

Report on Corporate Governance and Ownership Structures



This is an English translation of the Italian original "Relazione su Governo Societario e Assetti Proprietari" and has been prepared solely for the convenience of the reader.

Report on Corporate Governance and Ownership Structures

15 March 2011

Intesa Sanpaolo S.p.A. Registered office: Piazza San Carlo, 156 10121 Torino Secondary registered office: Via Monte di Pietà, 8 20121 Milano Share capital 6,646,547,922.56 Euro Torino Company Register and Fiscal Code 00799960158 VAT number 10810700152 included in the National Register of Banks No. 5361 ABI Code 3069.2 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund, and Parent Company of "Intesa Sanpaolo" banking group, included in the National Register of Banking Groups.

Contents

	Page
Glossary	7
Introduction	9
Adoption of the Corporate Governance Code	11
PART I – PROFILE OF THE COMPANY AND THE GROUP	13
Intesa Sanpaolo Corporate Governance	13
The Intesa Sanpaolo Group	14
- The role of the Parent Company and management and coordination activities	14
- Group Regulations	15
PART II – OWNERSHIP STRUCTURES	19
Introduction	19
Share capital	19
- Ordinary shares and savings shares	19
- Securities Traded on Non-European Markets	20
- Treasury shares	20
Share Transfers	20
Shareholder Base	20
- Main Shareholders	20
- Shareholders' agreements	20
"Change of control" clauses	24
Allocated Assets	24
PART III – INFORMATION ON THE ADOPTION OF THE CORPORATE GOVERNANCE CODE AND OTHER INFORMATION ON GOVERNANCE	25
The dual management and control system	25
The Supervisory Board	27
DUTIES OF THE SUPERVISORY BOARD	27
COMPOSITION OF THE SUPERVISORY BOARD	29
- Composition and appointment	29
- Term of office, replacement and removal	31
- Chairman and Deputy Chairpersons	32
- Requirements of integrity and professionalism	33
- Management or control offices of Supervisory Board Members	33
INDEPENDENT MEMBERS	34
SUPERVISORY BOARD'S INTERNAL COMMITTEES: COMPOSITION AND DUTIES	35
- Nomination Committee	37
- Remuneration Committee	38

- Control Committee	40
- Strategy Committee	43
- Financial Statements Committee	44
- Related Party Transactions Committee	45
SUPERVISORY BOARD OPERATIONS	45
- Calling of Meetings	46
- Reports to Board Members	46
- Conduct of meetings and the decision-making process	46
- Frequency of meetings and Board Member attendance	47
- Contestation of resolutions	48
- Self-assessment of extent, composition and operations	48
The Management Board	49
DUTIES AND POWERS OF THE MANAGEMENT BOARD	49
COMPOSITION OF THE MANAGEMENT BOARD	51
- Composition and appointment	51
- Term of office, replacement and removal	52
- Executive and non-executive Members	52
- Chairman and Deputy Chairmen	53
- Managing Director	54
- Independent Management Board Members	55
- Requirements of integrity and professionalism	55
- Other positions of Management Board Members	56
SPECIALISED COMMISSIONS IN THE MANAGEMENT BOARD: COMPOSITION AND DUTIES	56
- Business Plan and Extraordinary Transactions Commission	58
- Capital Adequacy and Financial Statements Commission	58
- Lending and Risks Commission	58
MANAGEMENT BOARD OPERATIONS	59
- Calling of Meetings	59
- Reports to Board Members	59
- Conduct of meetings and the decision-making process	60
- Frequency of meetings and Board Member attendance	61
- Contestation of resolutions	61
- Self-assessment of extent, composition and operations	61
POWERS	62
INFORMATION FLOWS TO CORPORATE BODIES AND BETWEEN CORPORATE BODIES	63
Operating Structure	65
- Business Units, Governance Areas and Head Office Departments	65
- General Managers	66
- Group Committees	69
Remuneration and incentive systems	70
REMUNERATION AND INCENTIVE SYSTEMS FOR BOARD MEMBERS	70
- Supervisory Board Members	70
- Remuneration policy for the Management Board, Executive Members and the Managing Director	70
- Employee termination indemnities	73
REMUNERATION AND INCENTIVES POLICY FOR EMPLOYEES AND OTHER STAFF IN 2010	74
- Trends in remuneration systems	74
- Intents, purposes and criteria of the remuneration policies	74
- General Managers and other Managers	75

- The Manager responsible for preparing the Company's financial reports and Internal Control Managers	76
- Other staff categories	76
- Parameters used for calculating variable pay components	77
- Remuneration policy-making procedures	77
- Internal Auditing Department assessment of the remuneration and incentives system	77
- Potential amendments to approved policies and their impact	78
- Employee termination indemnities	78
The control system	80
THE INTERNAL CONTROL SYSTEM	80
- Main characteristics	80
- The role of corporate bodies	81
- The Manager responsible for preparing the Company's financial reports	83
- Internal control of accounting and financial disclosure	84
- Controlling corporate risks	85
- The Chief Risk Officer	85
- Risk Management	85
- The Compliance Department	87
- The Credit Quality Monitoring function	87
- The Internal Validation function	87
- Level three controls and the Internal Auditing function	88
THE SURVEILLANCE BODY AND THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001	88
INDEPENDENT AUDITING	90
THE COORDINATION OF THE CONTROL SYSTEM	90
Management of conflicts of interest	92
- Introduction	92
- Transactions with related parties	92
- Obligations of Board Members and General Managers of the Banking Group	94
- Interests of Management Board Members	95
- Interests of Supervisory Board Members	95
- Conflict of interest management policy	96
- Personal transactions policy	96
Treatment of corporate information	98
- Inside information	98
- Internal Dealing and Insiders List	98
Relations with shareholders and the financial community	100
Shareholders' Meetings: procedures and shareholders' rights	101
- The Shareholders' Meeting	101
- Duties of the Shareholders' Meeting	101
- Calling and operations	102
- The right to participation and representation	102
- Additions to the Meeting agenda	103
- Voting rights	103
- Quorum and voting majorities	103
- Contestation of shareholder resolutions	104
- The Special Savings Shareholders' Meeting	104
- The right of withdrawal	105
Corporate social responsibility	106

PART IV – SUMMARY TABLES AND CHECK LIST AGAINST THE PRINCIPLES AND APPLICATION CRITERIA OF THE CODE	107
1. Composition of the Supervisory Board and Committees	107
2. List of other management or control offices of Members of the Supervisory Board in other companies quoted on regulated markets (also abroad), in financial, banking, insurance or large companies	108
3. Composition of the Management Board and of the specialised Commissions	110
4. List of other management or control offices of Members of the Management Board in other companies quoted on regulated markets (also abroad), in financial, banking, insurance or large companies	111
5. Check List	112
6. “Art. 123-bis - Report on corporate governance and ownership structures”	126

Glossary

AGCM:

Autorità Garante della Concorrenza e del Mercato, the Italian Competition Authority, independent institution responsible for ensuring compliance with rules prohibiting non-competition agreements between undertakings, abuses of dominant position and mergers deemed to create or strengthen dominant positions to the detriment of competition (also see the website www.agcm.it)

Bank of Italy:

the Bank of Italy - central bank of the Republic of Italy and part of the European System of Central Banks and the Eurosystem - is a public institution whose main functions aim at granting, among other, the stability and efficiency of the financial system by pursuing sound and prudent management of financial intermediaries as well as compliance with relevant laws in force (also see the website www.bancaditalia.it)

Italian Stock Exchange or Borsa Italiana:

Borsa Italiana S.p.A. is the company responsible in Italy for the organisation, management and development of markets for the trading of financial instruments, on which Intesa Sanpaolo S.p.A. instruments are also quoted (also see the website www.borsaitaliana.it)

c.c.:

Italian Civil Code

Parent Company:

Intesa Sanpaolo, the Parent Company of the Banking Group, pursuant to the Consolidated Law on Banking

Corporate Governance Code or Code:

the "Corporate Governance Code" issued by Borsa Italiana and published in March 2006 on corporate governance principles applicable to companies quoted on the stock exchange

Consob:

Commissione Nazionale per le Società e la Borsa, the independent authority whose purpose is to safeguard investors, efficiency, transparency and development of the Italian securities market (also see the website www.consob.it)

Manager responsible for preparing the Company's financial reports:

Manager responsible for preparing the Company's financial reports

Supervisory Provisions:

provisions issued by the Bank of Italy as part of its regulatory functions, applicable to banks and banking groups

Financial Stability Board or FSB:

the Financial Stability Board is an independent body that collaborates with the national and international financial institutions to develop and implement effective regulatory, supervisory and other specific sector policies in the interest of global financial stability (also see the website www.financialstabilityboard.org)

Banking Group or Intesa Sanpaolo Banking Group:

the Banking Group, composed of the Parent Company Intesa Sanpaolo and the banking, financial and instrumental companies – with registered offices in Italy and abroad – controlled directly or indirectly by the Parent Company

Group or Intesa Sanpaolo Group:

the Group, composed of the Parent Company Intesa Sanpaolo and companies controlled directly or indirectly by the same, including companies that are not part of the Banking group – with registered offices in Italy and abroad

Intesa Sanpaolo or Company or Bank:

Intesa Sanpaolo S.p.A.

New Supervisory Provisions:

"Supervisory Provisions concerning banks' organisation and corporate governance", adopted by the Bank of Italy on 4 March 2008 and, with specific reference to remuneration and incentive systems, Regulation no. 321560 of 28 October 2009 (in accordance with FSB implementation standards and principles)

Joint Bank of Italy/Consob Regulation:

Regulation issued jointly, pursuant to the Consolidated Law on Finance, by the Bank of Italy and Consob on 29 October 2007, governing the organisation and procedures of intermediaries providing investment services

Issuers' Regulation:

Regulation implementing the Consolidated Law on Finance and governing issuers, adopted by Consob Resolution 11971 dated 14 May 1999, and subsequent amendments thereto

Borsa Italiana Regulations:

Regulations governing markets organised and managed by Borsa Italiana

Consob Regulation on related parties:

Regulation implementing Article 2391-bis of the Italian Civil Code, issued by Consob with resolution no. 17221 of 12 March 2010, containing provisions relating to transactions with related parties by companies using the venture capital market directly or through subsidiaries

Report:

this Report on Corporate Governance and Ownership Structures

Articles of Association:

Intesa Sanpaolo's Articles of Association (available in the Governance section of the website group.intesasanpaolo.com)

Consolidated Law on Banking:

Italian Legislative Decree no. 385 of 1 September 1993 – Consolidated Law on Banking

Consolidated Law on Finance (CLF):

Italian Legislative Decree no. 58 of 24 February 1998 – Consolidated Law on Finance

Introduction

This Report, available in the “Governance” section of the website www.group.intesasanpaolo.com, has been prepared in accordance with Article 123-bis of the Consolidated Law on Finance, which requires issuers to provide the market yearly with a set of information, precisely identified by the said Article, on their ownership structures, their compliance to some corporate governance codes, their corporate bodies structure and operation as well as their corporate governance practices.

