remuneration,** 50% of the payment will be up-front (of which 25% in cash and 25% in financial instruments) and 50% (of which 15% in cash and 35% in financial instruments) on a deferral time horizon of 5 years. R. 27 R. 28
Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (40%)	25%				5%	10%
FINANCIAL INSTRUMENTS (60%)	25%	10%	10%	10%	5%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (40%)	25%				5%	10%
FINANCIAL INSTRUMENTS (60%)		25%	10%	10%	10%	5%

4. Schedule 4: for **Top Risk Takers of sub-consolidating Groups/Legal Entity Top Risk Takers** (including those who are also identified as Group Risk Takers), if the variable remuneration **exceeds the materiality threshold** but is **equal to or lower than 100% of the fixed remuneration,** 60% of the payment will be up-front (of which 30% in cash and 30% in financial instruments) and 40% (of which 15% in cash and 25% in financial instruments) on a deferral time horizon of 5 years. R. 27 R. 28
Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (45%)	30%			3%	4%	8%
FINANCIAL INSTRUMENTS (55%)	30%	8%	8%	5%	4%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (45%)	30%			3%	4%	8%
FINANCIAL INSTRUMENTS (55%)		30%	8%	8%	5%	4%

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5. <u>Schedule 5</u>: for the **other Risk Takers** *(eligible for 2:1 cap)* who accrue a variable remuneration **exceeding the materiality threshold and 100% of the fixed remuneration**[36], 50% of the payment will be up-front (of which 25% in cash and 25% in financial instruments) and 50% (of which 25% in cash and 25% in financial instruments) on a deferral time horizon of 4 years.
Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2023	2024	2025	2026	2027
CASH (50%)	25%		6,25%	6,25%	12,5%
FINANCIAL INSTRUMENTS (50%)	25%	12,5%	6,25%	6,25%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026	2027
CASH (50%)	25%		6,25%	6,25%	12,5%
FINANCIAL INSTRUMENTS (50%)		25%	12,5%	6,25%	6,25%

6. <u>Schedule 6</u>: for the **other Risk Takers** who accrue a variable remuneration **exceeding the materiality threshold** but **equal to or lower than 100% of the fixed remuneration**[37], 60% of the payment will be up-front (of which 30% in cash and 30% in financial instruments) and 40% (of which 20% in cash and 20% in financial instruments) on a deferral time horizon of 4 years.
Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2023	2024	2025	2026	2027
CASH (50%)	30%		5%	5%	10%
FINANCIAL INSTRUMENTS (50%)	30%	10%	5%	5%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026	2027
CASH (50%)	30%		5%	5%	10%
FINANCIAL INSTRUMENTS (50%)		30%	10%	5%	5%

7. <u>Schedule 7</u>: for **Middle Managers and Professionals** who accrue a variable remuneration **exceeding the materiality threshold and 100% of the fixed remuneration**, 60% of the payment will be up-front (of which 30% in cash and 30% in financial instruments) and 40% (of which 20% in cash and 20% in financial instruments) on a deferral time horizon of 3 years.
Reported below is the accrual and settlement schedule:

[36] This schedule also applies to those employees who are identified as Relevant Personnel but not as Group Risk takers belonging to the Companies of the insurance sector.
[37] This schedule also applies to those employees who are identified as Relevant Personnel but not as Group Risk takers belonging to the Companies of the insurance sector.

ACCRUAL SCHEDULE	2023	2024	2025	2026
CASH (50%)	30%		7%	13%
FINANCIAL INSTRUMENTS (50%)	30%	13%	7%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026
CASH (50%)	30%		7%	13%
FINANCIAL INSTRUMENTS (50%)		30%	13%	7%

8. Schedule 8: for **Middle Managers and Professionals** who accrue a variable remuneration **equal to or lower than 100% of the fixed remuneration** but **exceeding the materiality threshold,** or **exceeding 100% of the fixed remuneration** but **equal to or lower than the materiality threshold,** all of the payment will be in cash of which 60% up-front and 40% on a deferral time horizon of 2 years. Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2023	2024	2025
CASH (100%)	60%		40%

SETTLEMENT SCHEDULE	2023	2024	2025
CASH (100%)	60%		40%

Focus: Payment methods of the variable remuneration for the Non-employee Financial Advisors of Fideuram, Intesa Sanpaolo Private Banking (ISPB), Sanpaolo Invest SIM and IW SIM networks R. 27 R. 28

For what concern the Financial Advisors, for those who accrue non-recurring remuneration:

- **exceeding the "particularly high" amount** of variable remuneration and **100% of the recurring remuneration**, regardless of the macro-segment they belong to, **schedule 1** above is applied;
- **exceeding the "particularly high" amount** of variable remuneration but **equal to or lower than 100% of the recurring remuneration**, regardless of the macro-segment they belong to, **schedule 2** above is applied;
- **exceeding the materiality threshold and 100% of the recurring remuneration**, if identified as Group Risk Takers, **schedule 5** above is applied;
- **exceeding the materiality threshold** but **equal to or lower than 100% of the recurring remuneration**, if identified as Group Risk Takers, **schedule 6** above is applied;
- **exceeding the materiality threshold and 100% of the recurring remuneration**, if not identified as Group Risk Takers, **schedule 7** above is applied.

Instead, with specific reference to:

- **Area Manager** (i.e. Group Risk Takers) of Fideuram, SPI SIM and IW SIM, who accrue a non-recurring remuneration **equal to or lower than the materiality threshold and 100% of the recurring remuneration**,
- **other Financial Advisors** with **accessory contract** (i.e. Divisional Manager and Regional Manager) of Fideuram, SPI SIM and IW SIM not identified as Group Risk Takers,
- **other Financial Advisors** without **accessory contract** not identified as Group Risk Takers who accrue a non-recurring remuneration **exceeding the materiality threshold and equal to or lower than 100% of the recurring remuneration**

all of the payment will be in cash of which 60% up-front and 40% on a deferral time horizon of 2 years, following the **schedule 8** above.

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Focus: Payment methods of the variable remuneration for the personnel of the "Investment" category of asset management companies and for Risk Takers of asset management companies

In line with the requirements set by the regulations, the payment methods of the variable remuneration for the personnel of the "Investment" category of the eligible asset management companies (SGR entities) with respect to the cap increase to 4:1 are strengthened according to the category of personnel and the weight of the variable remuneration compared to the fixed remuneration.
In particular, for Risk Takers of asset management companies (SGR entities) also identified at Group level and belonging to the "Investment" category who accrue a variable remuneration:

- exceeding **the materiality threshold** and **higher than 300% of the fixed remuneration**, 30% of the payment will be up-front (of which 15% in cash and 15% in quotas of UCIs) and 70% (of which 15% in cash and 55% in quotas of UCIs) on a deferral time horizon of 5 years (see schedule 9 below);[38]

Schedule 9:

ACCRUAL SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (30%)	15%					15%
FINANCIAL INSTRUMENTS (70%)	15%	14%	14%	14%	13%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026	2027	2028
CASH (30%)	15%					15%
FINANCIAL INSTRUMENTS (70%)		15%	14%	14%	14%	13%

- exceeding the materiality threshold and between **200% and 300% of the fixed remuneration**, **schedule 1** above is applied;
- exceeding the materiality threshold and between **100% and 200% of the fixed remuneration**, **schedule 5** above is applied;
- exceeding the materiality threshold but **equal to or lower than 100% of the fixed remuneration**, **schedule 6** above is applied.

For the **Risk Takers of asset management companies** (SGR entities) not identified also at Group level and belonging to the "Investment" category who accrue a variable remuneration:

- exceeding both the materiality threshold and **300% of the fixed remuneration**, **schedule 9** above is applied[39];
- exceeding the materiality threshold and between **200% and 300% of the fixed remuneration**, **schedule 1** above is applied;
- exceeding the materiality threshold and between **100% and 200% of the fixed remuneration**, 40% of the payment will be up-front (of which 20% in cash and 20% in quotas of UCIs) and 60% (of which 30% in cash and 30% in quotas of UCIs) on a deferral time horizon of 3 years (see schedule 10 below);

Schedule 10:

ACCRUAL SCHEDULE	2023	2024	2025	2026
CASH (50%)	20%		10%	20%
FINANCIAL INSTRUMENTS (50%)	20%	20%	10%	

SETTLEMENT SCHEDULE	2023	2024	2025	2026
CASH (50%)	20%		10%	20%
FINANCIAL INSTRUMENTS (50%)		20%	20%	10%

[38] Notwithstanding the provisions of schedule 1, for the cluster in question, schedule 10 also applies if the variable remuneration accrued is of a "particularly high" amount.
[39] Notwithstanding the provisions of schedule 1, for the cluster in question, schedule 10 also applies if the variable remuneration accrued is of a "particularly high" amount.

Focus: Payment methods of the variable remuneration for the personnel of the "Investment" category of asset management companies and for Risk Takers of asset management companies

- exceeding the materiality threshold but **equal to or lower than 100% of the fixed remuneration**, **schedule 7** above is applied.

Whereas, for **the Middle Managers and the Professionals of the "Investment" category** that accrue a variable remuneration:

- **exceeding both the materiality threshold** and **300% of the fixed remuneration**, **schedule 1** above is applied;
- **exceeding the materiality threshold** and between **200% and 300% of the fixed remuneration**, **schedule 10** above is applied;
- **exceeding the materiality threshold** and between **100% and 200% of the fixed remuneration**, **schedule 7** above is applied;
- **exceeding the materiality threshold and equal to or lower than 100% of the fixed remuneration** or **higher than 100% of the fixed remuneration but equal to or lower than the materiality threshold, schedule 8** above is applied.

Lastly, for the **Risk Takers of asset management companies** (SGR entities) not identified also at Group level and not belonging to the "Investment" category who accrue a variable remuneration:

- **exceeding both the materiality threshold and 100% of the fixed remuneration**, **schedule 10** above is applied;
- **exceeding the materiality threshold but equal to or lower than 100% of the fixed remuneration**, **schedule 7** above is applied**.**

4.7 Broad-based Short-Term Plan – PVR (“Premio Variabile di Risultato”)

Transp. Prov.

Within the framework of the Intesa Sanpaolo Group II level National Bargaining Agreement, a Broad-based Short-Term Plan (hereinafter, PVR), addressed to Professionals belonging to all the Control and Governance Areas, as well as those operating in the business retail segment, was introduced.
The Broad-based Short-Term Plan[40] is considered as a productivity bonus envisaged by the National Collective Bargaining Agreement for the Credit Sector and negotiated with the Trade Unions.
The Broad-based Short-Term Plan has both a distribution-ownership purpose, as it is aimed at rewarding employees for the contribution provided collectively upon reaching the results for the year, and an incentive purpose, given that, limited to the so-called excellence portion, it intends to reward in a distinctive manner the team’s merit and performance.

Reported below is a summary of the operating mechanisms and the main characteristics of the PVR.

STEP	PURPOSE	MECHANISM	
POOL	Solidity and sustainability in a prudential approach	Gate e Funding	• **the PVR pool is activated** only if the main capital and liquidity requirements, namely the minimum regulatory conditions of solidity at Group level, are met. (see para. 4.7.1) • the PVR is **funded by a Group bonus pool** through a mechanism that provides for a **gradual increase** of the financial resources serving the PVR up to a maximum amount (cap) if the Group Gross Income exceeds the Access Threshold (see para. 4.7.2)

ALLOCATION	Distributional - Participatory	BASE BONUS	• **differentiated by professional role or seniority and professional category cluster**
			• aimed at:
			  • with a different gradualness according to the professionalism practiced
			  • rewarding all Group employees for their collective contribution to achieving Group annual results with a different granularity according to the relative professionalism
			  • supporting, also for internal equity purposes, the lower remuneration

	Incentive	EXCELLENCE BONUS	This bonus **is based on the performance level reached** and: • for **all employees**, it is allocated at the Direct Head's discretion, with priority given to the highest levels of professional evaluation, within the limits of the bonus pool allocated, also having regard to the principle of internal equity • for the professional profiles of the Branches of the **Banca dei Territori** network, it is allocated on the basis of the evaluation reached in relation to the Branch Performance Scorecard • for the personnel of the **Complaints Unit** of Banca dei Territori, it is allocated based on the evaluation reached as part of the relevant Team Performance Scorecard
PAY-OUT	Adjustment based on conduct/monitoring the impact of commercial activities over time	Conditions of individual access	Failure to meet the individual access conditions precludes any bonus accrual and pay-out (see para. 4.7.4)
		Claw-back	Return of bonuses already paid following disciplinary measures imposed in the event of fraudulent behaviour or gross negligence by personnel (see para. 4.7.5)

In order to provide a dimension of the economic value of the PVR, please note that, with reference to 2021, the average of the Base bonus disbursed is less than 1,000 euro.

4.7.1 Gateway conditions

The PVR is subject to the minimum gateway conditions requested by the Regulator and non-achievement of even only one of those conditions shall result in non-activation of this system.

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These conditions are based, on a priority basis, on the principles envisaged by the prudential regulations concerning **capital strength** and **liquidity,** as well as the principles of **financial sustainability** of the variable component that consist in checking the availability of sufficient economic-financial resources to meeting the expenditure requirement.

[40] As defined by Article 52 of the National Collective Bargaining Agreement applied to middle managers and for personnel belonging to professional areas employed by credit, financial and instrumental companies.

These conditions are as follows:

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF at Group level
	Leverage Ratio	≥	
	Minimum requirement for own funds and eligible liabilities (MREL)	≥	Early Warning set by the RAF at Group level
	Assessment of the results of the ICAAP and of the Recommendations on distributions by competent authorities and European Supervisory Authorities		
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at Group level
Sustainability condition	No loss and positive Gross Income	>	Ø

4.7.2 Funding

The Broad-based Short-Term Plan is funded by a Group bonus pool that is indexed to the level of achievement of a level of profitability given by Intesa Sanpaolo's Gross Income at Consolidated Financial Statements level.

The portion of the Group bonus pool servicing the PVR has a two-fold structure, insofar as it is intended to specifically fund the two bonus components that make up the PVR. This portion of the Group bonus pool is increased progressively starting from exceeding the so-called Access Threshold (i.e. the Group's minimum Gross Income target which, although lower than the budget, is deemed acceptable) up to a predefined cap.

If, on the other hand, the Group's Gross Income is positive though lower than the Access Threshold, only the portion of the bonus pool allocated to fully fund the Base bonus is made available.

4.7.3 Incentive function of the Excellence Bonus

The Excellence Bonus is intended to reward individual merit and distinctive contribution made to the team's results, with different modalities for general employees and the professional profiles of the Branches of the Banca dei Territori Network as well as the Complaints Units. **Transp. Prov.**

Regardless of the methods to allocate the bonus, only the resources with an evaluation that is at least equal to "in line with expectations" are eligible for the Excellence component.

Focus: The Performance Scorecard of the Banca dei Territori Network **Transp. Prov.**

The Performance Scorecards for the professional profiles of the Branches of the Banca dei Territori Network intend to reward the performance of the best Branches and enhance distinctive behaviour, with a focus on achieving sustainable performance over time in terms, among others, of profitability, credit quality, growth, quality of service, customer satisfaction and monitoring of the operational risks.
In particular, also **KPIs of a non-financial nature** must be included, among which at least:

1. the Operational Excellence KPI, with the aim of measuring synthetically compliance with the relevant rules on the exercise of banking and dealing activities, management of conflicts of interest, transparency towards customers and regulations for consumer protection;
2. the Service Excellence and Net Promoter Score KPI, with the aim of measuring synthetically the quality of the service provided in terms of efficiency.

Within the limit of the reference bonus pool, the Excellence Bonus is intended to reward an *ex-ante* defined portion of the best branches for each sales region. With reference to calculating the bonus, the Excellence component accrued is defined depending on the score assigned to the Performance Scorecard starting from the minimum score threshold defined each year.

It is also specified that, among the non-financial KPIs, at least the Operational Excellence KPI also has the nature of "**gateway condition**" for the Excellence Bonus since failure to reach the minimum score set for this indicator precludes its payment.

Transp. Prov.

Focus: The Performance Scorecard of the Complaints Units of Banca dei Territori

In line with the Bank of Italy Provisions regarding "Transparency of the banking and financial transactions and services – correctness of the relations between intermediaries and customers", as part of the Broad-based Short-Term Plan, a specific Performance Scorecard for the team of the Complaints Units of Banca dei Territori was introduced.
The Performance Scorecard includes KPIs that reflect the correct management of complaints (e.g. average processing times, percentage of complaints processed outside the terms of regulations).

Transp. Prov.

4.7.4 Individual access conditions

The payment of one or more PVR portions (Base and Excellence bonus) is, in any event, subject to verification for the relevant year of the absence of the so-called individual compliance breach, i.e. the absence of disciplinary measures involving suspension from service and pay for a period equal to or greater than one day, including as a result of serious findings received from the Bank's control functions.

In addition, access to the Excellence bonus is subject to the compliance with the compulsory training assigned in the relevant year.

4.8 Long-Term Incentive Plans

In conjunction with the launch of the 2022-2025 Business Plan, the Intesa Sanpaolo Group intends to confirm the use of Long-Term Incentive Plans (LTI) for the motivation and loyalty of its resources, whose involvement and enhancement, at all levels of the organization, are key and enabling factors for the achievement of results.

In fact, in line with its principles of inclusiveness and cohesion, the Group believes that shareholding favours the identification (ownership), alignment with medium / long-term objectives and constitutes a desirable form of sharing the value created over time.

With reference to the 2022-2025 LTI Plans, taking into account the levels of ambition and challenge of the new Business Plan, the Group confirms the approach adopted in 2018 that consists in clearly differentiating objectives, purposes and consequently long-term incentive instruments intended respectively to:

- All the Management, including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers[41] – both Italian and foreign perimeter[42];
- The Professionals of the Italian perimeter.

With reference to Management, Intesa Sanpaolo intends to adopt a Plan explicitly connected to the achievement of the objectives of the Business Plan, which has a risk / return profile appropriate to the role held and to the levels of ambition and challenge of such Plan and which provides for the Performance Shares as the financial instrument.

Furthermore, the Group believes that a Retention Plan in substantial continuity with the LECOIP 2.0 Plan is suitable for supporting the motivation of Professionals, with the aim of continuing to strengthen their identification and the spirit of belonging, in line with the inclusive organizational culture of the Group. In light of these considerations, a Retention Plan called "LECOIP 3.0" has been designed for these recipients, which enhances the experience gained through the previous Plans.

In addition to these two Group-wide Incentive Plans, there is a long-term Incentive Plan defined by Fideuram and its subsidiaries, specifically addressed to non-employee Financial Advisors of Fideuram, Sanpaolo Invest SIM and IW SIM Networks, with the aim of supporting the achievement of the results envisaged by the Plan for the Private Banking Division and to pursue their maintenance over time.

Finally, the 2018-2021 POP Plan is coming to an end. It was intended for Group Top Risk Takers, other Group Risk Takers and Strategic Managers[43] (around 350 people) of the Italian perimeter. It is reminded that this Plan was launched in 2018 with the aim, among other things, of supporting alignment with the

[41] Including Group Risk Takers who do not hold managerial positions (if any).
[42] With regard to the foreign perimeter, it is highlighted that the Group Risk Takers and selected Strategic Managers are included provided that the allocation of ISP shares complies with their Bank Remuneration and Incentive Policies.
[43] By Strategic Managers it was meant those who, when the POP was launched, were Executive Directors not identified as Group Risk Takers.

long-term objectives of the 2018-2021 Business Plan[44]. Under the Plan, in July 2018 the recipients were assigned (in different numbers according to the organizational level and for a maximum value equal to 200% of the fixed remuneration) Performance Call Options ("POP Options") with underlying Intesa Sanpaolo ("ISP") ordinary shares, which provide for the physical delivery of the underlying shares on the expiry date (Exercise Day), if: (i) the activation conditions are met[45]; (ii) performance objectives are achieved[46] (the extent of the achievement of these objectives determines the number of POP Options that can accrue); and (iii) on the Exercise Day the option is "in the money", i.e. the "Intesa Sanpaolo share price at the time of exercise" must be greater than the "strike price" (where the "share price at the time of exercise" is equal to the average of the ISP share price in a given period of time, the so-called "Averaging Period").

In this regard, it should be noted that:

(i) the activation conditions were reached in each year of the duration of the 2018-2021 Business Plan;

(ii) the performance objectives[47], measured as at 31 December 2021, were achieved to the extent indicated in the following table, which also indicates the consequent percentage of POP Options accrued:

Objective	Target	Result reached at 31/12/2021	Percentage of POP Options accrued
NPL (Non-Performing Loans) Ratio 2021	6%	3.2%	50%
OI/RWA (Operating Income / Risk Weighted Assets) 2021	6.77%	6.8%	50%

(iii) the Exercise Day is set for 10 March 2023, the last day of the Averaging Period (starting on 11 March 2022), the final date of the vesting of the POP Plan.

If on the Exercise Day the POP Plan is "in the money", its liquidation[48] will have a duration of 5 years for the Group Top Risk Takers not belonging to the Company Control Functions and 3 years for the Group Top Risk Takers belonging to the Company Control Functions, the other Group Risk Takers and the Strategic Managers.
Malus conditions[49] apply, as well as the provisions on individual compliance breach and clawback pursuant to the Group Remuneration Policies.

4.8.1 The Performance Share Long Term Incentive Plan

The Performance Share Long Term Incentive Plan is aimed at:

- enhancing the alignment with the long-term objectives of the 2022-2025 Business Plan;
- guaranteeing a close link between the Bank's performance over time and the long-term variable remuneration of the Managers;
- directing the Managers towards the value creation for shareholders;
- enhancing a sustainable performance over time (ESG).

[44] It should be noted that the POP Plan was amended in 2021 (with the approval of the Ordinary Shareholders' Meeting of 28 April 2021). For an in-depth examination of the changes made, including their rationales, see the Report of the Board of Directors relating to Point 2 lett. e) on the agenda of the ordinary Shareholders' Meeting of 28 April 2021 and the attached Information Document pursuant to art. 84-bis, paragraph 1, of the Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999 and subsequent amendments and the Report on remuneration policy and compensation paid 2021, to which reference should also be made for more details on the 2018-2021 POP Plan (including, inter alia, the treatment of POP in the event of extraordinary events).
[45] Gate at Group level: CET1 ≥ SREP; NSFR ≥ 100%; No loss and positive Gross Income and, for Group Top Risk Takers also LCR ≥ 100%; 2) Absence of compliance breach at the individual level.
[46] NPL (Non-Performing Loans) Ratio 2021: 6%; OI / RWA (Operating Income / Risk Weighted Assets) 2021: 6.77%. Specific performance conditions are envisaged for personnel belonging to the Company Control Functions.
[47] Specific performance conditions are envisaged for personnel belonging to the Company Control Functions.
[48] In Intesa Sanpaolo shares, except for the Group asset management companies, where payment will be 50% in UCITS and the remaining 50% in Intesa Sanpaolo shares.
[49] The malus conditions are symmetrical to the activation conditions and operate as mechanisms for reducing the portions in shares accrued and subject to deferral until these portions are reduced down to zero.

Key Features of the PSP	
Topic	**Features of PSP**
Beneficiaries	All the Management, including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers[50] – both Italian and foreign perimeter (~3000 staff members).
Financial Instrument	Performance Shares ("PSP Shares") – shares subject to performance conditions.
Operating Model	Intesa Sanpaolo (ISP) grants the beneficiaries the right to accrue a certain number of PSP Shares at the end of the Plan provided that gateway conditions are met and performance objectives are achieved. Specifically, the number of PSP Shares that accrue depends on the level of achievement of the performance objectives as well as specific sustainability targets.
Methodology for the calculation of value at grant	Fair Value of Performance Shares defined on the basis of the Black-Scholes' model, adjusted for the availability constraints and probability of employees being still employed at the end of the performance accrual period as well as of the achievement of the performance conditions set out in the Plan, in compliance with the Fair Value Policy adopted by the Bank.
Initial Grant	• Differentiated according to the title based on the Global Banding model adopted by the Intesa Sanpaolo Group[51]. • Up to 100% of Fixed Remuneration for the entire period (25% of the fixed remuneration on an annual basis) for the Managers not belonging to the Control Functions • Up to 75% of gross annual remuneration for the entire period (18.75% of the gross annual remuneration on an annual basis) for the Managers of the Control Functions
Gateway conditions 2022 – 2025	In line with regulatory requirements. Group-level gates that must be achieved each year of the Plan: • CET1≥ hard limit set by the Group RAF • Leverage Ratio ≥ hard limit set by the Group RAF • MREL ≥ Early Warning limit set by the Group RAF • NSFR≥ hard limit set by the Group RAF • No loss and positive Gross Income at Group Level • LCR ≥ hard limit set by the Group RAF (this condition only applies to Top Risk Takers). Additionally, also the following gates at Group level must be assessed: • at the launch of the Plan (2022) and at the end of the Plan, of the result of the ICAAP • in the 2025, the recommendations (if any) on distributions by competent authorities and European Supervisory Authorities which could result in a possible reduction down to the zero of the accrued bonus.

