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

Remuneration:

f) Approval of the 2022-2025 Performance Share Plan Long-term Incentive Plan reserved for the Management of the Intesa Sanpaolo Group

Distinguished Shareholders,

you have been invited to attend this Ordinary Meeting to discuss and resolve on the approval of the 2022-2025 PSP (Performance Share Plan) Long-term Incentive Plan (the "**PSP**" or the "**Plan**") for all the Management, including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers (jointly, the "**Managers**").

The PSP 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;
- rewarding the Managers on the basis of the value creation for shareholders;
- enhancing a sustainable performance over time (ESG).

Key Features of the PSP		
Topic	**Features of PSP**	**Details**
Beneficiaries	All the Management, including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers[1] – both Italian and foreign perimeter. (~3,000 staff members).	Paragraph 1
Financial Instrument	Performance Shares ("**PSP Shares**") – shares subject to performance conditions.	Paragraph 2
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	Paragraph 3

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

Key Features of the PSP		
	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 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.	Paragraph 4
Initial Grant	• Differentiated according to the job title based on the Global Banding model adopted by the Intesa Sanpaolo Group • 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 base salary on an annual basis) for the Managers of the Control Functions	Paragraph 5
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 must be achieved: • at the launch (2022) and at the end of the Plan, assessment of the result of the ICAAP; • in 2025, assessment of the recommendations (if any) on (dividends) distributions by competent authorities and European Supervisory Authorities, to which a possible reduction of the bonus (down to zero) may follow.	Paragraph 6

<table>
<tr><th colspan="3">Key Features of the PSP</th></tr>
<tr>
<td>Performance Conditions</td>
<td>
<table>
<tr><th>KPI</th><th></th><th>% of shares accruable at target level</th></tr>
<tr><td colspan="3">Managers in Business and Governance Functions</td></tr>
<tr><td>OI/RWA
Cost/Income
NPL ratio</td><td>The target levels are equivalent to those set in the Business Plan for 2025</td><td>30%
25%
15%</td></tr>
<tr><td colspan="3">Managers in Control Functions</td></tr>
<tr><td colspan="2">Qualitative evaluation of the strength and the overall effectiveness of the internal control system throughout the duration of the 2022-2025 Plan</td><td>70%</td></tr>
<tr><td colspan="3">All Managers</td></tr>
<tr><td>Relative TSR</td><td>The performance will be measured against the results achieved by the ISP Peer Group of the Business Plan</td><td>30%</td></tr>
</table>
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).
</td>
<td>Paragraph 7</td>
</tr>
<tr>
<td>Performance Accrual Period</td>
<td>In line with the 2022-2025 Business Plan time horizon.</td>
<td>Paragraph 3</td>
</tr>
<tr>
<td>De-multipliers based on sustainability targets</td>
<td>
1. <u>Composite ESG KPI</u>

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 2022-2025 Business Plan

</td>
<td>Paragraph 7.4</td>
</tr>
</table>

<table>
<tr><th colspan="3">Key Features of the PSP</th></tr>
<tr><td></td><td>
<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 in senior roles, new appointments (-1 and -2 organizational levels under the CEO)</td><td>20%</td></tr>
</table>

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
by 20% if the achievement of the ESG KPI is < the threshold level

measured at the end of the Accrual Period

2. <u>Capital Target</u>: (applicable only to Business and Governance Functions)

measures the maintenance, for the Plan’s time horizon, of the CET1 levels above the target defined in the Group RAF in the timeframe 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.

</td><td></td></tr>
<tr><td>Individual access conditions</td><td>Absence of the compliance breaches as set in the 2022 ISP Group Remuneration and Incentive Policies.</td><td>Paragraph 10</td></tr>
<tr><td>Pay-out Schedule</td><td>

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"[2] amount or than the "materiality threshold"[3] as defined in the Group Remuneration and Incentive Policies) and its ratio to the fixed remuneration.
The settlement is fully in Intesa Sanpaolo (ISP) shares[4].

</td><td>Paragraph 8</td></tr>
</table>

[2] As defined in the Remuneration and Incentive Policies in force at the accrual of the bonus. As of today, according to the 2022 Remuneration and incentive Policies, for the three-year period 2022-2024, it equals to 400,000 euro.

[3] As defined in the Remuneration and Incentive Policies in force at the accrual of the bonus.

As of today, according to the 2022 Remuneration and incentive Policies, the materiality threshold is equal to:

- for Risk Takers, in accordance with the applicable legislation, 50,000 euro or one third of the total remuneration (with the exception of the Risk Takers identified in the SGR entities of the Group who are not identified also at Group level for whom is equal to 80,000 euro);
- for Middle Managers 80,000 euro.

[4] Except for the staff of the Group Asset Management Companies (SGR) for whom, 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.

Key Features of the PSP		
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.	Paragraph 9
Clawback	In line with the provisions of the 2022 Group Remuneration and Incentive Policies.	Paragraph 10
Extraordinary Events	• Eligibility to participate in the PSP is lost in case of resignation, termination for cause or justified reason, mutual termination of employment relationship 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 end of the Plan • In case of change of control, depending on the qualification by the Board of Directors of the takeover as: ○ hostile: accelerated pro-rata cash settlement in case of a successful takeover; ○ non-hostile: settlement at the end of the PSP in shares of the new entity.	Paragraph 11
Dilution	~0.51% (assuming a price per ISP share of € 2.20)	
Cost	~ €180 million for the 2022-2025 period	

The PSP was drafted in compliance with the provisions of Article 114-bis of Legislative Decree No. 58 of 24 February 998, and also in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; furthermore, in line with the applicable provisions, the information document, describing the details of the incentive plan, was drafted pursuant to Article 84-bis of the Consob Regulation No. 11971/99. It is herewith attached (Annex 1) and has been made available to the public under the terms of law.

The PSP is in line with the Group Remuneration and Incentive Policies, with the supervisory provisions issued by the Bank of Italy on remuneration policies and practices, the provisions of Directive 2013/36/EU (Capital Requirements Directive o “CRD”), as amended, and the EBA’s (European Banking Authority) guidelines.

The PSP

1. Beneficiaries

The PSP is addressed to all Management, including the Managing Director and CEO, the other Group Top Risk Takers[5] and the remaining Group Risk Takers[6] of both the Italian and the foreign perimeter[7].

It is noteworthy that, whilst the POP Plan (Performance-based Option Plan, i.e. the 2018-2021 Long Term Incentive Plan) was addressed to Top Risk Takers and other Group Risk Takers, the 2022-2025 PSP Plan's number of beneficiaries has been expanded including all the Managers in order to strengthen the commitment and alignment of all the Group personnel at every level with leverage on the Business Plan objectives.

2. Financial Instrument

The PSP is a long-term incentive plan which entails the allocation of a certain amount of performance shares (i.e. shares subject to performance conditions, the "**PSP Shares**") to the Managers, provided that specific performance conditions (see para. 7 below) are met.

PSP Shares are issued and granted by ISP.

PSP Shares are issued by ISP under a free share capital increase pursuant to Article 2349, Paragraph 1, of the Italian Civil Code, dedicated to the Plan, by means of which retained earnings will be converted into capital and new shares are consequently issued.

It is observed that, for the PSP, Intesa Sanpaolo has chosen to grant shares because those are the financial instrument most widely used by the markets and because this decision takes into account the feedback received from the main Investors over the last years.

3. Operating Model of the Plan

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 (see para. 6) and performance objectives are achieved (see para.7). Specifically, the number of PSP Shares that accrues depends on the level of achievement of the performance objectives as well as specific sustainability targets (see para. 7.4).

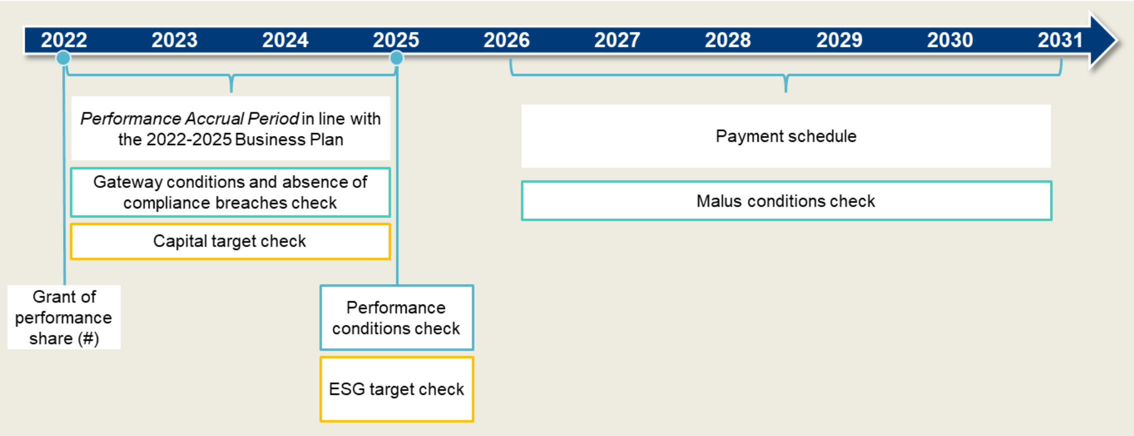
The delivery of the shares is subject to deferral mechanisms and to retention obligations in compliance with the accrual and settlement schedules differentiated according to whether or not the beneficiary belongs to the Risk Taker segment and, in the latter case, according to her/his specific Risk Taker cluster (see para. 8), 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 Policies) and its ratio to the fixed remuneration (see para. 8).

[5] More specifically, the Group Top Risk Takers cluster of employees - which 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 - includes: the Managing Director and CEO; the Heads of the Business Divisions; 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; Deputy to the Head of the IMI Corporate & Investment Banking Division; Heads of the Head Office Departments that report directly to the Managing Director; Head of the Administration and Tax Head Office Department in his capacity as the Manager responsible for preparing the Company's financial reports.

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

[7] With regard to the foreign perimeter, it is highlighted that the Managers abroad are PSP beneficiaries provided that the allocation of ISP shares complies with their company's Remuneration and Incentive Policies.

Chart 1. Operating model of the PSP



4. Methodology for the calculation of value at grant

The calculation of the value of the financial instrument at grant date (i.e. the Fair Value of the Performance Share) will be determined on the basis of valuation models certified in the Group's Fair Value Policy.