Art. 123-
bis (2),
(a) CLF

In addition to being required by law, the Report also represents an opportunity for Intesa Sanpaolo to carry out a periodic overall self-analysis, as well as an important means of communication with its shareholders, investors and the market, illustrating the governance mechanisms that drive the Bank’s operations.

Within this framework and following a general introduction, the Report describes the ownership structures, the levels of compliance with the Corporate Governance Code, the rare cases of discordance with the latter and the reasons supporting them, also in view of the dual management and control model, as well as the governing bodies of the various company functions and the system of interrelations that ensure cohesiveness within the overall picture.

Specifically, the Report is divided into four parts, according to the structure already adopted for the 2010 Report.

Part I provides a brief description of the Bank and its corporate governance model, together with a description of the Group’s structure. Part II discloses information on the ownership structure, except for certain information that has been included in Part III for the purposes of greater clarity. Part III contains more precise information on the Bank’s corporate governance and compliance with the Corporate Governance Code adopted, as well as the reasons that led the Bank to adopt a dual governance model. Lastly, Part IV contains a series of tables providing summary information on the structure of the Supervisory Board and Management Board.

For more immediate interpretation, specific margin notes citing the relevant Principles and Criteria of the Code have been provided alongside the text, along with the requirements of paragraph 1 (ownership structures) and paragraph 2 (corporate governance) of Article 123-bis of the Consolidated Law on Finance. To further improve effectiveness of communication, Part IV contains two check lists that indicate, on one side, the Principles and Criteria of the Code applied and the provisions of Article 123-bis and, on the other side, the relative implementation (with any amendments) or non-application, with reference to the page of the document in which the matter is discussed.

However, these check lists should be read together with the clarifying notes and details provided in the Report as regards application of the individual provisions.

Unless otherwise stated, the information contained in this Report is updated as at 15 March 2011, the date of its approval by the Management Board and of the relative acknowledgement by the Supervisory Board.

This Report was audited for consistency by the independent auditors Reconta Ernst & Young, in accordance with the aforementioned Article 123-bis. Their findings are published in the Independent Auditors’ Report, prepared in accordance with Article 14 of Italian Legislative Decree no. 39/2010, annexed to the Bank’s 2010 financial statements.

Adoption of the Corporate Governance Code

Intesa Sanpaolo has adopted the Corporate Governance Code available on the Borsa Italiana website (under Borsa Italiana/Rules/Corporate Governance). Consequently, the governance structure adopted by the Bank is also shaped by the aims and instructions contained in the same, with a view to ensuring the effective and transparent separation of the roles and responsibilities of its Corporate bodies, and, in particular, also in accordance with supervisory provisions, checks and balances between strategic supervision, management and control functions.

Art. 123-bis (2),
(a) CLF

Intesa Sanpaolo, however, has also adapted the principles and criteria of the Code to its own dual governance system, this option being offered by the Code for alternatives to the traditional governance model, in a manner consistent with the objectives of good corporate governance, transparent reporting and the protection of investors and the market, as well as of the interests of all stakeholders with which the Bank interacts in its business.

12.P.1.

Furthermore, the Bank is aware that efficient corporate governance is essential for the pursuit of its objectives, and it constantly evaluates any updates of its corporate governance structure in order to bring it in line with not only with the changing regulations but with national and international best practices as well.

Also in recognition of this commitment, Intesa Sanpaolo received the Special Award for Corporate Governance in 2009.

All the above, with no prejudice to strict compliance with supervisory provisions issued by the Bank of Italy and regulations contained in the Consolidated Law on Banking, pursuant to which, Intesa Sanpaolo, as a bank, must however shape its organisational structure.

Part I – Profile of the Company and the Group

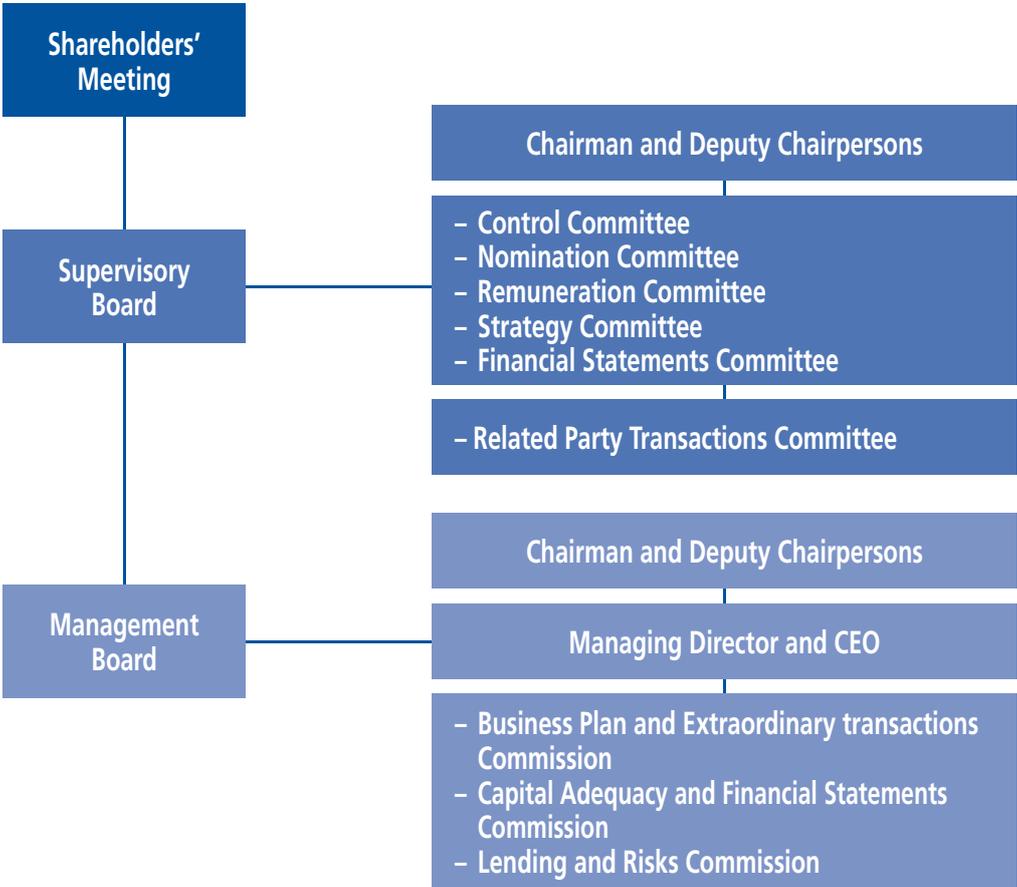
Intesa Sanpaolo is a Bank quoted on the MTA market (Mercato Telematico Azionario) organised and managed by Borsa Italiana. The purpose of the Company is the deposit-taking and the carrying out of all forms of lending activities, both directly and through its subsidiaries, together with any other transactions instrumental or related to the achievement of its corporate purpose.

Intesa Sanpaolo Corporate Governance

The Intesa Sanpaolo corporate governance structure is based on the dual management and control model, characterised by a Supervisory Board and a Management Board.

In particular, also in the light of adoption of the Corporate Governance Code, the Intesa Sanpaolo management and control system is articulated in the Corporate bodies set out below, whose assigned duties and regulations comply with law, regulations, relevant resolutions made by competent Authorities, the Articles of Association and internal Rules.

General information on corporate governance and details of the Corporate bodies are contained in specific sections of the third part of the Report.



The Intesa Sanpaolo Group

The role of the Parent Company and management and coordination activities

The Intesa Sanpaolo Group provides banking, financial, investment, collective asset management and insurance services.

Intesa Sanpaolo is the Parent Company of the Banking Group bearing its name and holds controlling interests in other companies belonging to the broader business group.

As Parent Company of the Banking Group, Intesa Sanpaolo is responsible, pursuant to the Consolidated Law on Banking, for the management and coordination of the companies belonging to the Banking Group and issues provisions as required for the implementation of Bank of Italy instructions in the interest of the Group's stability. The Group's subsidiaries must comply with such provisions.

Intesa Sanpaolo verifies compliance with and adoption of the provisions issued as instructed by the Bank of Italy by individual members of the Banking Group, to ensure observance of supervisory, regulatory and prudential reporting regulations, without prejudice to the responsibility of the subsidiaries' corporate bodies for ensuring the accuracy of information flows, as well as the adequacy of production and control procedures of the figures provided.

Within the Banking Group – without prejudice to the prerogatives of Intesa Sanpaolo as Parent Company and the aforementioned obligations regarding full implementation of supervisory regulations – sub-holdings can be identified as responsible for coordination activities on behalf of direct or indirect subsidiaries. Sub-holdings are required to observe, and ensure observation by their subsidiaries, of instructions issued by Intesa Sanpaolo in exercising its management and coordination activities, and to provide data and information on their own activities and those of their subsidiaries.

Currently the role of sub-holding is covered by Banca CR Firenze and Banca Fideuram, over which Intesa Sanpaolo exercises management and coordination, which in turn manage and coordinate their own subsidiaries.

In accordance with Legislative Decree 142/2005, the Intesa Sanpaolo Group constitutes a “financial conglomerate” – whose main field of activity is banking – and, as such, is subject to supplementary supervision, exercised by the competent Authorities and coordinated by the Bank of Italy, for the purpose of guaranteeing safeguards for the stability of the financial conglomerate as a whole and of its member companies.

Intesa Sanpaolo is at the helm of this financial conglomerate and, as such, is also required to ensure compliance with the regulations on prudential supervision.

Furthermore, pursuant to Articles 2497 et seq. of the Italian Civil Code, Intesa Sanpaolo exercises policy, management and coordination activities for all other companies belonging to the broader business group.

In this context, note that Intesa Sanpaolo also exercises these activities over the insurance company Eurizon Vita, which, pursuant to Legislative Decree 209/2005 (the “Private Insurance Code”) and related enactment provisions, is parent company of the Eurizon Vita Insurance Group.

In its capacity as Parent Company, Intesa Sanpaolo adopts specific risk management procedures and internal control mechanisms for the coordinated and unified management of the Group's various companies, with a view to guaranteeing compliance with statutory requirements, ensuring sound and prudent management, safeguarding the profitability and value of the Parent Company's investments and the investments of each Group company, and warding off any potential threat to the capital base of each Group entity.

Lastly, please note that within the deadline of 30 June 2010, Intesa Sanpaolo carried out the assessment required by the Bank of Italy regulation of 23 October 2009 concerning the management and coordination powers of the parent company over asset management companies belonging to a banking group.