[50] Including Group Risk Takers who do not hold managerial positions (if any).
[51] Including Group Risk Takers who do not hold managerial positions (if any).

Key Features of the PSP

Performance Conditions

KPI		*% of shares accruable at target level*
Managers in Business and Governance Functions		
• **OI/RWA** • **Cost/Income** • **NPL ratio**	The **target** levels are equivalent to those set in the Business Plan for 2025	• **30%** • **25%** • **15%**
Managers in Control Functions		
Qualitative evaluation of the strength and the overall effectiveness of the internal control system throughout the duration of the 2022-2025 Plan		**70%**
All Managers		
Relative TSR	The performance will be measured against the results achieved by the ISP Peer Group of the Business Plan	**30%**

A pay-for-performance curve is defined for each KPI and provides for the identification of a minimum level (so-called threshold), against which a percentage of shares equal to 50% of those envisaged at target is accruable, which increases up to a maximum level above the target (so-called overtarget) against which the % of shares accruable is up to a maximum of +50% with respect to the target.
It is specified that:

- for performance levels below the threshold, no portion of shares is paid
- for performance levels higher than the overtarget, no further increases are envisaged in the portion of shares recognized (so-called cap principle).

The total amount of shares accruable at the end cannot, in any case, exceed 100% of the shares assigned at target for the set of KPIs. In other words, the only case where it is possible to assign a number of Performance Shares higher than that envisaged at target for a given KPI whose performance is higher than the target is if the performance of another KPI is lower than the respective target (since this does not determine the assignment of Performance Shares corresponding to its target).

Performance Accrual Period

In line with the 2022-2025 Business Plan time horizon.

De-multipliers based on sustainability targets

1. Composite ESG KPI

- composed of a sub-KPI for each of the 3 factors in which ESG (Environmental, Social and Governance) is articulated, whose target level is defined in the Business Plan 2022-2025

	Factors	Weight
Environmental	New lending to the green/circular economy and green transition with a major focus on supporting Corporates/SMEs transition	40%
Social	Number of employees who successfully completed re-skilling training and were employed in a job in line with their newly acquired skills, or who completed up-skilling training	40%
Governance	% of women newly nominated in senior positions (-1 and -2 organizational levels under the CEO)	20%

- acts as a de-multiplier reducing the number of shares that vest at the end of the Plan:
  - by 10% if the achievement of the ESG KPI is < the target level but ≥ the threshold level

Key Features of the PSP	
	○ by 20% if the achievement of the ESG KPI is < the threshold level • measured at the end of the accrual period 2. Capital Target: (applicable only to Business and Governance Functions) • measures the maintenance, for the time Plan's horizon, of the CET1 levels above the target defined in the Group RAF in the time frame of the Plan; • acts as de-multiplier reducing the number of shares that vest at the end of the Plan by 10% per each year of breach (with a cap of 40% over the entire accrual period) • measured throughout the accrual period.
Individual access conditions	Absence of the compliance breaches set in the 2022 ISP Group Remuneration Policy.
Pay-out Schedule	Differentiated according to whether or not the beneficiary belongs to the Risk Taker segment and, in the latter case, according to the Risk Taker cluster (i.e. Group Top Risk Taker, Top Risk Taker in significant Legal Entities, or other Risk Taker) the amount of the total variable remuneration (higher or lower than the "particularly high" amount or than the "materiality threshold" as defined in the Group Remuneration and Incentive Policy) and its ratio to the fixed remuneration. The settlement is fully in Intesa Sanpaolo (ISP) shares[52].
Malus conditions	Malus conditions may reduce down to zero the deferred instalments of PSP Shares not yet vested. They are symmetrical to the gateway conditions and to the individual access conditions.
Clawback	In line with the provisions of the 2022 Group Remuneration and Incentive Policy.
Extraordinary Events	• Eligibility to participate to the PSP is lost in case of resignation, termination for cause or justified reason, mutual termination and similar situations • In case the beneficiary reaches the retirement age, signs up to the pre-retirement solidarity fund "Fondo di Solidarietà", death of the beneficiary or in case of sale of the subsidiary or a business line where the manager is employed to third parties a prorated payment will take place at the natural end of the Plan • In case of change of control: ○ accelerated pro-rata cash settlement in case of a successful hostile takeover; ○ settlement at the original end of the PSP in shares of the new entity in case of a change of control considered non-hostile.
Dilution	~0.51% (assuming a price per ISP share of € 2.20).
Cost	~ €180 million for the 2022-2025 period.

4.8.2 The LECOIP 3.0 Plan

Transp. Prov.

The LECOIP 3.0 Plan, in coherence with the Bank's principles of inclusivity and cohesion, is aimed at:

- enhancing the alignment of all employees with the long-term objectives of the 2022-2025 Business Plan;
- enabling the sharing of the value created over time, at every level of the organization, thanks to the achievement of the above-mentioned objectives;
- continuing to strengthen their identification (so-called ownership) and the spirit of belonging to the Intesa Sanpaolo Group;
- enhancing a sustainable performance over time (ESG).

[52] Except for the staff of the Group Asset Management Companies (SGR) for which, in compliance with the applicable regulation, the payment will be 50% in Intesa Sanpaolo shares and the remaining 50% in shares of the funds managed or in a combination that takes into account as much as possible the proportion of them, or in equity equivalent, instruments linked to funds or shares or other equivalent non-monetary instruments that are equally effective in aligning incentives.

<table>
<tr><th colspan="3">Key Features of the LECOIP 3.0 Plan</th></tr>
<tr><th>Topic</th><th>Features of LECOIP 3.0</th><th>Details</th></tr>
<tr><td>Beneficiaries</td><td colspan="2">Professionals in the Italian perimeter of the ISP Group (Approximately 72,000 employees – none of whom is a Risk Taker).</td></tr>
<tr><td>Financial Instrument</td><td colspan="2">Professional LECOIP 3.0 Certificates issued by a third-party entity.</td></tr>
<tr><td>Participation Model</td><td colspan="2">Each beneficiary is entitled to receive an advance payment of the 2022 PVR (productivity award, negotiated with the Trade Unions): (a) in cash or (b) alternatively, in shares (Free Shares), with the obligation, in case shares are chosen, to allocate them in the LECOIP Certificates, for which:
i. a capital protected from share price volatility is given and this is grater that the initially invested capital (i.e. Initially Assigned Capital). The Initially Assigned Capital is composed of Free Share and an amount of Matching Share added by the Group for the participation to the Plan.
ii. Appreciation is calculated on a larger shares base (other than the Protected Capital, also the so-called Discounted Shares, that is 6 times the Protected Capital).
During the implementation of the Plan, taking into account the potential impact of market conditions on the cost of the Plan, a possible pro-rata reduction of the beneficiaries' participation rate in the appreciation will be evaluated and, in any case, it cannot be < 75%.
The Group also assigns to the employee a quantum of Sell to Cover Shares in order to cover the tax obligations arising from the allocation of Free and Matching Shares and the enjoyment of the discount on Discounted Shares.</td></tr>
<tr><td>Amount of Initially Assigned Capital</td><td colspan="2">• Differentiated by titling (if defined) or seniority and professional family (e.g. Investment Banking, Asset Management, Governance Functions, etc.)
• negotiated with the Trade Unions.</td></tr>
<tr><td>Trigger Event 2022 - 2025</td><td colspan="2">i. the Matching Shares are subject to, in each year of Plan, the satisfying of the condition CET1 ≥ hard limit set by the Group RAF
ii. If the Group reaches the target level of the ESG composite KPI defined in the 2022-2025 Business Plan, a minimum appreciation of 4% calculated as a fixed percentage of the Initially Allocated Capital is paid.
This KPI consists of a sub-KPI for each of the 3 factors in which ESG (Environmental, Social and Governance) is articulated:
<table>
<tr><th></th><th>Factors</th><th>Weight</th></tr>
<tr><td>Environmental</td><td>New lending to the green/circular economy and green transition with a major focus on supporting Corporates/SMEs transition</td><td>40%</td></tr>
<tr><td>Social</td><td>Number of employees who successfully completed re-skilling training and were employed in a job in line with their newly acquired skills, or who completed up-skilling training</td><td>40%</td></tr>
<tr><td>Governance</td><td>% of women newly nominated in senior positions (-1 and -2 organizational levels under the CEO)</td><td>20%</td></tr>
</table></td></tr>
<tr><td>Share price Appreciation model</td><td colspan="2">Asian floored mechanism on Jet option: appreciation deriving from monthly observations is calculated as the difference between share price at the moment of observation and share price at grant (any negative differences are not taken into consideration, so they do not determine a decrease in the overall net value accrued until that time).</td></tr>
</table>

Key Features of the LECOIP 3.0 Plan	
	The option increases in value more than proportionally for moderate increases of the price of the underlying ISP shares and to a lesser extent for higher increases, up to a predefined cap.
Vesting Period	In line with the 2022-2025 Business Plan.
Individual Compliance Breach	Absence of compliance breach at individual level as defined in the Group's Remuneration policies.
Payout Scheme	Generally, cash upfront pay-out in the year following the end of the Business Plan. Employees may request pay-out in ISP ordinary shares on a voluntary basis. Specific payout schedules are defined for residual cases.
Clawback	As defined in the 2022 Group's Remuneration and Incentive Policy.
Treatment of LECOIP 3.0 in case of extraordinary events	• Forfeiture of any rights connected with the LECOIP 3.0: in case of resignation, termination for cause, dismissal, mutual 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", in case of death of the beneficiary, or in case of sale of the subsidiary or a business line where the Professional is employed to third parties. Prorated payment before the natural end of the Plan: in case of change of control[53].
Source of Shares serving the Plan	Share capital increase (inclusive of share premium), pursuant to section 2349, paragraph 1 of the Italian Civil Code, for a maximum amount of EUR 350 million, with the free issue of Intesa Sanpaolo ordinary shares. Share capital increase (inclusive of share premium and net of a discount) pursuant to Article 2441, paragraph 8 of the Italian Civil Code, for a maximum amount of EUR 850 million, with the issue of discounted Intesa Sanpaolo ordinary shares excluding option rights for Group employees.
CET1	+ EUR 850 million, equal to + 26 b.p. on the basis of the data as of 31.12.2021 (Discounted Shares will be issued on the basis of a discounted capital increase).
Dilution	2.7% (assuming a price per ISP share of € 2.20).
Cost	EUR 470 million for the 2022-2025 period.

4.8.3 2022-2025 Long-term Incentive Plan addressed to Non-employee Financial Advisors

The 2022-2025 Long-term Incentive Plan addressed to Non-employee Financial Advisors of the Fideuram, Sanpaolo Invest SIM and IW SIM Networks - launched in conjunction with the release of the 2022-2025 Intesa Sanpaolo Business Plan - is aimed at backing the achievement of the results stated in the Business Plan for the Private Banking Division and ensuring that these are maintained over time.

Below is a summary of the key features of the Plan.

Summary of the key features of 2022-2025 Long-term Incentive Plan addressed to Non-employee Financial Advisors of the Fideuram, Sanpaolo Invest SIM and IW SIM Networks		
Beneficiaries	Beneficiaries are divided into two categories:	
	Risk Taker Financial Advisors identified based on qualitative, additional criteria and, for at least two years, based on quantitative criteria.	Remaining Subjects, including the Risk Takers identified as such based on quantitative criteria for a period not exceeding one year.
Financial instrument	Intesa Sanpaolo ordinary shares	Cash

[53] Advance payment (at the time of the change of control) with "deductible" i.e. the amount paid pro-rata can never be less than the countervalue of the Free Shares at the assignment.

Summary of the key features of 2022-2025 Long-term Incentive Plan addressed to Non-employee Financial Advisors of the Fideuram, Sanpaolo Invest SIM and IW SIM Networks	
Funding and bonus pool correction mechanism for non-financial risks	In general terms, the Plan is self-financed by the fee and commission income generated in the period. For prudential reasons, in line with the previous Plan, a maximum spending cap (the so-called maximum bonus pool of the Networks) is set in the amount of 200 million euro compared to an expenditure forecast of 125 million euro, calculated on the basis of the achievement of 100% of the objectives by all beneficiaries. The maximum bonus pool is subject to a correction mechanism for non-financial risks, i.e. the reduction down to zero in case of: integrated assessment of the risks exceeding the limits envisaged in the Fideuram Group's RAF and/or Operational Losses exceeding the limit envisaged in the Fideuram Group's RAF.
Gateway conditions	In line with the other Incentive Systems, the following gateway conditions are envisaged at Intesa Sanpaolo Group and Fideuram Group level. 1. Intesa Sanpaolo Group gateway conditions, that must be achieved each year of the Plan: • CET1 ≥ Hard Limit set by the Group RAF • Leverage Ratio ≥ Hard Limit set by the Group RAF • MREL ≥ Earling Warning limit set by the Group RAF • NSFR ≥ Hard Limit set by the Group RAF • No loss and positive Gross Income at Group Level (only for the Risk Takers of the Plan) Additionally, the Plan is also subject to the verification of these further gates: • assessment - at the start (i.e. 2022) and at the end of Plan – of the results of the Internal Capital Adequacy Assessment Process ("ICAAP"); • in 2025 of the recommendations on distributions by the competent authorities and the European supervisory authorities which can determine a potential reduction (down to zero) of the accrued bonus. 2. Fideuram Group gateway conditions, that must be achieved each year of the Plan: • CET1 ≥ Hard Limit set by the Group RAF • Leverage Ratio ≥ Hard Limit set by the Group RAF • NSFR ≥ Hard Limit set by the Group RAF • No loss and positive Gross Income In addition to the previous ones, the following individual conditions are envisaged: 3. "Compliance" gates connected to specific good conduct objectives for the financial advice business: • «quality indicator» ≥ % gradually increasing over the time horizon of the Plan (% customers with updated MiFID profile) • «anti-money laundering indicator» ≥ % gradually increasing over the time horizon of the Plan (% valid AML Due Diligence Questionnaires) • «risk indicator» ≥ % gradually increasing over the time horizon of the Plan (% customers appropriate to the MiFID risk profile) 4. Absence of well-founded complaints individually lodged and with an economic value exceeding 15,000 euro 5. Gate linked to the "Social" dimension of ESG (i.e. attainment of ESG-EFPA Certification)
Performance Accrual Period	In line with the 2022-2025 Business Plan.
Performance conditions	• Performance conditions at Fideuram Group level: Net fee and commission income in the 2025 budget generated by the Fideuram, Sanpaolo Invest SIM and IW SIM Networks • Performance conditions at individual level (or relating to the group of supervised FAs for FAs with an accessory contract): growth of the 2022-2024

Summary of the key features of 2022-2025 Long-term Incentive Plan addressed to Non-employee Financial Advisors of the Fideuram, Sanpaolo Invest SIM and IW SIM Networks	
	Total Net Inflows and related prospective profitability (expressed by the ratio between the Total Net Inflows and the Gross Added Value[54]).
Multipliers/ demultipliers of the bonus	1. Bonus/Malus linked to maintaining TNI profitability in 2025 measured by the ratio between 2022-2024 TNI and 2022-2025 GAV 2. Malus related to ESG perspectives (i.e. Environmental: for all FAs, bonus reduction based on the failing of Digital Index – paperless target by 2025; Social: for FAs with an accessory contract only, bonus reduction according to the not achievement of the target number of young FAs under 35 included in the Plan period; Governance: for Area Managers and Divisional Managers only, bonus reduction based on lack of the achievement of the female managers' appointment/promotion objective over the Plan period) 3. Bonus/Malus linked to the overall results of the supervised FAs (i.e. for FAs with an accessory contract only – bonus increase/reduction according to the number of supervised FAs who were awarded bonuses)
Individual access conditions (so-called compliance breach)	Exclusion of the Financial Advisors who are suspended through a resolution by the Disciplinary Committee, except for those cases that are suitably justified by the Disciplinary Committee. Furthermore, the accrued bonus is subject to a correction mechanism in the presence of written warning measures taken by the Disciplinary Committee in the four-year period. More specifically, a 25% decrease is envisaged in relation to the bonus accrued for Financial Advisors towards whom there are two written warnings. In the event of any further warning measures during the four-year period, the FA shall be definitively excluded from the LTIP.
Pay-out Schedule	Starting from 2026 according to differentiated pay-out schedules on the basis of the FA category, the amount of the total non-recurring remuneration and its incidence with respect to recurring remuneration.
Malus conditions	Malus conditions may reduce accrued deferred shares not yet vested up to complete forfeiture of the deferrals. Malus conditions are symmetrical to the gateway conditions.
Clawback	In line with the provisions of the Remuneration and Incentive Policy.
Treatment in case of extraordinary events	Loss of the right to participate in the Plan: in the event of termination of the agency agreement prior to the bonus accrual date. Pro-rata settlement at the natural end of the Plan: in case the beneficiary reaches the retirement age, in case of death or in case change of control of Fideuram or sale of a subsidiary owned by Fideuram to third parties. In case of change of control of the Parent Company Intesa Sanpaolo, depending on the classification of the transaction given by ISP Board of Directors as: • hostile: accelerated pro-rata cash settlement; • non-hostile: settlement at the "natural" end of the Plan (in shares of the new Entity for FAs who are recipient of shares; in cash for the remaining FAs).

4.8.4 Other Long-Term Incentive Plans

The Group may provide for specific long-term incentive plans by personnel category and business segments.
These plans comply with all the rules applicable to variable remuneration (i.e. gateway conditions, individual access conditions, malus and clawback as well as the payment methods).

[54] The Gross Added Value (hereinafter GAV) is a synthetic indicator introduced as “proxy” for the profitability of the commercial package of the Financial Advisors, which expresses the prospective incremental value generated in a solar year by the commercial actions.

Focus: Multi-year loyalty plan for employees from the UBI Top Private Network (former Heads of the Private Banking Branches and Private Bankers)

For employees who, before the integration of UBI Banca into the Intesa Sanpaolo Group, held the roles of Heads of the Private Banking Branches and Private Bankers in the UBI Top Private Network, a specific multi-year loyalty plan aimed at managing the reorganisation of portfolios resulting from the sale of UBI Banca branches to Bper Banca is envisaged, in addition to the Incentive System for the Private Banking Network. This Plan has a duration of 30 months (June 2021 – December 2023) and is linked both to the employment at the company, and to the retention and increase in net inflows under management.

4.9 Termination of the employment agreement

The termination of the employment agreement involving personnel with state pension or seniority pension rights and/or "Assicurazione generale obbligatoria" (AGO) pension treatment does not result in loss of the right to payment of the entitled amounts, even deferred. R. 27

In all other cases, the Bank has the right to award any amounts, depending on the specific situations, upon termination of the employment agreement, also through individual mutual settlement agreements. Furthermore, *ex-ante* individual agreements may be entered into for the determination of the remuneration to be granted in the event of early termination of the relationship, provided that these agreements must comply with all the conditions set out in the Remuneration Policies and in the Supervisory Provisions (see Focus: Individual Severance Agreements defined *ex ante* in par. 4.9.1).

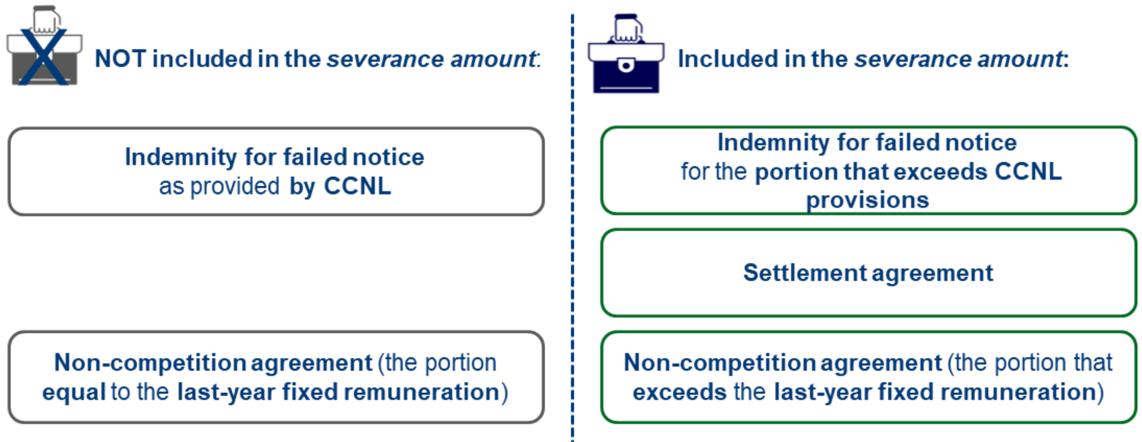
In recent years, the Bank has signed specific agreements with the Trade Unions with regard to the "solidarity fund", applied to employees of all levels, including executives, which also govern the treatment of sums payable to personnel upon termination of the employment agreement in the event of extraordinary transactions and/or company reorganisations.

4.9.1 Severance

4.9.1.1 Definition

According to the Regulations on remuneration, the payment agreed in any way and/or form in view of or upon early termination of the employment agreement or early termination of office for the amount exceeding the legal or the National Collective Bargaining Agreement (CCNL) provisions concerning the indemnity in lieu of notice where provided, constitutes the so-called severance. The non-competition agreement is included among these, depending on the total amount paid.

Focus: The severance components pursuant to Bank of Italy Circular 285



With regard to the components that are included in the severance payment, the Supervisory Provisions require that the limits and criteria to be submitted to the approval of the Shareholders' Meeting should be defined *ex ante*.

4.9.1.2 Maximum limits

Based on international and national best practices, the Group has set a maximum limit equal to **24 months of the fixed remuneration**[55] for compensation paid as severance. The adoption of this limit can lead to a maximum disbursement of **5.2 million euro**[56].

Focus: Comparison with the National Collective Bargaining Agreement and national industry practices

It should be noted that the definition of said maximum limit adopted by the Group falls well below the provisions of the sector's National Collective Bargaining Agreement (which allows to issue up to a maximum of 39 monthly payments, including the indemnity for failed notice) and national practices (36 monthly payments, of which up to 24 in excess of the indemnity for failed notice), discounting, *de facto* and *ex ante*, the assumption that the early termination of the employment relationship should not represent a rewarding element, which translates into the containment of the sums payable on that account, in line with the application of the "no reward for failure" principle.

4.9.1.3 Accumulation of severance with variable remuneration

As required by Regulations on remuneration, the compensation paid as severance is included in the calculation of the ratio between the variable remuneration due and the fixed remuneration of the last year of employment at the company.

In particular, the compensation paid as severance is added to the bonus due for the last year of employment at the company, excluding the mandatory amounts paid pursuant to national labour legislation and the amounts agreed and granted:

- based on a non-competition agreement, for the portion which, for each year of duration of the agreement, does not exceed the last year of fixed remuneration;
- within an agreement reached in order to settle a current or potential dispute (wherever reached), if calculated according to a predefined calculation formula approved by the Shareholders' Meeting in advance.
  Intesa Sanpaolo intends to adopt the following **formula** differentiated by cluster of personnel and indexed to the number of years of employment at the company.

Employees assigned a job title as part of the Group's Global Banding System

Company tenure (years)	**Severance**
Up to 2	2 months of fixed remuneration
More than 2 and up to 21	2 months of fixed remuneration + half month for each year of employment (starting from the third year)
More than 21	12 months of fixed remuneration

Remaining personnel

Company tenure (years)	**Severance**
Up to 2	1 month of fixed remuneration
More than 2 and up to 21	1 month of fixed remuneration + a quarter of a month for each year of employment (starting from the third year)
More than 21	6 months of fixed remuneration

In addition, it is specified that in the foreign countries where the local regulations or collective agreements for the industry or business include a specific formula to calculate the severance, the definitions are applied in place of the formula defined by Intesa Sanpaolo.

[55] Unless otherwise provided by local laws (i.e. Egypt).
[56] The fixed remuneration includes the gross annual remuneration and any role allowance and/or remuneration received for the office and not transferred.