More specifically, the Fair Value of the Performance Share will be determined by applying some Fair Value adjustments to the underlying equity share price due to sale and availability constraints.

In particular, Fair Value will be adjusted based on the following considerations:

- Shares will be temporarily unavailable: due to the application of regulatory requirements, shares deriving from the plan will be restricted and not transferable according to the sizes and the time periods described by the plan. The discounts corresponding to the different unavailability periods of the shares are calculated as the value of American put options for the equivalent expiry dates and sizes using market standard option pricing models, such as the Black-Scholes' model and by considering market parameters such as the underlying stock price, expected dividends, implied underlying volatility, interest rate curves, etc;
- Probability of employees being still employed at the end of the Accrual Period. This adjustment is based on historical data on mortality and turnover rate within the vesting periods of the shares at the grant date;
- Probability of reaching all the performance conditions of the Plan.

The number of Performance Share to be granted is determined by the ratio between the value of the Initial Grant (see Para. 5) and the value of the Performance Share as determined above.

5. Initial Grant

The initial grant - i.e. the countervalue of the PSP shares initially assigned - is determined in accordance with the principles of the Group Remuneration and Incentive Policies in terms of internal equity and external competitiveness of remuneration. As said above, the initial grant corresponds to the maximum number of PSP Shares that can be accrued by each beneficiary, valued at the Fair Value of ISP Share.

Specifically, the maximum number of accruable PSP Shares is differentiated according to the professional title, based on the Global Banding job evaluation model adopted by the Intesa Sanpaolo Group[8]. Pursuant to the Global Banding model, all managerial positions are evaluated and distributed on different levels according to the level of complexity and responsibilities managed.

The Managers belonging to higher banding levels are granted a higher amount or, in other words, the right to accrue a bigger number of PSP Shares. In particular, the countervalue of the PSP shares initially assigned (subject to all the conditions set in the PSP) is defined as following:

- The Managing Director and CEO, the Chief and the Executive Directors:
  - of Business and Governance Functions: 100% of fixed remuneration[9];
  - of the Control Functions: 75% of gross annual remuneration;
- Senior *Directors*:
  - of Business and Governance Functions: 75% of fixed remuneration;
  - of the Control Functions: 50% of gross annual remuneration;
- *Heads* of[10]:
  - of Business and Governance Functions: 30% of fixed remuneration;
  - of the Control Functions: 20% of gross annual remuneration.

In addition, regardless of the professional title, specific people defined as Key People - i.e. employees of the so-called "Talent Community", which is composed of, mainly, middle managers who have the professional title of "*Head of*", and some selected Professionals with strategic skills for the Business Plan - are initially assigned the following countervalue of the PSP shares:

- for those in Business and Governance Functions: 50% of fixed remuneration;
- for those in Control Functions: 30% of the gross annual remuneration.

Finally, it is observed that, considering that among the beneficiaries some are identified as Risk Takers (differentiating among Group Top Risk Takers, Legal Entity Top Risk Takers and other Risk Takers) - on the basis of the criteria established in the CRD and in the EU Delegated Regulation No. 923/2021, and those set in the Remuneration and Incentive Policies in compliance with the aforementioned regulations - different pay-out schedules are applied to them in line with the regulatory requirements (see para. 8).

[8] The Intesa Sanpaolo Group's Global Banding model is based on the IPE (International Position Evaluation) job evaluation methodology of a leading consulting firm.

[9] It 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.

[10] This percentages apply also to Professionals - if any - who have a material impact on the Group Risk profile (i.e. are identified as Risk Takers).

6. Gateway Conditions

In each year of its duration, including the final year, the Plan is subject to the verification of the following gateway conditions at Group level:

(i) The Common Equity Tier 1 ("**CET1**") shall be equal at least to the hard limit set by the Group Risk Appetite Framework (RAF);

(ii) the minimum requirement for own funds and eligible liabilities ("**MREL**") shall be at least equal to the Early Warning limit set by the RAF;

(iii) the **Leverage Ratio** shall be at least equal to the hard limit set by the RAF;

(iv) the Net Stable Funding Ratio ("**NSFR**") shall be at least equal to the hard limit set by the RAF;

(v) no loss and positive gross income[11];

(vi) Liquidity Coverage Ratio ("**LCR**") shall be at least equal to the hard limit set by the RAF (this condition only applies to Top Risk Takers).

Given that the RAF Hard limits and Early Warning limits are not disclosed to the markets but more challenging than the minimum requirements in compliance with the Supervisory Review and Evaluation Process (SREP) and the Capital Requirement Regulation (CRR), such minimum requirements are reported below:

Minimum requirements[12]	Regulation that required the disclosure
CET1 ≥ 8,8%	SREP
Leverage Ratio ≥ 3%	CRR
NSFR ≥ 100%	SREP
LCR ≥ 100% (only for Top Risk Takers)	SREP

It should be noted that the MREL requirement is not known to the market.

Additionally, the Plan is also subject to the verification of these further gateway conditions at Group level:

(vii) assessment – at the start of the Plan (2022) and before the accrued PSP Shares (if any) are assigned (2026) – of the results of the Internal Capital Adequacy Assessment Process ("ICAAP");

(viii) assessment of recommendations (if any) – at the end of the Plan (2025) – on dividend distributions by competent authorities and European Supervisory Authorities.

Failure to verify the gateway conditions may result in a reduction down to zero of the PSP Shares that can accrue as represented in the chart below. More specifically:

- failure to verify any of the gateway conditions (i)-(iv) determines, for each year in which such conditions are not met, a 25% reduction of the PSP Shares that can accrue for any condition not met, it being understood that should any of these conditions not be met in the last year of the PSP Plan, the PSP Shares shall be reduced to zero;
- failure to verify any of the gateway conditions (v) and (vi) determines a 25% reduction of the PSP Shares that can accrue for each year in which such conditions are not verified;

[11] The gross income shall be measured, net of any contribution of profits from the buyback of Bank's own liabilities, from the Fair Value measurement of Bank's liabilities and from income components arising from accounting policies following changes to the internal model on core deposits

[12] The limits reported in the table are the ones set for 2022 and, by the moment, they are stable.

- with reference to the assessment of the ICAAP results, in order to ensure that the funding of the Plan does not determine a negative impact on the capital solidity of the Group or on the respect of the capital target, at the launch of the Plan (2022) the ICAAP results are assessed. Furthermore, the assignment of the accrued PSP Shares (if any) is subject to the approval of the ICAAP by the Board of Directors in 2026;
- any recommendations on distributions by competent authorities and European Supervisory Authorities in the last year (2025) of the Plan can determine a potential reduction (down to zero) of the number of PSP Shares that accrue.

Chart 2. Gateway Conditions and the relative percentage of reduction

	2022	2023	2024	2025
• **CET1 ≥ Hard limit set by RAF** • **Leverage Ratio ≥ Hard limit set by RAF** • **MREL ≥ Early Warning limit set by the RAF** • **NSFR ≥ Hard limit set by RAF**	**-25%**	**-25%**	**-25%**	**-100%**
• **No loss and positive gross income** • **LCR ≥ Hard limit set by RAF** *(applicable only to Top Risk Taker)*	**-25%**	**-25%**	**-25%**	**-25%**
Assessment of the results of the ICAAP	**funding of the Plan is included in capital projections and its inclusion does not determine a negative impact on the capital solidity of the Group nor on the respect of the capital target**			**the accrued shares will vest only consequently to the 2026 annual ICAAP approval by the Board**
Recommendations on distributions by competent authorities and European Supervisory Authorities				impact on the number of PSP Shares that accrue on the bases of the Regulator recommendation **(i.e. reduction, even down to zero, of the bonus)**

Furthermore, in addition to the gateway conditions described above, the PSP is also subject to the absence of individual compliance breaches (as described in Paragraph 10).

7. Performance Indicators

Performance Indicators determine the number of PSP Shares accrued at the end of the Plan and are different for Managers of the Business and Governance Functions and for those belonging to the Control Functions (with the exception of the Relative TSR assigned to all Managers, see below). In fact, for the Control functions a different Indicator has been chosen in compliance with the regulatory provision according to which only non-financial KPIs can be assigned to them.

Chart 3. Performance Indicators

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%**

The overall weight of the specific KPIs assigned to the Managers in Business and Governance Functions in connection with the Business Plan (OI/RWA, Cost/Income, NPL Ratio) is 70%. This choice reflects the regulatory requirement to include indicators that are in line with the industrial and strategic Plan goals. In addition, those objectives are weighted differently in order to acknowledge the higher challenge of the levels of OI/RWA and Cost/Income KPIs expected at the end of the Plan than the ones of the NPL ratio that are set, however, according to a logic of further improvement and consolidation of the results already achieved through the actions implemented in the course of the 2018-2021 Business Plan. Finally, it is noted that greater weight is assigned to OI/RWA KPI in line with the indication by the Regulator to favour KPIs that are risk-adjusted.

In line with the KPIs of the Managers in Business and Governance Functions, the weight of the specific KPI assigned to the Control Function is 70%.

Finally, for what regards the weight of the Relative TSR assigned to all Managers, this is 30% - in line with the OI/RWA weigh - in order to reflect the relevance attributed by the Group to the value creation and distribution to Shareholders.

7.1 Focus on the specific KPIs for Managers of Business and Governance functions

Specific KPIs assigned to Managers of Business and Governance functions have been selected, one for each of the main pillar of the Business Plan, as shown in the chart below.

Chart 4. Performance conditions related to the Business Plan objectives

In particular, for what regards:

1. The **Operating Income on Risk Weighted Assets Ratio (OI/RWA)**, it is:
   - consistent with the commission growth objective envisaged in the Business Plan;
   - a synthetic indicator of risk-adjusted growth, in line with the EBA recommendations on focusing performance on risk-adjusted objectives;
2. The **Cost on Income Ratio (Cost/Income)**, it is:
   - a key objective of the Business Plan as well as a historically relevant performance dimension for the ISP Group;
   - closely connected to the outcome of the digitalization process that constitutes one of the Business Plan's main drivers;
3. The **Non-Performing Loans (NPL) Ratio**, it is consistent with the de-risking objective envisaged in the Business Plan.

