

# Report of the Management Board Ordinary Part - Item 2 on the agenda

Remuneration, Investment Plan and own shares:

**b) Proposal for approval of the disclosure document drawn up in accordance with Article 84-bis of CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended and integrated, concerning the Investment Plan based on financial instruments of Intesa Sanpaolo S.p.A.**

Dear Shareholders,

You have been called to this Shareholders' Meeting to discuss and resolve upon the approval of an investment plan based upon financial instruments named *Leveraged Employee Co-Investment Plan*, (the “**Investment Plan**”), which is addressed to employees and to the individuals considered “*risk-takers*” within the Intesa Sanpaolo Group.

In particular, the purposes and the guidelines of implementation of the Investment Programme are described in the disclosure document attached herein and made available for shareholders on the web site of the Bank.

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Dear Shareholders, you are invited to approve the following proposal of resolution:

***Proposal of resolution***

*The ordinary shareholders' meeting of Intesa Sanpaolo S.p.A., having acknowledged the report prepared by the Management Board and filed in accordance with the law,*

***resolved***

- a. to approve the Investment Programme set out in the disclosure document prepared in accordance with article 84-bis of the Regulation that CONSOB adopted by its Resolution No. 11971 of 14 May 1999, as amended;*
- b. to authorise the Chairman of the Management Board, the Managing Director and CEO, jointly and severally and with or without the use of special attorneys, to comply with all may be required by the relevant authorities; and*
- c. to invest in the Chairman of the Management Board, the Managing Director and CEO, all such powers and faculties, for exercise jointly and severally and with or without the use of special attorneys, for the complete execution in every particular of this resolution.*

7 April 2014

On behalf of the Management Board  
Gian Maria Gros-Pietro  
Chairman

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**DISCLOSURE DOCUMENT**

Pursuant to article 84-*bis* of the Regulation that CONSOB adopted by its Resolution No. 11971 of 14 May 1999,  
as amended

in relation to

**INVESTMENT PLAN  
BASED UPON FINANCIAL INSTRUMENTS**

**FOR**

**INTESA SANPAOLO S.p.A.**

April 2014

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## Introduction

This disclosure document (the “**Disclosure Document**”) is published pursuant to article 114-*bis* of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Consolidated Law of Financial Intermediation**”), and article 84-*bis* of the Regulation that CONSOB adopted by its Resolution No. 11971 of 14 May 1999, as amended (the “**Issuers’ Regulations**”), in order to provide the Bank’s shareholders, and the market, with proper disclosure regarding the investment plan to be proposed to Employees based upon financial instruments in the form of certificates, under the Leveraged Employee Co-Investment Plan (the “**LECOIP**”, or the “**Investment Plan**”).

This Disclosure Document has been made available to the public at the registered office of Intesa Sanpaolo at Piazza San Carlo 156, Turin, and on its website at *group.intesasanpaolo.com*. It has also been sent to Borsa Italiana, and to CONSOB.

Publication of the Disclosure Document has been the subject of an announcement to the market.

The ordinary shareholders’ meeting to resolve upon the approval of the Investment Plan has been called for 8 May 2014 (on single call).

