

Report on remuneration policy and compensation paid

Section II – Disclosure on remuneration paid in financial year 2019

Addendum

Addendum to the Report on remuneration policy and compensation paid – Section II – Disclosure on remuneration paid in financial year 2019

With reference to the anticipations included in the Press Release of 31 March 2020, it should be noted that:

- (i) the Managing Director and CEO will be awarded a bonus equal to **euro 2.274 million** for financial year 2019, following his waiver of euro 1 million – amount that will be allocated to donations in support of healthcare initiatives connected to the COVID-19 epidemic emergency - of the bonus deriving from the application of the 2019 Annual Incentive Plan and equal to euro 3.274 million. Such bonus (in the amount that includes the waived part) is shown on page 72 (“*The 2019 Incentive System for the Managing Director and CEO acting as General Manager*”) together with the relevant payment scheme. Taking into account the mentioned waiver, the resulting bonus of euro 2.274 million will be paid, according to the payment scheme established by the 2019 Remuneration and Incentive Policies, 45% in cash and 55% in shares, also taking into account the holding period established by the applicable regulation for the component in shares, as detailed below:

| Pay-out (after waiver) €/000 | | | | | | |
|----------------------------------|------|------|------|------|------|------|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Cash | 455 | | 91 | 91 | 114 | 273 |
| Shares (equivalent value) | | 455 | 273 | 182 | 182 | 159 |

Such bonus (in the amount that includes the waived part) is also shown in the table on page 88 (“*Quantitative information broken down by various categories of “identified staff” in accordance with the supervisory provisions of the Bank of Italy*”, column “*Total Remuneration 2019 - Short-term Variable Remuneration*”), line 1 “*Managing Director and Chief Executive Officer General Manager (Messina Carlo)*”. The waived amount must, therefore, be subtracted from the sum therein indicated, as detailed in the excerpt from the table below:

Quantitative information broken down by various categories of “identified staff” in accordance with the supervisory provisions of the Bank of Italy

(thousands of euro)

| Cluster (as at 31/12/2019) | No. | Percentage Ratio between Variable Remuneration and Fixed Remuneration | | Total Remuneration 2019 | | | Detail of Short-Term Variable Component for 2019 | | | | Variable deferred amount from prior years ^a : | | | Variable deferred amount and up-front shares from prior years paid and granted during 2019 ^a |
|---|-----|---|---------------------|---------------------------------|----------------------------------|--|--|------------------------------|---------------|------------------------------|--|--|------------|---|
| | | Theoretical | Actual ^b | Fixed Remuneration ^b | Short-term Variable Remuneration | Long-term Variable Remuneration ^c | Up-front Cash | Up-front Shares ^d | Deferred Cash | Deferred Shares ^d | Vested following 2019 performance | Amount that will vest in the following years | Not vested | |
| Managing Director and Chief Executive Officer General Manager (Messina Carlo) | 1 | Max 200% | 136% | 2,620 | 2,274 | 1,300 | 455 | 455 | 569 | 796 | 1,363 | 3,091 | | 1,124 |

It should be further noted that the waived amount has an impact on the single components of the abovementioned bonus shown in the “*Quantitative Analytical Tables - Remuneration*” for year 2019, on pages 73-84, specifically:

- a) Table No.1 (p. 77): “*Remuneration paid to members of administration and control bodies, to General Managers, and to other Key Managers*”, line “*Messina Carlo*”, column “*Bonuses and other incentives*” that, among other components, also includes the non-equity part of the bonus for year 2019 awarded upfront and the column “*Fair value of equity remuneration*” that, among other components, also includes the equity part of the bonus for 2019 awarded upfront. Following the waiver, the amounts therein indicated are modified as shown in the excerpt of the table below:

Table No. 1: Remuneration paid to members of administration and control bodies, to General Managers, and to other Key Managers