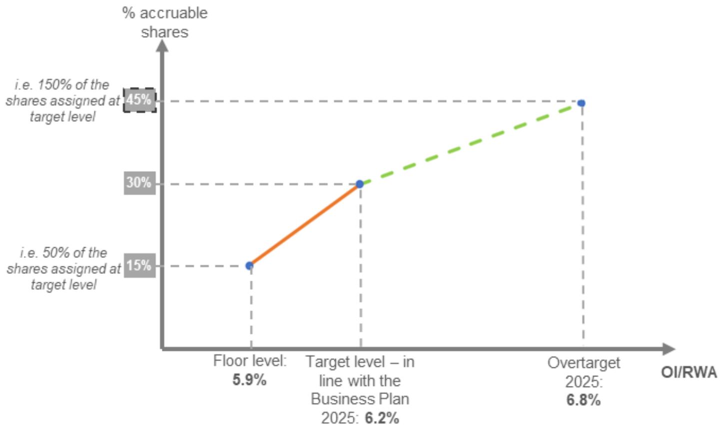
7.1.1 Pay-for-performance curve

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.

The performance results of the OI/RWA, Cost/Income and the NPL ratio KPIs are measured in 2025, at the end of Business Plan, with linear interpolation within a range that includes the abovementioned threshold, target and overtarget, but it highlighted that, in any case, the total amount of the shares accruable overall at the end of the Accrual Period (2025) cannot exceed 100% of the shares accruable in case of achievement of the target level of each KPI (that equals to the number of PSP Shares initially granted). 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 (including the Relative TSR reported in para. 7.3) is lower than the respective target (since this does not determine the assignment of Performance Shares corresponding to its target).

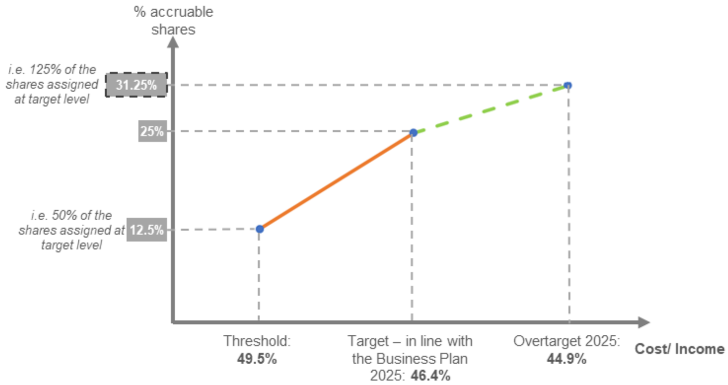
The pay-for-performance curves identified for each KPI as well as the criteria for the definition of the values and the relative rationales – that are defined consistently for each of the three KPIs - are reported below.

1. OI/RWA



	<u>**_Performance level_**</u>	<u>**_Percentage of PSP Shares accruable_**</u>
	Below the threshold	***No portion of shares is paid***
	Threshold: 5.9%	***Shares accruable: 15%***
Criteria for the definition of such values	*It is 95% of the target.* *This value was defined by making the following considerations:* • *at numerator level, a growth of the OI equal to about 50% of the provided increase over the entire Plan horizon - in other words, 50% of € 2 billion equivalent to the delta between the Plan target (€ 22.8 billion) and the 2021 result (€ 20.8 billion);* • *at denominator level, the level of RWA as provided in the Plan (369.1 billion).*	***50% of the shares assigned at target level***
Rationales	***Begin to reward management against revenue growth*** *- a dimension directly manageable by management -* ***equal to at least half of what is foreseen in the Plan****, assuming as more "rigid" the growth of RWA as it is significantly influenced by the indications of the Regulations.*	*Symmetry with respect to the mechanism for defining the performance threshold (i.e., growth in OI equal to approximately 50% of the projected increase over the entire Plan horizon)*
	Target: 6.2%	***Shares accruable: 30%***
Criteria for the definition of such values	*It is the value set in the Business Plan for 2025 (end of the Plan)****.***	*It is equal to the initial grant*
	Overtarget: 6.8%	***Shares accruable: 45%***
Criteria for the definition of such values	*It is 110% of the target.* *This value was defined by predicting that the interval between target and overtarget would be twice the distance* ***that was predicted for the range between threshold and target.***	*(100% + 50%) of the shares that can be vested at target.* *This value is equivalent - in absolute value - to the % reduction of the shares that can be vested at the threshold compared to the target.*
Rationales	*Give wide space for excellent achievement*	*Not incurring any form of incentive for excessive risk taking, by providing for a proportional increase in the bonus between the target and overtarget level that is lower than that provided for between threshold and target.*
	Higher than the overtarget	***No further increases are envisaged*** *in the portion of shares recognized (so-called "cap principle").*

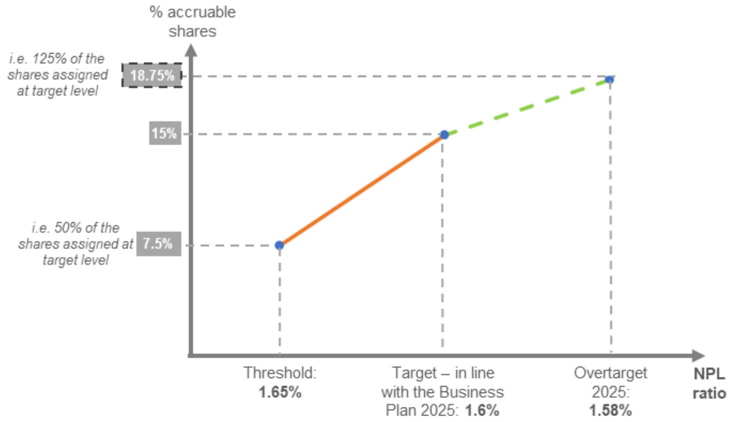
2. Cost/Income:



	Performance level	Percentage of PSP Shares accruable
	Below the threshold	**No portion of shares is paid**
	Threshold: 49.5%	***Shares accruable: 12.5%***
Criteria for the definition of such values	*It is 50% of the distance between 2021 result and the 2025 Plan target.* *Therefore, since there is a 6.1 percentage point gap between Cost/Income 2021 (52.5%) and the 2025 Plan target (46.4%), and half of that gap equals 3.05, the threshold is 49.5%.*	***50% of the shares assigned at target level***
Rationales	***Begin to reward management for results equal to at least half of the Plan target for each KPI***	*Symmetry with respect to the mechanism for defining the performance threshold (i.e. reduction in the Cost/Income ratio equal to around 50% of the reduction envisaged over the entire Plan period)*
	Target: 46.4%	***Shares accruable: 25%***
Criteria for the definition of such values	*It is the value set in the Business Plan for 2025 (end of the Plan).*	*It is equal to the initial grant*
	Over target: 44.9%	***Shares accruable: 31.25%***
Criteria for the definition of such values	*50% of the proposed distance between threshold and target, i.e., subtracting (since these are reduction KPIs) from the target 25% of the distance between the 2021 result and the Plan target.* *Therefore, since 25% of the distance between 2021 results (52.5%) and the 2025 Plan target (46.4%) is 1.5 (52.5% - 46.4% = 6.1% → 6.1% x 25% = 1.5%) the overtarget is 44.9%*	*(100% + 25%) of target vested shares.*
Rationales	*This value has been defined in consideration of the characteristics of rigidity of the KPI, as well as the targeted level result for this KPI, in line with the best European peers.*	*Not incurring any form of incentive for excessive risk taking, by providing for a proportional increase in the bonus between the target and overtarget level that is lower than that provided for between threshold and target.*
	Higher than the overtarget	***No further increases are envisaged** in the portion of shares recognized (so-called "cap principle").*

3. NPL ratio.

It is noteworthy that the NPL ratio result is considered gross of the amount of any extraordinary disposal transactions for any portion corresponding to extraordinary write-downs made during the Plan or to the negative impact on the income statement at the time of disposal in order to avoid that the achievement of this objective may be achieved by jeopardizing the profitability levels envisaged in the Plan.



	Performance level	Percentage of PSP Shares accruable
	Below the threshold	**No portion of shares is paid**
	Threshold: 1.65%	**Shares accruable: 7.5%**
Criteria for the definition of such values	*It is 50% of the distance between EBA pro-forma result 2021 and the target from Plan 2025. The EBA pro-forma result is considered in order to take into account the de-risking transactions already accounted for in the 2021 financial statements.* *Therefore, since there is a gap of 0.10 percentage points between the 2021 EBA pro-forma NPL ratio (1.7%) and the 2025 Plan target (1.6%) and half of this gap is 0.05, the threshold is 1.65%.*	***50% of the shares assigned at target level***
Rationales	***Begin to reward management for results equal to at least half of the Plan target for each KPI***	*Symmetry with respect to the mechanism for defining the performance threshold (i.e. reduction of the NPL ratio equal to around 50% of the reduction envisaged over the entire Plan period)*
	Target: 1.6%	**Shares accruable: 15%**
Criteria for the definition of such values	*It is to value set in the Business Plan for 2025 (end of the Plan).* *It is worth noting that the target aims at mainly preserving the NPL Ratio at a level comparable to that of the best in class European peers for the whole duration of the Business Plan. This is a challenging objective as it requires the continuous commitment to prevent and avoid the deterioration of loans, and maintain good practices on credit granting in a macro economic scenario in which the volume of NPLs is anyway deemed to grow.*	*It is equal to the initial grant*
	Over target: 1.58%	**Shares accruable: 18.75%**
Criteria for the definition of such values	*It is 50% of the proposed distance between threshold and target, i.e., subtracting (since this is reduction KPI) from the target 25% of the distance between the 2021 result and the Plan target.* *Therefore, since the 25% of the distance between EBA pro forma 2021 (1.7%) and the 2025 Plan target (1.6%) is proposed equal to 0.10 (1.7% - 1.6% = 0.10% → 0.10% x 25%*	*(100% + 25%) of target vested shares.*

	= 0.025%) the overtarget is 1.58%.	
Rationales	*This value has been defined in consideration of the characteristics of rigidity of the KPI, as well as the level of excellence that is targeted as a result for this KPI in the Plan compared to European peers.*	
	Higher than the overtarget	***No further increases are envisaged*** *in the portion of shares recognized (so-called "cap principle").*

7.2 Focus on the specific KPI for Managers of Control Functions

For Managers of Control Functions, in accordance with the applicable regulation, the following specific indicator is provided:

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%

This KPI, in continuity with the POP Plan, has been selected in compliance with the regulatory provisions according to which only non-financial KPIs can be assigned to Control Functions in order to preserve the independence of their judgment on what they control, and with the aim of enhancing the strength and the overall effectiveness of the internal control system throughout the duration of the PSP Plan.