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## Definitions

<b>2014-17 Business Plan</b>	The Business Plan of Intesa Sanpaolo for the four years from 2014 to 2017, approved by both the Management Board and by the Supervisory Board on 27 March 2014.
<b>Bank of Italy</b>	The national central bank of Italy, a member of the European System of Central Banks, with offices at Via Nazionale 91, Rome.
<b>Borsa Italiana</b>	Borsa Italiana S.p.A., a company with registered office at Piazza degli Affari 6, Milan, and a member of the group headed by London Stock Exchange Group plc.
<b>Certificates</b>	The LECOIP Certificates and the Risk-Taker LECOIP Certificates.
<b>Civil Code</b>	The Civil Code, approved by Royal Decree No. 262 of 16 March 1942.
<b>CONSOB</b>	The National Commission for Companies and the Stock Exchange, with offices at Via GB Martini 3, Rome.
<b>Consolidated Law of Financial Intermediation Counterparty</b>	Legislative Decree No. 58 of 24 February 1998, as amended.  Leading bank selected by Intesa Sanpaolo.
<b>Disclosure Document</b>	This disclosure document, prepared pursuant to article 84- <i>bis</i> of the Issuers' Regulations, and in accordance with the indications set forth in Form 7 of Annex 3A to the Issuers' Regulations.
<b>Discounted Shares</b>	The newly-issued ISP Ordinary Shares, which, under the Investment Plan Employees may subscribe in a share capital increase addressed to Employees, pursuant to article 2441, eighth paragraph, of the Civil Code, with an issue price that incorporates a discount relative to the market price of ISP Ordinary Shares, calculated as the average of the prices observed in the 30 days prior to the issue date.
<b>Employees</b>	The persons who, as at the date on which they accept the terms of the Investment Plan, have a permanent employment relationship with Intesa Sanpaolo or another company of the Intesa Sanpaolo group.
<b>Extraordinary Shareholders' Meeting</b>	The extraordinary shareholders' meeting of Intesa Sanpaolo called for 8 May 2014 (on single call), to resolve upon the delegation of powers to the Management Board, pursuant to article 2443 of the Civil Code: <i>(i)</i> for a share capital increase pursuant to article 2349, first paragraph, of the Civil Code, for the allocation to Employees of Matching Shares, in accordance with the terms of the Investment Plan (as item 2 of the agenda for that meeting); and <i>(ii)</i> for a share capital increase made against payment and in the absence of a rights offering, to Employees pursuant to article 2441, eighth paragraph, of the Civil Code, through the issue of shares at a discount against the market price of ISP Ordinary Shares (such shares being the Discounted Shares), in accordance with the terms of the Investment Plan (as item 2 of the agenda for that meeting).

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<b>Fiduciary</b>	Società Italiana di Revisione e Fiduciaria S.I.R.E.F. S.p.A., a company with registered office at Via dell'Unione 1, 20122 Milan, registered on the Register of Companies of Milan, VAT No. and Taxpayer Reference No. 01840910150, which will act for and on behalf of the Employees in dealings with the Counterparty, under mandates it receives from each Employee.
<b>Forward Sale Agreement</b>	The forward sale of ISP Ordinary Shares that each Employee will enter into with the Counterparty, under which (i) the Counterparty immediately performs its obligation to pay the Employee the agreed price for the sale (which is thus paid in advance of the expiry of the Forward Sale Agreement); and (ii) the Employee agrees to deliver a certain number of ISP Ordinary Shares at the agreement's expiry.
<b>Free Shares</b>	The ISP Ordinary Shares allocated without charge to the Employees, following their purchase by Intesa Sanpaolo pursuant to article 2357 of the Civil Code.
<b>Intesa Sanpaolo group or the Group</b>	The Intesa Sanpaolo banking group.
<b>Intesa Sanpaolo, ISP or the Bank</b>	Intesa Sanpaolo S.p.A., a company with registered office at Piazza San Carlo 156, Turin, registered with the Register of Companies of Turin, VAT No. and Taxpayer Reference No. 0799960158 , and the parent company of the Intesa Sanpaolo banking group.
<b>Investment Plan</b>	The proposed Leveraged Employee Co-Investment Plan, the terms and conditions of which are set forth in this Disclosure Document.
<b>ISP Ordinary Shares</b>	The ordinary shares of Intesa Sanpaolo, traded on the MTA, the electronic share market organised and operated by Borsa Italiana.
<b>Issuers' Regulations</b>	The Regulations that CONSOB adopted by its Resolution No. 11971 of 14 May 1999, as amended.
<b>LECOIP</b>	Acronym for <i>Leveraged Employee Co-Investment Plan</i> (the " <b>Investment Plan</b> "), the terms and conditions of which are described in this Disclosure Document.
<b>LECOIP Certificates</b>	The <i>investment certificates</i> issued by the Counterparty, reflecting the terms of some options that have as their underlying the ISP Ordinary Shares to be subscribed by the Employees under the Investment Plan.
<b>Management Board</b>	The Management Board of Intesa Sanpaolo, with such members as it has from time to time.
<b>Matching Shares</b>	The newly-issued ISP Ordinary Shares, allocated to the Employee under the Investment Plan, in the free share capital increase to be made pursuant to article 2349, first paragraph, of the Civil Code.
<b>Ordinary Shareholders' Meeting</b>	The ordinary shareholders' meeting of Intesa Sanpaolo called for 8 May 2014 (on single call), to resolve upon the purchase of own shares pursuant to article 2357 of the Civil Code and upon the investment plan based upon financial instruments (as item 2(b) of the agenda for that meeting).
<b>Remuneration Committee</b>	The committee that consults upon and proposes matters of remuneration, pursuant to the Corporate Governance Code for Listed Companies, prepared by Borsa Italiana S.p.A.