(thousands of euro)

| Surname and Name | Office | Office held since | End of office | Fixed Remuneration | Remuneration for participation in committees | Attendance fees | Non-equity variable remuneration | | Non-monetary benefits | Other remuneration | Total | Fair value of equity remuneration | Indemnity for end of office or termination of the employment agreement |
|------------------|--|-------------------|---------------|--------------------|--|-----------------|----------------------------------|----------------|-----------------------|--------------------|-------|-----------------------------------|--|
| | | | | | | | Bonuses and other incentives (x) | Profit-sharing | | | | | |
| Messina Carlo | General Manager | 01/01/2019 | 31/12/2019 | 2,000 | | | 1,694 | | 59 | 3,753 | 1,222 | | |
| | Managing Director and Chief Executive Officer | 01/01/2019 | 31/12/2019 | 500 | | | | | | 500 | | | |
| | Member of the Board of Directors/ Executive Board Member | 01/01/2019 | 31/12/2019 | 113 | | | | | | 113 | | | |

- b) Table No.3 a (p. 81): “Incentive plans based on financial instruments other than stock options, in favour of Managing Director and CEO and other Key Managers”, line “Messina Carlo”, “Incentive 2019”, column “Financial instruments awarded during the year– (5) Fair value at award date” with reference to the equity part of the bonus for 2019 and the column “Financial instruments for the year – (12) Fair value” only for the equity part of the bonus for year 2019 awarded *upfront*. Following the waiver, the amounts therein indicated are modified as shown in the excerpt of the table below:

Table No. 3A: Incentive plans based on financial instruments other than stock options, in favour of Managing Director and CEO and other Key Managers

(thousands of euro)

| A | B | (1) | Financial instruments awarded in previous years and not vested during the year | | Financial instruments awarded during the year | | | | | Financial instruments vested during the year and not granted | Financial instruments vested during the year and granted | | Financial instruments for the year |
|------------------|--|----------------|--|----------------|---|--------------------------|---------------------|------------|----------------------------|--|--|-----------------------|------------------------------------|
| | | | (2) | (3) | (4) | (5) | (6) | (7) | (8) | | (9) | (10) | |
| Surname and Name | Office | Plan | Number and type of financial instruments | Vesting period | Number and type of financial instruments | Fair value at award date | Vesting period | Award date | Market price at award date | Number and type of financial instruments | Number and type of financial instruments | Value at vesting date | Fair value |
| Messina Carlo | Managing Director and Chief Executive Officer General Manager | Incentive 2019 | | | (*) | 1,251 | May 2020 – May 2025 | (*) | (*) | | | | 455 |

- c) Table n.3b (p. 83): “Monetary incentive plans in favour of Managing Director and CEO and other Key Managers”, line “Messina Carlo” – “Incentive 2019”, column “(2) Bonus of the year” – “(A) Payable/Paid” with reference to the non-equity part of the bonus for year 2019 awarded *upfront* and column “(2) Bonus of the year” – “(B) Deferred” for the deferred non-equity part of the bonus for year 2019. Following the waiver, the amounts therein indicated are modified as shown in the excerpt of the table below:

Table No. 3B: Monetary incentive plans in favour of Managing Director and CEO and other Key Managers

(thousands of euro)

| A | B | (1) | (2) | | | (3) | | | (4) |
|------------------|--|----------------|-------------------|----------|---------------------|---------------------------|----------------|----------------|---------------|
| | | | Bonus of the year | | | Bonus from previous years | | | |
| | | | (A) | (B) | (C) | (A) | (B) | (C) | |
| Surname and Name | Office | Plan | Payable / Paid | Deferred | Deferral period | No longer payable | Payable / Paid | Still deferred | Other bonuses |
| Messina Carlo | Managing Director and Chief Executive Officer General Manager | Incentive 2019 | 455 | 569 | May 2020 – May 2025 | | | | |

- (ii) 21 top manager reporting directly to the Managing Director and CEO will waive overall approximately **euro 5 million** of the bonuses deriving from the application of the 2019 Annual Incentive Plan, specifically:

- a) 19 top managers identified as Key Managers in 2019 will waive an overall amount of **euro 4,512,300** of the bonuses deriving from the application of the 2019 Annual Incentive Plan. The aggregate amount of the bonuses awarded to these subjects (in the amount that includes the waived part) is shown in the table on page 88 (“Quantitative information broken down by various categories of “identified staff” in accordance with the supervisory provisions of the Bank of Italy”, column “Total Remuneration 2019 - Short-term Variable Remuneration”), line 2 “Other Key Managers” in addition to the amount shown in line 3 “Heads of Company Control Functions

and similar roles”). The overall waived amount must, therefore, be subtracted from the amounts therein indicated as shown in the excerpt from the table below:

Quantitative information broken down by various categories of “identified staff” in accordance with the supervisory provisions of the Bank of Italy

(thousands of euro)

| Cluster (as at 31/12/2019) | No. | Percentage Ratio between Variable Remuneration and Fixed Remuneration | | Total Remuneration 2019 | | | Detail of Short-Term Variable Component for 2019 | | | | Variable deferred amount from prior years ⁶ : | | Variable deferred amount and up-front shares from prior years paid and granted during 2019 ⁷ | |
|---|-----|---|---------------------|---------------------------------|----------------------------------|--|--|------------------------------|---------------|------------------------------|--|--|---|------------|
| | | Theoretical | Actual ⁸ | Fixed Remuneration ⁹ | Short-term Variable Remuneration | Long-term Variable Remuneration ⁶ | Up-front Cash | Up-front Shares ³ | Deferred Cash | Deferred Shares ³ | Vested following 2019 performance | Amount that will vest in the following years | | Not vested |
| Other Key Managers ¹ | 14 | Max 200% | 136% | 11,700 | 10,287 | 5,644 | 2,057 | 2,057 ⁶ | 2,572 | 3,601 ⁷ | 4,245 ⁸ | 9,844 ⁹ | | 3,254 |
| Heads of Company Control Functions and similar roles ² | 5 | Max 33% | 30% | 4,470 | 242 | 1,095 | 242 | - | - | - | 249 | 217 | | 407 |

⁶ Of which 154 thousand euro assigned as UCITS units (instead of Intesa Sanpaolo shares) to the Head of the Asset Management Division, as Chief Executive Officer of Eurizon Capital Group, as required by the Joint Bank of Italy – Consob Regulation provisions issued on 27 April 2017 and after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance .

⁷ Of which 270 thousand euro assigned as UCITS units (instead of Intesa Sanpaolo shares) to the Head of the Asset Management Division, as Chief Executive Officer of Eurizon Capital Group, as required by the Joint Bank of Italy – Consob Regulation provisions issued on 27 April 2017 and after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance .

The waived amount of 4,512,300 euro has an impact on the single components of the aggregate amount shown in the “Quantitative Analytical Tables - Remuneration”, on pages 73-84, specifically:

- i. Table No.1 (p. 79): “Remuneration paid to members of administration and control bodies, to General Managers, and to other Key Managers”, line “Key Managers”, column “Bonuses and other incentives” that, among other components, also includes the non-equity part of the bonus for year 2019 awarded upfront and the column “Fair value of equity remuneration” that, among other components, also includes the equity part of the bonus for 2019 awarded upfront. Following the waiver, the amounts therein indicated are modified as shown in the excerpt of the table below:

Table No. 1: Remuneration paid to members of administration and control bodies, to General Managers, and to other Key Managers

(thousands of euro)

| Surname and Name | Office | Office held since | End of office | Fixed Remuneration | Remuneration for participation in committees | Attendance fees | Non-equity variable remuneration | | | | Total | Fair value of equity remuneration | Indemnity for end of office or termination of the employment agreement | |
|---------------------|---|-------------------|---------------|--------------------|--|-----------------|----------------------------------|----------------|-----------------------|--------------------|-------|-----------------------------------|--|--|
| | | | | | | | Bonuses and other incentives (x) | Profit-sharing | Non-monetary benefits | Other remuneration | | | | |
| Key Managers (****) | Total remuneration and attendance fees awarded by Intesa Sanpaolo | | | 15,222 b) | | | 5,775 | | | 812 | | 21,789 b) | 4,752 | |
| | Total remuneration and attendance fees awarded by subsidiaries and associates | | | 950 c) | | | 779 | | | 68 | | 1,797 c) | 653 | |