The level of achievement of the Qualitative KPI is assessed by the Board of Directors as proposed by its Chairman, in 2025 at the end of Business Plan, based on the following criteria:

- performance Scorecard trend over the 2022-2025 Plan period, i.e. the overall average of the performance scorecard of Group Top Risk Takers belonging to the Control Functions throughout the duration of the Plan (sum of all the scores divided by the number of years of the Plan);
- quality of the relationship with the Board of Directors in terms of accuracy, timeliness of information and soundness of the provided analyses;
- findings (if any) of the Supervisory Inspections carried out during the Plan;
- quality and promptness of execution of any remediation plans, according to the respective responsibilities;
- quality of collaboration with the Business;
- spread of a "risk and control" culture across the Group.

The qualitative assessment is carried out on a 3-level performance scale, the achievement of which determines the number of PSP Shares that accrue. Specifically, for performance levels:

- "below expectations", no portion of shares is paid;
- "partially in line with expectations", the percentage of PSP Share accruable is 50%;

- "in line with expectations", the percentage of PSP Share accruable is 100%.

7.3 Focus on the KPI common to all Managers

For all Managers the additional indicator reported below is provided.

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%**

The Relative Total Return to Shareholders (Relative TSR) is the key measure of the return for Shareholders and it has been selected because it:

- adds a relative metric to the KPIs set, in line with the best practice recommended by the Proxy Advisors;
- is a widespread practice among main European peers.

The Relative TSR is measured from 1 January 2022 to 31 March 2026, against the results achieved by the same peer group used by ISP in the Business Plan for the relative measurement of the economic and financial relative performance indicators.

For reference, the peer group used includes the following banking groups: Barclays, BBVA, BNP Paribas, Crédit Agricole SA, Commerzbank, Credit Suisse, Deutsche Bank, HSBC, ING, Lloyds Banking Gr., Nordea, Santander, Société Générale, Std Chartered, UBS, UniCredit.

It is to be pointed out that, in the event of take overs to which one of the companies of the peer group is subjected, or if the data of any of the companies of the peer group is not available, the ISP Board of Director is assigned the right to evaluate changes in the composition of the peer group by excluding the abovementioned companies.

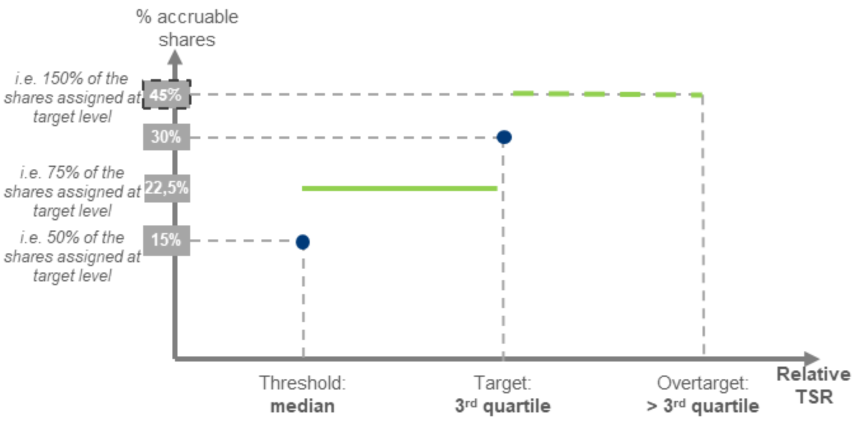
7.3.1 Pay-for-performance curve

A discrete scale pay-for-performance curve is defined for Relative TSR taking into account the market best practice, and it provides for the identification of four performance levels:

- threshold, against which a percentage of shares equal to 50% of those envisaged at target is accruable;
- between the threshold and the target, level at which the percentage of share accruable is fixed and is equal to 75% of that envisaged at target;
- target, against which a percentage of shares accruable is the one initially granted (i.e. 30%);
- overtarget, against which a percentage of shares equal to +50% of those envisaged at target is accruable.

It should be noted that, even in this case, if a performance level higher than the target is reached, it will be possible to assign a number of Performance Shares higher than that envisaged for the target only if the performance of another KPI (among those represented in paragraphs 7.1 and 7.2) is lower than the respective target (since this does not determine the assignment of Performance Shares corresponding to its target). This is because, as said above, the total amount of the shares accruable overall at the end of the Accrual Period (2025) cannot exceed 100% of the shares accruable in case of achievement of the target level of each KPI (that equals to the number of PSP Shares initially granted).

The pay-for-performance curve identified for this KPI is reported below.



<u>Performance level defined in line with the best practice</u>	***<u>Percentage of PSP Shares accruable</u>***
Below the threshold	***No portion of shares is paid***
Threshold: the Bank positions itself in the median of the peer group	***Shares accruable: 15%***
*The portion of the bonus begins to accrue when the **median position** in the ranking is reached*	***50% of the shares assigned at target level**, in line with what provided for the other KPIs*
Intermediate placements between Threshold and Target	***Shares accruable: 22,5%,***
	***50% of the shares assigned at target level**, (i.e. 22,5%)*
Target: the Bank positions itself in the third quartile of the peer group	***Shares accruable: 30%***
	It is equal to the initial grant
Overtarget: the Bank positions itself over the third quartile of the peer group	***Shares accruable: 45%***
	(100% + 50%) of the shares assigned at target level, in recognition of an exceptional result in terms of creating value for shareholders during the entire period of the Plan. This value is equivalent - in absolute value - to the % reduction of the shares accruable at the threshold compared to the target. *Where this positioning is achieved in the face of a negative relative TSR trend (i.e. TSR <0), the cap on the quantity of shares that can be vested coincides with the one envisaged at target (i.e. 30%), in line with the best market practices.*
Higher than the overtarget	***No further increases are envisaged** in the portion of shares recognized (so-called "cap principle").*

7.4 De-multiplier mechanism

The PSP includes **correction mechanisms based on sustainability targets** that act as a *demultiplier* of the PSP Shares that each Manager is entitled to, depending on the level of achievement of the ESG and Total Capital KPIs.

7.4.1 The ESG KPI

The composite **Environmental, Social and Governance** (ESG) KPI applicable to both Managers of the Governance and Business Functions and those of the Control Functions, has been introduced according to the best market practice and because of its relevance in the Business Plan's objectives. In fact, as reported in the cart below, it is one of the four components of the 2022-2025 Business Plan.

Chart 5. Criteria used to select the ESG KPI

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

Chart 6: ESG factors

		Weight	Floor	Target	Overtarget
Environmental	**New lending to the green/circular economy and green transition with a major focus on supporting Corporates/SMEs transition**	**40%**	**79.2 billion €** *(90% of the Target)*	**88 billion €** *(performance level set by the Business Plan)*	**105.6 billion €** *(120% target)*
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%**	**7,200** *(90% of the Target)*	**8,000** *(performance level set by the Business Plan)*	**9,600** *(120% target)*
Governance	**% of women in senior roles, new appointments (-1 and -2 organizational levels under the CEO)**	**20%**	**45%** *(90% of the Target)*	**50%** *(performance level set by the Business Plan)*	**60%** *(120% target)*
	ESG Performance score *(between 80% and 100%)*				

The ESG KPI score is the weighted sum of the achievement of each of the three sub-KPI and is measured at the end of the Accrual Period of the Plan. It is noted that, in any case, the ESG score cannot exceed 100%.

The three factors have been given different weights in order to recognize the different level of challenge: this is, in fact, greater for the Environmental and Social areas while, as regards the Governance factor, it is an objective in continuity with the actions already undertaken in the previous 2018-2021 Business Plan with a view to further improvement and consolidation.

The ESG KPI allows to adjust the bonus accrued on the basis of the achievement of economic-financial results in a context deemed inadequate in terms of business sustainability.

Specifically, considering that the target level is the one set in the Business Plan for 2025 (end of the

Plan), failure to achieve or the partial achievement of the ESG KPI acts as a demultiplier, reducing the number of accrued PSP Shares:

- **by 10%**, if the achievement of the ESG KPI is **< 100%** (i.e. the target level) but ≥ **80%** (i.e. the threshold level)
- **by 20%** if the achievement of the ESG KPI is < **80%** (i.e. the threshold level)

7.4.2 The Capital Target KPI

The Capital Target, applicable only to Managers of the Business and Governance Functions[13], has been introduced in order to reinforce the link between the PSP and the Bank's capital base.

It consists in maintaining the CET1 level ≥ 12% - that is the target defined in the RAF for the Plan's horizon (i.e. each year of duration of the Plan). Specifically, it allows to guarantee the maintenance of a certain level of CET1, in each year of the duration of the Plan and not only at the end of the Plan.

The failure in the achievement of the Capital Target is considered as a *demultiplier,* reducing the number of accrued PSP Shares of **10% per each year of breach** (with a cap of 40% over the entire Accrual Period).

8. Pay-out schedule

Pay-out schedules have been defined regardless of the Global Banding model, on the basis of whether or not the beneficiary is identified as Risk Taker - and, if so, also according to the specific Risk Taker cluster (i.e. Group Top Risk Takers, Top Risk Takers in significant Legal Entities, or other Risk Takers) - the amount of the overall variable remuneration[14] (higher than or equal to/lower than the "particularly high"[15] amount or the "materiality threshold"[16]) and its ratio to the fixed remuneration (higher than or equal to/lower than 100%).

The settlement is in ISP shares[17]

The accrual and settlement schedules are represented here below.

Group Top Risk Takers and all those who, regardless of the segment they belong to, accrue a "particularly high" amount of overall variable remuneration

1. Schedule 1: if the overall variable remuneration **exceeds 100% of the fixed remuneration,** 40% of the payment will be up-front (of which 20% in ISP shares not subject to retention period and 20% in ISP shares subject to retention period) and 60% (of which 20% in ISP shares not subject to retention period and 40% in ISP shares subject to retention period) on a deferral time horizon of 5 years.

[13] It doesn't apply to Managers of the Control Functions, given the economic/financial nature of the Capital Target KPI.

[14] I.e. PSP Shares and the 2025 annual bonus and any other variable remuneration of such year.

[15] As defined in the Remuneration and Incentive Policies in force at the accrual of the bonus. As of today, according to the 2022 Remuneration and Incentive Policies, for the three-year period 2022-2024, it equals to 400,000 euro.