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**Risk-Taker LECOIP Certificates**

The *investment certificates* issued by the Counterparty, reflecting the terms of some options that have as their underlying the ISP Ordinary Shares to be subscribed by the Risk-Takers under the Investment Plan.

**Risk-Takers**

The Bank's key personnel, as identified applying criteria contained in domestic and European law and regulations in force and applicable as at the date of the resolution by the Management Board in execution of the Investment Plan.

**Supervisory Board**

The Supervisory Board of Intesa Sanpaolo, with such members as it has from time to time.

**Underlying Shares**

The Discounted Shares, the Free Shares, and the Matching Shares, as the financial assets underlying the Forward Sale Agreement.

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## 1. Persons to whom the offer is addressed

The Investment Plan is addressed to all employees of Intesa Sanpaolo S.p.A., and of companies belonging to the Intesa Sanpaolo group, with the exception of those companies operating in countries where for tax, legal, organisational or operating reasons it is not possible to implement the Investment Plan in the terms established and approved by Intesa Sanpaolo S.p.A..

### 1.1. Names of the persons who are members of the management board, or supervisory board, of Intesa Sanpaolo, of companies that control Intesa Sanpaolo, or the companies that Intesa Sanpaolo controls, directly or indirectly

The beneficiaries of the Investment Plan who are members of the Management Board are Mr Carlo Messina, the Managing Director and CEO; Mr. Gaetano Micciché, General Manager and Head of the Corporate & Investment Banking Division; Mr Francesco Micheli, Chief Operating Officer; and Mr Bruno Picca, Chief Risk Officer all being Executive members of the Management Board appointed from among the Group's executive

In addition to the management duties they hold in connection with their respective roles, some beneficiaries of the Investment Plan also hold offices on the boards of companies that are direct or indirect subsidiaries of Intesa Sanpaolo.

Given that such persons are among those to whom the Investment Plan may be addressed, as employees of the Intesa Sanpaolo group, they have not been named here, but their details are set out below.

### 1.2. Categories of employees and other staff of Intesa Sanpaolo, companies that control Intesa Sanpaolo and companies that it controls

In addition to the information set out in section 1.1, the Investment Plan is also reserved to the following categories of employees of the Intesa Sanpaolo group:

- executives of Intesa Sanpaolo with strategic responsibilities;
- other persons categorised as 'Risk-Takers';
- other executives (and comparable categories of employees in the various jurisdictions in which the Intesa Sanpaolo group operates), belonging to Intesa Sanpaolo or companies of the Intesa Sanpaolo group;
- managerial employees (and comparable categories of employees in the various jurisdictions in which the Intesa Sanpaolo group operates), belonging to Intesa Sanpaolo or companies of the Intesa Sanpaolo group; and
- clerical employees (and comparable categories of employees in the various jurisdictions in which the Intesa Sanpaolo group operates), belonging to Intesa Sanpaolo or companies of the Intesa Sanpaolo group.

The Investment Plan includes provision for different characteristics for Risk-Takers, including executives of Intesa Sanpaolo with strategic responsibilities, as more particularly described in section 4.1.

A detailed description of the persons to whom the Investment Plan is addressed is set forth in the Table annexed hereto.

### 1.3. Names of the persons benefitting from the Investment Plan

#### (a) *General Managers of Intesa Sanpaolo*

As indicated in section 1.1, Mr Carlo Messina, Managing Director and CEO of Intesa Sanpaolo, also holds the position of General Manager.

Mr Gaetano Micciché, Executive Director appointed from among the Group's executives, is also a beneficiary of the Investment Plan. Mr Gaetano Micciché holds the position of General Manager and Head of the Corporate & Investment Banking Division.

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(b) *Other executives with strategic responsibilities, with total remuneration higher than those indicated above*

Not applicable.