4.9.1.4 Payment methods

The components included in the severance are considered similar to the variable remuneration and, as such, are subject to the payment methods defined in line with the Supervisory Provisions and depending on the cluster of personnel, the amount and its weight compared to the fixed remuneration (see paragraph 4.0).

Said Provisions are also consistent with the provisions laid down by the Regulation implementing Article 4-undecies and Article 6, paragraph 1, letters b) and c-bis) of the Consolidated Law on Finance of the Bank of Italy for the personnel of the asset management companies (SGR entities), without prejudice, for the Risk Takers of the Significant ones, to the assignment – in place of the shares – of units or shares of the UCITS or AIFs managed, or of a combination that takes into account as much as possible their proportion, or of equivalent ownership interests, instruments linked to units or shares or of other equivalent non-monetary instruments that are equally effective in terms of aligning incentives.

4.9.1.5 Criteria

In the Intesa Sanpaolo Group, the principles for the definition of severance – inspired to both the correlation between severance pay and ongoing performance criteria and the control of potential litigation – are:

- protecting the level of capital strength required by the Regulations;
- "no reward for failure";
- irreproachability of individual behaviour (consistency with compliance breach absence criteria).

Please also note that the same gateway (see paragraph 4.4.5.1), individual access (see paragraph 4.0), malus (see paragraph 4.4.5.6) and clawback conditions (see paragraph 4.0) set for variable remuneration for each cluster are applied to severance.

Art. 123-bis (1) (i) CLF

Focus: Individual Severance Agreements defined *ex ante*

In 2022, following a favourable resolution passed by the Board of Directors, on the proposal of the Remuneration Committee and taking into account the Chief Compliance Officer opinion, in line with the practices commonly used among competitors and the leading Italian listed companies[57], an agreement containing specific conventional regulations on employment termination was entered into[58] with the Managing Director and CEO. More specifically, this agreement, in compliance with the provisions laid down in the Remuneration Policies, provides, in the so-called Good Leaver cases (i.e. dismissal in the absence of just cause or justification; resignation for just cause; removal from the office of Managing Director or related authorisation powers without just cause; substantial reduction of powers; failure to renew the office of Managing Director; loss of the office of General Manager; consensual termination of the employment relationship with the Bank), the disbursement, in addition to the indemnity in lieu of the notice period required by law and the collective bargaining agreement, of an amount by way of severance[59] equal to:

- 24 months of fixed remuneration, provided that the average of the overall Performance Scorecard score relating to the Group annual Incentive System for the three years preceding the date of termination of the employment agreement is equal to or greater than 100%;
- 12 months of fixed remuneration, where the average of the overall Performance Scorecard score relating to the Group annual Incentive System for the three years preceding the date of termination of the employment agreement is equal to 80%;
- an amount calculated proportionally, taking into account the above amounts, where the average of the overall Performance Scorecard score relating to the Group annual Incentive System in the three years preceding the date of termination of the employment agreement is greater than 80% but lower than 100%.

Where the average of the overall Performance Scorecard score relating to the group Annual Incentive System for the three years preceding the date of termination of the employment agreement is lower than 80%, no amount will be due to the Managing Director and CEO by way of Severance.

In compliance with the Remuneration Policies, payment of the Severance is in any case subject to the fulfilment of the Gateway conditions and compliance with the Individual Gateway conditions as well as

[57] *Inter alia*, Société Generale, Crédit Agricole, Assicurazioni Generali, Banca Generali, ENEL, Prysmian Group, SNAM and ENI.
[58] The effectiveness of which is subject to approval of these Remuneration Policies by the Shareholders' Meeting.
[59] A portion of this amount, where applicable, will be paid as the amount resulting from the application of the preset formula referred to in the Remuneration Policies (par. 4.9.1.3).

Focus: Individual Severance Agreements defined *ex ante*

the provisions on the variable to fixed remuneration cap, and the amount paid is subject to Malus and Claw Back conditions.

The Severance is paid according to the payment schedules laid down in the Remuneration Policies.

Pursuant to the agreement, and in accordance with the Remuneration Policies, the portions, including any deferred portions, due from annual and multi-year incentive plans are expected to be maintained.

The agreement entered into with the Managing Director and CEO also includes a non-competition agreement for the period following the termination of the employment agreement, which is applied in the same cases of termination of the employment agreement where the Severance is paid, with a duration of 12 months and with an amount equal to an annual fixed remuneration payment.

Focus: Process to determinate severance of the Group Top Risk Takers

The specific determination of severance and the definition of individual prior agreements to govern the remuneration to be granted in the event of early termination of the employment for the Group Top Risk Takers, the higher-level Executives of the Corporate Control Functions and the similar roles for the purpose of the remuneration rules, is subject to assessment and approval, by the Board of Directors, which establishes, within the maximum limit approved by the Shareholders' Meeting, the amount deemed adequate taking into account the overall assessment of the performance of the person in different roles held over time and paying particular attention to the capital, liquidity and profitability levels of the Group[60] and to the fulfilment of individual gateway conditions (see paragraph 4.0). In terms of process, the Board of Directors bases its assessments on the proposal made by the Remuneration Committee, based on an inquiry conducted by the Chief Operating Officer Governance Area, with the opinion of the Chief Compliance Officer, on the compliance with the regulatory provisions in force from time to time and on its consistency with the Remuneration and Incentive Policies.

As provided for by the EBA Guidelines, the payments set for early termination of the employment relationship or for early termination from the office are subject to the aforesaid Regulations only in cases where this would not 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 as otherwise specifically represented and agreed upon with the Bank of Italy.

4.10 Prohibition of hedging strategies

Intesa Sanpaolo does not remunerate or grant any payments or other benefits to personnel that in any way constitute a circumvention of the regulatory provisions.

Intesa Sanpaolo requires its personnel, through specific agreements, not to adopt strategies of personal hedging or insurance strategies on remuneration or other aspects that may alter or undermine the effects of the alignment with company risk inherent in the Remuneration and Incentive Policies and in the related remuneration mechanisms adopted by the Group. To this end, as part of the rules to implement the Remuneration and Incentive Policies, Intesa Sanpaolo also defines the types of financial transactions and investments that, if carried out, directly or indirectly, by the Risk Takers could constitute forms of hedging compared to the risk exposure as a consequence of applying the Remuneration and Incentive Policies.

[60]Reference is made, specifically, to the gateway conditions of Incentive Systems (see paragraph 4.4.5.1).

Section B – Rules for identifying Risk Takers

4.11 Introduction

The regulatory provisions on remuneration and incentive policies (Directive 2013/36/EU - so-called CRD-, hereinafter also the "Directive", as amended by the Directive 2019/878/EU) state that remuneration policies have to be defined and applied proportionally to the roles, the contribution and the impact of the staff on the Intesa Sanpaolo Group, Sub-consolidating Groups[61] and the individual Legal Entity risk profile.

The criteria to identify staff that have a material impact on the Intesa Sanpaolo Group risk profile (so-called "**Group Risk Takers**"), Sub-consolidating Groups (so-called "**sub-consolidated Groups Risk Takers**"), and the individual Legal Entity controlled by Intesa Sanpaolo (so-called "**Legal Entity Risk Takers**") are defined in these Rules in compliance with the CRD V and the Regulation (EU) 923/2021 (hereinafter the "Regulation" or also "RTS"), which concretely implements and integrates the provisions of the Directive, also in light of the experience acquired in the application of the criteria for identifying Risk Takers provided for by the previous Regulation (EU) 604/2014.

In particular, the Regulation integrates the provisions of Article 92, paragraph 3 of the Directive providing criteria aimed at defining:

- managerial responsibilities and control functions;
- material business unit and the significant impact on the risk profile of the material unit;
- other categories of personnel not expressly indicated in the text of the Directive whose professional activity has an impact on the risk profile of the entity comparable with that of the categories of Risk Taker identified by the Directive.

Therefore, the criteria for identifying Risk Takers, starting from 14 June 2021 - the date on which the Regulation (EU) 923/2021 came into force - are stated both in the Directive and in the Regulation and, in continuity with the provisions of the previous Regulation 604/2014, they are divided into:

- qualitative criteria, related to roles, decision-making power and managerial responsibility of staff, considering also the internal organisation of the Group and of the individual Legal Entity, the nature, scope and complexity of the activities carried out;
- quantitative criteria, related to gross remuneration thresholds, both in absolute and relative terms, also taking into account the average remuneration paid to members of the Board of Directors and senior management. Some members of personnel, subject to authorization by the Supervisory Authority, identified only on the basis of quantitative criteria, can be excluded from the category of Risk Takers, according to objective conditions and in line with specific restrictions set by the Regulation.

At national level, the Circular 285/2013 of the Bank of Italy (hereinafter also the "Circular") recalls the specific categories of personnel provided by the Directive and refers to the Regulation for further identification criteria highlighting that the entities have to set and apply additional criteria, if necessary to identify further staff that take significant risks.
Furthermore, pursuant to the above-mentioned Circular, not-listed banks that are part of a group are not required to draw up their own rules to identify Risk Takers and may apply the rules prepared by the Parent Company.

This document describes:

- the rationales that are applied to identify Risk Takers pursuant to qualitative and quantitative criteria set by CRD, the above-mentioned Regulation and the Circular, as well as the additional criteria established in light of the Group organisational structure and business;
- the way in which the rules to identify Risk Takers must be applied at Group level, at Sub-consolidating Groups level and at the level of the individual Banks that are not obliged to prepare their own remuneration and incentive policies that include the Risk Taker identification Rules.

[61] In this Section it means the Sub-holdings and their Subsidiaries.

4.12 Scope

The criteria for identifying the Risk Takers provided for by the Directive, the Regulations and the Circular are applied at consolidated, Sub-consolidated and / or individual level[62].

As for the application at consolidated level, Intesa Sanpaolo, in its capacity as Parent Company (hereinafter the "Parent Company"), identifies the staff that have a material impact on the Group risk profile considering all the Group Legal Entities (including Sub-holdings), whether they are subject or not to prudential supervision rules on an individual basis.

The Legal Entities actively participate in the Group Risk Takers identification process carried out by the Parent Company, provide the latter with the necessary information and follow the instructions received.

With reference to the identification of Risk Takers at Sub-consolidated and / or individual level, as regards:

- Sub-consolidating Groups and Banks that do not prepare their own remuneration policies, the identification at Sub-consolidated level is carried out by the Sub-holding - considering all the Legal Entities of the Sub-consolidating Group that actively participate in this process - whilst at individual level it is conducted by the Legal Entity itself on the basis of the criteria defined in this document and it is, in any case, supervised by the Parent Company;

- Sub-consolidating Groups and the other Legal Entities of Intesa Sanpaolo Group that, in light of sector-specific regulations or the jurisdiction where the Sub-holding / the Legal Entity is established or mainly operates, are required to draw up their own Remuneration Policies, the identification of the Risk Takers is conducted by adopting the criteria defined in such Policies, in accordance with the regulations in force in the sector or jurisdiction to which they belong to. These Sub-consolidating Groups/Legal Entities coordinate with the Parent Company which takes care of the overall consistency of the identification process, having regard to the whole Intesa Sanpaolo Group and providing, for this purpose, any additions where it is deemed appropriate.

In any case, the Sub-holding and the individual Legal Entities remain responsible for compliance with the provisions directly applicable to them.

4.13 Definitions and rationales of application

In compliance with the provisions of the Regulation, the main definitions that allow the application of the criteria for identifying Risk Takers are reported below.

4.13.1 Managerial Responsibility

Pursuant to Article 1, paragraph 1) of the Regulation, “managerial responsibility” means a situation, in which staff members:

a) head a business unit or a control function and is directly accountable to the management body as a whole or to a member of the management body or to the senior management;
b) head one of the functions laid down in Article 5(a) of the Regulation[63];
c) head a subordinated business unit, or a subordinated control function in a large institution as defined in Article 4(1), point (146), of Regulation (EU) No 575/2013[64] and report to a staff member that has the responsibilities as referred to in point (a).

From an organizational point of view, those referred to in the point c) are Heads of structures that are positioned at a hierarchical level equal to maximum n-3 with respect to the Chief Executive Officer and / or the General Manager of the Bank.

[62] An exception to this general rule is the quantitative criterion according to which those who fall within the 0.3% of the personnel with the highest remuneration are eligible as Risk Takers, which is applied only at an individual level.

[63] The functions indicated in art. 5, lett. a) of the Regulations are: i) legal affairs; ii) the soundness of accounting policies and procedures; iii) finance, including taxation and budgeting; iv) performing economic analysis; v) the prevention of money laundering and terrorist financing; vi) human resources; vii) the development or implementation of the remuneration policy; viii) information technology; ix) information security; x) managing outsourcing arrangements of critical or important functions referred to in Article 30, paragraph 1, of the Commission Delegated Regulation (EU) 2017/565.

[64] ‘Large institution’ means an institution that meets any of the following conditions: (a) it is a G-SII; (b) it has been identified as another systemically important institution (O-SII) in accordance with Article 131(1) and (3) of Directive 2013/36/EU; (c) it is, in the Member State in which it is established, one of the three largest institutions in terms of total value of assets; (d) the total value of its assets on an individual basis or, where applicable, on the basis of its consolidated situation in accordance with this Regulation and Directive 2013/36/EU is equal to or greater than EUR 30 billion.

In the Intesa Sanpaolo Group, the subjects with managerial responsibilities, when in compliance with the Regulation, are identified taking into account also the Global Banding System adopted by the Group, based on grouping in homogeneous categories managerial positions that are similar for levels of complexity/responsibility managed, measured using the international IPE (International Position Evaluation) methodology.
In this regard, the levels of responsibility that indicate managerial responsibilities are identified by the following titles:

- Executive Director, positions that define and/or exert a strong influence on business/function strategies, consistently with the Division/Group strategies, and lead their implementation even in high-complex contexts;
- Senior Director, positions that define function/business/country policies and plans and guarantee their implementation by taking managerial responsibility for financial and human resources.

4.13.2 Control Function

Pursuant to Article 1 paragraph 2) of the RTS, "Control Function" means a function that is independent from the business units it controls and that is responsible to provide an objective assessment of institution's risks, review or report on those, including, but not limited to, the risk management function, the compliance function and the internal audit function.

Taking into account the provisions of the Circular 285/2013, for the purposes of applying the definition of Control Function, in addition to the risk management, compliance and audit functions, the anti-money laundering and validation functions are also identified. In addition, given the nature of compliance monitoring, the Data Protection Officer and the Manager responsible for preparing the company's financial reports are also assimilated to the Heads of the Control Functions.

4.13.3 Subordinated Control Function

By subordinated Control Function it is meant an organizational unit that carries out control activities, reports directly to the Head of one of the Control Functions referred to in paragraph 4.13.2 and whose Head has a job title of Executive Director and Senior Director.

4.13.4 Material Business unit or material operating / company unit

Pursuant to Article 142 of the (UE) Regulation 575/14 (so-called CRR), "Business unit" or "operating / company unit" is defined as "any independent organizational or legal entity, business lines, geographical locations" (i.e. revenue centers, profit or geographic areas).

Pursuant to Article 1 paragraph 3) of the RTS, a "Business unit" or "operating / company unit" can be defined as "relevant" if it meets at least one of the following criteria:

a) it has been allocated internal capital of at least 2 % of the internal capital of the institution as referred to in Article 73 of Directive 2013/36/EU, or is otherwise assessed by the institution as having a material impact on the institution's internal capital;

b) it is a core business line as defined in Article 2(1), point (36), of Directive 2014/59/EU that is a line "of business and related services that represent significant sources of revenue, profits or franchise value".

With reference to the provisions of point a), when business units absorb a percentage of internal capital equal to or higher than 2%, the analysis is also carried out on lower-level structures, to verify the organisational units with an economic capital allocation of at least 2%.
In addition, for the identification of Intesa Sanpaolo Group Risk Takers, the measurement of the economic capital absorbed by the units is carried out according to the organisational structure used by the Planning and Control Head Office Department for reporting purposes.

With reference to the provisions of point a), for the Intesa Sanpaolo Group, the "core business lines" are the units that meet one of the following requirements:

1. contribute to the profit of Intesa Sanpaolo Group to an extent at least equal to 5%, calculated on the average of the last 2 years;
2. contribute to the revenue of Intesa Sanpaolo Group to an extent at least equal to 3%, calculated on the average of the last 2 years;
3. contribute to the goodwill of Intesa Sanpaolo Group to an extent at least equal to 10%, calculated on the average of the last 2 years.

4.13.5 Subordinated business unit or subordinated operating / company unit

By subordinated business / company unit it is meant an operational / company unit, as defined by Article 142 of Regulation 575/13, which (i) from an organizational point of view, reports to a material business / company unit, (ii) is positioned at a hierarchical level equal to a maximum of n-3 with respect to the Chief Executive Officer and / or the General Manager of the Bank and (iii) whose head is assigned a title of at least Senior Director.

4.14 Application of the Rules at Intesa Sanpaolo Group Level

4.14.1 Qualitative criteria

For each of the identification criteria, this paragraph lists the corresponding regulations and describes the rationale underlying the identification of Group Risk Takers.

In line with the provisions of Article 92, paragraph 3 of the Directive, the following are Risk Takers:

a) the members of the t body with strategic supervision and management functions and senior management;
The following are identified:
- a) 1. the members of the Board of Directors of Intesa Sanpaolo in both its strategic supervision and management functions;
- a) 2. the Managing Director and CEO of Intesa Sanpaolo, his direct reports, the Chief Audit Officer, the Deputies of the Heads of the Divisions and Governance Areas[65], as well as the Manager responsible for preparing the company's financial reports.
These managers belong to the cluster of so-called Top Risk Takers.

b) staff members with managerial responsibilities over control functions or material business units.
The following are identified:
- b) 1. the Chief Risk Officer, the Chief Compliance Officer, the Chief Audit Officer, the Head of the Anti-Financial Crime Head Office Department, the Head of Internal Validation and Controls Head Office Department, the Head of Safety and Protection Head Office Department as Data Protection Officer and the Head of Administration and Tax Head Office Department as Manager responsible for preparing the company's financial reports.
- b) 2. the Executive Directors and Senior Directors who report hierarchically to the staff members identified on the basis of criterion b) 1.

Furthermore, in the material business units, the following are identified:

- b) 3. the Head of the material business unit if, from an organizational point of view, he/she is positioned at a hierarchical level equal to maximum n-3 with respect to Intesa Sanpaolo Managing Director and CEO. If the unit is a Legal Entity, the Managing Director, the Deputy CEO(s) and/or the General Manager and Co-General Manager(s) of the entity are identified as Heads under this criterion;
- b) 4. the Executive Directors and Senior Directors who are responsible for business units (i.e. revenue centers, profit or geographical areas) who report to the Head of the material business units referred to in point b) 3 and who, from an organizational point of view, are positioned at a hierarchical level equal to maximum n-3 with respect to Intesa Sanpaolo Managing Director and CEO.

The other categories of personnel not expressly indicated in the text of the Directive whose professional activity has an impact on the risk profile of the Group, in accordance with the provisions of Article 5 of the Regulation, are the following:

1. the staff member (who) has managerial responsibility[66] for legal affairs, the soundness of accounting policies and procedures, finance, including taxation and budgeting, performing economic analysis, the prevention of money laundering and terrorist financing, human resources, the development or implementation of the remuneration policy, information technology, information security, managing outsourcing arrangements of critical or important functions[67].

[65] At the time of preparing these Rules, the only Deputy present is the Deputy of the Head of the IMI Corporate & Investment Banking Division.
[66] According to the provisions of Article 1, point 1) of the Regulations and referred to in paragraph 4.13.1 letter b) of this document, those who are in charge of the functions indicated above have managerial responsibility.
[67] As defined in art. 30 (1) of the Delegated Regulation EU 2017/5654.

This criterion identifies the Heads of Intesa Sanpaolo that deal with managing the legal affairs, administrative, accounting, financial reporting, supervisory and taxation obligations, the prevention of money laundering and terrorist financing, human resources (in its functions of staff management and development, management of trade union affairs as well as processing and implementation of the Remuneration Policies), management planning and control, treasury management, IT system and data management, computer security, financial analysis as well as the management of outsourcing arrangements of critical or important functions.

2. the staff member has managerial responsibilities for any of the risk categories set out in Articles 79 to 87 of Directive 2013/36/EU[68], or is a voting member of a committee responsible for the management of any of the risk categories set out in those Articles;

   This criterion identifies the members, with voting rights (as identified in the relevant Regulations) of the Committees set up at Group level and the Heads of the structures responsible for managing a significant portion of the aforementioned corporate risks.

3. with regard to credit risk exposures of a nominal amount per transaction which represents 0.5% of the institution's Common Equity Tier 1 capital and is at least 5 million euro, the staff referred to in the points a) and b) below are identified.
   Taking into account that in the Intesa Sanpaolo Group the credit granting and managing powers are generally proportionate and expressed in Risk Weighted Asset (RWA) terms, the 0.5% limit of the Common Equity Tier 1 capital compared to the nominal value of a transaction equals, in terms of RWAs, 0.1% of the Common Equity Tier 1 capital, taking as reference an average transaction with ordinary customers. For what regards the Banks / Financial Entities customers, the threshold is increased by 7.6% due to the lower riskiness that distinguishes these customers compared to ordinary ones.

   a) the staff member has the authority to take, approve or veto decisions on such credit risk exposures*;*
   This criterion identifies the staff that have the power of granting credits and/or managing credits disbursed to ordinary and Bank/Financial Institution customers for an amount, converted into RWAs, at least equal to the abovementioned thresholds.

   b) the staff member is a voting member of a committee which has the authority to take the decisions as referred to in point a).
   This criterion identifies the members, with voting right, of the Committees – established at Group and individual Bank level – with the power of granting and/or managing credit to both the ordinary and the Banks / Financial Entities customers, expressed in RWAs, at least equal to the abovementioned thresholds.

4. in relation to an institution for which the derogation for small trading book businesses set out in Article 94 of Regulation (EU) No 575/2013 does not apply, the staff member meets one of the following criteria:
   a) the staff member has the authority to take, approve or veto decisions on transactions on the trading book that in aggregate represent one of the following thresholds*:*
      i. where the standardised approach is used, an own funds requirement for market risks that represents 0,5 % or more of the institution's Common Equity Tier 1 capital*;*
      No Risk Takers are identified in application of this criterion.

      ii. […] where an internal model-based approach is approved for regulatory purposes, 5 % or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval level);
      This criterion identifies the staff members who are responsible for the management of a Group trading book, with a Value at Risk (VAR) equal to or higher than the thresholds referred to herein, as identified in the tables prepared by the Chief Risk Officer pursuant to the Group "Market Risk Charter".

[68] Reference is made to the following risks: Credit and counterparty risk, Residual risk, Concentration risk, Risks deriving from securitisations, Market risk, Interest rate risk deriving from activities other than trading, Operational risk, Liquidity risk and Risk of excessive leverage.

b) […] the staff member is a voting member of a committee that has the authority to take the decisions mentioned in point (a)
No Takers are identified in application of this criterion since there are no Committees with these powers.

5. the staff member heads a group of staff members who have individual authorities to commit the institution to transactions and either of the following conditions is met:
   a) the sum of these authorities equals or exceeds the threshold set out in point 3 b), or point 4 a) (i)
   No Risk Takers are identified in addition to those previously identified based on criterion 3 letter a).

   b) where an internal model approach is approved for regulatory purposes those authorities amount to 5% or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval). Where the institution does not calculate a value-at-risk at the level of that staff member the value-at-risk limits of staff under the management of this staff member shall be added up
   No Risk Takers are identified in addition to those previously identified based on criterion 4 a) (ii), since the VAR limits are allocated with "top-down" delegations.

6. the staff member meets either of the following criteria with regard to decision on approving or vetoing the introduction of new products:
   a) the staff member has authority to take such decisions*;*
   No Risk Takers are identified in application of this criterion because Intesa Sanpaolo Group adopts a model for the approval of new products or services according to which the decisions for the approval or vetoing of new products must be taken collectively.

   b) the staff member is a voting member of a committee that has authority to take such decisions.
   This criterion identifies:
   - the members of the Intesa Sanpaolo Board of Directors;
   - the members, with voting rights, of the Committee set at Group level with decision-making powers on the approval or prohibition of the introduction of new products, services and activities;
   - the members of the Divisions' Governance Panels;
   - the members of the Divisions' Technical Panels in restricted composition.

4.14.2 Additional Criteria adopted by the Intesa Sanpaolo Group

The Parent Company has defined specific additional criteria to identify certain roles and organisational structures that are able to affect the Group risk profile and are not detected through the qualitative criteria set by the Regulation.