[16] As defined in the Remuneration and Incentive Policies in force at the accrual of the bonus.
As of today, according to the 2022 Remuneration and Incentive Policies, the materiality threshold is equal to:
- for Risk Takers, in accordance with the applicable legislation, 50,000 euro or one third of the total remuneration (with the exception of the Risk Takers identified in the asset management companies (SGR) of the Group who are not identified also at Group level for which is equal to 80,000 euro);
- for Middle Managers 80,000 euro.

[17] With the exception of Managers who work in the asset management companies of the group, for whom, in compliance with the applicable regulation, the Plan will be settled as follows: 50% with ISP Shares, and 50% with units or shares of the managed funds, 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.

Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2026	2027	2028	2029	2030	2031
ISP SHARES not subject to retention period **(40%)**	20%			4%	4%	12%
ISP SHARES subject to retention period **(60%)**	20%	12%	12%	8%	8%	

SETTLEMENT SCHEDULE	2026	2027	2028	2029	2030	2031
ISP SHARES not subject to retention period **(40%)**	20%			4%	4%	12%
ISP SHARES subject to retention period **(60%)**		20%	12%	12%	8%	8%

2. Schedule 2: if the overall 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 ISP shares not subject to retention period and 20% in ISP shares subject to retention period) and 60% (of which 25% in ISP shares not subject to retention period and 35% in ISP shares subject to retention period) on a deferral time horizon of 5 years.

Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2026	2027	2028	2029	2030	2031
ISP SHARES not subject to retention period **(45%)**	20%		4%	4%	5%	12%
ISP SHARES subject to retention period **(55%)**	20%	12%	8%	8%	7%	

SETTLEMENT SCHEDULE	2026	2027	2028	2029	2030	2031
ISP SHARES not subject to retention period **(45%)**	20%		4%	4%	5%	12%
ISP SHARES subject to retention period **(55%)**		20%	12%	8%	8%	7%

Top Risk Takers in significant Legal Entities

3. Schedule 3: if the overall variable remuneration **exceeds 100% of the fixed remuneration,** 50% of the payment will be up-front (of which 25% in ISP shares not subject to retention period and 25% in ISP shares subject to retention period) and 50% (of which 15% in ISP shares not subject to retention period and 35% in ISP shares subject to retention period) on a deferral time horizon of 5 years.

Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2026	2027	2028	2029	2030	2031
ISP SHARES not subject to retention period **(40%)**	25%				5%	10%
ISP SHARES subject to retention period **(60%)**	25%	10%	10%	10%	5%	

SETTLEMENT SCHEDULE	2026	2027	2028	2029	2030	2031
ISP SHARES not subject to retention period **(40%)**	25%				5%	10%
ISP SHARES subject to retention period **(60%)**		25%	10%	10%	10%	5%

4. Schedule 4: if the overall variable remuneration is **equal to or lower than 100% of the fixed remuneration**, 60% of the payment will be up-front (of which 30% in ISP shares not subject to retention period and 30% in ISP shares subject to retention period) and 40% (of which 15% in ISP shares not subject to retention period and 25% in ISP shares subject to retention period) on a deferral time horizon of 5 years.

   Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2026	2027	2028	2029	2030	2031
ISP SHARES not subject to retention period **(45%)**	30%			3%	4%	8%
ISP SHARES subject to retention period **(55%)**	30%	8%	8%	5%	4%	

SETTLEMENT SCHEDULE	2026	2027	2028	2029	2030	2031
ISP SHARES not subject to retention period **(45%)**	30%			3%	4%	8%
ISP SHARES subject to retention period **(55%)**		30%	8%	8%	5%	4%

Other Risk Takers

5. Schedule 5: if the overall variable remuneration **exceeds the materiality threshold and 100% of the fixed remuneration**, 50% of the payment will be up-front (of which 25% in ISP shares not subject to retention period and 25% in ISP shares subject to retention period) and 50% (of which 25% in ISP shares not subject to retention period and 25% in ISP shares subject to retention period) on a deferral time horizon of 4 years.

   Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2026	2027	2028	2029	2030
ISP SHARES not subject to retention period **(50%)**	25%		6.25%	6.25%	12.5%
ISP SHARES subject to retention period **(50%)**	25%	12.5%	6.25%	6.25%	

SETTLEMENT SCHEDULE	2026	2027	2028	2029	2030
ISP SHARES not subject to retention period **(50%)**	25%		6.25%	6.25%	12.5%
ISP SHARES subject to retention period **(50%)**		25%	12.5%	6.25%	6.25%

6. Schedule 6: if the overall variable remuneration **exceeds the materiality threshold** but it is **equal to or lower than 100% of the fixed remuneration**, 60% of the payment will be up-front (of which 30% in ISP shares not subject to retention period and 30% in ISP shares subject to retention period) and 40% (of which 20% in ISP shares not subject to retention period and 20% in ISP shares subject to retention period) on a deferral time horizon of 4 years.

   Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2026	2027	2028	2029	2030
ISP SHARES not subject to retention period **(50%)**	30%		5%	5%	10%
ISP SHARES subject to retention period **(50%)**	30%	10%	5%	5%	

SETTLEMENT SCHEDULE	2026	2027	2028	2029	2030
ISP SHARES not subject to retention period **(50%)**	30%		5%	5%	10%
ISP SHARES subject to retention period **(50%)**		30%	10%	5%	5%

Remaining Managers

7. Schedule 7: if the overall variable remuneration **exceeds the materiality threshold and 100% of the fixed remuneration**, 60% of the payment will be up-front (of which 30% in ISP shares not subject to retention period and 30% in ISP shares subject to retention period) and 40% (of which 20% in ISP shares not subject to retention period and 20% in ISP shares subject to retention period) on a deferral time horizon of 3 years.

   Reported below is the accrual and settlement schedule:

ACCRUAL SCHEDULE	2026	2027	2028	2029
ISP SHARES not subject to retention period **(50%)**	30%		7%	13%
ISP SHARES subject to retention period **(50%)**	30%	13%	7%	

SETTLEMENT SCHEDULE	2026	2027	2028	2029
ISP SHARES not subject to retention period **(50%)**	30%		7%	13%
ISP SHARES subject to retention period **(50%)**		30%	13%	7%

8. Schedule 8: if the overall variable remuneration **is equal to or lower than 100% of the fixed remuneration** but **exceeds the materiality threshold,** or **exceeds 100% of the fixed remuneration** but is **equal to or lower than the materiality threshold,** all of the payment will be in ISP shares not subject to retention period 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	2026	2027	2028
ISP SHARES not subject to retention period **(100%)**	60%		40%

SETTLEMENT SCHEDULE	2026	2027	2028
ISP SHARES not subject to retention period **(100%)**	60%		40%

9. Malus conditions

The deferred instalments of the PSP Shares are subject to malus conditions symmetrical to the gateway conditions (see par. 6) as well as to the so called “individual compliance breaches” (see par. 10).

Deferred PSP shares due to vest in a given year are subject to the verification of the following conditions:

(i) the CET1 shall be equal at least to the hard limit set by the RAF;

(ii) the minimum requirement for own funds and eligible liabilities (“MREL”) shall be at least equal to the Early Warning limit set by the RAF;

(iii) the Leverage Ratio shall be at least equal to the hard limit set by the RAF;

(iv) the Net Stable Funding Ratio (“NSFR”) shall be at least equal to the hard limit set by the RAF%;

(v) no loss and positive gross income[18];

(vi) Liquidity Coverage Ratio (“LCR”) shall be at least equal to the hard limit set by the RAF (this condition only applies to Top Risk Takers);

(vii) assessment of the results of the Internal Capital Adequacy Assessment Process (“ICAAP”)

(viii) assessment of the recommendations on distributions by competent authorities and European Supervisory Authorities.

Given that the RAF Hard limits and Early Warning limits are not disclosed to the markets but more challenging than the minimum requirements in compliance with the Supervisory Review and Evaluation Process (SREP) and the Capital Requirement Regulation (CRR), such minimum requirements are reported below:

Minimum requirements	Regulation that required the disclosure
CET1 ≥ 8,8%	SREP
Leverage Ratio ≥ 3%	CRR
NSFR ≥ 100%	SREP
LCR ≥ 100% (only for Top Risk Takers)	SREP

It should be noted that the MREL requirement is not known to the market.

Failure to verify these conditions will result in a reduction (down to zero) of the deferred shares.

More specifically:

- failure to maintain any of the conditions (i)-(iv) determines the forfeiture of the deferred shares;
- failure to maintain any of the conditions (v) and (vi) results in a 50% reduction of the deferrals;
- with reference to the assessment of the ICAAP results: it is reminded that the accrued shares will vest only consequently to the annual ICAAP approval by the Board;
- the recommendations (if any) on distributions by competent authorities and European Supervisory Authorities determine an impact (with a reduction even down to zero) that depends on the Regulator recommendation.

[18] The gross income shall be measured, net of any contribution of profits from the buyback of Bank’s own liabilities, from the Fair Value measurement of Bank’s liabilities and from income components arising from accounting policies following changes to the internal model on core deposits

Chart 7. Malus Conditions and the relative percentage of reduction

	% reduction of the deferred shares due to vest in a given year
• **CET1** • **Leverage Ratio** • **MREL** • **NSFR**	**-100%**
• **No loss and positive gross income** • **LCR** *(applicable only to Top Risk Taker)*	**-50%**
Assessment of the results of the ICAAP	**the accrued shares will vest only consequently to the annual ICAAP approval by the Board**
Recommendations on distributions by competent authorities and European Supervisory Authorities	impact on the bases of the Regulator recommendation **(i.e. reduction, even down to zero, of the bonus)**

10. Individual compliance breaches and clawback

The accrual of the PSP Shares is subject to the confirmation that none of the compliance breaches set in the ISP Group Remuneration and Incentive Policies[19] have occurred during the Accrual Period, namely:

- 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;
- personal sanctions imposed by the Supervisory Authorities for breaches of the obligations pursuant to the Consolidated Banking Law regarding the requirements of professionalism, integrity and independence or regarding the transactions with related parties and obligations regarding remuneration and incentives, if involving a penalty of an amount equal to or greater than EUR 30,000;
- behaviour that is 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.

In case of disciplinary measures or personal sanctions imposed by the Supervisory Authorities, any right related to the PSP is forfeited.

The same claw-back mechanisms envisaged in ISP Group Remuneration and Incentive Policies are extended and applied to the PSP[20].