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

There are no natural persons, or other persons, that control Intesa Sanpaolo, and this provision thus does not apply.

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

(a) *executive employees with strategic responsibilities over than those named in 1.3(b)*

Among the beneficiaries of the Programme, the persons who hold the power to take operational decisions that may affect the Group's development and future prospects are the Managing Director and CEO; the three Executive Directors appointed from among the Group's executives; and a further ten executives of Intesa Sanpaolo.

(b) *in the case of smaller companies, all executives with strategic responsibilities*

Not applicable.

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

The Investment Plan provides for particular treatment for the Risk-Takers, who include executives of Intesa Sanpaolo with strategic responsibilities (as described in section 1.2). Where they participate in the Investment Plan, they will receive Risk Taker LECOIP Certificates (further details of which are provided in section 4.1).

This mechanism for assigning particular treatment relative to that provided to the employees generally has been introduced because of the particular influence that the Risk-Takers, including the executives with strategic responsibilities, may have upon the Group's risk profiles.



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## **2. Grounds for adopting the Investment Plan**

### **2.1. The objectives to be achieved through the Investment Plan**

At the time that it launches the 2014-17 Business Plan, the Bank wishes to propose the Investment Plan to the Employees generally, as a means of introducing original ways to motivate its personnel and encourage their loyalty. Getting personnel involved and delivering the best results they can, at every level of the organisation, are key factors in enabling achievement of the results sought under the 2014-17 Business Plan.

#### **2.1.1. Additional information**

The Bank's Supervisory Board has, at the proposal of the Management Board and in light also of the favourable opinion of the Remuneration Committee, decided to make available to employees generally a means of encouraging participation in the equity, in order to achieve the following primary objectives:

- bolstering employees' sense of ownership;
- alignment along a medium- to long-term time horizon that coincides with that of the 2014-17 Business Plan;
- explicitly sharing in the challenges that the 2014-17 Business Plan represents; participation in the Investment Plan on the basis of an individual, voluntary and informed investment decision;
- safeguarding and encouragement of employees in their savings, by offering an efficient means of investment;
- inclusivity and cohesion, through the Investment Plan being addressed to employees generally; and
- fairness, through the Investment Plan being offered under a structure that is analogous throughout the entire workforce.

The Investment Plan unfolds over a period of at least three years, its completion coinciding with the maturity of the LECOIP Certificates (discussed in detail in section 2.3, below), and aligned with that of the 2014-17 Business Plan.

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

The allocation of the Free Shares, the holding of which by the Employees is the precondition to their participation in the Investment Plan, is made without charge and is not subject to the achievement of any performance objectives, or linked to other key variables.

Participation in the Investment Plan occurs on the basis of the Employee's freely-made decision to participate.

#### **2.2.1. Additional information**

The Risk Taker LECOIP Certificates will provide for certain trigger events under which both the protection and the portion of any appreciation of the underlying ISP Ordinary Shares may be reduced. For further details, please see section 4.1, below.

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

The maximum amount of the Free Shares that may be assigned to each Employee is different for different groups. In any event, it constitutes an amount that is significantly lower than their fixed remuneration, and will not in any event exceed a gross amount of euro 80,000.

The LECOIP Certificates offer investment protection that represents a proportion of the Underlying Shares, as more particularly described in section 4. It varies on the basis of the different group's contributions but may not exceed one times fixed remuneration.

#### **2.3.1. Additional information**

Please see section 2.3, above.

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

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In order, on the one hand, to achieve safeguards for the Employees against any losses in market value of the ISP Ordinary Shares they are allocated, and on the other, to allow the Employee to benefit from the potential appreciation of a greater number of ISP Ordinary Shares than they are allocated, the Investment Plan provides for a third party, the Counterparty, to issue the Certificates that the Employees who participate in the Investment Plan will subscribe. The Certificates reflect the terms of certain options that have ISP Ordinary Shares as their underlying.

The LECOIP Certificates and the Risk-Taker LECOIP Certificates will be issued on the basis of prospectuses to be prepared by the Counterparty pursuant to Directive 2003/71/EC, and in accordance with the templates set forth in Commission Regulation (EC) No 809/2004, as amended. Such documents will also be subject to clearance by the appropriate regulatory authority.

For further details of the Certificates, please see section 4.1 of this Disclosure Document, below.