In particular, all staff who, in the context of the Global Banding system, have a title equal to the following shall also be identified as Group Risk Takers:
1. Executive Directors, as they define and/or exert a strong influence on the function/business/country in which they operate, consistently with the Division/Group strategies, and ensure their implementation even in highly complex contexts;
2. Senior Directors who are heads of structures positioned at a hierarchical level equal to maximum n-3 with respect to the Managing Director and CEO[69] and manage a significant portion of the risks explicitly set out in the Group RAF other than those previously identified in the context of the qualitative criteria.
3. the Senior Directors who are Head of structures positioned at a hierarchical level equal to maximum n-3 with respect to the Managing Director and CEO of Intesa Sanpaolo and who carry out significant risk mitigation activities in the context of the Capital Adequacy risk, due to the centrality of this risk category in the RAF framework;
4. the Senior Directors who are Head of:
   - structures subordinate to the functions that report to the Chief Risk Officer, the Chief Compliance Officer and the Chief Audit Officer (i.e. Managers of structures who are positioned at a hierarchical level equal to maximum n-3 with respect to the Managing Director and CEO[70] of Intesa Sanpaolo), as long as they carry out control activities;

[69] These staff members are identified because Intesa Sanpaolo is a Bank of greater size.
[70] These staff members are identified because Intesa Sanpaolo is a Bank of greater size.

- control functions (risk management, compliance, audit, anti-money laundering, validation and, for insurance companies, actuarial) of material business units that are positioned at a hierarchical level equal to maximum n-3 with respect to the Managing Director and CEO of Intesa Sanpaolo.

Furthermore, due to the significant impact on credit risks, the Heads structures of the Chief Lending Officer Area who, in the last two years, have resolved on the matter of credit for a total amount of at least 5% of the total loans expressed in RWA resolved by the aforementioned Area, are identified as Risk Takers.

Finally, with reference to the business units which deal with private banking, the following are also identified as Risk Takers:
1. the Area Managers of the distribution networks, as requested by Circular 285 by Bank of Italy;
2. Financial Advisors who, based on the defined Incentive Systems, are entitled to a non-recurring remuneration higher than the recurring remuneration referred to the same year.

4.14.3 Quantitative Criteria

In line with the provisions of Article 92, paragraph 3 letter c) of the Directive, the following are Risk Takers:

a) staff members for whom the following conditions are jointly met:
   i. the total remuneration of the staff member in the previous year is equal to or greater than EUR 500,000 and equal to or greater than the average total remuneration paid to the members of the body with strategic supervision and management functions and the senior management of the entity[71];
   ii. their activity is carried out within a relevant business / business unit and has a significant impact on the risk profile of the business unit.
   This condition is assessed on the basis of the criteria defined in Article 3 of the Regulation[72].

Furthermore, without prejudice to the provisions of the Directive, pursuant to Article 6 of the Regulation, the staff member is deemed to have an impact on the risk profile of the institution when:

b) the staff members, including staff members as referred to in Article 92(3), point (c), of Directive 2013/36/EU, have been awarded in or for the preceding financial year a total remuneration that is equal to or greater than EUR 750 000.

It should be noted that the staff member referred to in point b), may be excluded from the category of Risk Takers if the related professional activities do not have a substantial impact on the risk profile because such member, or the category of staff that the staff member belongs to:

i) only carry out professional activities and has authorities in a business unit that is not a material business unit; or
ii) have no significant impact on the risk profile of a material business unit having regard to the criteria set out in Article 3 of the Regulation.

The exclusion proposals referred to in point b) must be suitably motivated, formalized and approved by the Board of Directors, before proceeding with the request for prior approval by the European Central Bank.

4.15 Application of the Rules at Sub-consolidating Groups level and Individual Bank level

The Rules for identifying personnel whose professional activities have a substantial impact on the risk profile of Sub-consolidating Groups and individual Banks that do not draw up their own Remuneration Policy are defined by the Parent Company Intesa Sanpaolo according to the logic established at Intesa Sanpaolo Group level and taking into account the organizational and operational structure of the Sub-consolidating Group and the individual Bank.

[71] Reference is made to the Top Risk Takers as defined in paragraph 4.14.1.

[72] The article 3 of the Regulation provides that following criteria to determine whether the professional activities of staff members have a significant impact on the risk profile of a material business unit shall be taken into account: (a) the risk profile of the material business unit; (b) the distribution of internal capital to cover the nature and level of the risks, as referred to in Article 73 of Directive 2013/36/EU; (c) the risk limits of the material business unit; (d) the risk and performance indicators used by the institution to identify, manage and monitor risks of the material business unit in accordance with Article 74 of Directive 2013/36/EU; (e) the relevant performance criteria set by the institution in accordance with Article 94(1), points (a) and (b), of Directive 2013/36/EU; (f) the duties and authorities of staff members or categories of staff in the material business unit concerned.

Section II – Disclosure on remuneration paid in financial year 2021

Introduction
Section II of the Report describes the implementation of the Remuneration and Incentive Policies for 2021, approved by the Shareholders' Meeting on 29 April 2021, as required by both the European regulations on public disclosure obligations (Article 450 of Regulation EU 876/2019 of 20 May 2019 – so-called CRR II –, Article 17 of Regulation EU 637/2021 of 15 March 2021[73] – so-called *Implementing Technical Standards*, hereinafter ITS –, incorporated by Bank of Italy Circular 285 of 17 December 2013[74]), and by Consob (Article 84-*quater* of the Issuers' Regulation adopted with resolution 11971 of 14 May 1999 as amended[75], implementing Legislative Decree 58 of 24 February 1998).

Section II is structured in parts.

The first part ("General information") is descriptive and aimed at representing the structural components of the remuneration of Board Members, of the Managing Director and CEO, also acting as General Manager, and of the Key Managers, who qualify as Top Risk Takers.

For the purposes of a clearer representation of the elements that make up the short-term variable remuneration of the Managing Director and CEO, also acting as General Manager, of the Key Managers (qualifying as Top Risk Takers), and of the other Group Risk Takers, a summary is provided concerning the implementation of the 2021 Incentive System based on financial instruments, including in particular the fulfilment of the gateway, funding and individual gateway conditions, as well as the methods for payment of the bonus envisaged for each population cluster (i.e. Top Risk Takers, also including the Managing Director and CEO, acting as General Manager; other Group Risk Takers; Legal Entity Risk Takers[76]; Middle Management and Professionals that are not Risk Takers).

Furthermore, a complete information notice relating to the 2021 Incentive System based on financial instruments is provided pursuant to Article 114-bis of Legislative Decree 58/1998 (Consolidated Law on Finance – CLF) in the Information Document drawn up in compliance with Scheme No. 7 of Annex 3A of the aforesaid Issuers' Regulation and annexed to the resolution in point 3D ("Approval of the 2021 Annual Incentive System based on financial instruments") of the Shareholders' Meeting of 29 April 2021.

With regard to the 2021 Incentive System based on financial instruments, it should be noted that the Group, in accordance with the provisions laid down by the 2021 Remuneration and Incentive Policies and following approval by the Board of Directors on 03/11/2021[77], restored the bonuses that can be accrued by Risk Takers to ordinary levels.

Lastly, the first part also shows the change, with reference to the 2019, 2020 and 2021 financial years, in the remuneration of the Managing Director and CEO, the members of the management and control bodies, as well as employees, compared with the same change in Gross Income of the Group. In particular, with regard to the Managing Director and CEO, the proportion of the fixed and variable components within total remuneration is also explicitly indicated.
The second part ("Qualitative and quantitative information") is set out in two sub-sections:

- the first, foreseen from 2021 in line with the evolution of regulations on public disclosure, discloses the elements required pursuant to Article 450 CRR II according to the standard operating procedures defined by the ITS. In line with the provisions laid down by the ITS, the following is provided:

[73] Implementing Technical Standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council.
[74] 37th update, First Part, Title IV, Chapter 2, Section VI, paragraph 1.
[75] Reference is made to the last update made with resolution no. 21623 of 10 December 2020.
[76] Belonging to Banks of greater size or operational complexity, including the listed Banks, as well as significant banks pursuant to Article 6(4) of Regulation (EU) 1024/2013 ("RMVU") and intermediate banks.
[77] The BoD verified the conditions defined in the 2021 Remuneration and Incentive Policies; in particular: i) an improvement in the macroeconomic context was observed; ii) results were recorded at least in line with budget levels; iii) the ECB did not renew the Recommendation relating to the bonus amount limitation for Risk Takers which was valid until 30/09/2021.

- qualitative information ("EU REMA qualitative information") relating to the Bodies that oversee the remuneration policy and the decision-making used for determining it, the segmentation of the identified staff, information relating to the design and structure of the remuneration system for the Risk Taker, both in the short-term and long-term component, including in terms of the connection between the performance levels recorded in the evaluation period and the remuneration levels as well as the monitoring of current and future risks;
- quantitative information ("Quantitative disclosure") according to 5 table models (EU REM1, EU REM2, EU REM3, EU REM4 and EU REM5) which represent in aggregate form and according to different perspectives the remuneration referred to 2021 of the Members of the Board of Directors in its supervisory and management function, the Key Managers (i.e. Top Risk Takers) and other personnel belonging to the cluster of Group Risk Takers, in terms of fixed and variable remuneration paid for the year (also providing a breakdown by business area), guaranteed variable remuneration and severance payments, deferred portions of variable remuneration paid for previous performance periods, number of high earners. It should be noted that the quantitative information was already represented (in a not entirely organic form) in application of the previous regulations (Bank of Italy Circular 285/2013) with the exception of some marginal changes, such as the representation of fringe benefits among the fixed remuneration components.

- the second ("Information pursuant to CONSOB Regulation") represents the information tables pursuant to Consob on the levels of remuneration paid (tables 1, 2, 3A and 3B of the "Remuneration" paragraph) as well as on ISP equity investments (tables 1 and 2 of the paragraph “Equity investments”) of Board Members, of the Managing Director and General Manager, and of Key Managers (i.e. Top Risk Takers).

The third part (“Internal auditing department assessment of the Incentive System”) provides an overview of the consistency analysis of operational practices for remuneration with respect to the Policies approved by the Bodies, conducted on an annual basis by the Chief Audit Officer Area.

In conclusion, it is specified that this section was defined by taking account of the results of the Shareholders' Meeting vote on the Disclosure on remuneration paid in financial year 2020 held on 29 April 2021 (votes in favour totalling 93.75% of the participants).
In light of the high level of appreciation demonstrated, the Group renewed its commitment to provide disclosure to the public that is clear and shareholder-friendly and includes a detailed representation of the Performance Scorecard of the Managing Director and CEO acting as General Manager, in terms of the level of results achieved and the bonus earned.

PART I – General information

Representation of the structural components of the remuneration of Board Members, the Managing Director and CEO, also acting as General Manager, and of the Key Managers

The remuneration of Board Members is set as a fixed amount, including the additional remuneration for the office of Chairman, Deputy Chairperson of the Board of Directors, Chairman of the Management Control Committee, Managing Director and CEO, the Chairs of Committees other than the Management Control Committee, as well as of the members of the Board Committees, in line with the resolutions adopted by the Shareholders' Meeting on 30 April 2019, and, to the extent applicable, by the Board of Directors. Art. 123-ter (3) (a), (4) (a) CLF

The remuneration related to the attendance fees for participation in Committees other than the Management Control Committee is indicated separately.

The remuneration of the Managing Director and CEO, acting as General Manager, and the other Key Managers (so-called "Top Risk Takers"), in accordance with the policies approved by the Shareholders' Meeting on 29 April 2021, consists of: R. 27.

a) a **fixed component**, including the gross annual remuneration amount set individually based on the contractual agreement, the role held, the responsibilities assigned, and the specific experience and expertise acquired by the manager, including any allowance;

b) a **short-term variable component**, linked to performance and aligned to the short-term results actually achieved by the Bank and by the Group overall, as well as to the risks prudentially taken, as resulting from application of the 2021 Incentive System based on financial instruments approved by the competent Corporate Bodies, in compliance with the applicable Remuneration and Incentive Policies;

c) a **long-term variable component**, based on instruments associated with Intesa Sanpaolo shares, introduced during 2018 at the time of launch of the 2018-2021 Business Plan as defined by the "Performance-based Option Plan" (POP) approved by the Shareholders' Meeting on 27 April 2018[78];

d) a component resulting from valuation of **benefits**, including the amount paid by the company into the manager's supplementary pension fund and the premiums (taxable) paid by the Bank for the related insurance cover; the statements do not include any other benefits awarded to said personnel (for example, company cars) that are not taxable, also due to specific conditions under company policy (for example, because a monetary contribution by the manager is required).

With regard to the provision of ex ante agreements governing treatments or indemnities to be paid in view of or at the time of early termination of the office by the Board Members, it should be noted that in 2022 an agreement was entered into with the Managing Director and CEO, also acting as General Manager, containing a specific conventional regulations on employment termination which also include a non-competition agreement for the period following the employment termination (see Focus: "Individual Severance Agreements defined ex ante" in paragraph 4.9.1.5 of Section I of the 2022 Report on remuneration policy and compensation paid). Art. 123-ter (4) (a) CLF

It should be noted that, with regard to the other Board Members, there are no prior agreements governing benefits or severance payments to be made in view of or at the time of the early termination of the office.

Likewise, there are no prior agreements governing benefits or severance payments to be made upon early termination of the employment agreement with the other Key Managers, to which, should such cases arise, the provisions of paragraphs 2.6 and 4.9 of Section I of the 2021 Report on remuneration policy and compensation paid apply.

[78] It should be noted that the POP Plan was amended in 2021 (with the approval of the Ordinary Shareholders' Meeting of 28 April 2021). For an in-depth examination of the changes made, including their rationales, see the Report of the Board of Directors relating to Point 2 lett. e) on the agenda of the ordinary Shareholders' Meeting of 28 April 2021 and the attached Information Document pursuant to art. 84-bis, paragraph 1, of the Regulation adopted by Consob with Resolution No. 11971 of 14 May 1999 and as amended and the 2021 Report on remuneration policy and compensation paid, to which reference should also be made for further information on the 2018-2021 POP Plan (including, inter alia, POP treatment in case of extraordinary events).

Application of the 2021 Remuneration and Incentive Policies

Given that the 2021 Remuneration and Incentive Policies approved by the Shareholders' Meeting of 28 April 2021 did not provide options of derogation, it is confirmed that during 2021 no derogations were applied from that regulated in the above document.

The 2021 Incentive System based on financial instruments

The beneficiaries of the 2021 Incentive System based on financial instruments are the Risk Takers, identified both at Group level – including the Managing Director and CEO, acting as General Manager, and the Key Managers (qualifying as "Top Risk Takers ") – and at Legal Entity[79] level, who accrue a bonus exceeding the "materiality threshold" (i.e. higher than the amount of 50,000 euro or more than a third of total remuneration), the recipients of a "particularly high" amount, as well as Middle Managers and Professionals that are not Risk Takers, who accrue “relevant bonuses” (i.e. of an amount of over 80,000 euro and 100% of the fixed remuneration).

Below is a summary scheme of the execution of the 2021 Incentive System.

STEP	MECHANISM			
			Measure	On/Off
BONUS POOL	Gate	Capital strength condition	Common Equity Tier 1 (CET1) Ratio	
BONUS POOL	Gate	Liquidity condition	• Net Stable Funding Ratio (NSFR) • Liquidity Coverage Ratio (LCR) *for Top Risk Takers*	
BONUS POOL	Gate	Sustainability condition	No loss and positive Gross Income	
BONUS POOL	Gate	Capital base requirements (*)	• Leverage Ratio • Minimum requirement for own funds and eligible liabilities (MREL) • Assessment of the results of the ICAAP	
BONUS POOL	Gate	Capital base requirements (*)	Recommendations on distributions by competent authorities and European Supervisory Authorities	ABSENT
BONUS POOL	Funding	• Gross Income at Group level higher than budget level, resulting in the activation of the Group Bonus Pool for 2021 • Allocation of the bonus pool at each Division/Governance Area level, based on Gross Income level reached and compared to the budget initially allocated • Fulfillment of the RAF limits connected to the non-financial risks (Risk related to Operating Loss and Integrated Risk Assessment) both at Group and Division level, therefore for 2021 it is not envisaged any bonus pool reduction neither at Group nor at Division level		
BONUS ALLOCATION	Incentive System 2021	• Determination of individual bonuses based on the score obtained in the Performance Scorecard assigned to each beneficiary		
BONUS PAY-OUT	Condizioni di accesso individuale	• Verification of absence of compliance breach		
BONUS PAY-OUT	Q-Factor	• Verification of the residual risk level for each organizational structure		

(*) Capital base requirements verified pursuant to 2021 EBA Guidelines in force from 31/12/2021.

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It is specified that, during 2021, with regard to the Group Top Risk Takers (i.e. Key Managers), including the Managing Director and CEO, and the remaining Group Risk Takers, no ex-post correction mechanisms were applied to the variable remuneration (known as the malus condition) or claw-back mechanisms were applied.

[79] Belonging to Banks of greater size or operational complexity, including the listed Banks, as well as significant banks pursuant to Article 6(4) of Regulation (EU) 1024/2013 (”RMVU”) and intermediate banks.

Deferral

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Deferred amount

1. **60%** of the variable remuneration is deferred for a period of **5 years** in the case of:
   - remuneration paid to **Group Top Risk Takers**
   - variable remuneration of a **"particularly high" amount,** regardless of the macro segment to which the receiver belongs

2. **50%** of the variable remuneration is deferred for a period of **5 years** in the case of remuneration paid to:
   - **Top Risk Takers** of **Banks** of **greater size** or operational complexity, including the **listed** Banks, as well as **significant** banks if the amount exceeds 100% of the fixed remuneration

3. **40%** of the variable remuneration is deferred for a period of **5 years** in the case of remuneration paid to:
   - **Top Risk Takers** of **Banks** of **greater size** or operational complexity, including the **listed** Banks, as well as **significant** banks if the amount is equal to or less than 100% of the fixed remuneration

4. **50%** of the variable remuneration is deferred for a period of **4 years** in the case of remuneration paid to:
   - other **Group Risk Takers**[1] and Risk Takers of **Banks** of **greater size** or operational complexity, including the **listed** Banks, as well as **significant** banks if the amount exceeds both the materiality threshold defined by the Group and 100% of the fixed remuneration

5. **40%** of the variable remuneration is deferred for a period of **4 years** in the case of remuneration paid to:
   - other **Group Risk Takers**[1] and Risk Takers of **Banks** of **greater size** or operational complexity, including the **listed** Banks, as well as **significant** banks if the amount is equal to or less than 100% of the fixed remuneration and higher than the materiality threshold

6. **40%** of the variable remuneration is deferred for a period of **3 years** in the case of remuneration paid to:
   - **Risk Takers** of **Medium-sized** Banks if the amount exceeds the materiality threshold defined by the Group

7. **40%** of the variable remuneration is deferred for a period of **2 years** in the case of remuneration paid to:
   - **Middle Management and Professionals**, if the amount exceeds both the materiality threshold defined by the Group and 100% of the fixed remuneration
   - al **Middle Management e ai Professional**, if the amount exceeds the materiality threshold defined by the Group and is equal to or less than 100% of the fixed remuneration, or is equal to or less than the materiality threshold defined by the Group and exceeds the 100% of the fixed remuneration

Up-front amount

The remaining amount of the variable remuneration is paid out up-front.

Regardless of the pertinent macro segment, the variable remuneration is **entirely paid up-front** if the amount is equal to or less than the materiality threshold defined by the Group and equal to or less than 100% of the fixed remuneration

[1] These percentages and deferral periods also apply to those employees who are identified as Relevant Personnel but not as Group Risk Takers belonging to the Companies of the insurance sector.

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Payment instruments

Financial instruments

(1) **60%** of the variable remuneration is paid in **financial instruments** for:

- **Group Top Risk Takers**, if exceeding 100% of the fixed remuneration
- those receiving a **"particularly high" amount** which exceeds 100% of the fixed remuneration**,** regardless of the macro segment to which the receiver belongs

(2) **55%** of the variable remuneration is paid in **financial instruments** for:

- **Top Group Risk Takers**, if equal to or lower than 100% of the fixed remuneration
- those receiving a **"particularly high" amount** which is equal to or lower than 100% of the fixed remuneration**,** regardless of the macro segment to which the receiver belongs

(3) **50%** of variable remuneration is paid in **financial instruments** for:

- **Top Risk Takers** of **Banks** of **greater size** or operational complexity, including the **listed** Banks, as well as **significant** banks
- other **Group Risk Takers**[1] and Risk Takers of **Banks** of **greater size** or operational complexity, including the **listed** Banks, as well as **significant** banks
- **Middle Managers and Professionals,** if higher than both the materiality threshold and 100% of the fixed remuneration

(4) **30%** of variable remuneration is paid in **financial instruments** for:

- **Risk Takers** of **Medium-sized** Banks if exceeds the materiality threshold

Cash

The remaining amount of the variable remuneration is paid in cash.

Regardless of the pertinent macro segment, the variable remuneration is entirely paid in cash if the amount is equal to or lower than the materiality threshold defined by the Group and equal to or lower than 100% of the fixed remuneration

[1] These percentages also apply to those employees who are identified as Relevant Personnel but not as Group Risk Takers belonging to the Companies of the insurance sector.

Retention period

(1) Both the **up-front** and **deferred** variable remuneration paid in financial instruments is subject to a retention period of **1 year.**
During the retention period, the related **dividends** are recognised on the portions assigned in shares (including phantom shares).

The 2021 Incentive System for the Managing Director and CEO acting as General Manager

A breakdown is provided below of the level of achievement of the individual targets assigned to the Managing Director and CEO, acting as General Manager, for the year 2021, in relation to the revised budget:

	Strategic driver	KPI	Weight %	Result	Result vs revised budget target[1] (target)
Group objectives	Profitability	Net income (billion)	20%	4.19	
		PON/RWA	10%	6.36%	
	Productivity	Cost/Income	20%	52.54%	
	Cost of risk	NPL ratio Lordo	20%	3.20%	
	% Group objectives		70%		

[1] *revised budget approved by the Board of Directors on 3rd August 2021*

	Strategic driver	KPI	Weight %	Evaluation driver	Evaluation
Qualitative evaluation	Strategic Actions from Business Plan 2018 – 2021	ESG	15%	Evaluation based on the following drivers: 1. Presence of Intesa Sanpaolo in the sustainability indices of specialized companies (number of appearances) 2. Achievement of commitments on gender equity: • in annual hires • in the pool of candidates for first appointment in managerial roles 3. Group initiatives in the ESG area • Support for the green economy and the circular economy: ○ YoY increase in Loans to Customers relating to Green/Transition Loans, Circular Economy Loans and Green Mortgages ○ Reduction of the overall agreements (plafond or lines) towards the carbon energy sector compared to 31/12/2020 • Sustainable finance growth: YoY increase in S-Loans • Growth of Sustainable Investments: Increase in the assets of ESG products managed • "Giovani e lavoro" Program • Enhancement of the Group artistic and cultural heritage	
		Digitalisation	15%	Evaluation based on the following drivers: 1. Acceleration of the digital transformation Accelerazione in Cloud-ready and Open Digital Bank logic 2. Expansion of sales channels and methods of digital interactions (both online and mobile) to support the Group distribution strategy set out in the 2018-21 Business Plan – YoY Increase	
	% Qualitative evaluation		30%		
	% Total		100%		

Below target
In line with target
Over target
Much higher than target

For the achievement of an overall performance of **117.74%[80] of the target**, and the respect of the Capital target level that, in case of failure would act as demultiplier of the accrued bonus, the Board of Directors, on proposal by the Remuneration Committee, in the meeting held on 1 March 2022, awarded the CEO a bonus of **3.790 million euro**.

The following conditions were also met for the purposes of allocation of the bonus:

BONUS PAY-OUT	
	Q-Factor
	Assenza di compliance breach individuale

[80] The performance scale used has minimum, target and maximum levels of 80%, 100% and 120% respectively.

According to the payment scheme established by the 2021 Remuneration and Incentive Policies, the bonus accrued will be paid 40% in cash and 60% in shares, taking into account the holding period established by the regulations for the component in shares, as detailed below:

Pay-out €/000	2022	2023	2024	2025	2026	2027
Cash	758			152	152	455
Shares (equivalent value)		758	455	455	303	303

It is noted that, in relation to the bonus accrued in 2021, the ratio of fixed remuneration to total remuneration came to 39% and the ratio of variable remuneration to total remuneration came to 61%.