11. Extraordinary Events

The Participation in the PSP is subject to continued employment relationship with Intesa Sanpaolo or a

[19] Specific compliance breaches are set in the Remuneration and incentive Policies of the Insurance and Asset Management Companies, in compliance with the sector-specific regulations.

[20] In particular, the ISP Group Remuneration and Incentive Policies provide: “The company reserves the right to activate claw-back 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, also taking into account the relative legal, contribution and fiscal profiles; behaviour that is 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.”

company belonging to the Group at the moment of subscription to the plan.

Up to 31 December 2023, participation in the PSP will be offered to newly hired Managers and in case of promotions in order to acknowledge the career progressions. The number of accruable PSP Shares is determined on a pro-rata basis.

The termination of the employment relationship with the ISP Group impacts on the rights connected to the PSP as follows:

- forfeiture of all rights connected to the PSP in case of resignation, termination for cause or justified reason, mutual termination of employment relationship and similar situations (so-called "bad leaver" cases)[21];
- accrual of a pro-rated number of the PSP Shares upon termination of the Plan[22], in case the beneficiary reaches 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 (so-called "good leaver" cases).

In case of change of control:

- accelerated pro-rata cash settlement at the Fair Value of the Plan at the date of the event, in case of a successful takeover considered "hostile" by the Board of Directors;
- settlement at the original end of the Plan in shares of the new entity, with the necessary "adjustments" if required (i.e. with an exchange transaction of the underlying shares), in case of a change of control that is considered "non-hostile" by the Board of Directors.

Distinguished Shareholders, you are therefore invited to approve the 2022-2025 Long-term Incentive Plan (Performance Share Plan) for the Management, including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers.

15 March 2022

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

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

[21] In the specific case in which the position of managing director is not renewed, pay-out will take place pro rata at the end of the Plan. Additionally, in case of a mutual termination as a consequence of an organizational change that determines the elimination of a Manager's position, the Manager will be entitled to a pro rata pay-out proportional to the duration of the Plan.

[22] Without prejudice to the applicable deferral mechanisms.

INFORMATION DOCUMENT

Pursuant to Article 114-*bis* of Legislative Decree 24 February 1998, n. 58 and Article 84-*bis* of Regulation adopted by CONSOB with Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented

in relation to

LONG-TERM INCENTIVE PLAN NAMED "PERFORMANCE SHARE PLAN" FOR ALL EMPLOYEES IDENTIFIED IN THE CONTINUING AS MANAGERS

BASED ON FINANCIAL INSTRUMENTS

OF

INTESA SANPAOLO S.p.A.

15 March 2022

Introduction

This information document (the “**Information Document**”) is published pursuant to Article 114-*bis* of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Consolidated Financial Law**”), and Article 84-*bis* of the CONSOB Regulation no. 11971 of 14 May 1999, as amended (the “**Issuers' Regulation**”), in order to provide the Bank's shareholders and the market with the information regarding the long-term incentive plan based on financial instruments named “Performance Share Plan”, addressed to all the Management - including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers ("**Performance Share Plan**").

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

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

The Ordinary Shareholders' Meeting to resolve upon the approval of the Plan has been called for 29 April 2022 (on single call).

Definitions

Assignment Date	The date on which Managers are granted the right to vest a specified number of Performance Shares, subject to the terms, conditions and procedures set forth in the Plan.
Allocation Date	The date on which the Board of Directors, having verified the level of achievement of the performance objectives at the end of the Plan and the possible application of the demultiplier mechanisms, resolves on the number of Performance Shares to be attributed to each Manager.
Borsa Italiana	Borsa Italiana S.p.A., a company with registered office at Piazza degli Affari 6, Milan, and a member of Euronext group.
Board of Directors	The current Board of Directors of Intesa Sanpaolo.
Business Plan 2022-2025	The Intesa Sanpaolo Business Plan for the four-year period 2022-2025 approved by the Board of Directors on 4 February 2022.
CRD	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as subsequently amended and supplemented.
Civil Code	The Italian Civil Code, approved by Royal Decree No. 262 of 16 March 1942, as amended from time to time.
CONSOB	The National Commission for Companies and the Stock Exchange, with offices at Via G.B. Martini 3, Rome.
Consolidated Banking Law	Decree Law no. 385 of 1 September 1993, as subsequently amended and supplemented, containing the Consolidated Law on Banking and Credit.
Consolidated Financial Law	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented, containing the consolidated act on financial intermediation.
Counterpart	Primary bank selected by Intesa Sanpaolo.
Employees or Managers	All the Management to whom is addressed the Performance Share Plan - including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers.
Extraordinary Shareholders' Meeting	The Extraordinary Shareholders' Meeting of Intesa Sanpaolo called for 29 April 2022 (on single call), to resolve, *inter alia*, upon the granting of powers to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to: (i) increase the share capital pursuant to Article 2349, paragraph 1 of the Italian Civil Code for the allocation of Performance Shares to Managers, in accordance with the provisions of the Performance Share Plan (as item 3) on the agenda of the Shareholders' Meeting); (ii) increase the share

	capital pursuant to Article 2349, paragraph 1 of the Italian Civil Code for the granting of Free Shares and Matching Shares to Professionals, in accordance with the provisions of the LECOIP 3.0. Plan (as item 2) on the agenda of the Shareholders' Meeting); and (iii) increase of the paid-in share capital with the exclusion of the option rights in favor of Professional pursuant to Article 2441, paragraph 8 of the Italian Civil Code, by issuing shares at a discount from the market price of the ISP Ordinary Shares (i.e. Discounted Shares), in compliance with the LECOIP 3.0 Plan (as in item 2) on the agenda of the Shareholders' Meeting).
Global Banding	Personnel classification model based on the grouping into homogeneous bands managerial positions similar in terms of the levels of complexity/responsibility managed, measured using the International Position Evaluation methodology. Within this methodology, organizational positions are distinguished on the basis of the following job titles: Chief, Executive Director, Senior Director and Head of.
Group Top Risk Takers	The Managing Director and CEO of Intesa Sanpaolo and the other Top Managers. This segment coincides with the so-called Key Managers identified pursuant to Consob Regulation no. 17221 of 12 March 2010 laying down provisions on related party transactions.
Information Document	This information document, prepared pursuant to Article 84-*bis* of the Issuers' Regulations, and in accordance with the indications set forth in Form 7 of Annex 3A to the Issuers' Regulations.
Intesa Sanpaolo, ISP or the Back	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.
Intesa Sanpaolo Group or Group	The Intesa Sanpaolo Banking Group.
ISP Ordinary Shares	The ordinary shares of Intesa Sanpaolo, traded on the Mercato Telematico Azionario (MTA) organised and operated by Borsa Italiana.
Issuers' Regulations	The CONSOB Regulation No. 11971 of May 14, 1999, as subsequently amended and supplemented.
LECOIP 3.0 Plan	The long-term incentive plan called "LECOIP 3.0" for Professional employees.
Ordinary Shareholders' Meeting	The Ordinary Shareholders' Meeting of Intesa Sanpaolo called for 29 April 2022 (on single call), to resolve, *inter alia,* on the 2022-2025 Long-term Incentive Plans named (i) Performance Share Plan, intended for all the Management - including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers (jointly,

	the "**Managers**"), (as item 3 f) on the agenda of the same meeting) and (ii) LECOIP 3.0, intended for Professional (Italy perimeter) not covered by the Performance Share Plan (as item 3 g).
Accrual Period	The period between the Assignment Date and the Allocation Date.
Performance Share	The newly issued ISP Ordinary Shares allocated to Managers as a result of a share capital increase pursuant to Article 2349, paragraph 1, of the Italian Civil Code, as resolved by the Extraordinary Shareholders' Meeting.
Performance Share Plan, Plan or PSP	The Performance Share Plan addressed to Managers, the terms and conditions of which are described in this Information Document.
Remuneration Committee	The committee that consults upon and proposes matters of remuneration, pursuant to the Corporate Governance Code.
Risks Committee	The committee that performs evaluative and propositional functions in the area of risk management pursuant to the Corporate Governance Code.
Risk Taker	The personnel identified in application of the criteria set out in the CRD, Delegated Regulation (EU) no. 923/2021, Bank of Italy Circular no. 285/2013 as amended, as well as the specific rules adopted by the Group and/or the individual Legal Entities.

General

In the context of the new 2022-2025 Business Plan, Intesa Sanpaolo intends to launch two long-term incentive plans for its employees and for those of other companies of the Intesa Sanpaolo Group, aiming at, *inter alia*, promoting a sense of ownership of the Group, and aligning employees' objectives with those set out in the mentioned Business Plan.

In accordance with actions taken at the time of the launch of the 2018-2021 Business Plan, the Bank opted to adopt two different incentive plans, with different characteristics depending on the relative recipients.

More specifically: (i) a long-term incentive plan called "Performance Share Plan", based on the assignment of Performance Shares to all the Management - including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers in both the Italian and the foreign perimeter of the Group(jointly, the "Managers"); and (ii) an incentive plan for the remaining population of employees in the Italian perimeter, the Professionals, called "LECOIP 3.0".

Performance Share Plan

The Performance Share Plan will be assigned to all the Management - including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers[23] in the Italian and foreign Group's perimeter[24], with the aim of adopting a plan explicitly linked to the achievements of the objectives of the Business Plan, and with a risk/return profile aligned with the role held and with the ambition and challenge levels of such Plan.

This Plan provides for the assignment to each beneficiary of a certain number of ISP Ordinary Shares, as an equity portion of the variable remuneration, depending, amongst the other things, on the professional title assigned as part of Global Banding and the Business and Governance or Control Functions.

At the end of the Plan, the number of shares accrued by each beneficiary is determined on the basis of the level of achievement and/or over-achievement of performance objectives, as well as in application of the de-multiplier mechanisms provided for in the Plan. Both the performance objectives and the de-multiplier mechanisms are closely linked to the achievement of the Company's long-term strategic objectives, primarily related to the 2022-2025 Business Plan and the value creation for shareholders.

Therefore, these instruments will make it possible to link the remuneration of the Group's resources to positive results over time, taking into account the performance conditions achieved, consistently with an approach of overall sustainability of the remuneration mechanisms, and at the same time ensuring an adequate level of competitiveness of the remuneration packages offered to ISP management.

The Performance Shares will derive from a free capital increase through the allocation of profits to employees pursuant to article 2349, paragraph 1, of the Italian Civil Code.