The results of this assessment, as regards consistency of the Group's strategies and policies in the collective asset management sector with respect to the principles outlined in the aforementioned regulation, have been summarised in a report submitted for approval by the Corporate bodies and then forwarded to the Supervisory Authority.

The assessments highlighted an overall positive situation, with regulations aimed at ensuring independence of the Group's SGRs or asset management companies (Eurizon Capital, Fideuram Investimenti and IMI Fondi Chiusi), essentially in line with the new provisions.

In fact, the SGRs are in separate Business Units from the Group's sales networks, in order to ensure their independence and autonomy. Furthermore, the independence protocols of industry Associations, as well as specific internal procedures designed to remove decisions regarding management of investments from any influence by the Parent Company, have long since been applied within the aforementioned SGRs.

The governance systems of these companies are aligned to the sector standards and, in particular, boast a significant presence of independent directors with specialist skills.

Even at the organisational level, the Group's SGRs appear to have an adequate productive structure, focusing on the core business of operating structures backed by highly-expert resources.

Group Regulations

In consideration of the common business strategy and for the purpose of optimising synergies created by the Group, while at the same time maximising the key strengths of the various entities, the Company has adopted Group Regulations which govern the institutional operations of the Intesa Sanpaolo Group and intragroup relationships in accordance with supervisory regulations, which assign responsibility for the overall consistency of group governance to the parent company, through management and coordination activities.

The Regulations are the reference discipline for relations between Intesa Sanpaolo and Group companies and between the latter, whose conduct – in compliance with legal independence and the principles of correct governance and management of such companies – must reflect common organisational and management rules, also in compliance with supervisory regulations in force both for banks and for financial conglomerates.

The document specifically defines the Group's overall architecture and guarantees standardised management, through compliance with the basic operating principles and through the policy, management and support role of the competent departments within the Parent Company. In this way the Regulations identify precise responsibilities for the Parent Company and Group companies, in a unique and reciprocal commitment framework.

All Group companies adopt the Regulations by means of a specific resolution adopted by the competent corporate bodies.

For the purpose of actual application of rules contained in the Regulations, Intesa Sanpaolo has designed reporting procedures to be followed between the Parent Company and subsidiaries, through which the latter refer to the Parent Company with regard, amongst other things, to prior authorisation of corporate transactions, equity investments and on governance issues as well as activating adequate information flows to the Parent Company.

The Parent Company also prepares and distributes Group governance documents, targeted at either individual Group members or the Group as a whole and addressing either general governance matters or specific issues. The management bodies of the companies that receive these documents are required to implement the instructions provided, as far as they are concerned, immediately, promptly informing their senior managers of the requirement in order to identify implementation methods.

The Intesa Sanpaolo Group

The chart below lists the main Intesa Sanpaolo Group companies, grouped by business area.

Public Finance	Corporate & Investment Banking Division	Banca dei Territori Division	International Subsidiary Banks Division	Other Group subsidiaries
Banca Infrastrutture Innovazione e Sviluppo	Banca IMI	Intesa Sanpaolo	Banca Intesa	Banca Fideuram
	IMI Investimenti	Banca CR Firenze	Banca Intesa Beograd	Eurizon Capital
	Intesa Sanpaolo Bank Ireland	Banca dell'Adriatico	Bank of Alexandria	
	Leasint	Banca di Credito Sardo	Banka Koper	
	Mediofactoring	Banca di Trento e Bolzano	CIB Bank	
	Société Européenne de Banque	Banco di Napoli	Intesa Sanpaolo Bank Albania	
		CR Forli e Romagna	Intesa Sanpaolo Bank Romania	
		CR Friuli Venezia Giulia	Intesa Sanpaolo Banka Bosna I Hercegovina	
		CR Veneto	Pravex Bank	
		CR Venezia	Privredna Banka Zagreb	
		CR Bologna	VUB Banka	
		Banca Prossima		
		Centrovita Assicurazioni		
		Eurizon Tutela		
		EurizonVita		
		Intesa Sanpaolo Previdenza		
		Intesa Sanpaolo Private Banking		
		Intesa Vita		
		Mediocredito Italiano		
		Moneta		
		Neos Finance		
		Sirefid		
		Sud Polo Vita		

Part II – Ownership Structures

Introduction

This part of the Report provides information on the ownership structure of Intesa Sanpaolo, in accordance with Article 123-bis, paragraph 1, of the Consolidated Law on Finance.

However, some of the information required under paragraph 1 has been exhaustively provided in Part III of this Report, to refer to for greater detail.

In particular, the description of certain issues - with mention of the implementation of new regulatory provisions, where applicable - is broken down as follows:

- information on the absence of agreements between the Company and Members of the Supervisory or Management Board, providing for indemnities in the event of resignation, dismissal without just cause or termination of employment, is contained in the chapter on remuneration and incentive systems;
- the topic of shareholders' rights and voting rights at Meetings is examined in the chapter on Shareholders' Meetings;
- the rules applying to the appointment and replacement of members of the Supervisory Board and Management Board are discussed in the chapters on these Corporate bodies.

Share capital

Share capital subscribed and paid-in totals 6,646,547,922.56 euro, divided into 12,781,822,928 shares of a nominal value of 0.52 euro each, of which 11,849,332,367 ordinary shares (equal to 92.70% of share capital) and 932,490,561 non-convertible savings shares (equal to 7.30% of share capital).

Art. 123-bis (1), (a) CLF

The Extraordinary Shareholders' Meeting of 1 December 2006 resolved to increase share capital by a maximum of 15,835,003.08 euro through the issue of a maximum 30,451,929 ordinary shares reserved for executives of the merged company Sanpaolo Imi S.p.A. and its subsidiaries through stock option plans already approved by the Board of Directors of Sanpaolo Imi S.p.A.

As at 31 December 2010, one incentive plan remains for 23,051,000 shares, totalling 11,986,520 euro. The subscription price for this option has been fixed at 3.9511 euro per share.

With the exception of this one stock option plan, no other share-based payment schemes are in place.

The Articles of Association do not delegate any powers to the Management Board for share capital increases pursuant to Article 2443 of the Italian Civil Code or powers to issue equity-related financial instruments.

Art. 123-bis (1), (m) CLF

No shares exist that confer special controlling interests to their holders.

Art. 123-bis (1), (d) CLF

Ordinary shares and savings shares

Each ordinary share confers the right to cast one vote at ordinary and extraordinary Shareholders' Meetings.

Art. 123-bis (1), (a) CLF

Savings shares, which may be in bearer form, do not confer the right to vote in ordinary and extraordinary shareholders' meetings but entitle the holder only to attend and vote at the Special Meeting of savings shareholders.

Pursuant to the Articles of Association, savings shares are also recognised pre-emption rights in the event of reimbursement of share capital on the entire nominal value, and the right to a dividend higher than that of ordinary shares, according to the rules specified below.

Based on the Articles of Association, the responsibility for resolutions on the distribution of profits lies with the Shareholders' Meeting, on recommendation of the Management Board.

Net income as reported in the financial statements, net of allocations to the legal reserve and the unavailable portion as required by law, shall be distributed to shareholders as follows:

a) a dividend of up to 5% of the nominal value of the non-convertible savings shares shall be distributed to non-convertible savings shares. If in a financial year the dividend is less than 5% of the nominal value of the non-convertible savings shares, the difference shall be added to the preferred dividend paid in the following two accounting periods;

b) the remaining net income, made available for distribution by the Shareholders' Meeting, shall be divided among all shares so that the dividend allocated to non-convertible savings shares is higher than that allocated to ordinary shares by 2% of the nominal share value.

Securities Traded on Non-European Markets

Art. 123-bis (1), (a) CLF

American Depositary Receipts (ADRs), certificates on Intesa Sanpaolo ordinary shares, are outstanding, currently deposited with and managed by the Bank of New York Mellon. Following the deregistration of the ADRs with the SEC, the securities are admitted to trading in the United States on the OTC market only.

Art. 123-bis (1), (m) CLF

Treasury shares

As at 31 December 2010 the Bank's share portfolio contained no treasury shares. Limited packets of shares are held by other Group companies as part of their own ordinary banking and financial activities.

Art. 123-bis (1), (b) CLF

Share Transfers

There are no limits envisaged to the possession or transfer of shares.

Art. 123-bis (1), (e) CLF

No employee stock ownership scheme has been adopted at Intesa Sanpaolo.

Shareholder Base

Main Shareholders

Art. 123-bis (1), (c) CLF

According to records in the Shareholders' Register and other available information, there are approximately 330,000 Intesa Sanpaolo shareholders. The table below provides the list of shareholders which, in accordance with the communications provided for in Article 120 of the Consolidated Law on Finance and other information received by the Bank, directly and/or indirectly hold more than 2% of ordinary share capital.

Declaring Company	Direct shareholder (if other than the declaring company)	% of ordinary share capital
Compagnia di San Paolo	----	9.888%
Crédit Agricole S.A. *	----	4.996%
Assicurazioni Generali S.p.A.	Assicurazioni Generali S.p.A.	4.973%
	other group companies	1.324% 3.649%
Fondazione C.R. Padova e Rovigo	----	4.924%
Fondazione Cariplo	----	4.680%
Ente C.R. Firenze	----	3.378%
Blackrock Inc.	----	3.179%
Fondazione C.R. in Bologna	----	2.734%
Carlo Tassara S.p.A.	----	2.504%

* See the following section on Shareholders' agreements.

Shareholders' agreements

On 17 February 2010, Crédit Agricole S.A. undertook specific commitments towards Intesa Sanpaolo with respect to the ordinary shares held in the Bank, through signing of an agreement with Intesa Sanpaolo.

Art. 123-bis (1), (g) CLF

Undertaking of these commitments is part of the non-compliance proceedings, pursuant to Article 19, paragraph 1 of Law 287/1990, launched by the AGCM against Intesa Sanpaolo, following the stipulation of a shareholders' agreement between Crédit Agricole and Assicurazioni Generali, replaced in June 2009 with a new agreement between the two shareholders.