Information on the annual change in 2019, 2020 and 2021 in the remuneration and results of the Group

The change in 2020 vs 2019 and 2021 vs 2020 in the remuneration of the Managing Director and CEO[81], the members of the management and control bodies[82], as well as employees[83], compared with the same change in Gross Income of the Group[84], is shown below.

		Change in 2020 vs 2019	Change in 2021 vs 2020
Total remuneration	Managing Director and CEO	-21.6%	65.68%
	Members of the management and control bodies	1.91%	8.46%
Annual average gross remuneration	Employees	3.1%	4.7%
	Group Gross Income	-23.4%	7.3%

As shown by the data reported, between 2019 and 2020 the Group Gross Income decreased, due to the sudden and extreme change in the macroeconomic context deriving from the COVID-19 pandemic, which made it necessary to revise the budget during the year. Between 2020 and 2021, instead, the Group Gross Income increased significantly confirming Intesa Sanpaolo's business resilience in the pandemic context as well as the Group ability to create value for all stakeholders.

Similarly to what was observed in relation to the trend of Group results, between 2019 and 2020, the total remuneration of the Managing Director and CEO decreased, due to the contraction in the target bonus levels decided by the Group following the recommendation of the European Central Bank for

[81] To calculate the total remuneration of the Managing Director and CEO, the fixed and variable remuneration pertaining to 2021 were considered. With reference to fixed remuneration, the amount indicated in Table 1 ("Remuneration paid to members of the Management and Control bodies, General Managers and other Key Managers") column "fixed remuneration" was considered. With reference to the variable remuneration for the year, the amounts indicated in Table 3A ("Incentive plans based on financial instruments other than stock options, in favour of members of the Board of Directors, General Managers and other Key Managers") column 5 ("Financial instruments awarded during the year – fair value at award date"), Table 3B ("Monetary incentive plans in favour of the members of the Board of Directors, General Managers and other Key Managers"), columns 2a and 2b ("Bonus for the year – payable/paid" and "Bonus for the year – deferred") and Table 2 ("Stock options assigned to members of the Board of Directors, General Managers and other Key Managers"), column 16 ("Options for the year – fair value") were added together.

[82] To determine the total remuneration of members of the management and control bodies, the amounts assigned to the parties listed below, shown in Table 1 ("Remuneration paid to members of management and control bodies, to General Managers, and to other Key Managers"), columns "fixed remuneration" and "attendance fees" were considered. It is also specified that the calculation includes only persons that held the same role for the entire years taken as a basis for comparison (i.e. 2019 vs 2020 e 2020 vs 2021).
Therefore, with reference to the 2019 vs 2020 comparison, 14 persons have been considered: Gian Maria Gros-Pietro for the roles of Chairman of the Board of Directors, Director and Member of the Nomination Committee; Paolo Andrea Colombo for the roles of Deputy Chairperson of the Board of Directors, Director, Chairman of the Remuneration Committee and Member of the Nomination Committee; Rossella Locatelli for the roles of Director, Chairperson of the Risks Committee and Member of the Committee for Transactions with Related Parties; Livia Pomodoro for the roles of Director and Chairperson of the Nomination Committee; Maria Mazzarella for the roles of Director, Member of the Nomination Committee and Member of the Committee for Transactions with Related Parties; Daniele Zamboni for the roles of Director, Chairman of the Committee for Transactions with Related Parties and Member of the Risks Committee; Franco Ceruti for the roles of Director, Member of the Risks Committee, Chairman and Director of Intesa Sanpaolo EXPO Institutional Contact S.r.l. and Director of Intesa Sanpaolo Private Banking S.p.A.; Bruno Picca for the role of Director and Member of the Risks Committee; Luciano Nebbia for the roles of Director of Intesa Sanpaolo Casa S.p.A. and Deputy Chairman of EQUITER S.p.A.; Alberto Maria Pisani for the roles of Director and Member of the Management Control Committee; Milena Teresa Motta for the roles of Director and Member of the Management Control Committee; Maria Cristina Zoppo for the roles of Director and Member of the Management Control Committee; Paolo Vernero for the roles of Chairman and Full Member of the Surveillance Board; and Franco Dalla Sega for the roles of Full Member of the Surveillance Board and Chairman of BANCOMAT S.p.A. In addition to these, with reference to the 2020 vs 2021 comparison, the following persons were also included: Anna Gatti for the roles of Director and Member of the Remuneration Committee; Fabrizio Mosca for the roles of Director and member of the Management Control Committee; Andrea Sironi for the roles of Director, Member of the Remuneration Committee and Member of the Committee for transactions with related parties; Maria Alessandra Stefanelli for the roles of Director and Member of the Committee for transactions with related parties; Guglielmo Weber for the roles of Director and Member of the Risks Committee.

[83] To calculate the annual average gross remuneration of employees, refer to the amounts indicated in the Consolidated Non-financial Statement, on page 181 for 2019, page 224 for 2020 and page 244 for 2021.

[84] Reference is made to the amounts of Gross income (loss) shown in the Consolidated Annual Report of the Intesa Sanpaolo Group, on page 30 for 2019, page 50 for 2020 and page 39 for 2021.

intermediaries to use the utmost prudence in assigning bonuses pertaining to 2020, in relation to the health emergency, and the resulting decrease in the amount of bonuses accrued, despite the excellent levels of performance achieved in relation to the revised budget (115.1%). On the contrary, between 2020 and 2021, an increase was observed in the total remuneration of the Managing Director and CEO following the achievement – as shown in detail above – of excellent performance results (117.74%) both with reference to economic-financial KPIs and in relation to the “ESG” and “Digitalisation” KPIs, in a context of restoration of ordinary variable remuneration levels, as already mentioned in the introduction.

With regard to the compensation of all non-executive members of the management and control bodies, the increase between 2019 and 2020 was mainly due to the different number of meetings that the members participated in, which impacts the number of attendance fees paid, which more than offset the impact of the waivers made on portions of the remuneration by the directors in 2020, in order to contribute to the initiatives promoted by the Group to tackle the spread of the COVID-19 epidemic. The further growth in remuneration recorded between 2020 and 2021 is instead attributable, in the main, to the lower amount of the 2020 remuneration resulting from the aforementioned waivers and, secondarily, to an increase in the number of board meetings.

Finally, with regard to employees, between 2019 and 2020 and between 2020 and 2021, a positive change was recorded in the average gross annual remuneration. These increases are due to the combined effect of the measures envisaged by the collective bargaining on the gross annual remuneration and the bonuses allocated by way of variable remuneration. It should be noted that the increase in bonuses between 2019 and 2020 is brought about by the Group’s decision not to decrease the financial resources allocated to reward professionals also in order to recognise the particularly extensive effort made by the Networks to provide an essential public service in the COVID-19 emergency situation, whereas, with regard to 2020 vs 2021, it is a result of the improvement in the Group's performance, against which it was possible to accrue a Broad-based Short-Term Plan (PVR) in line with the results achieved.

PART II – QUALITATIVE AND QUANTITATIVE INFORMATION

Qualitative and quantitative information as required by Article 17 of Regulation (EU) 637/2021 of 15 March 2021.

Qualitative disclosure - EU REMA

a. Information relating to the bodies that oversee remuneration

a.1. *The name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year*

The main bodies responsible for supervising the Group's Remuneration and Incentive Policies (hereinafter "the Group Policies" or "the Policies") include:

- the Board of Directors, which is tasked with drawing up, submitting to the Shareholders' Meeting and reviewing the Policies at least once a year.
  The Board of Directors currently consists of 19 members, 15 of whom are independent, 1 executive and 5 elected by the minority. During 2021, this Body met on 7 occasions to examine issues relating to remuneration;
- the Remuneration Committee, which proposes, advises and enquires on compensation and on remuneration and incentive systems and supports the Board of Directors in all activities related to remuneration. The Remuneration Committee currently consists of 5 members, 3 of whom are independent pursuant to the applicable regulations and the Articles of Association. The latter include the Chair, who also holds the office of Deputy Chairperson of the Board of Directors and is enrolled with the Register of Statutory Auditors having practised as auditor for at least three years. In 2021, the Remuneration Committee held 20 meetings.

The Board of Directors, having acquired the report prepared by the Remuneration Committee, resolves on the Group Policies for the purpose of their subsequent presentation to the Shareholders' Meeting which has the ultimate responsibility for their approval.

a.2. *Any external consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework*

During 2021, the Remuneration Committee relied on a leading external consulting firm in the context of:

- the analyses of the remuneration benchmarks of the Managing Director and CEO (hereinafter, "CEO"), of the Group Top Risk Takers (for the definition, see point a.4) and of the members of the Board of Directors;
- the recognition of trends relating to Performance Management systems and processes for executives;
- the annual preparation of the Fairness Opinion on the Performance Management approach adopted by the Group for the Group CEO and Top Risk Takers.

a.3. *A description of the scope of the institution's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries*

The Policies apply to all Group personnel, including branches located in third countries. In addition, on the basis of specific sector regulations as well as the local regulatory context, the various Group entities (where required) draw up their own Remuneration and Incentive Policies prepared in line with the Group Policies where they are not in contrast with local or sector regulations.

a.4. *A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile (identified staff)*

The Intesa Sanpaolo Group identifies the Group Risk Takers (i.e. personnel whose professional activities have a material impact on the entity's risk profile) based on the "Rules for identifying Risk Takers", which form an integral part of the Group Policies.
These Rules were defined in accordance with the identification criteria laid down by the CRD V Directive and by Regulation (EU) 923/2021 and also include specific additional criteria defined by the Group in order to reflect the risks undertaken on the basis of the peculiarities of the business and of the organisational structure.

Three segments of Risk Takers are identified within the cluster:

- the Group Top Risk Takers, namely:
  - the Managing Director and CEO;
  - the Heads of the Business Divisions (Asset Management, Banca dei Territori, Insurance, IMI Corporate & Investment Banking, International Subsidiary Banks and Private Banking) as well as the Deputy to the Head of the IMI Corporate & Investment Banking Division;
  - the Chief Operating Officer, Chief IT, Digital & Innovation Officer, Chief Cost Management Officer, Chief Financial Officer, Chief Lending Officer, Chief Governance Officer, Chief Risk Officer, Chief Compliance Officer, Chief Institutional Affairs & External Communication Officer and Chief Audit Officer;
  - the Heads of the Head Office Departments that report directly to the Managing Director and CEO;
  - the Head of the Administration and Tax Head Office Department in his capacity as the Manager responsible for preparing the Company's financial reports.
- the other Group Risk Takers, i.e. the remaining personnel whose professional activities have a material impact on the risk profile of the Intesa Sanpaolo Group;
- the Legal Entity Risk Takers, i.e. the personnel whose professional activities have a material impact on the risk profile of the Intesa Sanpaolo Group subsidiary companies. It should be noted that this segment is present only in Legal Entities where the Risk Takers' identification is required by local or sector regulations.

b. Information relating to the design and structure of the remuneration system for identified staff

b.1. An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders (e.g. the shareholders' meeting)

The Group Policies aim to align the management's and personnel's behaviour with the interests of all Stakeholders, guiding their action towards the achievement of sustainable medium-long term objectives within the framework of a prudent assumption of current and prospective risks, as well as to contribute to making the Group an "Employer of choice" for its ability to attract, motivate and retain top resources.

In particular, the Policies are based on the following principles: correlation between remuneration and risks undertaken, orientation towards medium-long term objectives, taking into account the Group Risk Tolerance, merit, fairness and gender neutrality, sustainability to limit expense deriving from application of the policies to values compatible with the available economic and financial means, compliance with regulatory requirements.

The main features of the Group Policies are summarised below:

- personnel segmentation that allows the operational adaptation of the aforesaid principles in order to suitably differentiate the total remuneration and arrange mechanisms of payment that are specific for the various personnel clusters. In applying these logics, three macro-segments are identified: (i) key personnel, i.e. Risk Takers (both at Group and Legal Entity level); (ii) Middle Managers, or the Heads of Organisational Units not already included in the Risk Takers clusters and (iii) Professionals;
- gender neutrality of the policies insofar as they ensure, for the same activity carried out, that the personnel have an equal level of remuneration, also in terms of the conditions for its recognition and payment;
- breakdown of the personnel remuneration into fixed or recurrent component (that is stable and irrevocable in nature and determined on the basis of pre-established and non-discretionary criteria) and variable or non-recurrent component (linked to employee's performance and aligned to the results actually achieved and the risks prudentially assumed);
- adoption of a pay mix - i.e. the weight of the fixed and variable components expressed as a percentage of total remuneration - suitably balanced in order to allow the reduction in the variable portion, even down to zero, depending on the performance actually achieved during the year in question or when the Group was not able to maintain or restore a solid capital base, and discourage behaviour focused on the achievement of short-term results, particularly if these involve taking on greater risks (see point d);
- provision of mechanisms capable of ensuring the economic and financial sustainability of the incentive systems through gateway conditions aimed at verifying the capital solidity, liquidity and financial sustainability of the variable component, as well as through a structured process for the definition of a bonus pool indexed to the level of achievement of a level of profitability (see point e.4). Furthermore, any bonus accrued can be corrected ex post through the application of demultipliers according to the risks undertaken (see point c), and it is subject to mechanisms for

the correction of behaviours and monitoring of the effects of the managerial action over time (see points c and f.2);

- definition of an annual Incentive System for the Risk Takers and Middle Managers aimed at guiding the behaviour and managerial actions towards reaching the objectives set in the Business Plan and rewarding the best annual performance assessed with a view to optimising the risk/return ratio (see point e.1), as well as incentive initiatives dedicated to either specific clusters or highly profitable and relevant business segments inside the strategy defined at Business Plan level (see point e.1);
- allocation of Long-Term Incentive Plans differing according to their respective clusters;
- identification of specific methods for payment of the short-term variable remuneration (with particular reference to the deferral period and the settlement in shares and cash) differing according to their respective cluster and related amount of this remuneration (see point f.1);
- definition of the principles for the calculation of the remuneration paid in the event of early termination of employment contract or office (so-called severance) inspired to both the correlation between severance pay and ongoing performance rendered over time and the control of potential litigation risks (see point b.5).

The Shareholders' Meeting, on proposal of the Board of Directors, is called to approve:

- the Remuneration Policies for members of the Board of Directors;
- the Group's Remuneration and Incentive Policies (employees and collaborators not linked by subordinate employment relationships) which also include the Rules for identifying key personnel;
- the remuneration plans based on financial instruments;
- the criteria for the determination of any amounts to be awarded in the event of early termination of the employment agreement or early termination of the office (severance), including the limits established for said amounts in terms of fixed annual remuneration and the maximum amount arising from the application of such limits;
- with the qualified majorities, if applicable, as defined by the regulations in force, a variable-to-fixed remuneration cap higher than 100%, but not exceeding the maximum cap established by the regulations;
- solely for the Group's key staff identified in the asset management companies (SGR entities), SICAVs and SICAFs and that work exclusively for those companies, if applicable, a variable-to-fixed remuneration cap exceeding 200%.

b.2. Information on the criteria used for performance measurement and ex ante and ex post risk adjustment

The annual Incentive System for the Risk Takers aims to guide the behaviour and managerial actions towards reaching the objectives set in the Business Plan and reward the best annual performance assessed with a view to optimising the risk/return ratio (for details, see point e.1).
In order to align the incentive systems with prudent risk management policies and ensure long-term solidity and business continuity, the annual Incentive Systems take into account the Group's Risk Appetite and Risk Tolerance as expressed in the RAF.
This close correlation, which guarantees both ex ante and ex post adjustment of the performance based on the risks undertaken, is structured on three levels:

- activation and bonus funding phase (see point e.4);
- Performance Scorecard definition phase (see points c and e.1);
- bonus payment phase (see point c and f.2).

b.3. Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration

The Group Policies were reviewed and updated in 2021, albeit drawn up in substantial continuity with the 2020 version.

The changes made to the Policies for 2020 mainly derive from the need, on one hand, to comply with the approach set out in regulations and, on the other, to strengthen risk monitoring in line with the recommendations of the Supervisory Authority. More specifically, the 2021 Policies consider the provisions of the CRD V (Directive (EU) 2019/878/EU) - though pending its transposition into the Italian legal system (which was to occur by 28 December 2020) -, as well as the Consultation Document on the Bank of Italy Provisions on "Remuneration and incentive policies and practices in banks and banking groups", though this document is not definitive, limited to the provisions implementing the CRD V. Note that the 2021 Policies do not consider either the Draft Guidelines on Sound Remuneration Policies or the Draft Revised

Regulatory Technical Standards on Identified Staff for Remuneration Purposes of the European Banking Authority, as neither of these documents is definitive.

More specifically, with reference to the specific impacts, it should be noted that:

- in line with the CRD V and the related implementing provisions of the Consultation Document on Bank of Italy Provisions, in light of the significant attention that Intesa Sanpaolo has always paid to issues of Diversity & Inclusion, a specific Focus has been created which illustrates the gender neutrality of the Remuneration and Incentive Policies and their application methods within the Group;
- a specific "ESG" KPI was introduced among the strategic action objectives that will be assigned to all management, in line with the ever increasing commitment of the Group to social, cultural and environmental sustainability – a fundamental value in the integration with UBI Banca - with the objective of creating long-term value for the Bank, its people, its customers, communities and the environment, as well as in light of the provisions of Regulation (EU) 2019/2088. The introduction of that new KPI is also linked to the increasing attention on those issued by Regulators, Proxies, Shareholders and Stakeholders of the Group;
- within the methods of payment of variable remuneration, in application of the CRD V, the materiality threshold for Risk Takers was changed (from 80,000 euro to 50,000 euro, or one-third of total remuneration) and the payment schedules for Group Risk Takers were revised, increasing the deferral period from 3 to 4 years. Moreover, specific schedules were introduced for Top Risk Takers of the Legal Entities classified as significant banks;
- with a view to enhancing governance of risks in line with the evolution of the RAF, two corrective mechanisms were introduced which act as de-multipliers of the bonus accrued as part of the Incentive System, based on the risks assumed. In particular, for Business and Governance Top Risk Takers a mechanism linked to capital adequacy was introduced, while for Business Risk Takers operating in the markets area (e.g. HTC/HTCS traders and portfolio managers) a mechanism was envisaged based on meeting the limits set in the RAF for specific risks such as market risk, interest rate risk and the ceiling on the overall position in Italian government bonds classified as HTC;.

b.4. Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee

The Incentive System for personnel belonging to the Company Control Functions does not require the allocation of economic-financial KPIs in order to guarantee the independence of the personnel who hold these functions with respect to the results achieved by the areas subject to their control, as well as to avoid sources of possible conflicts of interest. The KPIs present in the Performance Scorecards of the Company Control Functions are typically of a project nature or are linked to requests from the Supervisory Authority (including but not limited to: CRR2 Regulatory Projects (Basel 4)/Pillar 3; Enhancement of Audit Processes and Procedures; ENIF - Implementation of the 2021 programme to strengthen the Group's Anti Financial Crime controls; Implementation of the EBA Guidelines and TRIM points of attention).

b.5. Policies and criteria applied for the award of guaranteed variable remuneration and severance payments

No forms of guaranteed variable remuneration are envisaged.
However, in compliance with the Supervisory Provisions, in order to attract new personnel, a one-off welcome bonus may be paid upon hiring. This type of bonuses is not subject to any requirement applicable to variable remuneration, including variable remuneration cap and pay-out schemes, if recognised in a single instalment (known as welcome bonus). It should be noted that the mentioned bonus can be assigned only once to the same staff member at Group level.
With regard to the payment agreed in any way and/or form in view of or upon early termination of the employment agreement or early termination of office for the amount exceeding the legal or the National Collective Bargaining Agreement (CCNL) provisions concerning the indemnity in lieu of notice where envisaged, the Group, in line with the request from the Supervisory Provisions, defined ex ante the related limits and criteria to submit to the Shareholders' Meeting approval. Specifically, the Group has set a maximum limit equal to 24 months of the fixed remuneration for compensation paid as severance. The adoption of this limit can lead to a maximum disbursement of 5.2 million euro.
As required by Regulations on remuneration, the compensation paid as severance is included in the calculation of the ratio between the variable remuneration due and the fixed remuneration of the last year of employment at the company.

Specifically, the compensation paid as severance is added to the bonus due for the last year of employment at the company, excluding the mandatory amounts paid pursuant to national labour legislation and the amounts agreed and granted:

- based on a non-competition agreement, for the portion which, for each year of duration of the agreement, does not exceed the last year of fixed remuneration;
- within an agreement reached in order to settle a current or potential dispute (wherever reached), if calculated according to a predefined calculation formula approved by the Shareholders' Meeting in advance.

Intesa Sanpaolo adopts a formula differentiated by personnel cluster (i.e. employees who - within the Group internal position weighting system - have been assigned a specific job title based on the level of complexity/responsibility assigned, and the remaining personnel) and indexed to the number of years of employment at the company (i.e. up to 2 years of employment, over 2 and up to 21 years, over 21 years). The components included in the severance are considered similar to the variable remuneration and, as such, are subject to the payment methods defined in line with the Supervisory Provisions and depending on the cluster of personnel, the amount and its weight compared to the fixed remuneration.
In the Intesa Sanpaolo Group, the principles for severance definition are inspired to both the correlation between severance pay and ongoing performance rendered over time and the control of potential litigation risks.
Please also note that the same gateway (see point e.4), individual access (see point e.4), malus and clawback conditions (see point f.2) set for variable remuneration for each cluster are applied to severance.

c. Description of the ways in which current and future risks are taken into account in the remuneration processes Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration

As part of the Group's annual Incentive Systems, ex ante risk monitoring is guaranteed both in the bonus pool activation phase and in the Performance Scorecard definition phase as part of the annual Incentive System for Risk Takers and Middle Managers.
With reference to the bonus pool activation phase, this monitoring is ensured by mechanisms designed to monitor capital and liquidity risk, as well as mechanisms aimed at guaranteeing the financial sustainability of the variable component. Therefore, the bonus pool is activated only if the following minimum conditions required by the Regulator are met:

- Capital Adequacy condition: Common Equity Tier 1 (CET1) Ratio ≥ Limits set by the Group RAF;
- Liquidity condition: Net Stable Funding Ratio (NSFR) ≥ Limits set by the Group RAF;
- Sustainability condition: No Loss and Positive Gross Income.

With reference to the Group Top Risk Takers alone, an additional gateway condition is envisaged to verify that the Liquidity Coverage Ratio (LCR) is higher than or equal to the limits set by the Group RAF (liquidity condition).
Once the gateway conditions have been met, in order to ensure the sustainability of the incentive systems, the funding of the bonus pool at Group level is based on the available resources deriving from the economic-financial results achieved in terms of meeting the Gross income target at the Group and/or Division level. Specifically:

- the bonus pool increases progressively starting from when it exceeds the so-called Access Threshold (i.e. the minimum Gross Income target which, though lower than the budget, is deemed acceptable) up to a predefined cap;
- the bonus pool decreases significantly, in both absolute and relative terms, in the event of failure to reach the Access Threshold, and determines the payment of the bonuses accrued only to certain clusters of personnel.

Furthermore, the bonus pool is subject to another correction mechanism in order to strengthen the consistency of the Incentive Systems with the Group's Risk Tolerance. This mechanism requires a possible further reduction, up to 20%, of the bonus pool accrued in case of non-compliance of the limits connected to the non-financial risks (i.e. Risk linked to ordinary Operational Losses and outcome of the Integrated Risk Assessment) defined in the RAF, both at Group and Division level.
Furthermore, in the Performance Scorecard definition phase, risk monitoring is also ensured through the allocation of KPIs defined according to the Cost of risk/Sustainability strategic driver and aimed at an express risk reduction and/or mitigation as defined by the RAF. Thus, the process used to identify these KPIs involves the Chief Risk Officer Governance Area, in order to ensure the consistency of the KPIs with the limits set in the Group's RAF.

The monitoring of ex post risks is guaranteed through the provision of three correction mechanisms for the bonus allocated according to the risks undertaken and the respective cluster segment. In particular, a bonus demultiplier is envisaged linked to:

- residual risk of each structure (Q-Factor) for Risk Takers and Middle Managers recipients of the annual Incentive System;
- failure to reach the expected Capital Adequacy (CET 1) level set in the RAF for Business and Governance Top Risk Takers;
- failure to comply with the Soft Limits laid down by the Group's RAF relating to market risk, interest rate risk and plafond on the overall position in Italian government bonds (HTC).