It should be noted that the Plan is to be considered of "particular importance" pursuant to art. 114-*bis*, paragraph 3 of the Consolidated Law on Finance and art. 84-bis, paragraph 2 of the Issuers' Regulation, since it is addressed, among other things, to directors with delegated powers and managers with strategic responsibilities of the Bank and its subsidiaries pursuant to art. 93 of the Consolidated Law on Finance.

LECOIP 3.0 Plan

For a description of the LECOIP 3.0 Plan addressed to the Professional in the Italian perimeter, please refer to the relevant Information Document.

[23] Including the Group Risk Takers who do not hold managerial position.
[24] With reference to the foreign perimeter, Group Risk Takers and selected Strategic Managers are included only if the granting of ISP shares complies with the Remuneration and Incentive Policies of the foreign bank to which they belong.

1. Person to whom the offer is addressed

The PSP is addressed to all the Management, including the Managing Director and CEO, the other Group Top Risk Takers and the remaining Group Risk Takers[25] of both the Italian and foreign perimeter[26], with direct leverage on the achievement of the 2022-2025 Business Plan objectives.

In order to strengthen the motivation and engagement of all Management in achieving the objectives of the Business Plan, recipients can be identified until December 31 2023[27].

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

The beneficiaries of the Plan belonging to the Board of Directors include the Managing Director and CEO, Mr. Carlo Messina. It should be noted that some beneficiaries of the Plan, in addition to the managerial duties associated with their role, hold positions on the Administrative Bodies of companies directly or indirectly controlled by Intesa Sanpaolo.

Considering that these persons are among the potential beneficiaries of the Plan as employees of the Intesa Sanpaolo Group, the names of these beneficiaries are not provided, but reference is made to the information provided below.

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

In addition to the Managing Director and CEO, the Plan is also reserved for the following categories of Intesa Sanpaolo Group employees:

- The other Top Risk Takers belonging to the Intesa Sanpaolo Group as defined above;
- the remaining Group Risk Takers in the Italian and foreign perimeter, provided that the granting of ISP shares complies with the Remuneration and Incentive Policies of the foreign Bank they belong to.

A precise indication of the addressees is provided in the Table attached in paragraph 4.24 of this Information Document.

1.3. Names of the persons benefitting from the Plan

(a) General managers of Intesa Sanpaolo

As indicated in paragraph 1.1. above, it should be noted that Mr. Carlo Messina, Managing Director and CEO of Intesa Sanpaolo, also holds the position of General Manager of the Bank.

(b) Other managers with strategic responsibilities with total compensation exceeding the highest total compensation awarded to members of the board of directors and to the general manager

Not applicable.

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

Not applicable.

[25] Including Group Risk Takers who do not hold managerial positions.
[26] With reference to the foreign perimeter, Group Risk Takers and selected Strategic Managers are included only if the allocation of ISP shares complies with the Remuneration and Incentive Policies of the foreign bank to which they belong.
[27] Including both newly hired Manager and individuals being promoted to managerial roles.

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

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

It should be noted that among the beneficiaries of the Plan, in addition to the Managing Director and CEO, there are 20 Intesa Sanpaolo Managers who are among those with the power to take management decisions that may affect the Group's future development and prospects.

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

Not applicable.

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

Not applicable.

2. Grounds for adopting the Plan

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

Alongside the launch of the 2022-2025 Business Plan, the Bank intends to assign Managers an incentive instrument - the PSP - in order to align personnel objectives with those set forth in the 2022-2025 Business Plan, as well as with the objective of creating value for shareholders, within the framework of sound and prudent management.

2.1.1. Additional information

The Bank's Board of Directors, having received the positive opinion of the Remuneration Committee and of the Risks Committee, has decided to provide the Managers of the Intesa Sanpaolo Group with a long-term incentive plan based on shares in order to achieve, *inter alia*, the following objectives:

- 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 Management;
- rewarding the Manager on the basis of the value creation for shareholders
- enhancing a sustainable performance over time (i.e. ESG).

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

On the Assignment Date, each Manager is assigned the right to receive a certain number of Performance Shares as an equity portion of the variable remuneration, also depending on the job title assigned in the context of the Global Banding and on whether he/she belongs to the Business and Governance Functions or to the Control Functions.

On the Allocation Date (i.e., at the end of the Plan), each beneficiary will be assigned the right to be granted a certain number of Performance Shares subject to the achievement of certain performance objectives and in proportion to the level of achievement of such objectives (taking into account the weight assigned to each of the objectives and the mechanisms described below).

In particular, the following specific performance indicators have been identified for the Managers of the Business and Governance functions, consistently with the 2022-2025 Business Plan and the objective of creating value for shareholders:

- Operating Income in relation to Risk Weighted Assets ("OI/RWA"), weighted 30%;
- Cost management efficiency ("Cost/Income"), weighted 25%;
- Non-Performing Loans ("NPL") Ratio, weighted 15%. It is observed that this KPI is calculated gross of the amount subject to any extraordinary disposal transactions for any portion corresponding to extraordinary write-downs carried out during the PSP period or to the negative impact on the income statement at the time of disposal.

As for the target values, they are defined in the 2022-2025 Business Plan for 2025 and will be measured in 2025, at the end of such Plan.

It should be noted that, in case of achievement of the target level for each of the assigned performance indicators, at the Allocation Date (i.e. at the end of the Plan) the number of Performance Shares accrued is equal to the amount initially assigned, taking into account the possible application of de-multipliers based on sustainability KPIs.

With regard to the Managers of the Control Functions, in line with the applicable regulations, a specific qualitative performance indicator was identified based on the qualitative assessment of the robustness and overall effectiveness of the Control System over the 2022-2025 Plan period. This KPI is weighted

70%, in line with the overall weight attributed to the specific KPIs for the Managers of the Business and Governance Functions.

The qualitative KPI will be evaluated by the Board of Directors, as proposed by the Chairman, in application of specifically defined drivers.

Finally, as additional performance indicator for all the Managers, the Relative Total Shareholder Return ("Relative TSR") has been identified which t measures the creation of value for shareholders with respect to Intesa Sanpaolo's Peer Group. This KPI is weighted 30% both for the Managers of the Business/ Governance Functions and for those of the Control Functions.

As for the target value, for this KPI it is equivalent to the Bank's positioning in the third quarter in the reference peer group. It will be measured for the entire period of the Business Plan, in the period between 1 January 2022 and 31 March 2026. It should be noted that the reference peer group is the same used in the 2022-2025 Business Plan for the measurement of other economic-financial indicators of relative performance[28].

It is worth noticing that, regardless of the level of achievement of the KPIs, the number of shares that can be vested is subject to the application of Performance Share de-multiplier mechanisms linked to the achievement of sustainability KPI related to ESG objectives and Capital Targets.

Specifically:

- The ESG (Environmental, Social and Governance) composite KPI applied to all Managers. This KPI is composed of a sub-KPI for each of the 3 factors represented below into which ESG (Environmental, Social and Governance) is divided, the target level of which 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 courses and were employed in a job in line with their newly acquired skills, or who completed up-skilling courses	40%
Governance	% of women newly nominated in senior positions (-1 and -2 organizational levels under the CEO)	20%

The target level set for each of the factors is consistent with that indicated in the Business Plan.

The level of achievement of the ESG KPI is given by the sum of the degree of achievement of each factor, weighted by the respective weights assigned.

Failure to meet or partially meet the ESG KPI will result in the reduction of assignable Performance Shares to the extent below:

- \- 10% if ESG KPI achievement is < 100% (i.e. expected target level) but ≥ 80% (i.e. expected threshold level);
- \- 20% if ESG KPI achievement is < 80% (i.e. expected threshold level).

(i) Capital Target: this is applied only to Manager of the Business and Governance Functions and is measured during the accrual period, in order to ensure that the target defined is maintained for the Plan horizon.

[28] In particular, the reference peer group is composed of Barclays, BBVA, BNP Paribas, Crédit Agricole SA, Commerzbank, Credit Suisse, Deutsche Bank, HSBC, ING, Lloyds Banking Gr., Nordea, Santander, Société Générale, Std Chartered, UBS, UniCredit.

This KPI consists of maintaining year-on-year Common Equity Tier 1 (CET1) levels above the target defined in the Risk Appetite Framework (RAF) for the PSP horizon.

For each year of breach (i.e. the CET1 level falls below the target defined in the RAF), the number of shares that can vest is reduced by 10%, up to a maximum of 40% for the entire duration of the Plan.

2.2.1. Additional information

The Plan is subject to verification, for each year of the Accrual Period, of minimum activation conditions, in line with the requirements of current applicable legislation and provided for in the Group Remuneration and Incentive Policies.

These conditions are declined as follows:

- maintaining capital adequacy levels in terms of:
    - Common Equity Tier 1 (CET1);
    - Leverage Ratio;
    - minimum requirement for own funds and eligible liabilities;
    - assessment of the results of the Internal Capital Adequacy Assessment Process ("ICAAP") and of the any recommendations of the competent authorities and European Supervisory Authorities;
- maintenance of adequate levels of liquidity in terms of Net Stable Funding Ratio and, only for Top Risk Takers, also in terms of Liquidity Coverage Ratio;
- no loss and positive Gross Current Income.

Failure to meet each of the conditions above may result in a reduction (down to zero) of the Performance Share.

Finally, the Plan is, in any case, subject to verification of the absence of so-called compliance breaches, meaning:

- 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;
- personal sanctions imposed by the Supervisory Authorities for breaches of the obligations as per Article 26 of the Consolidated Banking Law 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 obligations regarding remuneration and incentives referred to in Community legislation (CRD), if involving a penalty of an amount equal to or greater than EUR 30,000;
- behaviour that is 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.

If a compliance breach occurs, the beneficiary forfeits any rights related to the Plan.

2.3. Grounds underlying the determination of the amount of the remuneration based on financial instruments, or the criteria for its determination

The amount of the Performance Shares covered by the Plan is differentiated between the Managers belonging to the Business and Governance Functions and those belonging to the Control Functions, also according to the level of Global Banding adopted by the Intesa Sanpaolo Group to which the managerial position belongs to.

2.3.1. Additional information

Please see paragraph 2.3, above.

2.4. The reasons underlying the possible decision to award remuneration plans based on financial instruments not issued by Intesa Sanpaolo

Not applicable.