#### 2.5. Assessments regarding significant implications of a tax or accounting nature that affected the preparation of the Investment Plan

Preparation of the Investment Plan has not been influenced by any significant considerations of a tax or accounting nature. More particularly, account will be taken of the tax treatment of earnings from employment in force from time to time in the countries in which the beneficiaries are resident.

The costs related to the allocation of the purchases operations of own shares, those related to the free share capital increase pursuant to article 2349, first paragraph, of the Civil Code, and that to be made against payment pursuant to article 2441, eighth paragraph, of the Civil Code, in connection with the Investment Plan, are calculated with reference to the date of allocation and recognised in the income statement, under *Personnel expenses*.

Applying IFRS 2 (*Share-based payment*), the Bank will recognise the purchase of the own shares servicing the share plan in the financial year in which they are allocated to the Employees, for that proportion not subject to any vesting period and immediately at the disposal of the Employees, through recognition in the income statement of the full cost of the purchases of the ISP Ordinary Shares in the market.

Applying IAS/IFRS 39 (*Financial Instruments: Recognition and Measurement*), the Bank will recognise the issue of the free shares (i.e., the Matching Shares) and of the Discounted Shares with the charging to the income statement of a cost equivalent to the fair value of the benefit passed to the Employee. Since these shares are subject to a lock-up period of at least three years, they must be charged to the income statement on a straight-line basis over the term of that lock-up.

There is thus a substantial saving, over traditional forms of remuneration, derived principally from:

- the IAS/IFRS model used for recognising the shares allocated to employees in the income statement;
- the division of the costs across the period of the plan; and
- savings linked to the non-payment of social security contributions, that characterize the share allocation.

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

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

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

#### **3.1. Scope of the powers and duties delegated by the shareholders' meeting to the Management Board for implementation of the Investment Plan**

The Investment Plan to which this Disclosure Document relates is subject to approval by the Ordinary Shareholders' Meeting scheduled for 8 May 2014 (on single call).

The ordinary shareholders' meeting of the Bank will also be called on to resolve, on a preliminary basis, upon the purchase of the own shares, pursuant to article 2357, second paragraph, of the Civil Code, that will be applied in service of the allocation of the Free Shares.

The Extraordinary Shareholders' Meeting of Intesa Sanpaolo called for 8 May 2014 (on single call), will also be called on to resolve upon the delegation to the Management Board, pursuant to article 2443: (i) for a share capital increase pursuant to article 2349, first paragraph, of the Civil Code, for the allocation to Employees of Matching Shares, in accordance with the terms of the Investment Plan (as item 2 of the agenda for that meeting); and (ii) a delegation of powers to the Management Board, for a share capital increase made against payment and in the absence of a rights offering, to Employees pursuant to article 2441, eighth paragraph, of the Civil Code, through the issue of shares at a discount against the market price of ISP Ordinary Shares (such shares being the Discounted Shares), in accordance with the terms of the Investment Plan (as item 2 of the agenda for that meeting).

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

The Human Resources Central department is responsible for administering the Investment Plan, with the assistance, where necessary, of other departments on matters within their particular purview.

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

No procedures are contemplated for the revision of the Investment Plan.

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

In particular, with reference to the availability for disposal of the financial instruments, the Free Shares will be purchased by Intesa Sanpaolo in the market, pursuant to article 2357-ter of the Civil Code. To that end, the Ordinary Shareholders' Meeting of the Bank will also be called on to resolve, on a preliminary basis, upon the purchase of own shares pursuant to article 2357, second paragraph, of the Civil Code.

The Matching Shares will be issued pursuant to a resolution allocating profit to employees through a share issue, pursuant to article 2349, first paragraph, of the Civil Code.

Finally, the Discounted Shares will be issued pursuant to a resolution for a share capital increase to be made in the absence of a rights offering and offered for subscription by the Employees, pursuant to article 2441, eighth paragraph, of the Civil Code.

With reference to the allocation of the financial instruments on which the Investment Plan is based, the process by which their allocation is determined is set out, in general terms, in section 4.1 of this Disclosure Document, below.

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

The Management Board is, with the authorisation of the Supervisory Board (the latter being supported by favourable opinion of the Remuneration Committee), proposing to the shareholders' meeting of Intesa Sanpaolo that they pass the resolution in relation to the Investment Plan.