Moreover, regardless of the respective macro-segment, the payment of the individual bonus is, in any case, subject to the verification, in the bonus payment phase, of the absence of the so-called individual compliance breaches, i.e. the individual access conditions for conduct risk monitoring.
Finally, tools are adopted to correct behaviours and monitor the effects of managerial actions over time through:

- the possible reduction, up to zero, of the deferred components of the allocated bonus (malus conditions - see point f.2);
- the repayment of bonuses already paid following the occurrence of specific conditions (claw-back mechanisms - see point f.2).

d. The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD

The Intesa Sanpaolo Group, in full compliance with regulatory indications, traditionally adopts an appropriately "balanced" pay mix in order to allow flexible management of labour costs as the variable part may significantly decline, even down to zero, depending on the performance actually achieved during the year in question or when the Group was not able to maintain or restore a solid capital base, and to discourage behaviour focused on the achievement of short-term results, particularly if these involve taking on greater risks.
It is standard Group practice to establish ex-ante limitations in terms of balanced maximums for variable remuneration for all the Group personnel clusters, through the definition of specific caps on the increase of bonuses in relation to any over-performance. This cap to the variable remuneration was determined in general in 100% of the fixed remuneration with the exception of the roles belonging to the Company Control Functions and those similar[85] to them who are assigned a cap of 33% of the fixed remuneration.
As approved by the Shareholders' Meeting with a qualified majority, the variable remuneration cap set in the general criteria was increased:

- up to 200% of fixed remuneration for Group Risk Takers[86] and specific and limited high-profitability professional categories and business segments;
- up to 400% of fixed remuneration for personnel of the "Investment" category of the Group's Asset Management Companies (SGR entities) that carry out their activities exclusively for the same Asset Management Company, in compliance with the right granted by the Supervisory Provisions[87].

e. Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration

e.1 An overview of main performance criteria and metrics for institution, business lines and individuals

The annual Incentive System for Risk Takers and Middle Managers is formalised through the so-called Performance Scorecards which include both economic-financial KPIs and non-financial KPIs. More specifically, the economic-financial KPIs are clustered within 4 drivers (Growth, Profitability, Productivity and Cost of Risk/Sustainability - with reference to the personnel of the Company Control Functions, the non-economic-financial quantitative KPIs allocated are linked solely to the last two drivers), while the non-financial KPIs are divided into strategic actions or projects that represent the enabling factors for the achievement of the financial KPIs or contribute to the achievement of the Strategic Plan objectives and

[85] Similar roles are the Heads of the Human Resources Function of the Group, the Manager responsible for preparing the Company's financial reports, the Group Head of the Safety and Protection Head Office Department.
[86] Those belonging to the Company Control Functions and similar roles, the non-executive members of the Board of Directors of Intesa Sanpaolo and the Group Risk Takers operating in countries where the local regulations allow a maximum limit of 100% represent an exception.
[87] Update of 26 October 2018 of Bank of Italy Circular 285/2013.

promote or act as an incentive for good conduct, especially with reference to businesses and areas that involve direct customer relationships.
Identification of KPIs, on which incentives granting is based, is carried out by the competent functions, considering the most significant economic and financial indicators for achievement of the budget objectives, periodically monitored through internal reporting tools and available at the consolidated level, as well as at division and/or business unit level.
The Performance Scorecards have a three-fold structure in order to measure performance on multiple levels. Specifically:

- the Group section contains at least one quantitative KPI measured on the Group scope and common to all the Scorecards, except those intended to the Company Control Functions and similar roles. For 2021, in line with the previous year, the Net Income was assigned as Group KPI. Moreover, in the Group Governance Areas, for the Group Risk Takers and those reporting directly to the Chief, also the objective to minimise the Group's Cost/Income was provided;
- the structure section presents KPIs that are consistent with the levers applied by the individual and reported at the Division/Governance Area level or, in any case, area of responsibility. Below is a non-exhaustive list of KPIs for each driver:
    - growth: Net Inflows, Gross Banking Product (Loans + Direct Customer Deposits + Indirect Customer Deposits), Insurance Operating Margin;
    - profitability: Operating Income/RWA, Revenues/Assets, Insurance Operating Margin/Mathematical Reserves;
    - productivity: Cost/Income, Reduction in operating costs, Full Combined Ratio;
    - cost of risk/sustainability: gross NPL ratio, Concentration Risk, Gross flows from performing to NPE, Operational Losses/Operating Income, Maintaining LCR levels, incidence of ratings and expired reviews on the portfolio total.
- qualitative section: including KPIs relating to the taking of actions envisaged by the Business Plan or the measurement of managerial skills (possibly also individual), whose reporting is usually objectified by identifying project milestones and/or subject to evaluation by the Head based on supporting drivers defined ex ante. For 2021, the Group transversal KPI "Environmental, Social and Governance (ESG)" was identified among the strategic actions. Furthermore, for the Company Control Functions, for 2021, in line since 2018, a transversal KPI was confirmed that lies in the objective of "Risk Culture – Promoting awareness at all levels of the organisation regarding emerging risks, with a particular focus on the risks related to technological innovation, by means of education, awareness raising and training".

Each KPI is assigned a weight equal to at least 10% to ensure the relevance of the objective, and no more than 30% to guarantee appropriate weighting of the numerous objectives.
The performance evaluation period (accrual period) is annual.
Furthermore, the Intesa Sanpaolo Group develops dedicated incentive initiatives with reference to specific clusters or highly profitable and relevant business segments within the strategy defined at Business Plan level.
In general, the Incentive Systems dedicated to specific clusters (i.e. Non-Performing Loans and Team system - Insurance) aim to support the cooperation and teamwork towards reaching the common objectives measured at team level.
In contrast, the Incentive Systems dedicated to specific business segments (i.e. Insurance Excellence System for the Sales network of the Banca dei Territori Division; Insurance Client Account for the Sales structure of Intesa Sanpaolo Insurance Agency; Private Banking Network for the Intesa Sanpaolo Private Banking Italian Network – employees and agents; non-employee Financial Advisors of the sales network of Fideuram Intesa Sanpaolo Private Banking, Sanpaolo Invest SIM and IW Bank; Investment Management for the Professional categories of managers in asset management; Network of International Subsidiary Banks for Middle Managers and Professionals of the International Subsidiary Banks) require the recognition of individual bonuses differentiated by role and measured on individual Performance Scorecards with the exception of the retail business (Italy and abroad) for which Branch Performance Scorecards are generally required. The simultaneous presence of economic-financial and non-financial KPIs is normal. For personnel operating in sales networks in direct contact with customers, KPIs regarding customer satisfaction and correctness of customer relations are always envisaged; the KPIs are not linked to the distribution of a specific product and, for the purpose of achieving the objectives, only transactions in line with the needs expressed by customers and with the adequacy checks are taken into account.
In any case, each KPI is assigned a weight equal to at least 10% to ensure the relevance of the objective.
On the other hand, within the framework of the Intesa Sanpaolo Group II level National Bargaining Agreement, a Broad-based Short-Term Plan (hereinafter, PVR) was introduced with regard to Professionals belonging to all the Control and Governance Areas, as well as those operating in the

business retail segment. The Broad-based Short-Term Plan is considered as a productivity bonus envisaged by the National Collective Bargaining Agreement for the Credit Sector and negotiated with the Trade Unions.
The Broad-based Short-Term Plan has both a distribution-ownership purpose, as it is aimed at rewarding employees for the contribution provided collectively upon reaching the results for the year, and an incentive purpose, given that, limited to the so-called excellence portion, it intends to reward in a distinctive manner the team's merit and performance.
The PVR consists of two components:

- the base bonus is differentiated by organisational role/seniority and professional category and is aimed at rewarding all Group employees for their collective contribution to achieving the annual results to a different extent according to the professional role, as well as at supporting, also for internal equity purposes, the lower remuneration;
- the excellence bonus is based on the performance level reached and:
  - for all employees, it is allocated at the Direct Head's discretion, with priority given to the highest levels of professional evaluation, within the limits of the bonus pool allocated, also having regard to the principle of internal equity;
  - for the professional profiles of the Branches of the Banca dei Territori network, it is allocated on the basis of the evaluation reached in relation to the Branch Performance Scorecard;
  - for the personnel from the Complaints Unit of Banca dei Territori, it is allocated based on the evaluation reached as part of the relevant team Performance Scorecard.

e.2 An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance

The total amount due is allocated annually based on the evaluation of the results of the individual performance scorecard which, as illustrated in the previous point, has a three-fold structure which includes, among other things, both KPIs linked to the performance of the Intesa Sanpaolo Group and KPIs linked to the performance of the respective Division/Governance Area.
It should be noted that the bonus is defined with different calculation methods depending on the cluster.
In particular, this calculation is deterministic for the Top Risk Takers, is ranking-based for the other Risk Takers and is connected to the evaluation of the results for Middle Managers.

e.3 Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments

In compliance with the Supervisory Provisions, the financial instruments used by the Intesa Sanpaolo Group to pay the variable remuneration portion to be settled in financial instruments are Intesa Sanpaolo shares (see paragraph f.1). Exceptions to this general rule are envisaged in compliance with the specificities of the sector (e.g. Assets under management) and local (e.g. Slovakia, Brazil, etc.) regulations.
Concurrently with the launch of the 2018-2021 Business Plan, with reference to Top Managers, Group Risk Takers and Key Managers, within the scope of the POP (Performance Call Option) Long-Term Incentive Plan, Call Options were allocated, namely financial instruments having Intesa Sanpaolo ordinary shares as their underlying. On the other hand, with regard to Middle Managers and Professionals, as part of the LECOIP 2.0 Plan, Certificates issued by JP Morgan were allocated, also financial instruments having ISP ordinary shares as their underlying.

e.4 Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics. In accordance with point (n) of Article 94(1) CRD, to be paid or vested the variable remuneration has to be justified on the basis of the performance of the institution, the business unit and the individual concerned. Institutions shall explain the criteria/thresholds for determining that the performance is weak and that does not justify that the variable remuneration can be paid or vested

The measures implemented by the Group to adjust the variable component of the remuneration in the event that the performance measurement metrics are weak impact both the bonus pool and the bonus accrued by each individual.
With regard to the Bonus Pool, as mentioned in point c, this (and consequently also the annual Incentive Systems for Group personnel) is activated only if the main capital and liquidity requirements, namely the minimum regulatory conditions of solidity at Group level, are met and if the economic and financial sustainability condition is in place.
Furthermore, the bonus pool funding at Group level (quantum) is defined with a top-down approach, it is destined to fund all the Group annual Incentive Systems and the PVR and is based on the available resources deriving from the economic-financial results achieved in terms of meeting the Gross income

target at the Group and/or Division level, adjusted for the non-financial risks undertaken (see point c). Therefore, in the event of "weak" performance at Group and/or Division level (i.e. Gross income below the Access Threshold), the bonus pool decreases significantly, in both absolute and relative terms, thereby impeding the payment of the bonuses accrued to certain clusters of personnel.
Finally, any "weak" performance at Group level in terms of failure to meet the malus conditions (see point f.2) result in the possible reduction, up to zero, of the deferred components of the allocated bonus.

f. Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance

f.1 An overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff

Illustrated below are the methods for the payment of the variable remuneration adopted by the Intesa Sanpaolo Group according to the personnel category, the amount of variable remuneration and the incidence of variable remuneration in relation to fixed remuneration.

- For the Group Top Risk Takers and all those who accrue a "particularly high" amount of variable remuneration[88], regardless of the respective macro-segment:
  - 60% of the variable remuneration is deferred for a period of 5 years;
  - the portion paid in financial instruments is equal to 60% if the variable remuneration exceeds 100% of the fixed remuneration or 55% in the case of variable remuneration equal to or less than 100% of the fixed remuneration.
- For other Group Risk Takers:
  - 50% of the variable remuneration is deferred for a period of 4 years if the amount exceeds the materiality threshold[89] and is above 100% of the fixed remuneration;
  - 40% of the variable remuneration is deferred for a period of 4 years if the amount exceeds the materiality threshold but is equal to or less than 100% of the fixed remuneration;
  - the portion paid in financial instruments is equal to 50% of the variable remuneration.
- For Middle Managers and Professionals:
  - if the variable remuneration is both above the materiality threshold and above 100% of the fixed remuneration;
    - 40% is deferred for a period of 3 years and
    - the portion paid in financial instruments is equal to 50%;
  - if the variable remuneration is above the materiality threshold, but equal to or less than 100% of the fixed remuneration or above 100% of the fixed remuneration but equal to or less than the materiality threshold, 40% is deferred for a period of 2 years and it is entirely paid in cash.

Regardless of the relevant macro segment, the variable remuneration is entirely paid in cash if the amount is equal to or less than the materiality threshold and 100% of the fixed remuneration.
For all clusters, the variable remuneration (both the up-front and the deferred portion) paid in financial instruments is subject to a retention period of one year.
It should be noted that, in application of the principle of proportionality, the variable remuneration payment methods indicated above are applied not only to Group personnel, but also to Legal Entity Risk Takers belonging to a Bank of greater size or operational complexity, including listed banks as well as significant banks (hereinafter, "Major Bank"). The Top Risk Takers of Legal Entities belonging to a Major Bank to which, even if identified as Group Risk Takers, specific and more stringent payment schedules apply, represent an exception.
With reference to the Risk Takers of Legal Entities belonging to an intermediate bank or to one of smaller size or operational complexity, proportionally less restrictive payment schedules are applied.
Conversely, specific payment schedules apply to the personnel of asset management companies
.

[88] For the three-year period 2019-2021, the variable remuneration exceeding 400,000 euro is considered particularly high.
[89] The Intesa Sanpaolo Group has defined its materiality threshold, differentiated by clusters of personnel, beyond which the variable remuneration is considered "significant".
Specifically:

- for Risk Takers, in accordance with the applicable legislation, the variable remuneration is considered "significant" if it exceeds the amount of 50,000 euro or if it represents more than one third of the total remuneration;
- for Middle Managers and Professionals, in continuity with Group practices, the materiality threshold of 80,000 euro, beyond which the variable remuneration is considered "significant", is kept.

f.2 Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law)

Each deferred portion of variable remuneration is 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 in which the deferred portion is paid, in relation to the level of achievement of the minimum conditions set by the Regulator regarding the sound capital base and liquidity, as well as the achievement of the financial sustainability condition.
These malus conditions, which are symmetrical to the gateway conditions, are:

- Capital Adequacy condition: Common Equity Tier 1 (CET1) Ratio ≥ Limits set by the Group RAF;
- Liquidity condition: Net Stable Funding Ratio (NSFR) ≥ Limits set by the Group RAF;
- Sustainability condition: No Loss and Positive Gross Income.

With reference to the Group Top Risk Takers alone, an additional gateway condition is envisaged to verify that the Liquidity Coverage Ratio (LCR) is higher than or equal to the limits set by the Group RAF (liquidity condition).
In case one of the conditions of sound capital base or of liquidity does not occur individually, the deferred portion is reduced to zero; if the condition of sustainability is not met, the deferred portion is reduced by 50%.
Furthermore, the company reserves the right to activate clawback mechanisms, namely the return of bonuses already paid as required by regulations, as part of:

- disciplinary initiatives and provisions envisaged for fraudulent behaviour or gross negligence by personnel;
- behaviour non-compliant with the legal and regulatory provisions, Articles of Association or any codes of ethics and conduct from which a "significant loss" derived for the Company or the customer.

These mechanisms may be applied in the 5 years following the payment of the individual portion (up-front or deferred) of variable remuneration.

f.3 Where applicable, shareholding requirements that may be imposed on identified staff

It should be noted that no minimum shareholding requirements are defined for any clusters.

g. The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR

Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments

For information on the specific performance indicators used to determine the variable remuneration components, see point e.1.
The variable remuneration, if it is higher than the materiality threshold or 100% of the fixed remuneration, is paid according to specific payment schedules (see point f.1) and settled partly in cash and partly in financial instruments.
In compliance with the Supervisory Provisions, the financial instruments used by the Intesa Sanpaolo Group to pay the variable remuneration portion to be settled in financial instruments are Intesa Sanpaolo shares (see point f.1). Exceptions to this general rule are envisaged in compliance with the specificities of the sector (e.g. Assets under management) and local (e.g. Slovakia, Brazil, etc.) regulations.
Furthermore, with reference to Top Managers, Group Risk Takers and Key Managers, within the scope of the POP (Performance Call Option) Long-Term Incentive Plan, Call Options were allocated, namely financial instruments having Intesa Sanpaolo ordinary shares as their underlying (for a corresponding value up to 200% of Fixed Remuneration for the 2018-2021 period - 50% of the Fixed remuneration on an annual basis).
On the other hand, with regard to Middle Managers and Professionals, as part of the LECOIP 2.0 Plan, Certificates issued by JP Morgan were allocated, also financial instruments having ISP ordinary shares as their underlying. The amount of capital initially allocated in Certificates is differentiated by seniority and professional category for the Middle Managers and negotiated with the Trade Unions for the remaining personnel.

h. Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management, as referred to in point (j) of Article 450(1) CRR

Please see table 1, 2, 3A and 3B of the paragraph "Remuneration", of the chapter "Disclosure on remuneration paid in financial year 2021" of the Part II present in Section II.

i. Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.

For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration

It should be noted that the Intesa Sanpaolo Group benefits from the exemption pursuant to article 94, paragraph 3, letter b), of the CRD.

Consequently, the bonus accrued by the Risk Takers, if it is of an amount not exceeding 50,000 euro and does not account for more than one third of its total annual remuneration, is:

- entirely paid in cash, if the amount is less than 100% of the fixed remuneration;
- deferred for a period of 2 years for a portion equal to 40% paid in cash, if the amount is equal to or less than 100% of the fixed remuneration.

	a	b	c	d
	MB Supervisory function	**MB Management function**	**Other senior management** (so-called Key Managers)	**Other identified staff** (so-called Group Risk Takers)
Number of identified staff				134
Fixed Remuneration				25,153,314
Variable remuneration				3,949,669
Of which: deferred				0
Total remuneration				29,102,983

j. Large institutions (the ISP Group is a "large institution") shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members, as referred to in Article 450(2) CRR

Please see table 1, 2, 3A and 3B of the paragraph "Remuneration", of the chapter "Disclosure on remuneration paid in financial year 2021" of the Part II present in Section II.

Quantitative disclosure

EU REM1 – Remuneration awarded for the financial year to staff whose professional activities have a material impact on Bank' risk profile (so-called Group Risk Takers)

			a	b	c	d
			MB Supervisory function	**MB Management function**	**Other senior management** (so-called Key Managers)	**Other identified staff** (so-called Group Risk Takers)
1	**Fixed Remuneration**	**Number of identified staff**	18	1	20	615
2		**Total fixed remuneration**	5,589,000	2,679,446	17,916,021	172,820,868
3		Of which: cash-based	5,589,000	2,620,000	17,060,000	166,672,533
UE -4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
UE -5x		Of which: other instruments				
7		Of which: other forms*		59,446	856,021	6,148,335
9	**Variable remuneration**	**Number of identified staff**		1	20	572
10		**Total variable remuneration**		3,790,000	18,214,000	109,020,277
11		Of which: cash-based		1,516,000	7,306,150	55,151,855
12		Of which: deferred		758,000	3,663,350	22,938,112
UE -13a		Of which: shares or equivalent ownership interests		2,274,000	10,217,850	50,629,422
UE -14a		Of which: deferred		1,516,000	6,805,050	25,598,245
UE -13b		Of which: share-linked instruments or equivalent non-cash instruments **				285,000
UE -14b		Of which: deferred				114,000
UE -14x		Of which: other instruments***			690,000	2,954,000
UE-14y		Of which: deferred			460,000	1,516,750
15		Of which: other forms				
16		Of which: deferred				
17	**Total remuneration** *(2+10)*		5,589,000	6,469,446	36,130,021	281,841,145

* Please note that in order to calculate the ratio between variable and fixed remuneration such forms of remuneration, which consist of non-discretionary benefits, are not considered.
** The data reported refers to the portions of bonus assigned in ISP Phantom Shares.

*** The data reported refers to portions of bonus assigned as (i) UCITS or phantom UCITS, as required by Joint Bank of Italy – Consob Regulation issued on 27th April 2017 and after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance, to Group Risk Takers belonging to significant Asset Management company and (ii) VUB Banka Certificates to Group Risk Takers belonging to this Bank in compliance with the local regulation.

In general, with reference to the remuneration trend between 2020 and 2021, it is possible to observe an increase in both the fixed and variable components. This change, with regard to the former, is due to the combined effect of (i) the lower amount of the 2020 remuneration of the members of the Board of Directors in its supervisory function following the partial waivers made in order to contribute to the Group initiatives promoted to face the spread of the COVID-19 pandemic as well as an increase in the number of board meetings, (ii) the inclusion of a new person among the Key Managers, (iii) the increase in the number of the identified staff (the so-called Group Risk Takers) following the entry into force – starting from 14 June 2021 – of Regulation (EU) 923/2021. With regard to the Board of Directors in its management function (i.e. Managing Director and CEO), no changes are observed in the fixed remuneration between 2020 and 2021.
Conversely, in the case of variable remuneration (including remuneration of the Board of Directors in its management function – i.e. Managing Director and CEO), the increase is determined by the improvement of the Group's performance in 2021 and, consequently, of the average performance of single Risk Taker, in a context where the ordinary variable remuneration levels were restored and it was therefore possible to accrue a "full" bonus in line with the results achieved. In addition, the increase in this component is also impacted by the afore-mentioned increase in the number of the identified staff (the so-called Group Risk Takers).

EU REM2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (so-called Group Risk Takers)

		a	b	c	d
		MB Supervisory function	**MB Management function**	**Other senior management** (so-called Key Managers)	**Other identified staff** (so-called Group Risk Takers)
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff				
2	Guaranteed variable remuneration awards -Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
	Severance payments awarded in previous periods, that have been paid out during the financial year*				
4	Number of identified staff			7	12
5	Total amount			1,297,000	794,850
	Severance payments awarded during the financial year				
6	Number of identified staff				12
7	Total amount				4,707,098
8	Of which paid during the financial year **				2,450,988
9	Of which deferred				2,256,110
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap***				2,839,652
11	Of which highest payment that has been awarded to a single person				1,810,000

* Please note that the data reported refers to severance awarded in previous periods to Group Risk Takers, in particular to 7 Top Risk Takers (i.e. Key Managers) and to 12 other Group Risk Takers.

** Of which 862,081 euro assigned up-front as ISP Shares and subject to a year of holding period and 306,825 euro paid out cash at the beginning of 2022 since the 4 incumbent ended their employment relationship on 31/12/2021.

*** Please note that the data reported refers to the total amount of the severance payments awarded in the financial year and not included in the variable-to-fixed remuneration cap calculation; in particular, 1,393,156 euro has been paid out in 2021 (of which 434,078 euro assigned up-front as ISP Shares and subject to a year of holding period and 52,000 euro paid out cash at the beginning of 2022 for the incumbent whose ended their employment relationship on 31/12/2021).

The above table shows that no guaranteed variable remuneration was paid in the year 2021, confirming the application of the principle according to which the Group does not provide for the allocation of this type of bonus. With regard to the severance payments awarded in previous periods and paid during the financial year, a reduction was noted in the recipients of these payments due to the completion, for some, of the payment of all deferred portions due. The 7 Key Managers coincide with those of 2020 although the overall amount disbursed increased as a result of the different percentage disbursed (part in cash, part in financial instruments) according to the payment schedules envisaged in the Policies in force at the time of recognition; for the same reason, the amount paid to other identified staff (the so-called Group Risk Takers) also increased despite the number of beneficiaries being lower than in 2020. With regard to the severance payments paid during the year, an increase is recorded between 2020 and 2021 following the voluntary exits of personnel as a result of the "Protocollo per l’avvio dell’integrazione del Gruppo UBI Banca nel Gruppo Intesa Sanpaolo" agreement entered into 29 September 2020 with the trade unions following the acquisition of UBI Banca and aimed at facilitating generational change.