The original agreement (hereinafter “First Agreement”) was signed, pursuant to Article 122 of the Consolidated Law on Finance, by Crédit Agricole and Assicurazioni Generali on 24 April 2009, with the content summarised below and disclosed by the parties on 1 May 2009:

- shares contributed: 1,291,270,428 ordinary Company shares, representing 10.897% of Intesa Sanpaolo’s ordinary share capital and distributed as follows:

Contracting shareholder	Ordinary shares contributed under the Agreement	% of shareholding contributed under the Agreement	% of ordinary share capital
Crédit Agricole	690,000,000	53.436%	5.823%
Assicurazioni Generali	601,270,428	46.564%	5.074%
TOTAL	1,291,270,428	100.000%	10.897%

- purpose of the Agreement: to coordinate the exercise of certain shareholder rights and commitments of prior consultation, with a view to preserving and raising over time the book value of the Company shares held. Specifically, the Agreement provided for:
 - prior consultation on agenda items at Intesa Sanpaolo’s Shareholders’ Meeting and Supervisory Board and/or Management Board Meetings, where of strategic interest to the contracting parties, in order to establish a common position;
 - the nomination of a list of candidates for election to the Supervisory Board of Intesa Sanpaolo, envisaged in 2010;
 - consultation on the opportunity of nominating candidates for election to the Company’s Management Board;
 - the obligation, binding on each contracting party, not to acquire and/or hold additional Intesa Sanpaolo shares that would raise their respective shareholdings to over 10% of outstanding ordinary shares of the Bank;
- duration of the Agreement: three years, with tacit renewal upon lapse unless either party terminated the agreement with three months’ prior notice; withdrawal and cancellation provisions contemplated.

On 14 May 2009, following stipulation of the First Agreement, AGCM charged Intesa Sanpaolo with non-compliance with some terms of the resolution no. 16249 of 20 December 2006, with which the Authority itself had authorised the merger between Sanpaolo IMI and Banca Intesa. The Bank reserved to adopt any convenient caution with regard to the charges, while on 6 June 2009, Crédit Agricole and Assicurazioni Generali announced that via an exchange of communications on 29 May 2009, they had formalised the suspension of the First Agreement until 30 June.

On 25 June 2009, Crédit Agricole and Assicurazioni Generali signed a new agreement (hereinafter the “Second Agreement”), replacing the First Agreement. Although not constituting, in the view of the parties, a shareholders’ agreement as per Article 122 of the Consolidated Law on Finance, the contents of the new agreement were disclosed on 30 June 2009, in the interests of transparency.

The Second Agreement provided for a prior consultation process between the parties, with the objective of preserving and raising over time the value of their respective Intesa Sanpaolo shareholdings. Differing from the Prior Agreement, this agreement:

- excluded matters regarding or in any way impacting competition in the Italian market between Intesa Sanpaolo and the Crédit Agricole Group, and competition in the Italian insurance market between Intesa Sanpaolo and Generali Group, from the scope of prior consultation;
- set forth no provisions for the coordination of the exercise of voting rights;
- set forth no obligation on the parties to jointly nominate and vote for a list of candidates for election to the Supervisory Board or to consult on the appointment of the Management Board.

The validity of the agreement was three years, with withdrawal and cancellation provisions contemplated.

The non-compliance proceedings against Intesa Sanpaolo were subsequently extended by AGCM on 1 July 2009 and again on 7 January 2010. Furthermore, the Authority extended the deadline for the non-compliance proceedings to 15 July 2011.

This extension took place following stipulation of the aforementioned agreement on 17 February 2010, with commitments undertaken by Crédit Agricole with respect to Intesa Sanpaolo concerning ordinary Intesa Sanpaolo shares held by the same (hereinafter, the "Commitments").

While taking no stand as to whether the Commitments, which concern the exercise of voting rights by Crédit Agricole, constitute a "shareholders' agreement", in the exclusive interests of providing complete information, these Commitments were disclosed on 22 February 2010.

Art. 123-bis (1),
(f) CLF

Below we report an abridged form of the Commitments.

I. ORDINARY INTESA SANPAOLO ("ISP") SHARES HELD BY CREDIT AGRICOLE ("CA") EXCEEDING 5.00% OF THE ORDINARY SHARE CAPITAL ("Restricted Shares")

CA hereby undertakes, commencing from the date of the Commitments:

- (i) not to represent the Restricted Shares in any ISP Shareholders' Meeting;*
- (ii) not to exercise the voting rights attaching to the Restricted Shares.*

II. PROVISIONS WITH RESPECT TO THE SURPLUS SHAREHOLDING

CA hereby undertakes the following commitments with respect to the "Surplus Shareholding", designating all ordinary ISP shares, excluding the Restricted Shares, held at any time by CA and/or its Affiliates and representing more than [xxx]% of the ordinary share capital of ISP, with the exception of ISP shares held by CA and/or its Affiliates on behalf of their customers.*

Suspension of the Surplus Shareholding voting rights

- (a) CA shall refrain from exercising the voting rights attaching to the Surplus Shareholding after [xx/yy] *2011 (the "Term"), if at said date the Surplus Shareholding has not been sold in full.*
- (b) In relation to the provisions of point (a) above, CA shall deposit all shares constituting the Surplus Shareholding held at that time by it or its Affiliates in a securities escrow account opened with a premier Italian or European bank (not representing an Affiliate) by and no later than thirty days from the Term; at the same time CA shall give binding, irrevocable instructions, to be approved in advance by AGCM before the Term, to the custodian bank not to release the shares constituting the Surplus Shareholding for participation at ISP shareholders' meetings and not to exercise the voting rights attaching to said shares.*

Exercise of rights attaching to the Surplus Shareholding pending the Term

- (a) Within thirty days, CA shall grant an irrevocable mandate to a monitoring trustee, approved by AGCM, for the nomination of candidates for election to the Supervisory Board, to be exercised solely and exclusively at the ISP ordinary shareholders' meeting to be held at the end of April 2010, and for the exercise until the end of the Term of the voting rights attaching to the Surplus Shareholding, with the sole objective of raising the value of the shares.*
- (b) The mandate granted to the monitoring trustee shall comply with the specimen agreed upon by the parties.*
- (c) The monitoring trustee shall refrain from exercising the voting rights attaching to the Surplus Shareholding on sensitive matters concerning antitrust matters, as identified in the mandate.*
- (d) Solely and exclusively in relation to the ISP ordinary shareholders' meeting to be called for the end of April 2010 for the election of a new Supervisory Board, CA shall, by way of the monitoring trustee, nominate a list of candidates for the office consisting exclusively of one "effective" nominee for the office and one "alternate" nominee, both of whom shall be distinguished, independent of CA, not members of any management and control body of a company engaged in the Italian banking/finance sector, eligible for independent status, with respect to both ISP and Crédit Agricole, under the "Corporate Governance Code for listed companies", and approved by AGCM.*
- (e) At the ISP shareholders' meeting called to elect the new Supervisory Board, CA shall vote in favour of the list of candidates nominated as per point (d) above with all the votes attaching to the ordinary shares it holds that are not Restricted Shares.*

III. REMAINING SHARES

With regard to any remaining ordinary ISP shares held that are not Restricted Shares or part of the Surplus Shareholding, CA shall:

- (a) not nominate lists of candidates for election to the ISP Supervisory Board, without prejudice to the provisions indicated for the ISP ordinary shareholders' meeting to be called at the end of April 2010 for the election of a new Supervisory Board;
- (b) not participate in voting for the election of a Supervisory Board.

CA shall undertake all the Commitments on behalf of itself and its Affiliates, designating any company directly or indirectly controlled by, or with control over, or subject to the joint control of CA, in accordance with Article 7 of Law 287 dated 10 October 1990.

The Commitments shall take effect commencing as of their signing (i.e. 17 February 2010) and shall be binding until their complete performance.

* omitted as required by AGCM (Italian Competition Authority)

On 21 February 2010, Assicurazioni Generali and Crédit Agricole announced that the Second Agreement would be terminated on 19 March.

As far as the Commitments are concerned, these were already implemented upon renewal of Intesa Sanpaolo's Supervisory Board at the Ordinary Shareholders' Meeting of 30 April 2010.

In fact, on this occasion, Crédit Agricole submitted, through the designated monitoring trustee, in accordance with the provisions of the Commitments, a list of candidates containing only two names – an "effective" nominee and an "alternate" nominee, in possession of the pre-requisites and considered suitable by the AGCM – and exercised its voting right in accordance with the Commitments. At the end of voting, the "effective" nominee, Jean-Paul Fitoussi, was elected to the Bank's Supervisory Board.

Furthermore, in December, Crédit Agricole disclosed its intention to waive, in spring 2011, its consultation with Jean-Paul Fitoussi, according to the provisions of the Commitments, given the reclassification of its investment in Intesa Sanpaolo as available for sale.

Finally, election of the Bank's Supervisory Board resulted in the stipulation of shareholders' agreements pursuant to Article 122 of the Consolidated Law on Finance, aimed at the presentation and voting of joint lists by members.

More specifically, two agreements that include, as the contracting parties, Compagnia di San Paolo and Fondazione Cariplo in the first case, and Fondazione Cassa di Risparmio di Padova e Rovigo, Ente Cassa di Risparmio di Firenze and Fondazione Cassa di Risparmio in Bologna in the other, were signed and disclosed, according to the regulatory methods envisaged.

Both agreements, respectively signed on 29 March and 12 April 2010, expired upon appointment of Intesa Sanpaolo's Supervisory Board, which took place the following 30 April. In fact, the contents of the related provisions were completed upon definition of the list of candidates and the agreed exercising of the voting right in their favour.

There are no additional existing shareholders' agreements pursuant to Article 122 of the Consolidated Law on Finance.

Art.
123-bis,
(1)
(h) CLF

“Change of control” clauses

As part of their normal business activities, the Bank and other Group companies are usually party to framework agreements and contracts (especially for funding) which, according to standard financial market practice for certain types of relations, envisage specific effects in the event of a “change of control” (agreements “which take effect, alter or terminate upon a change of control of the Company and/or as a result of related events”).

No such framework agreement or contract may be considered significant, per se, in terms of amount or effect.

Allocated Assets

As at the reporting date, Intesa Sanpaolo has not allocated assets for specific dealings in accordance with the Italian Civil Code.

Part III – Information on the adoption of the Corporate Governance Code and other information on governance

The dual management and control system

Intesa Sanpaolo adopts the dual management and control model, consisting of a supervisory board and a management board, pursuant to Articles 2409-octies et seq of the Italian Civil Code and Articles 147-ter et seq of the Consolidated Law on Finance.

12.P.2.
12.P.3.

This governance model – operational as of 2007 – reflects a strategy aimed at separating corporate governance duties, already widespread in other countries of the European Union, especially for large companies and companies with widely-distributed shares.

The three-year term of Boards members appointed in accordance with the dual model, expired at the end of 2009. The Meeting of 30 April 2010 appointed the new Supervisory Board, which in turn appointed the new Management Board.

Following renewal of the latter, and for successful adoption of the Supervisory Authority regulations, the statutory provision on members of the Specialised Commissions within the Management Board became effective.

The dual system adopted by the Bank has therefore entered its consolidation phase. Its actual structure, which has distinctive characteristics considered useful in further improving its effectiveness, is summarised below.