The persons to whom the Investment Plan is addressed include some members of the Management Board. Internal procedures require that the Supervisory Board give final approval to the proposal of the plan, with respect to remuneration policies, and also oversee its implementation.

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

The Investment Plan was approved by the Supervisory Board, at the Management Board's proposal, on 7 April 2014, and, submitted to a vote from the shareholders' meeting of Intesa Sanpaolo of 8 May 2014, for those matters within the shareholders' meeting's purview.

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

Not applicable.

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

The price of the ordinary shares of Intesa Sanpaolo on 7 April 2014 ranged between a minimum of euro 2.54 and a maximum of euro 2.588.

3.9. Terms upon which the timetable for allocating the financial instruments in implementation of the Investment Plan is determined, taking into consideration any correspondence in time between: (i) the allocation and decisions related thereto by the remuneration committee; and (ii) the release of any material information, pursuant to article 114, first paragraph, of the Consolidated Law of Financial Intermediation

The Investment Plan's implementation will at all times be fully compliant with the Bank's disclosure obligations under applicable law and regulations so as to ensure transparency and parity of information in the market, and in accordance with the procedures that the Bank has adopted.

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## 4. Characteristics of the financial instruments to be allocated

### 4.1. Description of the Investment Plan's structure

Following allocation of the Free Shares, each Employees will have several weeks (the precise period is a matter for subsequent determination) in which to decide whether: (i) to dispose freely of the shares allocated to them, which will carry the usual rights associated with holding ISP Ordinary Shares; or (ii) to participate in the Investment Plan, subscribing certain financial instruments (the LECOIP Certificates, and, for the Risk-Takers, the Risk-Taker LECOIP Certificates) to be issued by the Counterparty following allocation of the Matching Shares and the subscription of the newly-issued Discounted Shares. The Certificates issued by the Counterparty will reflect the terms of certain options that have ISP Ordinary Shares as their underlying, and allow the Employees to receive, at maturity:

- (i) an amount in shares (or cash) equal to the original market value of the Free Shares and the Matching Shares; and
- (ii) a portion of any appreciation in the Underlying Shares relative to their original market value.

At the time the Certificates are subscribed, the employees will enter into an agreement on the forward sale of ISP Ordinary Shares (comprising the Free Shares, the Matching Shares, and the Discounted Shares), under which: (i) the Counterparty pays the Employee, upon execution of the forward sale agreement, the price of the Shares; and (ii) the Employee delivers the Shares only at the end of the Investment Plan (the Forward Sale Agreement).

The funds received by the Employee under the Forward Sale Agreement will be applied in part to the subscription of the Discounted Shares and in part for purchase of the Certificates.

The Forward Sale Agreement expires at the Certificates' maturity (a period of at least three years). For administrative convenience, each Employee's participation in the Investment Plan shall be through the Fiduciary, who shall act on behalf of each Employee in dealings with the Counterparty, on the basis of a mandate.

Risk-Takers on the other hand subscribe Risk-Taker LECOIP Certificates, which will in principle have the same structure as the LECOIP Certificates, with an additional provision under which both the protection, and the portion of any appreciation of the underlying shares, are reduced as a function of the occurrence or otherwise of any of the trigger events that are identified in detail in the final terms of the Risk-Taker LECOIP Certificates.

Those trigger events will include whether or not there is a distribution of value to shareholders (such as distributions of dividends, or reserves, or share buy-backs), in the course of one or more financial years of the Investment Plan.

The occurrence of such trigger events (*e.g.*, the failure to distribute value to shareholders) may depend both upon a lack of profitability, and, as the Bank of Italy's Circular No. 285, Title II, Chapter 1, Section V (*Capital conservation measures*) expressly states, upon weakening in the capital adequacy position that results in a need for prudent risk management.

Should a trigger event occur, the entitlements that the Risk-Takers would have received under the Risk-Takers LECOIP Certificates will be passed to Intesa Sanpaolo, as set out in the terms and conditions of those Certificates.

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

The period of the Investment Plan's implementation will be finalised following its approval by the shareholders' meeting.

### 4.3. Term to expiry of the Investment Plan

The time horizon of the Investment Plan is a period of at least three years.