- ii. Table No.3a (p. 81-82): “Incentive plans based on financial instruments other than stock options, in favour of Managing Director and CEO and other Key Managers”, line “Key Managers - Remuneration awarded by Intesa Sanpaolo” and line “Key Managers - Remuneration awarded by subsidiaries”, line “Incentive 2019”, column “Financial instruments awarded during the year– (5) Fair value at award date” with reference to the equity part of the bonus for 2019 and the column “Financial instruments for the year – (12) Fair value” only for the equity part of the bonus for year 2019 awarded upfront. Following the waiver, the amounts therein indicated are modified as shown in the excerpt of the table below:

Table No. 3A: Incentive plans based on financial instruments other than stock options, in favour of Managing Director and CEO and other Key Managers

(thousands of euro)

| A Surname and Name | B Office | Financial instruments awarded in previous years and not vested during the year | | | Financial instruments awarded during the year | | | | Financial instruments vested during the year and not granted | Financial instruments vested during the year and granted | | Financial instruments for the year |
|--|-------------|--|---|-----------------------|---|---------------------------------|-----------------------|-------------------|--|--|--|------------------------------------|
| | | (1) Plan | (2) Number and type of financial instruments | (3) Vesting period | (4) Number and type of financial instruments | (5) Fair value at award date | (6) Vesting period | (7) Award date | (8) Market price at award date | (9) Number and type of financial instruments | (10) Number and type of financial instruments | (11) Value at vesting date |
| Key Managers (**) (Remuneration awarded by Intesa Sanpaolo) | | Incentive 2019 | | | (*) | 5,056 | May 2020 – May 2025 | (*) | (*) | | | 1,838 |
| Key Managers (**) (Remuneration awarded by subsidiaries) | | Incentive 2019 | | | (*) | 602 ² | May 2020 – May 2025 | (*) | (*) | | | 219 ³ |

² Of which 424 thousand euro assigned as UCITS units (instead of Intesa Sanpaolo shares) to the Head of the Asset Management, as Chief Executive Officer of the Eurizon Capital Group, as required by the industry-sector regulations (Joint Bank of Italy – Consob Regulation after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance).

³ Of which 154 thousand euro assigned as UCITS units (instead of Intesa Sanpaolo shares) to the Head of the Asset Management, as Chief Executive Officer of the Eurizon Capital Group, as required by the industry-sector regulations (Joint Bank of Italy – Consob Regulation after confirmed by the Regulation implementing articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of Bank of Italy Consolidated Law on Finance).

- iii. Table No. 3b (p. 83-84): “*Monetary incentive plans in favour of Managing Director and CEO and other Key Managers*”, line “*Key Managers - Remuneration awarded by Intesa Sanpaolo*” and line “*Key Managers -Remuneration awarded by subsidiaries*”, line “*Incentive 2019*”, column “(2) Bonus of the year” – “(A) Payable/Paid” with reference to the non-equity part of the bonus for year 2019 awarded upfront and line “*Key Managers - Remuneration awarded by Intesa Sanpaolo*” and line “*Key Managers -Remuneration awarded by subsidiaries*”, column “(2) Bonus of the year” – “(B) Deferred” for the deferred non-equity part of the bonus for year 2019. Following the waiver, the amounts therein indicated are modified as shown in the excerpt of the table below:

Table No. 3B: Monetary incentive plans in favour of Managing Director and CEO and other Key Managers