In this context, the Company has taken into account the New Supervisory Provisions and the indications contained in the Code, adapting the individual provisions to the governance system adopted, in a manner consistent with the objectives of sound management, reporting transparency and the protection of investors and the market.

In general terms, the Supervisory Board, in addition to performing control duties typical of the board of statutory auditors, is also charged, according to the regulatory provisions, with certain duties traditionally attributed to the shareholders' meeting and, on the basis of a provision of the Articles of Association adopted in accordance with Article 2409-terdecies, f-bis) of the Italian Civil Code, with strategic supervisory functions.

The Management Board, on the other hand, has full and exclusive power over company management and, to the extent of its separate duties, provides strategic supervisory support. In compliance with the general guidelines and programmes approved, the Management Board, with a qualified presence of executive Members, has exclusive power over ordinary and extraordinary company management.

The model implemented ensures that both bodies liaise in the implementation of strategic supervision in a framework of increasingly transparent, well-defined duties, in which proposals prepared by the Management Board are submitted for approval of the Supervisory Board.

Without prejudice to the above, with regard to the Bank of Italy and based on the New Supervisory Provisions, the role of strategic supervision is focused on the Supervisory Board.

The effectiveness of institutional relations between the two Corporate bodies is strengthened by the powers of the respective Chairmen, who guarantee the correct interaction and timely involvement of the two Corporate bodies.

Intesa Sanpaolo lays particular importance on the balance of duties and powers achieved by definition of the various roles of its Corporate bodies, also with a view to their respective responsibilities, as to both general law and provisions concerning the sector of intermediation.

12.C.1. As already indicated in past Corporate Governance Reports, certain provisions of the Code concerning the board of directors and individual directors under the traditional system are considered applicable to the Management Board and Supervisory Board each as a whole as well as to their individual members, given that the Articles of Association assign significant powers of strategic supervision to the latter, while provisions concerning control bodies have been applied to the Supervisory Board, as well as provisions concerning the management of operations have been applied to the Management Board.

The Supervisory Board

The Supervisory Board is governed by the legal and regulatory provisions and by the Articles of Association. It is the highest body in the dual management and control system adopted by Intesa Sanpaolo and performs steering, strategic supervision and control duties.

For effective implementation of these duties, the Supervisory Board receives support from Committees, appointed by the Board within its members and described in a specific section of this Report.

The Supervisory Board has adopted its own Regulations which, among other things, aims to outline – in accordance with the applicable laws in force – its responsibilities, as well as to govern its organisation and operating methods, also taking into account the principles and criteria of the Corporate Governance Code. The Regulations apply to the Supervisory Board jointly as a whole and severally to the Chairman and members of the Board, who as such contribute to forming the decisions of the Board.

1.P.1.
10.P.3.

Duties of the Supervisory Board

The Supervisory Board is assigned tasks that are traditionally reserved to the Shareholders' Meeting, such as the appointment, revocation and remuneration of members of the Management Board.

The Supervisory Board is also responsible for approving the Parent Company's and consolidated financial statements. This significant duty is completed after a thorough examination of the draft financial statements submitted by the Management Board. When examining the Parent Company's financial statements, the Supervisory Board also analyses the proposed allocation of profit as formulated by the Management Board and expresses its opinion to the Shareholders' Meeting in its report, as per Article 153 of the Consolidated Law on Finance.

As to strategic supervision, pursuant to Article 2409-terdecies, paragraph 1, letter f-bis) of the Italian Civil Code, the Supervisory Board has been entrusted with duties which strengthen its steering powers and permit the collegial involvement of its members in the main governance decisions of the Bank and the Group.

Accordingly, the Supervisory Board, pursuant to the Articles of Association and at the proposal of the Management Board:

1.C.1.
a) and f)

- decides upon general planning and the strategic steering of the Company and the Group;
 - approves the business and/or financial plans and budgets of the Company and the Group;
 - authorises strategic transactions, as identified in the Articles of Association;
 - approves strategic guidelines and policies regarding risk management;
- without prejudice to the Management Board's responsibility for action taken.

In particular, the Supervisory Board authorises:

- (i) Management Board proposals to be submitted to the Shareholders' Meeting on share capital transactions, issues of convertible and cum warrant bonds in securities of the Company, mergers and spin-offs and other amendments to the Articles of Association, without prejudice to the Shareholders' powers to submit proposals as envisaged by law;
- (ii) the acquisition and disposal by the Company and its subsidiaries of controlling equity stakes in companies of particular strategic value or unit value exceeding 6% of consolidated regulatory capital;
- (iii) investments or disinvestments entailing commitments for the Company totalling, for each transaction, more than 6% of consolidated regulatory capital;
- (iv) other transactions as expressly identified by the Articles of Association.

1.C.1. f)

Furthermore, the Supervisory Board may represent to the Management Board its opinion, in order for relevant proposals to be drafted, with reference to significant strategic transactions. The Supervisory Board has not yet exercised this right.

The Supervisory Board receives, at least every three months, reports regarding, amongst other things, the general development of operations and the more significant transactions and, on a monthly basis, reports on the key performance data for the period compared with system data.

The Supervisory Board is also tasked with approving, on the recommendation of the Management Board:

- risk management policies, including non-compliance risk and internal controls, and in accordance with provisions on prudential supervision, the methods by which risks are detected and assessed, including the adoption of internal risk measurement systems to determine regulatory capital requirements and specific guidelines; in relation to risk management, the Bank of Italy: (i) on 20 January 2010, authorised the Intesa Sanpaolo Group internal AMA methods for determining regulatory capital requirements for operational risks at both the consolidated and separate levels; (ii) on 10 May 2010, authorised the Intesa Sanpaolo Group internal model to determine the regulatory capital requirements for commodity risk at the consolidated level and solely for subsidiary Banca IMI at the separate level; (iii) on 4 August 2010, authorised the Intesa Sanpaolo Group internal method to determine the regulatory capital requirements for credit risk relating to the regulatory segment of residential mortgages for private individuals;
- policies on the remuneration of employees and other staff not bound to the Company by an employment agreement.

With regard to the Internal Capital Adequacy Assessment Process or ICAAP, the Supervisory Board, on the recommendation of the Management Board, approves the general guidelines of the internal process, ensures timely adaptation to significant changes in the strategic guidelines, organisational structure and operational environment and promotes use of the ICAAP's results for strategic purposes and business decisions. In this context, the Supervisory Board, on the recommendation of the Management Board, approves the Group's risk appetite. It also approves, on the recommendation of the Management Board, the ICAAP Report (prepared annually and when exceptional circumstances require a review of the process) to be submitted to the Bank of Italy, the total internal capital and the final opinion on adequacy of the current and prospective regulatory capital, along with supporting documentation, to be submitted to the Supervisory Authority using the required procedures.

In 2010, a complete ICAAP Report was prepared using current data as at the end of 2009 and prospective data for the end of 2010, and was submitted to the Supervisory Authority by the scheduled deadline of 30 April 2010. The Supervisory Board's resolution to approve the report was based on an in-depth look at the process itself, the assessment outcomes of the process and the process report, with the support of the Control Committee.

1.C.1. b) As stated, the Supervisory Board is responsible for the control of the Bank and therefore performs the duties envisaged in Article 149, paragraph 1, of the Consolidated Law on Finance, as indicated in the Articles of Association. These duties mainly involve the supervision of, amongst other things, compliance with legal and regulatory provisions and the Articles of Association, correct governance, and the adequacy of the organisational structures and administration and accounting system.

**8.P.3.
1.C.1. b)** The Supervisory Board is also responsible for control duties as envisaged in regulatory provisions. Among these, in accordance with Bank of Italy provisions, is the task of assessing the efficiency and adequacy of the internal audit system, with particular reference to risk control, internal audit operations and the IT accounting system.

10.C.5. As part of control activities, the Supervisory Board monitors the independence of the audit firm, in liaison with the Control Committee, pursuant to Article 19 of Italian Legislative Decree no. 39/2010.

As a control Body, the Supervisory Board must also inform the Bank of Italy and, where envisaged, Consob without delay of all other acts or facts of which it becomes aware in the exercise of its duties, and which could represent management irregularities or a violation of regulations governing banking activities or financial intermediation.

Under Article 154-bis of the Consolidated Law on Finance, the Supervisory Board is also tasked with approving nominees for the position of Manager Responsible for preparing the Company's financial reports and, in accordance with the Articles of Association, as amended in compliance with the New Supervisory Provisions and the Joint Bank of Italy/Consob Regulations, nominees for internal control management positions.

According to a specific provision of the Articles of Association, and in compliance with law, where necessary the Supervisory Board can adapt the Articles of Association to regulatory provisions and resolve upon related changes. Accordingly, through resolution of 8 February 2011, the Supervisory Board

approved amendments to the Articles of Association, aligning them to the mandatory provisions introduced into Italian law with Legislative Decree no. 27 dated 27 January 2010, implementing Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies.

Lastly, according to a specific provision of the Articles of Association and a consolidated tradition in support of culture and charities, the Supervisory Board is also required to resolve upon the cultural initiatives of the Bank and Group and manage the “Allowance for charitable, social and cultural contributions”, set up by the Shareholders’ Meeting from the allocation of a part of net income. In this respect, the Supervisory Board adopted a specific regulation that identifies the principles and application criteria for the management of the aforementioned Allowance, detailing provisions as to relevant tasks for this purpose attributed by the Articles of Association to the Supervisory Board and its Chairman.

Given the significance and complexity of the matters and duties which related regulations and the Articles of Association assign to the responsibility of the Supervisory Board, and taking into account the provisions of Article 151-bis, paragraph 3, of the Consolidated Law on Finance, the Board receives support from a specific support Structure.

10.P.3.

The role of the General Secretariat of the Supervisory Board is to provide support to the Board, the Chairman, Deputy Chairpersons and Committees formed within the Board in the performance of their respective duties, also with regard to the preventive analysis and study of relevant matters.

In addition, this office provides support to the Supervisory Board Secretary in the performance of his/her duties, with particular reference to those linked to the carrying of resolutions for which Supervisory Board and Management Board intervention is required, and guarantees contact with the corporate Bodies with Bank management responsibilities on all matters of interest to the Board. In performing its duties, the General Secretariat of the Supervisory Board acts in liaison with other Bank and Group departments.

Composition of the Supervisory Board

Composition and appointment

The Supervisory Board is composed of a minimum of 15 and a maximum of 21 members, including non-shareholders, appointed by the Shareholders’ Meeting; the Articles of Association require that at least ten members be independent pursuant to the Code.

3.C.3.