EU REM3 – Deferred remuneration for staff whose professional activities have a material impact on institutions' risk profile (so-called Group Risk Takers)

		a (b+c)	b	c	d	e	f	UE – g	UE – h
	Deferred and retained remuneration	**Total amount of deferred remuneration awarded for previous performance periods**	***Of which due to vest in the financial year***	***Of which vesting in subsequent financial years***	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year**	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years**	**Total amount of adjustment during the financial year due to ex post implicit adjustments** (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	**Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year**	**Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods**
1	MB Supervisory function								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	MB Management function	3,975,466	1,396,246	2,579,220			-138,013	576,543	1,136,086
8	Cash-based	1,808,450	260,160	1,548,290			2,446	124,746	
9	Shares or equivalent ownership interests	2,167,016	1,136,086	1,030,930			-140,459	451,797	1,136,086
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments								
12	Other forms								
13	Other senior management (so-called Key Managers)	16,719,491	5,407,167	11,312,324			-315,991	1,778,859	4,447,711
14	Cash-based	7,518,400	959,456	6,558,944			8,150	415,650	
15	Shares or equivalent ownership interests	8,552,449	4,112,149	4,440,300			-337,332	1,230,859	4,112,149

16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments*	648,642	335,562	313,080			13,190	132,350	335,562
18	Other forms								
19	Other identified staff (so-called Group Risk Takers)	57,682,877	24,293,048	33,389,829			-485,313	9,407,196	15,761,473
20	Cash-based	32,546,352	8,482,348	24,064,004			64,369	4,411,476	
21	Shares or equivalent ownership interests	23,389,205	14,581,442	8,807,763			-601,278	4,350,984	14,581,442
22	Share-linked instruments or equivalent non-cash instruments**	85,379	64,365	21,014					64,365
23	Other instruments***	1,612,714	1,115,666	497,048			51,596	644,736	1,115,666
24	Other forms****	49,227	49,227						
25	**Total amount**	78,377,834	31,096,461	47,281,373			-939,318	11,762,598	21,345,270

* The data reported refers to the portions of bonus assigned as UCITS to Group Risk Takers belonging to significant Asset Management company as required by Joint Bank of Italy – Consob Regulation issued on 27th April 2017 and after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance.
** Portions of bonus assigned in ISP Phantom Shares.
*** The data reported refers to the portions of bonus assigned as (i) UCITS or phantom UCITS, as required by Joint Bank of Italy – Consob Regulation issued on 27th April 2017 and after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance, to Group Risk Takers belonging to Asset Management company and (ii) as VUB Banka Certificates and PBZ Shares to Group Risk Takers belonging to this Bank in compliance with the local regulation.
**** The data reported refers to the portions of bonus assigned as welfare to personnel belonging to the ex UBI Banca Group.

With reference to the above table, it should be noted that the trend in the deferred portions compared to 2020 follows the different payment portions (part in cash, part in financial instruments) in application of the payment schedules envisaged in the Policies for the year pertaining to the bonus.

EU REM4 – Remuneration of 1 million EUR or more per year

		a
	EUR	**Identified staff that are high earners as set out in Article 450(i) CRR**
1	1,000,000 to below 1,500,000	34
2	1,500,000 to below 2,000,000	8
3	2,000,000 to below 2,500,000	7
4	2,500,000 to below 3,000,000	5
5	3,000,000 to below 3,500,000	
6	3,500,000 to below 4,000,000	
7	4,000,000 to below 4,500,000	
8	4,500,000 to below 5,000,000	
9	5,000,000 to below 6,000,000	
10	6,000,000 to below 7,000,000	1
11	7,000,000 to below 8,000,000	

The table shown above represents, by remuneration brackets, the number of employees included among the identified staff (the so-called Group Risk Takers) whose total remuneration paid during the year is equal to or greater than 1 million euro. It should be noted that the calculation took into account both the fixed and variable remuneration pertaining to the year. Compared to 2020, it is possible to observe an increase in the number of subjects included in this cluster as a result of the combined effect of the improvement in the Group's performance and, consequently, of the average performance of single Risk Takers, as well as the restoration of ordinary variable remuneration levels thanks to which it was possible to accrue a "full" bonus in line with the results achieved.

EU REM5 – Information on remuneration of staff whose professional activities have a material impact on Bank’ risk profile (so-called Group Risk Takers)

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			**Business areas**						
		MB Supervisory function	MB Management function	Total MB	Investment Banking	Retail Banking	Asset Management	Corporate functions	Independent internal control functions	All other	**Total**
1	**Total number of identified staff**	18	1	19	69	126	22	109	105	204	654
2	Of which: members of the MB	18	1	19							19
3	Of which: other senior management (so-called Key Managers)				1	3	1	8	5	2	20
4	Of which: other identified staff (so-called Group Risk Takers)				68	123	21	101	100	202	615
5	**Total remuneration of identified staff**	5,589,000	6,469,446	12,058,446	34,023,031	65,916,299	13,313,423	61,582,472	29,077,774	114,058,167	330,029,612
6	Of which: variable remuneration		3,790,000	3,790,000	16,711,000	29,622,228	6,490,000	31,407,376	4,195,000	38,808,673	131,024,277
7	Of which: fixed remuneration	5,589,000	2,679,446	8,268,446	17,312,031	36,294,071	6,823,423	30,175,096	24,882,774	75,249,494	199,005,335

Note: the data shown in the table are not comparable with any information reported in the 2020 Disclosure

Quantitative information pursuant to CONSOB Regulation

Remuneration

Table No. 1: Remuneration paid to members of administration and control bodies, to General Managers, and to other Key Managers

(thousands of euro)

Surname and Name	Office	Office held since	End of office	Fixed Re-munera-tion	Remunera-tion for par-ticipation in committees	Attend-ance fees	Non-equity variable remuneration		Non-mon-etary ben-efits	Other re-munera-tion	Total	Fair value of equity remu-neration	Indemnity for end of office or termination of the employment agreement
							Bonuses and other incen-tives (x)	Profit-shar-ing					
Gros-Pietro Gian Maria	Chairman of the Board of Directors	01/01/2021	31/12/2021	800							800		
	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Nominations Committee	01/01/2021	31/12/2021			25					25		
Colombo Paolo Andrea	Deputy Chairperson of the Board of Directors	01/01/2021	31/12/2021	150							150		
	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Chairman of the Remuneration Committee	01/01/2021	31/12/2021	60		50					110		
	Member of the Nominations Committee	01/01/2021	31/12/2021			25					25		
Messina Carlo	General Manager	01/01/2021	31/12/2021	2,000			1,516		59		3,575	3,359	
	Managing Director and Chief Executive Officer	01/01/2021	31/12/2021	500							500		
	Member of the Board of Directors/ Executive Board Member	01/01/2021	31/12/2021	120							120		
Locatelli Rossella	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Chairman of the Risks Committee	01/01/2021	31/12/2021	60		133					193		
	Member of the Committee for transactions with related parties	01/01/2021	31/12/2021			38					38		

Surname and Name	Office	Office held since	End of office	Fixed Remuneration	Remuneration for participation in committees	Attendance fees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of office or termination of the employment agreement
							Bonuses and other incentives (x)	Profit-sharing					
Pomodoro Livia	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Chairman of the Nominations Committee	01/01/2021	31/12/2021	60		25					85		
Mazzarella Maria	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Nominations Committee	01/01/2021	31/12/2021			25					25		
	Member of the Committee for transactions with related parties	01/01/2021	31/12/2021			38					38		
Zamboni Daniele	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Chairman of the Committee for transactions with related parties	01/01/2021	31/12/2021	60		38					98		
	Member of the Risks Committee	01/01/2021	31/12/2021			130					130		
Ceruti Franco	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Risks Committee	01/01/2021	31/12/2021			133					133		
	Member of the Remuneration Committee	01/01/2021	31/12/2021			50					50		
a)	INTESA SANPAOLO EXPO Institutional Contact S.r.l. – Chairman and Director	01/01/2021	31/12/2021	130							130		
a)	INTESA SANPAOLO PRIVATE BANKING S.p.A. – Director	01/01/2021	31/12/2021	20							20		
b)	SOCIETA' BENEFIT CIMAROSA 1 S.p.A. - Chairman and Director	01/01/2021	31/12/2021	0							0		

Surname and Name	Office	Office held since	End of office	Fixed Remuneration	Remuneration for participation in committees	Attendance fees	Non-equity variable remuneration: Bonuses and other incentives (x)	Non-equity variable remuneration: Profit-sharing	Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of office or termination of the employment agreement
Picca Bruno	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Nominations Committee	01/01/2021	31/12/2021			25					25		
	Member of the Risks Committee	01/01/2021	31/12/2021			133					133		
a)	UNIONE DI BANCHE ITALIANE S.p.A - Deputy Chairperson and Director	01/01/2021	11/04/2021	50							50		
a)	UNIONE DI BANCHE ITALIANE S.p.A - Member of the Risks Committee	01/01/2021	11/04/2021	14							14		
Nebbia Luciano	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Remuneration Committee	01/01/2021	31/12/2021			50					50		
a)	INTESA SANPAOLO CASA S.p.A. – Member of the Board of Directors	01/01/2021	07/04/2021	3							3		
a)	EQUITER S.p.A. – Deputy Chairperson	01/01/2021	31/12/2021	35							35		
Stefanelli Maria Alessandra	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Committee for transactions with related parties	01/01/2021	31/12/2021			38					38		
Sironi Andrea	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Remuneration Committee	01/01/2021	31/12/2021			48					48		
	Member of the Committee for transactions with related parties	01/01/2021	31/12/2021			35					35		
Gatti Anna	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Remuneration Committee	01/01/2021	31/12/2021			50					50		

Surname and Name	Office	Office held since	End of office	Fixed Re-muneration	Remuneration for participation in committees	Attendance fees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of office or termination of the employment agreement
							Bonuses and other incentives (x)	Profit-sharing					
Weber Guglielmo	Member of the Board of Directors	01/01/2021	31/12/2021	120							120		
	Member of the Risks Committee	01/01/2021	31/12/2021			133					133		
Pisani Alberto Maria	Member of the Board of Directors and of the Management Control Committee	01/01/2021	31/12/2021	260							260		
	Chairman of the Management Control Committee	01/01/2021	31/12/2021	65							65		
Motta Milena Teresa	Member of the Board of Directors and of the Management Control Committee	01/01/2021	31/12/2021	260							260		
Zoppo Maria Cristina	Member of the Board of Directors and of the Management Control Committee	01/01/2021	31/12/2021	260							260		
Mosca Fabrizio	Member of the Board of Directors and of the Management Control Committee	01/01/2021	31/12/2021	260							260		
Franchini Roberto	Member of the Board of Directors and of the Management Control Committee	01/01/2021	31/12/2021	260							260		
Vernero Paolo	Chairman of the Surveillance Board	01/01/2021	28/04/2021	3							3		
	Full Member of the Surveillance Board	01/01/2021	31/12/2021	25							25		
Cortellazzo Andrea	Chairman of the Surveillance Board	29/04/2021	31/12/2021	7							7		
	Full Member of the Surveillance Board	01/01/2021	31/12/2021	25							25		
Dalla Sega Franco	Full Member of the Surveillance Board	01/01/2021	31/12/2021	25							25		
a)	BANCOMAT S.p.A. - Chairman	01/01/2021	31/12/2021	70							70		

Surname and Name	Office	Office held since	End of office	Fixed Remuneration	Remuneration for participation in committees	Attendance fees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for end of office or termination of the employment agreement
							Bonuses and other incentives (x)	Profit-sharing					
Key Managers (*)	Total remuneration and attendance fees awarded by Intesa Sanpaolo			16,144 (c)			6,374		809		23,327 (c)	13,245	
	Total remuneration and attendance fees awarded by subsidiaries and associates			750 (d)			935		39		1,724 (d)	1,647	

a) Remuneration/Attendance fees in subsidiaries and/or associates.
b) The amount does not include the remunerations for the office equal to euro 10,000 as they have been waived.
c) The data reported does not include other remunerations recognised for offices in company subsidiaries and/or associates and equal to euro 868,799 + CHF 35,500 since entirely transferred to the Group.
d) The data reported does not include other remunerations recognized for offices in company subsidiaries and/or associates and equal to euro 190,000 since entirely waived/transferred to subsidiaries companies.

(*) Remuneration refers to 20 Key Managers.as at 31 December 2021.

(x) The data reported refers to the portions of bonus assigned, both upfront and deferred, awarded following 2021 performance (for further details please see table 3B).

Table No. 2: Stock options granted to members of administration body, General Managers and other Key Managers

(thousands of euro)

			Options held at the beginning of the year	Options awarded during the year		Options awarded during the year						Options expired during the year			Options held at end of the year	Options for the year	Options held at the beginning of the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Surname and Name	Office	Plan	Number of options	Exercise price	Possible exercise period (from - to)	Number of options	Exercise price	Possible exercise period (from - to)	Fair Value at the awarding date (x)	Awarding date	Market share price of the shares underlying the award of options	Number of options	Exercise price	Market share price of the shares underlying the exercise date	Number of options	Number of options	Fair value
Messina Carlo	Managing Director and Chief Executive Officer General Manager	Long-term Incentive Plan 2018 – 2021 POP (Performance-based Option Plan) (**)	21,205,158 of which 16,466,726 restructured options of which 4,738,432 original option	2.4833 3.0755	10/03/2023 11/03/2022											21,205,158	337
Key Managers (*)	Total Remuneration awarded by Intesa Sanpaolo		95,521,402 of which 74,176,512 restructured options of which 21,344,890 original option	2.4833 3.0755	10/03/2023 11/03/2022											95,521,402	1,447
	Total Remuneration awarded by subsidiaries		11,010,370 of which 8,550,030 restructured options of which 2,460,340 original option	2.4833 3.0755	10/03/2023 11/03/2022											11,010,370	175

(x) The overall Fair Value, intended as an employee benefit, is determined considering also the probability of completion of the service period in the Company, the Fair Value adjustments due to non-negotiability, deferral of the instruments assignment and unavailability constraints on the shares received according to the Plan schedule.

(*) Remuneration refers to 20 Key Managers.
(**) The Plan was approved on 27 April 2018; Plan amendment was subsequently approved on 29 April 2021.

Table No. 3A: Incentive plans based on financial instruments other than stock options, in favour of Managing Director and CEO and other Key Managers

(thousands of euro)

			Financial instruments awarded in previous years and not vested during the year		Financial instruments awarded during the year					Financial instruments vested during the year and not granted	Financial instruments vested during the year and granted		Financial instruments for the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Surname and Name	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at award date	Vesting period	Award date	Market price at award date	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair value
Messina Carlo	Managing Director and Chief Executive Officer General Manager	Incentive 2016	62,634	May 2022							62,634	144	144
		Incentive 2017	268,355	May 2022 – May 2023							134,176	308	308
		Incentive 2018	460,077	May 2022 – May 2024							306,718	704	704
		Incentive 2019	245,550	May 2023 – May 2025							341,633 [1)]	797	797
		Incentive 2020	227,058	May 2023 – May 2026							129,749 [2)]	311	311
		Incentive 2021			(*)	2,274	May 2022 - May 2027	(*)	(*)				758
Key Managers (**) (Remuneration awarded by Intesa Sanpaolo)		Incentive 2016	173,844	May 2022							125,710	289	289
		Incentive 2017	630,427	May 2022 – May 2023							328,576	763	63
		Incentive 2018	1,613,924	May 2022 – May 2024							1,153,484	2,651	2,651
		Incentive 2019	1,121,486	May 2023 – May 2025							1,506,091 [3)]	3,514	3,514
		Incentive 2020	1,026,716	May 2023 – May 2026							586,701 [4)]	1,406	1,406
		Incentive 2021			(*)	9,506	May 2022 - May 2027	(*)	(*)				3,175

			Financial instruments awarded in previous years and not vested during the year		Financial instruments awarded during the year					Financial instruments vested during the year and not granted	Financial instruments vested during the year and granted		Financial instruments for the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Surname and Name	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at award date	Vesting period	Award date	Market price at award date	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair value
Key Managers (**) (Remuneration awarded by subsidiaries)		Incentive 2016	12,329	May 2022							12,326	28	28
		Incentive 2017	14,272	May 2022 – May 2023							14,272	35	35
			5,732.03 [5)]								2,866.02 [6)]	132	132
		Incentive 2018	17,139	May 2022 – May 2024							68,550	157	157
			12,299.77 [5)]								8,199.85 [6)]	240	240
		Incentive 2019	45,353	May 2022 – May 2025							63,097 [7)]	147	147
			9,586.09 [5)]								5,477.77 [6)]	171	171
		Incentive 2020	67,505	May 2022 – May 2026							38,574 [8)]	92	92
			6,481.57 [5)]										
		Incentive 2021			(*)	1,402 [9)]	May 2022 – May 2027	(*)	(*)				467 [10)]

(*) The information related to the shares that will be granted as an incentive with respect to the 2021 Incentive System based on financial instruments will be available following the resolutions of the Ordinary Shareholders' Meeting called on 29 April 2022.
(**) Remuneration refers to 20 Key Managers.

1) Of which 128,112 shares subject to a year of holding period and retained for the entire duration of this period in a fiduciary position in Siref S.p.A.
2) 129,749 shares subject to a year of holding period and retained for the entire duration of this period in a fiduciary position in Siref S.p.A.
3) Of which 564,782 shares subject to a year of holding period and retained for the entire duration of this period in a fiduciary position in Siref S.p.A.
4) 586,701 shares subject to a year of holding period and retained for the entire duration of this period in a fiduciary position in Siref S.p.A.

5) Assigned as UCITS units (instead of Intesa Sanpaolo shares) to the former Head of the Asset Management, as he was Chief Executive Officer of the Eurizon Capital Group, as required by the industry-sector regulations (Joint Bank of Italy – Consob Regulation after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance).
6) UCITS units assigned (instead of Intesa Sanpaolo shares) to the former Head of the Asset Management, as he was Chief Executive Officer of the Eurizon Capital Group, as required by the industry-sector regulations (Joint Bank of Italy – Consob Regulation after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance), has been updated form the original amount of 5,732.033 units following the UCITS class conversion (form Institutional to Retail).
7) Of which 23,661 shares subject to a year of holding period and retained for the entire duration of this period in a fiduciary position in Siref S.p.A.
8) Of which 38,574 shares subject to a year of holding period and retained for the entire duration of this period in a fiduciary position in Siref S.p.A.
9) Of which 690 thousand euro assigned as UCITS units (instead of Intesa Sanpaolo shares) to the Head of the Asset Management, as Chief Executive Officer of the Eurizon Capital Group, as required by the industry-sector regulations (Joint Bank of Italy – Consob Regulation after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance).
10) Of which 230 thousand euro assigned as UCITS units (instead of Intesa Sanpaolo shares) to the Head of the Asset Management, as Chief Executive Officer of the Eurizon Capital Group, as required by the industry-sector regulations (Joint Bank of Italy – Consob Regulation after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance).

Note: this information refers to the remuneration assigned by Intesa Sanpaolo or, where indicated, by subsidiaries; the granting of variable remuneration by associates is not envisaged.

Table No. 3B: Monetary incentive plans in favour of Managing Director and CEO and other Key Managers

(thousands of euro)

A	B	(1)	(2)			(3)			(4)
Surname and Name	Office	Plan	Bonus of the year			Bonus from previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Messina Carlo	Managing Director and Chief Executive Officer General Manager	Incentive 2015					125 1)		
		Incentive 2016						169	
		Incentive 2017						385	
		Incentive 2018						325	
		Incentive 2019						569	
		Incentive 2020					289	361	
		Incentive 2021	758	758	May 2022/ May 2027				
Key Managers (*) (Remuneration awarded by Intesa Sanpaolo)		Incentive 2015					278 1)		
		Incentive 2016						470	
		Incentive 2017					87 1)	982	
		Incentive 2018						1,194	
		Incentive 2019						2,423	
		Incentive 2020					1,589	1,631	
		Incentive 2021	3,175	3,196	May 2022/ May 2027				3 2)

<table>
<tr><th>A</th><th>B</th><th>(1)</th><th colspan="3">(2)</th><th colspan="3">(3)</th><th>(4)</th></tr>
<tr><th rowspan="3">Surname and Name</th><th rowspan="3">Office</th><th rowspan="3">Plan</th><th colspan="3">Bonus of the year</th><th colspan="3">Bonus from previous years</th><th rowspan="3">Other bonuses</th></tr>
<tr><th>(A)</th><th>(B)</th><th>(C)</th><th>(A)</th><th>(B)</th><th>(C)</th></tr>
<tr><th>Payable / Paid</th><th>Deferred</th><th>Deferral period</th><th>No longer payable</th><th>Payable / Paid</th><th>Still deferred</th></tr>
<tr><td colspan="2" rowspan="7">Key Managers (*)
(Remuneration awarded by subsidiaries)</td><td>Incentive 2015</td><td></td><td></td><td></td><td></td><td>51 [1)]</td><td></td><td></td></tr>
<tr><td>Incentive 2016</td><td></td><td></td><td></td><td></td><td></td><td>33</td><td></td></tr>
<tr><td>Incentive 2017</td><td></td><td></td><td></td><td></td><td></td><td>144</td><td></td></tr>
<tr><td>Incentive 2018</td><td></td><td></td><td></td><td></td><td></td><td>138</td><td></td></tr>
<tr><td>Incentive 2019</td><td></td><td></td><td></td><td></td><td></td><td>298</td><td></td></tr>
<tr><td>Incentive 2020</td><td></td><td></td><td></td><td></td><td>163</td><td>204</td><td></td></tr>
<tr><td>Incentive 2021</td><td>467</td><td>467</td><td>May 2022/
May 2027</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="10">(*) Remuneration refers to 20 Key Managers.
1) An appreciation of 2% was calculated on the portions paid, in line with market rates.
2) Remuneration refers to the fidality bonus XXV ex BAV accrued by the Head of the Insurance Business unit.</td></tr>
</table>

Equity

Table No. 1: Equity investments of Members of Board of Directors

Surname and Name	Office	Subsidiary	Number of shares held at the end of prior year (-)	Number of shares purchased	Number of shares sold	Number of shares held at the end of current year (-)
Colombo Paolo Andrea	Deputy Chairperson of the Board of Directors	Intesa Sanpaolo ord. shares	5,494			5,494
		Intesa Sanpaolo ord. shares	5,200 (a)			5,200 (a)
		Intesa Sanpaolo ord. shares	19,047 (b)			19,047 (b)
Messina Carlo	Managing Director and Chief Executive Officer General Manager	Intesa Sanpaolo ord. shares	1,967,357	974,910 (*)		2,942,267
Ceruti Franco	Member of the Board of Directors	Intesa Sanpaolo ord. shares	200,000			200,000
Mazzarella Maria	Member of the Board of Directors	Intesa Sanpaolo ord. shares	10,000 (a)	4,306	10,000	4,306 (a)
Mosca Fabrizio	Member of the Board of Directors	Intesa Sanpaolo ord. shares	18,000			18,000
Motta Milena Teresa	Member of the Board of Directors	Intesa Sanpaolo ord. shares	30,000 (a)			30,000 (a)
		Intesa Sanpaolo ord. shares	1,752 (c)			1,752 (c)
		Intesa Sanpaolo ord. shares	2,118 (a,c)			2,118 (a,c)
Nebbia Luciano	Member of the Board of Directors	Intesa Sanpaolo ord. shares	192,281			192,281
Picca Bruno	Member of the Board of Directors	Intesa Sanpaolo ord. shares	383,086			383,086
Pomodoro Livia	Member of the Board of Directors	Intesa Sanpaolo ord. shares	30,000			30,000
Stefanelli Maria Alessandra	Member of the Board of Directors	Intesa Sanpaolo ord. shares	147 (a)			147 (a)

Surname and Name	Office	Subsidiary	Number of shares held at the end of prior year (-)	Number of shares purchased	Number of shares sold	Number of shares held at the end of current year (-)
Zamboni Daniele	Member of the Board of Directors	Intesa Sanpaolo ord. shares	50,000			50,000

(-) Or start / end date of the office, if different from the reference period specified.
(a) Shares owned by spouse.
(b) Shares held indirectly.
(c) Shares resulting from UBI Voluntary Public Purchase and Exchange Offer.

(*) (i) Of which 306,718 shares refer to the 2018 Incentive Systems and 213,521 shares refer to the upfront portion of the 2019 Incentive Systems, (ii) of which 62,634 shares refer to the 2016 Incentive Systems and 134,176 shares refer to the deferred portion in shares of the 2017 Incentive Systems and (iii) of which 128,112 shares refer to the 2019 Incentive Systems and 129,749 shares, subject to a year of holding period and retained for the entire duration of this period in a fiduciary position in Siref S.p.A., refer to the 2020 Incentive Systems.