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

The maximum number of own shares to be purchased by Intesa Sanpaolo to satisfy the overall needs of the Investment Plan, and in particular for the allocation of the Free Shares, has been estimated, based on current

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information (including the share price as at 7 April 2014), as 54,097,875, which is approximately 0.3 per cent. of total share capital.

Assuming the Investment Plan is fully taken up by the Employees, Intesa Sanpaolo would proceed to issue (a) up to 102,117,478 Matching Shares, which is approximately 0.6 per cent. of the total share capital, under a free share capital increase made pursuant to article 2349, first paragraph, of the Civil Code; and (b) up to 409,757,020 Discounted Shares, which is approximately 2.5 per cent. of total share capital, under a share capital increase made in the absence of a rights offering and offered to the Employees, pursuant to article 2441, eighth paragraph, of the Civil Code.

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

As section 4.1, above, of this Disclosure Document mentioned, the Investment Plan provides that each Employee be assigned the Free Shares following their purchase by the Bank in the market, and provided that the Bank has been authorised by the Ordinary Shareholders' Meeting to do so, pursuant to article 2357 and 2357-ter of the Civil Code.

The allocation of the Free Shares, which is an essential condition to each Employee's participation in the Investment Plan, is not subject to the achievement of certain results, including in terms of performance.

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

Employees participating in the Investment Plan are not permitted to transfer the Certificates at any date prior to maturity. The ISP Ordinary Shares underlying the Certificates are deposited with a custodian bank acting on behalf of the Fiduciary, and a pledge is granted thereover in favour of the Counterparty, under which the Counterparty also has rights to make use of some of those shares. In relation to those shares, Employees will not be permitted to exercise their votes and, accordingly, will give the Fiduciary irrevocable instructions.

The Free Shares allocated to Employees who elect not to participate in the Investment Plan are not subject to any restrictions regarding their disposal.

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

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

4.8. Description of the effects of termination of employment

Participation in the Investment Plan remains subject to there being an employment relationship with Intesa Sanpaolo or one of the companies of the Intesa Sanpaolo group, at the time of participating the Investment Plan.

Certificates will cease to confer any rights, including the right to protection related to the Free Shares and the Matching Shares, in the event of the Employee's resignation, dismissal for gross negligence or breach of contract, agreed termination of the employment relationship and in similar situations. The amounts or shares that have accrued may however be recognised at the end of the Investment Plan, if appropriate in proportion with the Employee's actual period of service, where the Employee has achieved pension eligibility other directly or via their accessing the Solidarity Fund, or by their participating in the Emergency Fund. In all such cases, the entitlements that the Employees would have received under the LECOIP Certificates will be passed to Intesa Sanpaolo, as set out in the terms and conditions of those Certificates.

4.9. Any grounds for cancelling the plans

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Not applicable to the Investment Plan described in this Disclosure Document.

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

Not applicable to the Investment Plan described in this Disclosure Document.

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

Not applicable to the Investment Plan described in this Disclosure Document.

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

In light of the criteria and parameters applied in, and characteristics of, the Investment Plan, and more generally the information available as at the date of this Disclosure Document, the maximum aggregate charge, inclusive of indirect charges borne by employers, for the beneficiaries of the Investment Plan, may be estimated as euro 333 million.

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

The dilutive effect upon the whole of ISP’s share capital would be approximately 3 per cent.

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

Each Employee’s participation in the Investment Plan will be through the Fiduciary, who will act on its own behalf and also on behalf of each Employee in dealings with the Counterparty, on the basis of irrevocable mandates granted by Employees.

As mentioned in section 4.6 of this Disclosure Document, over the term to expiry of the Forward Sale Agreement:

- (i) a proportion of the Underlying Shares will remain pledged to the Counterparty pursuant to a pledge agreement under which the Counterparty also has the right to make use of such shares (such that the term to expiry of the Forward Sale Agreement, and to the maturity of the Certificates, correspond to a lock-up of the Underlying Shares);
- (ii) the remaining proportion of the Underlying Shares remain pledged to the Counterparty pursuant to a pledge agreement under which the Counterparty does not have the right to make use of such shares; and
- (iii) the Employee will not receive dividends or other income in relation to the Underlying Shares, or be able to vote in the shareholders’ meeting.