The Supervisory Board in office at the date of publication of this Report is composed of 19 members:

Giovanni Bazoli – Chairman
Elsa Fornero - Deputy Chairwoman
Mario Bertolissi - Deputy Chairman
Luigi Arturo Bianchi
Rosalba Casiraghi
Franco Dalla Sega – Secretary
Gianluca Ferrero
Jean-Paul Fitoussi
Pietro Garibaldi
Giulio Stefano Lubatti
Marco Mangiagalli
Gianni Marchesini
Fabio Pasquini
Gianluca Ponzellini
Gianguido Sacchi Morsiani
Marco Spadacini
Ferdinando Targetti
Livio Torio
Riccardo Varaldo

Art. 123-bis (2), (d), CLF

All of the Members were elected by the Bank’s Ordinary Shareholders’ Meeting, held on 30 April 2010, upon determination of their number, pursuant to Article 23 of the Articles of Association and the related regulatory provisions.

Art.
123-bis
(1), (l), CLF

Election of the Supervisory Board occurred on the basis of lists of candidates submitted by Shareholders holding at least 0.5% of ordinary share capital. In determining the minimum percentage of share capital required for the nomination of candidate lists for election to management and control bodies, Consob, in its resolution 17148 dated 27 January 2010, set the minimum for Intesa Sanpaolo at 0.5%, which coincides with the provisions of the Articles of Association.

6.P.1.
6.C.1.
10.P.1.
10.C.1.

Lists containing the names of two or more candidates have been filed at the registered office at least 15 days prior to the date of the Shareholders' Meeting called for the appointment of Board Members, together with the identification data of the shareholders nominating the lists, the percentage of share capital they hold jointly, and the share certificates attesting their ownership of the shares, along with comprehensive information on the personal and professional background of the candidates and a declaration by the candidates stating that they meet all the statutory, regulatory and corporate criteria required for appointment to the Board and, where applicable, the independence criteria required by the Corporate Governance Code, and their acceptance of the nomination.

Shareholders nominating candidates, with the exception of those that jointly represent a controlling or relative majority interest, also filed, pursuant to Article 144-sexies, paragraph 4, letter b) of the Issuers' Regulation, declarations stating that they are not affiliated in any way (as per Article 144-quinquies of the Issuers' Regulation and Consob Communication 9017893 of 26 February 2009) with the above-mentioned shareholders.

The control body, with the support of the Control Committee, examined the lists of candidates filed with the Bank; the absence of affiliations, which did not lead to additional obligations, was also examined during the Shareholders' Meeting at the time of appointment of the Members of the Supervisory Board.

Several Shareholders signed agreements – published pursuant to Article 122 of the Consolidated Law on Finance – that played a role in the appointment of the Supervisory Board Members. These included:

- the agreement through which Crédit Agricole S.A. undertook commitments towards Intesa Sanpaolo concerning ordinary Intesa Sanpaolo shares held by Crédit Agricole S.A.;
- the shareholders' agreement between Compagnia di San Paolo and Fondazione Cariplo, through which these Entities agreed, amongst other things, to vote for the jointly-nominated list for election of the Supervisory Board of Intesa Sanpaolo for the three-year period 2010/2012;
- the shareholders' agreement between Fondazione Cassa di Risparmio di Padova e Rovigo, Ente Cassa di Risparmio di Firenze and Fondazione Cassa di Risparmio in Bologna, through which these Entities agreed, amongst other things, to vote for the jointly-nominated list for election of the Supervisory Board of Intesa Sanpaolo for the three-year period 2010/2012.

Both shareholders' agreements expired automatically and became ineffective upon election of the new Supervisory Board.

When appointing Board Members, candidates are selected proportionally from the lists which have obtained votes; for this purpose, the votes obtained by each of the lists are divided by one, two, three, four and so on according to the number of members to be appointed. The resulting ratios are progressively attributed to the candidates of each list according to the order of each list. The ratios so attributed are listed in decreasing order: the candidates with the highest ratios are elected members of the Supervisory Board.

More specifically:

- 10 Members were elected from List 1, which is the majority list, nominated by Compagnia di San Paolo and Fondazione Cariplo, holding a 9.888% and 4.680% stake in the Bank's capital, respectively: Giovanni Bazoli, Elsa Fornero, Franco Dalla Sega, Pietro Garibaldi, Ferdinando Targetti, Giulio Stefano Lubatti, Livio Torio, Fabio Pasquini, Gianluca Ferrero, Marco Spadacini;
- 4 Members were elected from List 2, a minority list, nominated by Fondazione Cassa di Risparmio di Padova e Rovigo, Ente Cassa di Risparmio di Firenze and Fondazione Cassa di Risparmio in Bologna, holding a 4.924%, 3.378% and 2.734% stake in the Bank's capital, respectively: Mario Bertolissi, Riccardo Varaldo, Gianguido Sacchi Morsiani, Gianni Marchesini;
- 2 Members were elected from List 3, a minority list, nominated by Assicurazioni Generali S.p.A., holding a 2.2746% stake in the Bank's capital: Gianluca Ponzellini and Luigi Arturo Bianchi;
- 2 Members were elected from List 4, a minority list, nominated by Allianz Global Investors Italia SGR S.p.A., ARCA SGR S.p.A., BNP Asset Management SGR S.p.A., Kairos Partners SGR S.p.A., Kairos

International Sicav, Mediolanum Gestione Fondi SGR S.p.A., Challenge Funds, Pioneer Investment Management SGRpA, Pioneer Asset Management S.A., PRIMA SGR S.p.A., Stichting Depository APG Developed Markets Equity Pool and UBI Pramerica SGR S.p.A., holding a total stake in the Bank's capital of over 0.5%: Rosalba Casiraghi and Marco Mangiagalli;

- 1 Member was elected from List 5, a minority list, nominated by Crédit Agricole S.A., holding a 5% stake in the Bank's capital, via proxy to the monitoring trustee Roland Berger Strategy Consultants S.r.l.: Jean-Paul Fitoussi. Appointment of this Member follows the declaration by Crédit Agricole, during the Shareholders' Meeting, to vote for its own list, with a number of shares corresponding to the minimum necessary amount for appointment of only one Supervisory Board Member.

The Bank website provides brief biographical and professional notes on the Members in office. More comprehensive information on the personal and professional background of each Member is available in the documentation published in the Bank's website upon appointment (Governance section), attached to the list submitted by the shareholders and from which the name of each elected Member is taken.

Special cases are also contemplated by the Articles of Association. Should more than one candidate obtain the same ratio, the preferred candidate shall be the candidate belonging to the list from which no Supervisory Board members, or the lower number of Supervisory Board members has been appointed. If no Supervisory Board member has been appointed from those lists, or the same number of Supervisory Board members has been appointed from those lists, the preferred candidate shall be drawn from the list which has obtained the highest number of votes. Where the number of votes and the ratio are equal, the appointment shall take place by means of a ballot by the whole Shareholders' Meeting, and the candidate shall be appointed by a simple majority of votes cast.

Application of the Supervisory Board appointments procedure guarantees the election of all members by a proportional list voting mechanism and ensures that minority shareholders are represented as prescribed by law for quoted companies, i.e. at least one Member must be elected by minority shareholders that have no direct or indirect link with shareholders presenting or voting on the list receiving most votes. Nine of the current Supervisory Board members are from minority lists.

The Articles of Association contemplate a supplementary mechanism in the event that an insufficient number of Board Members have been elected that do not meet the independence criteria provided for by the Code and/or the registration and professional practice requirements for auditors, as well as specific provisions in the event that only one list or no lists are filed.

Where the number of members of the Supervisory Board is set at a lower number than the maximum provided, the Shareholders' Meeting may increase their number during the term of office of the Supervisory Board elected. New members may be elected at ordinary Shareholders' Meetings in accordance with Article 23 of the Articles of Association, using list voting procedures.

Term of office, replacement and removal

Members of the Supervisory Board remain in office for three financial years, with their term of office expiring at the date of the subsequent Shareholders' Meeting provided for by Article 2364-bis, paragraph 2, of the Italian Civil Code, and they may be re-appointed.

The current Supervisory Board Members have been appointed for 2010/2011/2012 and, in accordance with a specific provision of the Articles of Association, their terms will expire simultaneously on the date of the Shareholders' Meeting convened pursuant to aforementioned Article 2364-bis of the Italian Civil Code, in relation to the proposal for the allocation of net income for 2012.

Where during the year a member of the Supervisory Board leaves service for whatever reason, he/she is to be substituted by the first non-appointed candidate belonging to the list on which the outgoing Supervisory Board member was nominated, or the second non-appointed candidate if the first does not meet the requirements, set forth by law, regulation or the Articles of Association, of the member leaving service. If for whatever reason this is not possible, the Board member who leaves service will be substituted without delay by the Ordinary Shareholders' Meeting, with resolution passed by a simple majority of votes cast upon the proposal of the Shareholders attending the meeting.

The substitution of the Supervisory Board Member must in any case ensure that at least one Board member nominated by minority interests is appointed, applying the procedures contemplated by regulations in force where necessary.

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

Where during the year, for whatever reason, the majority of the members of the Supervisory Board resigns, the entire Supervisory Board will forfeit office as of the date on which the new appointed Members take office. A Shareholders' Meeting for the appointment of a new Supervisory Board is to be called without delay, in accordance with the provisions of the Articles of Association.

The members of the Supervisory Board may be revoked by the Shareholders' Meeting at any time, by a resolution passed with the favourable vote of at least one fifth of the share capital, without prejudice to the right of the Member to be indemnified if the revocation occurs without just cause. The Shareholders' Meeting may revoke members of the Control Committee with just cause, in accordance with the Articles of Association.

Chairman and Deputy Chairpersons

The Chairman is appointed by the Shareholders' Meeting by resolution approved by a relative majority of votes. The Shareholders' Meeting of 30 April 2010 appointed Giovanni Bazoli as Chairman.

In accordance with Article 2409-duodecies, paragraph 9 of the Italian Civil Code, the Articles of Association determine the powers of the Chairman of the Supervisory Board.

In light of the governance model adopted by Intesa Sanpaolo and the duties attributed by the Articles of Association, as specified in the Supervisory Board Regulations, the Chairman plays a significant role in the Bank, enhanced by distinguished authority and experience as well as time dedicated to duties.

The Chairman has the power to drive Supervisory Board activities and has the duty to promote productive and continuous cooperation with the Management Board, its Chairman and Managing Director, also for the purpose of identifying and sharing strategies and general guidelines of the Bank and the Group with regard to the duties of each corporate Body.

Pursuant to the Articles of Association, in a manner functional to the exercise of Supervisory Board duties, the Chairman performs tasks relating to:

- a) the corporate Bodies and their operations;
- b) the Bank's strategies and general guidelines;
- c) supervision and control duties;
- d) external relations.

With regard to corporate Bodies and their operations, the Chairman supervises and implements such operations, thereby contributing to the productive interaction with management functions and the balance of powers pursuant to the corporate governance system adopted by Intesa Sanpaolo; liaises with the Management Board through its Chairman and the Managing Director; supervises relations with shareholders, verifying that such relations are managed correctly, in agreement with the Chairman of the Management Board and with the Managing Director.