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

With reference to the accounting profile, the Plan is represented in the Consolidated Financial Statements of ISP as an equity settled plan pursuant to IFRS 2.

At the grant date, the fair value of the equity instruments covered by the Plan is calculated. The Plan provides for the presence of service and performance conditions that must be taken into account in order to determine the number of shares for the valuation of the cost of the Plan. These estimates will be subject to review during the Performance Accrual Period and until expiration. Additionally, the presence of "market" performance conditions must be considered in determining the fair value of the Plan.

The cost of the Plan, thus defined, is charged to the income statement (as labor costs) pro rata temporis over the period of accrual of the benefit, with an offsetting entry in a specific shareholders' equity reserve. Upon the occurrence of events entailing the loss of the right to Plan benefits for employees (performance objectives, activation conditions and termination of employment) ISP, if there is a need to adjust the estimate previously made, ISP modifies the cost of the Plan against an adjustment to shareholders' equity.

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

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

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

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

The Plan referred to in this Information Document is subject to approval by the Ordinary Shareholders' Meeting of Intesa Sanpaolo scheduled for 29 April 2022 (on single call). The Extraordinary Shareholders' Meeting will also resolve on the free share capital increase pursuant to art. 2349, paragraph 1, of the Italian Civil Code, to service the Plan, and the related delegation, pursuant to art. 2443 of the Italian Civil Code, to the Board of Directors, so that it may execute it.

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

The Chief Operating Officer has the task of managing the Plan, availing himself, where necessary, of the collaboration of other corporate functions for the activities under their remit.

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

No procedures are contemplated for the revision of the Plan.

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

The Performance Shares will derive from a free capital increase through the allocation of profits to employees pursuant to article 2349, first paragraph, of the Italian Civil Code. The number of Performance Shares assigned will be differentiated according to whether each Manager belongs to the Business and Governance Functions or to the Control Functions and the level of Global Banding of each Manager.

For the purposes of determining the number of Performance Shares to be allocated on the Allocation Date, there are performance indicators consistent with the 2022-2025 Business Plan and linked to the creation of value for investors, de-multiplier mechanisms and trigger conditions, described in greater detail in paragraphs 2.2 and 2.2.1 above.

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

The Board of Directors, having obtained the positive opinion of the Remuneration Committee, proposes to the Intesa Sanpaolo Shareholders' Meeting to adopt the resolution relating to the Plan.

Certain members of the Board of Directors are also recipients of the Plan. In this regard, internal procedures require the Board of Directors both to give final approval of the proposal relating to the Plan in the context of the remuneration policies, and to monitor its implementation. Resolutions relating to the Plan have been and will in any event be taken by the Board of Directors in full compliance with the applicable laws and regulations.

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

The Plan, on the proposal of the Remuneration Committee of 7 March 2022, and on the favorable opinion of the Risks Committee (of February 1 2022), was approved by the Board of Directors on 15 March 2022 and submitted, limited to the areas of competence, to the vote of the Shareholders' Meeting of ISP to be held on 29 April 2022.

3.7. Date of the decision by the relevant corporate body, regarding the allocation of the financial instruments,

Relevant information regarding the allocation of instruments not currently available will be provided in accordance with applicable regulations.

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

The price recorded by the Intesa Sanpaolo ordinary share on 7 March 2022 and 15 March 2022 ranged from a minimum of Euro 1.82to a maximum of Euro 2.0185.

3.9. Terms upon which the timetable for allocating the financial instruments in implementation of the 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 17 of Regulation (EU) No. 596/2014*

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

4. Characteristics of the financial instruments to be allocated

4.1. Description of the Plan's structure

The Plan provides for each Manager to be assigned a certain number of Performance Shares by ISP, as an equity portion of the variable remuneration, subject to the achievement of certain performance targets described in paragraph 2.2 above. The number of Performance Shares to be assigned will be determined on the basis of the achievement and/or over-achievement of the aforesaid performance targets as well as the possible application of de-multiplier mechanisms.

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

The period of implementation of the Plan will be defined after the shareholders' resolution approving the said Plan.

4.3. The Plan's term

The maturity of the Plan is 44 months.

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

The maximum number of Performance Shares granted under the PSP Incentive Plan will be determined at the time of grant based on the Fair Value of the share defined based on the Black-Scholes model, adjusted for the availability constraint and the probability of completion of the service period in the company of the awarded employees and achievement of the performance conditions under the Plan, in accordance with the Bank's adopted Fair Value Policies.

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

The Plan is subject to the verification, for each year of the Performance Accrual Period, of minimum activation conditions (as indicated in paragraph 2.2.1), in line with the requirements of current applicable regulations, and the achievement of performance indicators consistent with the 2022-2025 Business Plan as well as aimed at the creation of value for shareholders, as well as demultiplier mechanisms (these conditions are described in detail in paragraphs 2.2 and 2.2.1).

The Plan also provides for a claw-back clause in line with the provisions of the Remuneration and Incentive Policies, under which ISP will be entitled to ask the recipients to return the bonuses already paid, within the scope of:

- initiatives and disciplinary measures envisaged in the event of fraudulent conduct or serious misconduct on the part of staff, also taking into account the relevant legal, tax and contribution profiles;
- violations of the obligations imposed pursuant to article 26 of the Consolidated Banking Act or, when the subject is an interested party, of article 53, paragraphs 4 and following, of the Consolidated Banking Act or of the obligations concerning remuneration and incentives;
- conduct that does not comply with the provisions of the law, regulations, the Articles of Association or any ethical codes or codes of conduct established ex ante by the Group and which has resulted in a "significant loss" for the Bank or its customers.

The claw-back mechanism may be applied in the 5 years following the payment of each portion (up-front or deferred) of Performance Share.

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

A part, equal to at least 50%, of the Performance Shares assigned to each Manager at the end of the Performance Accrual Period is subject to a lock-up period, in application of specific vesting and payment schemes, defined in line with the applicable legislation and the Group's Remuneration and Incentive Policies. The Performance Shares subject to lock-up may not be transferred and/or disposed of for a period of 12 months starting from the vesting date of each portion - upfront or deferred - of the same according to the aforesaid vesting and payment schemes.

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

Pursuant to the current Remuneration Policies and the Group's Code of Conduct and in compliance with the Regulations, it is forbidden for Employees to carry out transactions in derivative instruments and in any case to implement transactions and/or operating strategies with highly speculative characteristics. Consequently, the beneficiaries may not carry out hedging transactions on the financial instruments allocated under the Plan.

4.8. Description of the effects of termination of employment

Participation in the Plan remains subject to verification of the existence of an employment relationship with Intesa Sanpaolo or with one of the companies belonging to the Group at the time of actual participation in the Plan.

In particular, any right is forfeited in the event of resignation, dismissal for just cause or justified reason of the employees concerned, mutual termination of the employment relationship[29] and similar situations, while it will be recognized, at the end of the Performance Accrual Period and according to the scheme provided for by the Plan, the portion calculated pro rata in the event of termination of the employment relationship due to direct pension requirements having been met or through access to the Solidarity Fund, or in the event of death of the beneficiary or sale of the business unit or Group company of which the Manager is an employee to a third company.

4.9. Any other grounds for cancelling the Plan

In the event of a change of control, two scenarios are envisaged depending on whether the Board of Directors of the Intesa Sanpaolo Group characterizes the transaction as hostile or not.

In particular, in the event of a hostile change of control, the accelerated liquidation of the Performance Shares in cash is envisaged, with pro rata valuation of the Plan at fair value; whereas, in the event of a non-hostile change of control, the liquidation in shares of the new entity will take place at the the due expiry dateof the Incentive Plan, once the necessary adjustments have been made (e.g. exchange of underlying shares).

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

[29] In the particular case of non-renewal of the mandate of an executive member of the Board of Directors, it is envisaged that the Performance Shares will be paid on a pro rata basis. In the event of an organizational change entailing cancellation of the position and consequent mutual termination of the employment relationship, pro rata payment is envisaged in proportion to the duration of the Plan at the end of the term.

Not applicable.

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

Not applicable.

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

In light of the criteria, parameters, characteristics of the Plan and, more generally, of the information available as at the date of this Information Document, it is possible to estimate a total cost - including indirect costs borne by the employer - for the beneficiaries of the Plan of Euro 180 million for the period 2022-2025.

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

The total dilutive effect upon the whole of ISP's share capital would be approximately 0,51%, assuming a market price of ISP Ordinary Shares of €2.20.

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

The Manager will be able to enjoy the equity rights relating to the Performance Shares from the beginning of the lock-up period (see Section 4.6) and the administrative rights from the end of the lock-up period.

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

Not applicable.

4.16. *Number of financial instruments underlying each option*

Not applicable.

4.17. Maturity of the options

Not applicable.

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

Not applicable.

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

Not applicable.

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

No applicable.

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

Not applicable.

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

Not applicable.

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

Please refer to paragraph 3.3 of this Information Document, above.

4.24. Table related to the Plan

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

Date: 15 / 03 / 2022

Name and Surname or Category	Office (only for named persons)	CHART 1						
		Financial instruments other than *stock options*						
		Section 2						
		Newly allocated financial instruments on the basis of the decision ☑ of the Board of Directors to implement the shareholders' resolution ☐ of the competent power to implement the shareholders' resolution						
		Shareholders' resolution date	Type of financial instrument	N° of financial instruments	Granting date	Possible purchase price of instruments	Market price at granting	Vesting period
Messina Carlo	Managing Director/CEO	29/04/2022	Free grant of Intesa Sanpaolo ordinary shares	n.d. (*)	n.d.	n.d. (**)	n.d.	(***)
Key Managers (1)		29/04/2022	Free grant of Intesa Sanpaolo ordinary shares	n.d. (*)	n.d.	n.d. (**)	n.d.	(***)
Group Risk Takers (2)		29/04/2022	Free grant of Intesa Sanpaolo ordinary shares	n.d. (*)	n.d.	n.d. (**)	n.d.	(***)
Other Managers		29/04/2022	Free grant of Intesa Sanpaolo ordinary shares	n.d. (*)	n.d.	n.d. (**)	n.d.	(***)

(1) other than the Managing Director/CEO

(2) other than the Managing Director/CEO and Key Managers

(*) Up to 105.000.000 ordinary shares can be granted free of charge

(**) The subscription price of the shares will be calculated as the average of the prices observed in the 30 days prior to the issue date

(***) Shares will be unavailable for at least three years following grant