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

Not applicable to the Investment Plan described in this Disclosure Document.

4.16. Number of financial instruments underlying each option

Not applicable to the Investment Plan described in this Disclosure Document.

4.17. Maturity of the options

Not applicable to the Investment Plan described in this Disclosure Document.

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

Not applicable to the Investment Plan described in this Disclosure Document.

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

Not applicable to the Investment Plan described in this Disclosure Document.

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

Not applicable to the Investment Plan described in this Disclosure Document.

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

Not applicable to the Investment Plan described in this Disclosure Document.

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

Not applicable to the Investment Plan described in this Disclosure Document.

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

Please see section 3.3, above, of this Disclosure Document.



#### 4.24. Tables related to the Investment Plan

**PIANI DI COMPENSI BASATI SU STRUMENTI FINANZIARI**  
**Tabella n. 1 dello schema 7 dell'Allegato 3A del Regolamento n. 11971/1999**

Data: 08/04/2014

		QUADRO 1						
		Strumenti finanziari diversi dalle opzioni (es. stock grant)						
Nominativo o categoria	Qualifica (da indicare solo per i soggetti riportati nominativamente)	Sezione 2 Strumenti di nuova assegnazione in base alla decisione del C.d.G. di proposta per l'assemblea						
		Data della relativa delibera a assembleare	Descrizione strumento	Numero strumenti finanziari assegnati per ogni soggetto o categoria da parte del C.d.S. o dell'organo competente	Data della assegnazione da parte del C.d.S. o dell'organo competente	Eventuale prezzo di acquisto degli strumenti	Prezzi di mercato alla data di assegnazione	Periodo di vesting
<b>Piano di Adonariato Diffuso e di Investimento destinato ai Dipendenti 2014</b>								
<b>Vertice esecutivo</b>								
Carlo Messina	Consigliere Delegato e CEO	N.D.	Assegnazione gratuita e sottoscrizione di Azioni ordinarie Intesa Sampaolo	N.D. (*)	N.D.	N.D. (**)	N.D.	(***)
Gaetano Micciché	Consigliere di Gestione Esecutivo scelto tra i Dirigenti del Gruppo - Direttore Generale e Responsabile della Divisione Corporate & Investment Banking	N.D.	Assegnazione gratuita e sottoscrizione di Azioni ordinarie Intesa Sampaolo	N.D. (*)	N.D.	N.D. (**)	N.D.	(***)
Francesco Micheli	Consigliere di Gestione Esecutivo scelto tra i Dirigenti del Gruppo - Chief Operating Officer	N.D.	Assegnazione gratuita e sottoscrizione di Azioni ordinarie Intesa Sampaolo	N.D. (*)	N.D.	N.D. (**)	N.D.	(***)
Bruno Pica	Consigliere di Gestione Esecutivo scelto tra i Dirigenti del Gruppo - Chief Risk Officer	N.D.	Assegnazione gratuita e sottoscrizione di Azioni ordinarie Intesa Sampaolo	N.D. (*)	N.D.	N.D. (**)	N.D.	(***)
<b>Altri Dirigenti con Responsabilità Strategica</b>								
<b>Altri Risk Takers</b>								
<b>Altri Dipendenti di Intesa Sampaolo S.p.A. e di altre Società appartenenti al Gruppo Intesa Sampaolo</b>								
<b>Note</b>								
(*) N. massime 156.215.353 di Azioni ordinarie assegnabili gratuitamente, cui si potranno aggiungere n. massime 409.757.020 di Azioni sottoscritte.								
(**) Il prezzo di sottoscrizione delle Azioni a pagamento verrà determinato a cura del Consiglio di Gestione, a sconto rispetto al valore di mercato delle Azioni ordinarie BSP calcolato come la media dei prezzi osservati nei 30 giorni precedenti alla data di emissione. (e comunque non al di sotto del valore nominale).								
(***) Successivamente all'assegnazione, per coloro che decidono di non partecipare al Piano di Investimento LECOIP le azioni saranno immediatamente disponibili. Al contrario, per coloro che decidono di aderire al Piano di Investimento LECOIP, le Azioni gratuite e quelle sottoscritte saranno sottoposte ad un periodo di indisponibilità di almeno 3 anni.								