With regard to duties relating to strategies and general guidelines, amongst other things the Chairman requests and receives information on specific Bank and Group management aspects and on management performance and outlook in general from the Chairman of the Management Board and the Managing Director.

The Chairman of the Supervisory Board does not participate in Management Board meetings in order to avoid influencing its work. This decision, implemented since the introduction of the current dual management and control model, is consistent with the prerogatives of the role of Chairman and upholds the operational independence of the Management Board.

With regard to supervisory and control duties, amongst other things the Chairman of the Supervisory Board supervises and implements internal control procedures and systems for Bank and Group activities.

The Chairman is not a member of the Control Committee, in line with the New Supervisory Provisions, adopted by the Articles of Association, to ensure objective and impartial relations between the many duties assigned to the Supervisory Board.

In relation to Supervisory Board control activities, the Chairman is responsible for relations with the Supervisory Authorities and reports to the Board on the activities conducted by Authorities, including any inspections on the Bank or Group companies.

Lastly, with regard to the Supervisory Board's duties on cultural initiatives of the Bank and Group, the Chairman of the Supervisory Board has the duty of planning these initiatives, after consulting the Chairman of the Management Board and the Managing Director and subsequently managing the initiatives with particular reference to updating of the historic, archaeological and artistic heritage and management of the Allowance for charitable, social and cultural contributions. In this respect, the Chairman of the Supervisory Board exercises duties attributed by the Articles of Association, as specified in the Supervisory Board Regulations, with operating support from the General Secretariat of the Supervisory Board.

The Articles of Association require the Shareholders' Meeting to appoint two Deputy Chairpersons for the Supervisory Board. The exercise of their duties is also regulated by the Articles of Association and Supervisory Board Regulations, in the case of the absence or unavailability of the Chairman. The Shareholders' Meeting of 30 April 2010 appointed Elsa Fornero and Mario Bertolissi as Deputy Chairpersons.

Requirements of integrity and professionalism

The integrity requirements aim to ensure that the Bank can rely on corporate bodies composed of individuals of proven honesty and moral integrity.

Accordingly, as expressly provided for by the Articles of Association and as representatives of a quoted bank, Supervisory Board Members are required to meet the integrity requirements set forth for bank managers (Regulation adopted with Ministerial Decree 161 of 18 March 1998), as well as those of integrity and professionalism set forth for statutory auditors of quoted companies (Regulation adopted with Ministerial Decree 162 of 30 March 2000).

The steering and strategic supervision role attributed to the Supervisory Board also affects the qualifications of its members, who must therefore also possess the requirements of professionalism for members of bank boards of directors (Regulation adopted with Ministerial Decree 161 of 18 March 1998) which include, amongst other things, having successfully practised the profession for at least three years through proper and qualified activities or functions relevant to the office covered. Consequently, the Chairman of the Supervisory Board is required to have at least five years' experience in exercising the aforementioned functions or professional activities.

Moreover, again based on the Articles of Association, at least four members of the Board must be included on the register of auditors and must have professional experience in the legal audit of accounts. Eight members of the Board currently possess this requirement of professionalism.

Within 30 days of appointment, the Supervisory Board verifies that each Member meets such requirements, in compliance with supervisory provisions issued by the Bank of Italy, together with the requirement of independence pursuant to Article 148, paragraph 3 of the Consolidated Law on Finance. The Board also verifies the grounds for independence according to criteria indicated in the Corporate Governance Code with regard to individuals declaring possession of such grounds at the time of appointment. For each Member, the Supervisory Board has verified compliance with said requirements of independence, based on documentation provided by the parties involved, as requested by the Bank.

3.C.4.
10.C.2.

Management or control offices of Supervisory Board Members

Each Board Member is responsible for examining and assessing the conditions which enable him/her to perform his/her duties diligently and dedicating the time necessary, also with regard to membership of Supervisory Board Committees.

1.C.2.
10.C.3.

With regard to rules on the accumulation of offices by Supervisory Board Members, the Board has not set a maximum number of offices that can be held since Board Members are subject to the accumulation of office limits envisaged in current pro tempore legal and regulatory provisions or in the Articles of Association.

1.C.3.

The Articles of Association have adopted the rules pursuant to Article 148-bis of the Consolidated Law on Finance, applying to Supervisory Board Members “cases of incompatibility as well as the limits to the number of offices provided for by law, regulations and the Articles of Association in force at the time of acceptance of office, without prejudice to different binding provisions set forth by law”.

As members of the control board of a quoted company, Supervisory Board Members are required to comply with the Consob reporting requirements in regard to the number of offices held in joint-stock companies upon appointment, along with all subsequent variations (new offices, terminations, approval of financial statement data) within the deadlines and according to the instructions envisaged by the Issuers’ Regulation. In accordance with the provisions of Article 144-quinquiesdecies of the Issuers’ Regulation, as amended by Resolution 17326 of 13 May 2010, Consob discloses on its website information regarding management or control offices held by members of control bodies of quoted companies and with widely-distributed shares. The information disclosed by Consob reflects the content of declarations provided by the Supervisory Board Members, who have sole responsibility for the accuracy of publicly disclosed information.

In accordance with Supervisory Board Regulations and in line with the New Supervisory Provisions, Supervisory Board Members cannot accept office in any corporate body other than control boards with other Group companies or within the financial conglomerate, or with companies with which the Bank holds direct or indirect strategic investments, equal to 10% of the share capital or the voting rights at the ordinary shareholders’ meetings of the company or 5% of the banking group’s consolidated regulatory capital. Each Member respects this provision.

1.C.2. Board Members are required to inform the Bank of any office accepted in other companies and entities. As an attachment to this Report, summary Table 1 indicates the number of other management and control offices that Members of the Supervisory Board have reported as held in other companies quoted on regulated markets (also abroad), in financial, banking, insurance or large companies, while Table 2 contains a list of such offices.

Independent members

All Members of the Supervisory Board are required to satisfy the independence criteria of Article 148, paragraph 3, of the Consolidated Law on Finance. Accordingly, the law requires, inter alia, the absence of any self-employment or established employment, or any other relations of an economic or professional nature between the Member and the Bank or its subsidiaries, parent companies or companies under common control, which could otherwise compromise independence.

In this respect, in 2008 Consob provided elements useful to understanding what relations can be classed as “other relations of a professional nature” and indications of elements to be taken into consideration in assessing whether such relations might compromise the independence of members of control bodies.

Given the importance attributed by law to the aforementioned independence requirements – which in operating terms imply that, should they occur, certain circumstances render incompatible the office of member of the Supervisory Board – the Bank requires that each Member provide an annual declaration confirming the continued possession of independence requirements, also in accordance with the recent provisions contemplated by the Issuers’ Regulation.

Before approving this Report, all the Members of the Supervisory Board confirmed, upon request by the Bank, that they continue to satisfy all the independence criteria mentioned above.

3.P.1. The Articles of Association also require that at least ten members of the Supervisory Board must meet the independence requirements envisaged in the Corporate Governance Code.

3.C.1.
3.C.2.
10.C.2. At the time their candidatures are submitted, Members of the Supervisory Board are asked to certify their independence, under their own responsibility, in accordance with the application criteria indicated in the Code. Each Board Member claiming independence must evaluate his/her own situation based on the parameters listed in the aforementioned criteria. The relevant declarations were disclosed to the market.

Prior to approval of this Report, and in order to allow the Supervisory Board to assess whether or not its members are independent, each Board Member was asked to carry out a personal assessment of his/her own independence status, taking into consideration the application criteria given in Article 3 of the Code.

3.P.2.
3.C.4.
10.C.2.

The Supervisory Board assesses the independent status of Members based on information available to the Bank or on statements provided by the Members themselves, acquired upon request.

The Supervisory Board incorporated the abovementioned operational method into its own Regulations, considering it adequate also for its role as a Control body and confirming that assessment of the independence of its own members will not diverge from the principles of the Code.

3.C.5.

After the appointment of its Members, the Supervisory Board carries out an annual verification that each Member satisfies the criteria of independence. The last verification was carried out prior to approval of this Report on 8 February 2011. All Supervisory Board Members were found to be in possession of the independence criteria pursuant to Article 148 paragraph 3 of the Consolidated Law on Finance, while with respect to the principles of the Code, the following 18 Members were determined to be independent: Mario Bertolissi, Luigi Arturo Bianchi, Rosalba Casiraghi, Franco Dalla Sega, Gianluca Ferrero, Jean-Paul Fitoussi, Elsa Fornero, Pietro Garibaldi, Giulio Stefano Lubatti, Marco Mangiagalli, Gianni Marchesini, Fabio Pasquini, Gianluca Ponzellini, Gianguido Sacchi Morsiani, Marco Spadacini, Ferdinando Targetti, Livio Torio and Riccardo Varaldo, based on the statements made by each of them.

Their number allows them to participate in all the Committees established by the Board, in order to make full use of their respective professional competences in relation to the specific duties attributed to each Committee. In this regard, the composition of the Committees, particularly the Control Committee and Remuneration Committee, also proves compliant with the provisions of Articles of Association, as amended to comply with the New Supervisory Provisions, and the Related Party Transactions Committee with the Consob Regulation on related parties.

3.C.3.

The Bank's website has an updated list of Members which points out for each one whether or not the status of independence according to the Code applies.

The Supervisory Board Regulations envisage the option that at least once a year the independent Members of the Board should meet in the absence of other Members, pursuant to the Code, following call by the more senior independent Board Member in age terms, that minutes of the meeting are drafted and reported to the next full meeting of the Supervisory Board. As at the date of approval of this Report, the independent Members have not yet felt the need to hold such a meeting, also given the composition of the Board.

3.C.6.

Supervisory Board's Internal Committees: composition and duties

Following its renewal, the Supervisory Board has established five Committees, three of which specifically envisaged by the Articles of Association (Remuneration Committee, Nomination Committee and Control Committee):

5.P.1.
5.C.1.
a) b) and c)

- Nomination Committee, currently composed of 5 members, among which the Chairman of the Supervisory Board, who chairs it; currently 4 members are independent pursuant to the Code;
- Remuneration Committee, currently composed of 3 members, all independent according to the Code; 2 members are enrolled with the Register of Auditors and have practised the legal audit of accounts for a period of at least three years;
- Control Committee, currently composed of 5 members, all independent pursuant to the Code, of which 4 are enrolled with the Register of Auditors and have practised the legal audit of accounts for a period of at least three years;
- Strategy Committee, currently composed of 5 members, among which the Chairman of the Supervisory Board, who chairs it, and 4 independent members pursuant to the Code;

6.P.2.