Table No. 2: Equity investments of other Key Managers

Number of other Key Managers	Subsidiary	Number of shares held at the end of prior year (*)	Number of shares purchased	Number of shares sold	Number of shares held at the end of current year (*)
20 (**)	Intesa Sanpaolo ord. shares.	5,911,270	3,897,381 (b)	1,073,403 (c)	8,735,248
	Intesa Sanpaolo ord. shares	199 (a)			199 (a)

(*) Or start / end date of the office, if different from the reference period specified.
(**) Total number of other Key Managers who do not hold any equity investments yet.

a) Shares owned by spouse.
b) (i) Of which 1,173,066 shares refer to the 2018 Incentive Systems and 980,745 shares refer to the upfront portion of the 2019 Incentive Systems, (ii) of which 138,036 shares refer to the 2016 Incentive Systems, 342,848 shares refer to the 2017 Incentive Systems and 48,968 shares refer the deferred portion of the 2018 Incentive Systems and (iii) of which 588,443 shares refer to the 2019 Incentive Systems and 625,275 shares, subject to a year of holding period and retained for the entire duration of this period in a fiduciary position in Siref S.p.A., refer to the 2020 Incentive Systems.
c) Of which 156,544 shares refer to the 2019 Incentive Systems and 148,896 shares refer to the 2020 Incentive Systems as so-called sell to cover, i.e. sold in order to pay the tax charges deriving from the transfer of the shares to Siref S.p.A. where they have been placed in trust for the residual duration of the holding period.

PART III – INTERNAL AUDITING DEPARTMENT ASSESSMENT OF THE INCENTIVE SYSTEM

The Chief Audit Officer of Intesa Sanpaolo carried out the planned audits, aimed at analysing the operational practices adopted in activating the incentive system for 2021, in accordance with the policies and application profiles approved by the Bodies and the related Provisions issued by the Bank of Italy.

The audit plan was broken down in order to examine the operational phases of the process: quantification and approval of the main components of the incentive system (economic requirements, certification of results achieved, determination of the bonus pool, incentives for Top Risk Takers and Heads of the Control Functions) and the actual payout of incentives, with specific reference to the Group Risk Takers.

As expected, the remuneration policies, the principles of the incentive system, the financing methods for the bonus pool, the activation thresholds, the rules for the identification of staff whose professional activities have a material impact on the risk profile and the objectives assigned to the Top Risk Takers were approved by the corporate bodies in 2021, each to the extent applicable.
The structure was assessed as being compliant with the Regulations by the Compliance Department.
For 2021, the regulatory framework of 2020 was confirmed, including the definition of the variable remuneration component for the remaining personnel (PVR – subject of a level 2 agreement with the Trade Unions).
In addition, also in line with the provisions laid down by EU Directive 2019/878 (so-called CRD V), the following changes are noted: the revision of the materiality threshold for Risk Takers with a reduction from 80,000 euro to 50,000 euro or a third of total remuneration; the increase in the minimum deferral time period of short-term variable remuneration for non-Top Risk Takers from 3 to 4 years; the introduction of 2 bonus demultiplication mechanisms, in order to further strengthen risk management; the review of the additional criteria for identifying Risk Takers; the provision of a specific focus on gender neutrality of the Remuneration and Incentive Policies and the related application methods within the Group; the introduction, among the strategic action objectives that will be assigned to all management, of a specific "ESG" KPI.

The threshold defined by the Group's bonus pool activation rules was achieved, in line with all expected targets: Net Income, Gross Income, Group RAF indicators (CET1, NSFR, MREL and leverage ratio) and respect of the limits set out for non-financial risks. This allowed the funding of the bonus pool according to the application methods and policies.
The results achieved by the Top Risk Takers were quantified, documented in specific schedules and approved by the competent Bodies.

Based on the audits conducted to date, the Chief Audit Officer expresses an opinion on the adequacy of the operational practices adopted, in accordance with the policies and profiles defined.
The audit plan will be completed with the checks on the correctness of the phases of actual payment of the incentives (including the deferred portion), with specific regard to the incentives paid to the Risk Takers, in order to determine their alignment with what was approved by the Corporate Bodies.

To supplement the Report on Remuneration presented on 28 April 2021, and as anticipated, the subsequent phases of disbursement of the incentives for the financial year 2020 (including the deferred portion) were checked, both on a domestic and an international sample, and were found to be substantially consistent with the policies and approved application profiles. Small residual areas for improvement were addressed, as also confirmed by the most recent follow-up.

Appendix

Table No. 1: "Art. 5 - Corporate Governance Code"

	Principles and Criteria of the Corporate Governance Code	Page of Report
P. XV	The remuneration policy for directors, members of the control body and the top management contributes to the pursuit of the company's sustainable success and takes into account the need to have, retain and motivate people with the competence and professionalism deemed adequate for their role.	Page 14, 19, 20, 23, 32, 37, 50
P. XVI.	The remuneration policy is developed by the board of directors through a transparent procedure.	Page 11
P. XVII.	The board of directors ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, considering the results achieved and any other circumstances relevant for its implementation.	
R. 25	The board of directors entrusts the remuneration committee with the task of: a) supporting it in the development of the remuneration policy; b) submitting proposals or expressing opinions on the remuneration of executive directors and other directors who hold specific responsibilities, as well as on the setting of performance objectives related to the variable component of this remuneration; c) monitoring the actual application of the remuneration policy and verifying the effective achievement of the performance objectives; d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and the top management. In order to have people with adequate competence and professionalism, the remuneration of executive and non-executive directors and of the members of the control body is defined with due consideration of the remuneration practices that are common with regards to the company's reference sectors and size. It also considers comparable international practices, with the possible support of an independent consultant.	Page 11, 23
R. 26	The remuneration committee is made up of non-executive directors, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies; such skills are assessed by the board of directors before his or her appointment. No director takes part in the meetings of the remuneration committee in which proposals relating to his or her remuneration are made.	Page 12
R. 27	The remuneration policy for executive directors and the top management defines: a) a balance between the fixed and the variable component which is consistent with the company's strategic objectives and risk management policy. Consistency is assessed taking into consideration the business's characteristics and the industry of the company. The variable component has in any case a significant weight on the overall remuneration; b) caps to the variable components; c) performance objectives, to which is linked the payment of the variable components, that are predetermined, measurable and predominantly linked to the long-term 16 horizon. They are consistent with the company's strategic objectives and with the aim of promoting its sustainable success and includes non-financial parameters, where relevant; d) an adequate deferral of a significant part of the variable component that has been already accrued. Such a deferral period is consistent with the company's business activity and its risk profile; e) provisions that enable the company to recover and/or withhold, in whole or in part, the variable components already paid-out or due, where they were based on data which subsequently proved to be manifestly misstated. The company can identify other circumstances in which such provisions are applied; f) clear and predetermined rules for possible termination payments, establishing a cap to the total amount that might be paid out. The cap is linked to a certain	Page 15, 19, 23, 29, 32, 34, 37, 49-51, 54-60, 85-88

Principles and Criteria of the Corporate Governance Code		Page of Report
	amount or a certain number of years of remuneration. No indemnity is paid out if the termination of the office is motivated by director's objectively inadequate results.	
R. 28	The share-based remuneration plans for executive directors and the top management are aligned with the interests of the shareholders over a long-term horizon, providing that a predominant part of the plan has an overall vesting and holding period of at least five years.	Page 51, 54-57
R. 29	The remuneration of non-executive directors is adequate to the competence, professionalism and commitment required by their role within the board of directors and its committees; this remuneration is not related to financial performance objectives, except for a non-significant part.	Page 14
R. 30	On the occasion of the termination of office and/or dissolution of the relationship with an executive director or general manager, a press release is published as soon as the internal processes that led to the assignment or the recognition of any indemnities and/or other benefits has been concluded. The press release provides for detailed information on: a) a) the assignment or the recognition of indemnities and/or other benefits, the circumstances that justify their accrual (e.g. due to the expiration of the term of office, its termination or a settlement agreement) and the decision-making process followed for this purpose within the company; b) b) the total amount of the indemnity and/or other benefits, the related components (including non-monetary benefits, the vesting of rights connected with incentive plans, the compensation for non-competitive commitments or any other remuneration allocated to any reason and in any form) and the timing of their disbursement (distinguishing the part paid immediately from the part subject to deferral mechanisms); c) c) the application of any claw-back or malus clauses; d) d) the compliance of the elements indicated in letters a), b) and c) consistently with the remuneration policy, with a clear indication of the reasons and the decision-making process followed in the event of non-compliance, even if only partial, with the policy itself; e) e) the procedures that have been or will be followed for the replacement of the executive director or the general manager whose office has been terminated.	Page 12, 14

Table No. 2: "Art. 123-bis - Report on corporate governance and ownership structures"

Art 123-bis - Report on corporate governance and ownership structures	Page of Report
1. The report on operations of issuers with securities admitted to trading on regulated markets shall contain a specific section entitled: "Report on corporate governance and ownership structures", providing detailed information on:	
c) the capital structure, including securities not traded on a regulated market in an EU Member State, with an indication of the different classes of shares and, for each class of shares, the related rights and obligations and the percentage of total share capital represented;	
d) any restriction on the transfer of securities, e.g. limitations in the possession of securities or the need to obtain consent from the company or other securities holders;	
e) significant direct and indirect equity investments, for example through pyramid structures and cross-investments, as stated in reports submitted pursuant to article 120;	
f) if known, the holders of any securities with special control rights and a description of such rights;	
g) the mechanism for the exercise of voting rights in any employee share ownership scheme where voting rights are not exercised directly by the employees;	
h) any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for the exercise of voting rights, or systems whereby, with the company's cooperation, the financial rights attached to the securities are separate from the holding of securities;	
i) agreements known to the company pursuant to article 122;	
j) any significant agreements to which the company or its subsidiaries are parties and which take effect, alter or terminate upon a change of control of the company, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal provisions;	
k) agreements between companies and directors, members of the management board or supervisory board which envisage indemnities in event of resignation or dismissal without just cause, or if their employment contract should terminate as a result of a takeover bid;	
l) rules applying to the appointment and replacement of directors and members of the management board or supervisory board, and to amendments to the articles of association, if different from those envisaged by legal and regulatory provisions applicable as supplementary measures;	Page 15, 73
m) the existence of delegated powers regarding share capital increases pursuant to article 2443 of the Italian Civil Code or powers of the directors or members of the management board to issue equity instruments or to authorise the purchase of own shares.	
[omissis]	

Table No. 3: "Art. 123-ter – Report on the remuneration policy and compensation paid"

Art. 123-ter - Report on the remuneration policy and compensation paid	Page of Report
1. At least twenty-one days prior to the date of the Shareholders' Meeting established by article 2364, paragraph two, or the Shareholders' Meeting established by article 2364-bis second paragraph of the Italian Civil Code, companies with listed shares shall make a report on the remuneration policy and compensation paid available to the public at the company registered office, on its internet website or in any of the other ways established by Consob regulation.	Page 8
2. The report shall be laid out in the two sections envisaged by paragraphs 3 and 4 and shall be approved by the Board of Directors. In companies adopting the two-tier system, the report shall be approved by the supervisory board, upon proposal from the management board, solely for the section envisaged by paragraph 4, letter b).	Page 8
3. The first section of the report shall set out in a clear and comprehensible manner:	Page 8
a) the company's policy on the remuneration of the members of the management bodies, general managers and key managers with reference to at least the following year and, subject to the provisions of Article 2402 of the Italian Civil Code, the members of the control bodies;	Page 9, 11, 14, 19, 85
b) the procedures used to adopt and implement this policy.	Page 9
3-*bis* The remuneration policy shall contribute to the business strategy, the pursuit of long-term interests and the sustainability of the company and shall explain how it makes this contribution. Subject to the provisions of paragraph 3-ter, companies shall put the remuneration policy referred to in paragraph 3 to the vote of shareholders, according to the frequency required by the duration of the policy set in accordance with paragraph 3, letter a), and in any case at least every three years or when amendments are made to the policy. Companies shall award the remuneration only in accordance with the remuneration policy last approved by the shareholders. In exceptional circumstances, companies may temporarily deviate from the remuneration policy, provided the policy sets out the procedural conditions for applying the deviation and specifies the parts of the policy that may be subject to deviation. Exceptional circumstances only means situations where the deviation from the remuneration policy is necessary to pursue the long-term interests and sustainability of the company as a whole or to ensure its ability to stay in the market.	Page 8, 11
3-*ter*. The resolution envisaged in paragraph 3-bis shall be binding. If the Shareholders' Meeting does not approve the remuneration policy put to the vote pursuant to paragraph 3-bis, the company shall continue to pay remuneration in accordance with the most recent remuneration policy approved by the Shareholders' Meeting or, if there is no such policy, it can continue to pay remuneration in accordance with existing practices. The company shall put a new remuneration policy to the vote of shareholders at the latest at the next Shareholders' Meeting required by Article 2364, second paragraph, of the Italian Civil Code, or at the Shareholders' Meeting required by Article 2364-bis, second paragraph, of the Italian Civil Code.	page 11
4. The second section of the report, in a clear and comprehensible manner and, by name for the members of the management and control bodies, general managers and in aggregate form, subject to the provisions of the regulation issued in accordance with paragraph 8, for key managers:	Page 8
a) shall provide a suitable representation of each of the items comprising the remuneration, including the treatment provided for in the event of termination of office or termination of employment, detailing the consistency with the company's remuneration policy for the reporting year;	Page 85

Art. 123-*ter* - Report on the remuneration policy and compensation paid	Page of Report
b) shall detail the remuneration paid during the reporting year, for any reason and in any form by the company and by subsidiaries or associates, noting any components of said remuneration that refer to activities performed in years prior to the reporting year, in addition to highlighting the remuneration to be paid in one or more subsequent years in relation to work performed in the reporting year, and specifying any estimated value for components that cannot objectively be quantified in the reporting year;	
b-bis) shall describe how the company has taken into account the vote cast in the previous year on the second section of the report.	
5. Remuneration plans shall be established by article 114-bis are attached to the report, or the report shall specify the section of the company's website where these documents can be viewed.	
6. Without prejudice to the provisions of Articles 2389 and 2409-terdecies, first paragraph, letter a) of the Italian Civil Code and Article 114-bis, the Shareholders' Meeting called in accordance with Article 2364, paragraph two or Article 2364-bis, paragraph two, of the Italian Civil Code, shall resolve in favour or against the second section of the report envisaged by paragraph 4. This resolution shall be non-binding. The outcome of voting shall be made available to the public in accordance with article 125-quater, paragraph 2.	page 9
[omissis]	

Table No. 4: Bank of Italy Provisions on "Transparency of the banking and financial transactions and services – correctness of the relations between intermediaries and customers" - Section XI - paragraph 2-quater "Remuneration policies and practices" and 2-quater.1 "Remuneration policies and practices for relevant persons and credit intermediaries"

Bank of Italy Provisions on "Transparency of the banking and financial transactions and services – correctness of the relations between intermediaries and customers" - Section XI – paragraph 2-quater "Remuneration policies and practices"	**Page of Report**
This paragraph governs the policies and practices that intermediaries adopt for the remuneration of staff and third parties in the sales network. This is without prejudice to the application of the prudential provisions on remuneration policies and practices[90]. For the purposes of this paragraph: • "remuneration" means any form of payment or benefit (either monetary or non-monetary) paid directly or indirectly by the intermediary to staff and third parties in the sales network; • "products" means transactions and services falling within the scope of Title VI of the Consolidated Law; • "relevant persons" means the staff of the intermediary who offer products to customers and interact with those customers, and the hierarchical superiors of those staff; • "credit intermediaries" means the entities identified in Section VII. Intermediaries shall adopt and apply policies and practices for the remuneration of staff and third parties in the sales network: i) consistent with the company's objectives and values and long-term strategies; ii) inspired by criteria of diligence, transparency and fairness in customer relations, containment of legal and reputational risks, customer protection and loyalty, and compliance with any applicable self-disciplinary provisions; and iii) which are not based exclusively on commercial objectives and do not constitute an incentive to place products that are not suitable for the customers' financial needs. Intermediaries shall ensure that the human resource management policies and procedures are consistent with these principles. Intermediaries required to establish a remuneration policy under other supervisory provisions may draw up a single document to also implement the rules laid down in this paragraph, provided that the parts that implement these rules are clearly disclosed. For the staff responsible for assessing creditworthiness, the remuneration policies and practices shall ensure prudent risk management by the intermediary.	Page 19, 27-29, 46-49, 60, 66-68
The remuneration policies and practices for staff responsible for handling complaints shall include indicators that take into account, among other things, the results achieved in handling complaints and the quality of customer relations.	Page 62

[90] These provisions are included: for banks, in the Bank of Italy Circular No. 285 of 17 December 2013 (Part I, Title IV, Chapter 2); and for financial intermediaries entered in the register pursuant to Article 106 of the Consolidated Law, in the Bank of Italy Circular No 288 of 3 April 2015 (Title III, Chapter 1).

Bank of Italy Provisions on "Transparency of the banking and financial transactions and services – correctness of the relations between intermediaries and customers" – Section XI – paragraph 2-quater.1 "Remuneration policies and practices for relevant persons and credit intermediaries"[91]	Page of Report
Intermediaries shall adopt and apply policies and practices for the remuneration of relevant persons and credit intermediaries that take into account the rights and interests of customers in relation to the offering of products. For this purpose, intermediaries shall ensure that:	
a) the remuneration does not create incentives for the relevant persons and credit intermediaries to pursue their own interests or those of the intermediary to the detriment of the customers;	Page 27, 46, 47
b) account is taken of any risk likely to be prejudicial to customers; intermediaries shall take appropriate measures to guard against this risk;	Page 27-29, 32, 44, 46-49
c) the variable component of the remuneration (if provided) of relevant persons and credit intermediaries:	
i. is anchored to quantitative and qualitative criteria[92];	Page 27-29, 48, 49
ii. does not constitute an incentive to offer a specific product, or a specific category or combination of products (e.g. because it is particularly favourable for the intermediary or the relevant persons or the credit intermediaries), when this may result in a detriment to the customer through the offering of a product that is not appropriate to the customer's financial needs or which results in higher costs than another product that is also suitable, consistent and useful with respect to the customer's interests, objectives and characteristics;	Page 27-29, 46, 48, 49, 60, 61
iii. is suitably balanced with respect to the fixed component of remuneration;	Page 19
iv. is subject to adjustment mechanisms that enable the reduction (including significant reductions) or the reduction down to zero of the remuneration, for example in the event of conduct, by relevant persons or credit intermediaries, which has caused or contributed to causing significant damage to customers or a significant violation of the regulations contained in Title VI of the Consolidated Law, of the related implementing provisions or of codes of ethics or codes of conduct for customer protection applicable to the intermediary.	Page 50
The remuneration policies drawn up in accordance with this sub-paragraph shall, in addition to the aspects covered by points a), b) and c), also include: i) a description of the objectives they are seeking to achieve; and ii) details of the number of relevant persons and credit intermediaries they apply to, as well as the role and functions performed by them[93].	Page 19, 22
The remuneration policies shall be duly documented and the related documentation shall be kept for a period of no less than five years. The documentation shall also include a description of how the policies have been implemented, with particular regard to the application of the criteria for setting the variable component of remuneration, where envisaged.	
Intermediaries shall inform the relevant persons and credit intermediaries in a clear and comprehensible manner about the remuneration policies and practices applicable to them, before they are entrusted with the offering of products. The remuneration policies and practices shall be made easily accessible to the relevant persons and credit intermediaries.	

[91] This sub-paragraph implements the European Banking Authority's Guidelines on remuneration policies and practices related to the sale and provision of retail banking products and services of 13 December 2016.
[92] In particular, variable remuneration cannot be based solely on the achievement of quantitative objectives linked to the sale of products but must also take into account other criteria (e.g. customer loyalty and level of customer satisfaction).
[93] For relevant persons, separate details shall be given of the number of persons who offer products to customers by interacting with those customers and the number of their hierarchical superiors.

Bank of Italy Provisions on “Transparency of the banking and financial transactions and services – correctness of the relations between intermediaries and customers” – Section XI – paragraph 2-quater.1 “Remuneration policies and practices for relevant persons and credit intermediaries”[94]	Page of Report
The remuneration policies and practices shall be adopted by the body responsible for strategic supervision – or, if the selection of the latter is not required by the applicable regulations, by the administration body – which is also responsible for their proper implementation and any amendments to them. For the purpose of adopting the remuneration policies, the body shall avail itself of the remuneration committee (where established), the human resources function and the company control functions[95]. Intermediaries shall subject the remuneration policies and practices of relevant persons and credit intermediaries to review at least annually, also for the purpose of ensuring the regular assessment of the adequacy of the measures adopted with respect to the risks referred to in point b) of this sub-paragraph; the compliance function or, in its absence, the internal audit function shall be involved for such purposes. Where, as a result of this review, gaps or inadequacies in remuneration policies and practices are identified, these shall be promptly modified.	Section I – par. 1

[94] This sub-paragraph implements the European Banking Authority’s Guidelines on remuneration policies and practices related to the sale and provision of retail banking products and services of 13 December 2016.
[95] The compliance function shall, among other things, certify the compliance of the remuneration policies with the provisions of this paragraph.

GALLERIE D'ITALIA.
FOUR MUSEUMS, A NATIONWIDE CULTURAL NETWORK.

Gallerie d'Italia enables Intesa Sanpaolo to share its artistic and architectural heritage with the general public: the art collections of the Bank, ranging from archaeological artefacts to contemporary works of art, are housed in historic buildings located in four cities, in a unique network of museums.

Gallerie d'Italia - Piazza Scala in Milan hosts, in a highly prestigious architectural setting, a selection of two hundred masterpieces of the nineteenth century in Lombardy, that are part of art collections of Fondazione Cariplo and Intesa Sanpaolo, and an exhibition dedicated to twentieth century Italian art.

Gallerie d'Italia - Palazzo Leoni Montanari, Vicenza is home to art of the region Veneto from the 1700s as well as pottery from Attica and Magna Graecia. It also holds one of the most important collections of Russian icons in the West.

Gallerie d'Italia - Palazzo Zevallos Stigliano, Naples hosts the Martyrdom of Saint Ursula, the last known painting by Caravaggio, alongside more than 120 examples of Neapolitan art dating from the early 17th to the early 20th century. New premises within the majestic building which was formerly the Bank of Naples in Via Toledo mean that the museum space is tripled in size, increasing exhibition opportunities.

There is also the newly-open fourth location of **Gallerie d'Italia in Piazza San Carlo in Turin**, a site which is mainly dedicated to photography and the digital world.

Cover photo:

Gaspar van Wittel (also known as Gaspare Vanvitelli, or Gaspare degli Occhiali)
(Amersfoort, 1652 - Rome, 1736)
A View of the Piazza Navona in Rome, 1688-1721
oil on canvas, 62.5 x 125.5 cm
Intesa Sanpaolo Collection
Gallerie d'Italia -
Palazzo Zevallos Stigliano, Naples

A *View of the Piazza Navona in Rome* is a work by Gaspar van Wittel. A Dutch painter who relocated to Italy, he is considered the forerunner of modern vedutism, as a result of the almost topographic precision of the scene.

The painting belongs to a series of nine landscapes that van Wittel dedicated to Piazza Navona between 1688 and 1721, the largest square in Rome after St. Peter's Square, and undoubtedly the most picturesque thanks to its market and countless related activities. The piazza, a "grand example of theatrical Baroque" was blessed in the mid-seventeenth century with an architectural renovation that gave it a reputation as one of the most beautiful squares in Rome, famous for the magnificence of its buildings and fountains. The view is from the first floor of Palazzo Lancelotti; on the left, the light highlights a series of buildings including the Church of Sant'Agnese in Agone which was rebuilt under the guidance of Francesco Borromini. On the right, in the shadows and strongly shortened, it is possible to see the sixteenth century façade of San Giacomo degli Spagnoli; the roof terrace of Palazzo Altemps stands out against the background, while in the centre there is the *Fontana dei Fiumi* by Gian Lorenzo Bernini and the sixteenth-century fountains known as *del Moro* and *dei Calderari*.
The painting excels for its splendid colours and the clarity of its lines and volumes. The sky is intensely bright with a hue of light blue that is characteristic of the Dutch artist's best works.

The work is part of the art collections on permanent display in Gallerie d'Italia of Intesa Sanpaolo in Naples. The collection traces the most important moments of art in Naples and Campania from the early seventeenth century up to the first decades of the twentieth century, from Caravaggio and the naturalist turning point which took place with the artist's arrival in the city in 1606, right up to the works by Vincenzo Gemito, through the pomp and splendour of the Spanish viceroyalty and the Bourbon era.