(thousands of euro)

| A Surname and Name | B Office | (1) Plan | (2) Bonus of the year | | | (3) Bonus from previous years | | | (4) Other bonuses |
|---|----------------|-------------|--|---------------------|------------------------|----------------------------------|-----------------------|-----------------------|----------------------|
| | | | (A) Payable / Paid | (B) Deferred | (C) Deferral period | (A) No longer payable | (B) Payable / Paid | (C) Still deferred | |
| | | | Key Managers (**) (Remuneration awarded by Intesa Sanpaolo) | Incentive 2019 | 2,080 | 2,298 | May 2020 – May 2025 | | |
| Key Managers (**) (Remuneration awarded by subsidiaries) | Incentive 2019 | 219 | 274 | May 2020 – May 2025 | | | | | |

- b) the other 2 *top managers*, belonging to the 2019 *Risk Taker* cluster and identified as Key Managers starting from 2020¹, will waive overall **euro 420,000** of the bonuses deriving from the application of the 2019 Annual Incentive Plan.

The aggregate amount of the bonuses referred to these subjects deriving from the application of the 2019 Annual Incentive Plan (in the amount that includes the waived part) is included² in the amount shown in the table on page 88 “*Quantitative information broken down by various categories of “identified staff” in accordance with the supervisory provisions of the Bank of Italy*”, column “*Total Remuneration 2019 - Short-term Variable Remuneration*”, line 4 “*Other individuals who, individually or collectively, take on significant risk*”. Following the waiver, the amount therein indicated is modified as shown in the excerpt of the table below:

¹ As they were assigned roles reporting directly to the Managing Director and CEO starting from such year.

² Together with the amounts referred to other 429 risk takers.

Quantitative information broken down by various categories of “identified staff” in accordance with the supervisory provisions of the Bank of Italy

(thousands of euro)

| Cluster (as at 31/12/2019) | No. | Percentage Ratio between Variable Remuneration and Fixed Remuneration | | Total Remuneration 2019 | | | Detail of Short-Term Variable Component for 2019 | | | | Variable deferred amount from prior years ^e : | | | Variable deferred amount and up-front shares from prior years paid and granted during 2019 ^f |
|--|------------------|--|---------------------|---------------------------------|----------------------------------|--|--|------------------------------|---------------|------------------------------|--|--|------------|---|
| | | Theoretical | Actual ^a | Fixed Remuneration ^b | Short-term Variable Remuneration | Long-term Variable Remuneration ^c | Up-front Cash | Up-front Shares ^d | Deferred Cash | Deferred Shares ^d | Vested following 2019 performance | Amount that will vest in the following years | Not vested | |
| Other individuals who, individually or collectively, take on significant risk ³ | 431 ⁴ | Max 400% ⁵ Max 200% ⁵ Max 33% ⁵ | 87% | 110,486 | 69,277 | 23,190 | 20,732 | 15,318 ¹⁰ | 15,129 | 18,098 ¹¹ | 17,637 ¹² | 25,101 ¹³ | | 16,576 |

It is understood that the bonus – in the amount resulting from the waiver - awarded to the abovementioned subjects will be paid in accordance with the payment schemes described in Section I, pages 50 *et seq.*

Furthermore, the waiver of euro 1 million by the Managing Director and CEO and of overall euro 5 million by 19 2019 Key Managers and 2 Risk Takers who were identified as Key Managers in 2020 has an impact on the details included in the Table on “*Personnel whose total remuneration is equal to at least 1 million euro*” on page 91. Below is an updated version of the table that takes the waiver into account.

| Total remuneration* (€) | Before waiver | After waiver |
|-------------------------|---------------|---------------|
| | No. employees | No. employees |
| 7 - 8 mln | 1 | 0 |
| 6 - 7 mln | 0 | 1 |
| 3 - 3.5 mln | 3 | 0 |
| 2.5 - 3 mln | 1 | 3 |
| 2 – 2.5 mln | 7 | 6 |
| 1.5 - 2 mln | 4 | 5 |
| 1 e 1.5 mln | 31 | 31 |
| Total: | 47 | 46 |

* Includes both fixed and variable remuneration accrued in the reference year