7.P.3.

8.P.4.

-
- Financial Statements Committee, currently composed of 5 members, all independent according to the Code; one member is enrolled with the Register of Auditors and has practised the legal audit of accounts for a period of at least three years.

Subsequently, the Supervisory Board - in line with the new Intesa Sanpaolo "Group Procedures regulating the conduct of related party transactions" adopted by the Bank to adapt its governance to the Consob Regulation on related parties - established an additional Committee, with resolution on 26 November 2010 and operational from 1 January 2011, dedicated exclusively to transactions with related parties of the Bank, except for those regarding remuneration. The Related Party Transactions Committee is composed of 3 effective members and one alternate member, all independent according to the Code; 2 effective members and the alternate member are enrolled with the Register of Auditors and have practised the legal audit of accounts for a period of at least three years.

In establishing the Committees, the Supervisory Board took into consideration the independence requirements and the professional characteristics and experience of its Members, so that each Committee is composed of members whose competence and professional skills are appropriate in terms of the duties attributed and is able to ensure the performance of tasks in a timely manner.

The activities of each Committee are coordinated and directed by a Chairman designated by the Supervisory Board. The Chairman calls the meetings and describes the activities, proposals and guidelines of the Committee during meetings of the Supervisory Board. In the event of absence or impediment of the Chairman, the longest-serving member or, in the case of equal terms of service, the eldest member, takes on the functions.

5.C.1. b) The duties of each Committee are specified in special Regulations, approved by the Supervisory Board, which govern the operation and organisation of the Committees.

With regard to their specific specialist duties, the Committees play an important role in the research, analysis and in-depth study of matters put forth before the Supervisory Board. Such activities – also expressed in the formulation of proposals, recommendations and opinions – facilitate the task of the Supervisory Board in making reasoned decisions, without limiting the powers and responsibilities of the Board, and rather increasing the effectiveness and efficiency of its work, particularly with regard to the discussion of sensitive matters which could be a source of conflict of interest.

Meetings are generally held at the Torino registered office and Milano secondary office. Meetings may also be validly held through telecommunication methods; such meetings are considered to have been held at the location of the Chairman.

5.C.1. d) The Regulations of each Committee require that minutes specific to each meeting are prepared by an appointed secretary, who may also be a non-Board Member, in which case the secretary should be selected from the General Secretariat of the Supervisory Board.

5.C.1. e) Each Committee may ask the Bank Structures and, where permitted in their Regulations, those of Subsidiaries, for access to any information considered necessary to perform their assigned duties. Such access may (except for the Nomination Committee) be direct or via the General Secretariat of the Supervisory Board and also, where envisaged, via Departments appointed for this purpose (the Control Committee also makes use of the Internal Auditing and Compliance Departments).

Every Committee meeting receives the support of preliminary work performed by the General Secretariat of the Supervisory Board. Committees can also make use of external consultants; the right to do so being explicitly indicated in each set of regulations, except those pertaining to the Nomination Committee.

Individuals who are not part of a committee may attend Committee meetings provided they are invited by the Committee concerned, and only in relation to specific items on the agenda.

Also in consideration of the time dedicated to each task in hand, Committee work is always performed in a constructive climate of exchange and dialogue among the respective members, encouraging personal contributions, open discussion and criticism not only among Board Members but also with Managers of the various Control Departments, Business Units, Governance Areas and of the various organisational Structures involved in meetings to the extent of their duties.

The Chairman of the Supervisory Board - with the exception of the Related Party Transactions Committee - has the right to participate in the work of any Committee that he is not a member of, without voting rights. This right, however, was not exercised in 2010 either, with a view to preserving the Chairman's role of maintaining a fair balance among all the many duties and responsibilities of the Supervisory Board. The same right envisaged for the Chairman of the Supervisory Board in relation to each Committee is also reserved to the Secretary of the Board and to the Head of the General Secretariat of the Supervisory Board, who normally participate in the work of the Committees. For the Related Party Transactions Committee, this right is contemplated for the Head of the General Secretariat of the Supervisory Board.

5.C.1. f)

Detailed information on each Committee in office until 30 April 2010 - date in which the term of the Members ceased - and on those subsequently established and currently operational is provided below, as well as on their composition, duties and tasks attributed, in addition to details on meetings and on the attendance of members.

5.C.1. g)

Art. 123-bis (2), (d) CLF

Nomination Committee

Nomination Committee in office until 30 April 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Giovanni Bazoli – Chairman			100%
Giuseppe Mazzarello		X	100%
Angelo Ferro	X	X	100%
Riccardo Varaldo		X	100%
Rodolfo Zich		X	100%

Nomination Committee established with Supervisory Board resolution of 4 May 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Giovanni Bazoli – Chairman			100%
Mario Bertolissi		X	100%
Elsa Fornero		X	100%
Pietro Garibaldi		X	100%
Riccardo Varaldo		X	100%

Following the introduction of amendments to the Articles of Association to adjust the Bank's corporate governance system in compliance with the New Supervisory Provisions, the majority of the members of the Nomination Committee are required to satisfy the independence criteria set forth in the Code. The current Nomination Committee consists of a majority of Board Members satisfying the independence criteria.

6.P.2.

The Nomination Committee is expected to support the Supervisory Board in the consulting, selection and propositional tasks regarding the nomination of members of the Management Board and of one or more General Managers, in accordance with the law, the Articles of Association and the supervisory regulations.

As regards its functions, the Nomination Committee:

6.C.2.

- a) supports the Supervisory Board in appointing the Management Board, so as to ensure that the Members of the latter are qualified and sufficient in number to perform the Board's duties. To this end, the Committee:
 - submits proposals to the Supervisory Board concerning, inter alia, the composition of the Management Board and the professional skills considered appropriate to the Management Board;

- based on the aforementioned criteria and in compliance with the requirements of the Articles of Association and pro tempore rules in force for individuals performing bank administration duties, it submits proposals to the Supervisory Board regarding the appointment of Management Board Members and the replacement of Members who for any reason whatsoever leave office;
 - submits proposals to the Supervisory Board regarding appointment of the Chairman and one or two Deputy Chairmen of the Management Board;
 - submits proposals to the Supervisory Board regarding indication to the Management Board of the candidate for appointment as Managing Director;
 - submits proposals to the Supervisory Board regarding the appointment of executive Management Board Members, for the purposes of establishing the Management Board Commissions contemplated in Article 17.2, letter s, of the Articles of Association;
- b) in accordance with the provisions of the Articles of Association, expresses advance opinion, which must be unanimous to be positive, to the Supervisory Board, regarding (i) appointment to the office of Management Board Member for the Bank of any member of the management, direction or control bodies, or an employee of competitor groups or of other banks or their parent or subsidiary companies, excluding industrial associations or companies belonging to the Group or in which the Bank owns shares, and (ii) the appointment of the aforementioned offices to the boards of competitor groups or to other banks or their parent or subsidiary companies, excluding industrial associations or companies belonging to the Group or in which the Bank owns shares.

The Nomination Committee held 4 meetings in 2010 (of which 3 involving the Committee currently in office).

In addition to examining the proposal for the appointment of two new General Managers, the Committee carried out its assigned tasks with respect to establishment of the new Management Board. In particular, it examined the curricula and professional profiles of candidates for the office of Management Board Member and submitted a proposal to the Supervisory Board for the appointment of the new Management Board, its Chairman, two Deputy Chairmen and the Managing Director, and for the designation of executive Members for the establishment of specialised Commissions, as envisaged by the Articles of Association.

Remuneration Committee

Remuneration Committee in office until 30 April 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Gianluca Ponzellini – Chairman	X	X	100%
Giulio Stefano Lubatti	X	X	100%
Eugenio Pavarani	X	X	87.50%

Remuneration Committee established with Supervisory Board resolution of 4 May 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Gianluca Ponzellini – Chairman	X	X	100%
Marco Mangiagalli		X	100%
Fabio Pasquini	X	X	100%

7.P.3. The Articles of Association, in line with the New Supervisory Provisions, requires the majority of members of the Remuneration Committee to satisfy the independence criteria set forth in the Code. All members of the Remuneration Committee satisfy the independence criteria.

The Remuneration Committee is responsible for proposing and advising the Supervisory Board on matters of remuneration, in accordance with law, the Articles of Association, and supervisory regulations.

Its duties include:

- submitting proposals to the Supervisory Board on the identification of criteria for the remuneration of the Management Board, to be submitted to the shareholders' meeting for approval, taking into consideration risk management policies, corporate strategies, and the possibility of recognising a variable remuneration component, which will be linked to mechanisms aimed at ensuring a connection with effective, long-term performance;
- submitting proposals to the Supervisory Board regarding fees payable to the Members, Chairman and Deputy Chairmen of the Management Board, as well as to the Managing Director, executive Management Board Members, as being Committee members, and Management Board Members vested with special capacities, duties or powers, on the basis of remuneration criteria and any financial instrument-based plans approved by the Shareholders' Meeting; 7.C.3.
- assisting the Supervisory Board in the examination, for the purpose of their approval, of policies on the remuneration of employees and other staff not bound to the Company by an employment agreement, on the recommendation of the Management Board;
- supporting the Supervisory Board in the examination of Management Board proposals that are to be submitted to the Shareholders' Meeting;
- supporting the Supervisory Board in advising the Management Board on the remuneration of General Managers;
- supporting the Supervisory Board in advising the Management Board on the remuneration of the Manager responsible for preparing the Company's financial reports and of the internal control managers;
- periodically assessing the criteria adopted for the remuneration of key senior managers in the Bank's organisational and operational structure and internal control managers, supervising their application on the basis of information provided by the Management Board and submitting general recommendations to the Supervisory Board on such matters; 7.C.3.
- submitting opinions and proposals on the adoption of any stock option or stock granting plans;
- checking the application of decisions taken by the Supervisory Board based on proposals submitted.

From 1 January 2011, this Committee is also required to express its motivated opinion on remuneration matters concerning transactions with related parties, where envisaged by the Intesa Sanpaolo "Group Procedures regulating the conduct of related party transactions", adopted by the Bank in accordance with the Consob Regulation on related parties. 9.C.1.

The Remuneration Committee held 16 meetings in 2010 (of which 8 involving the Committee currently in office). Regarding issues strictly related to its area of responsibility, the Committee submitted proposals to the Supervisory Board to define the remuneration policy for the Management Board (submitted for approval by the Shareholders' Meeting), as well as opinions on the remuneration of Members in relation to the office and duties attributed. It also examined the long-term incentive plan based on financial instruments, approved by the Shareholders' Meeting of 30 April 2010.

The Committee supported the Management Board in expressing an opinion regarding the remuneration of General Managers, internal control managers and the Manager responsible for preparing the Company's financial reports. In general, it submitted opinions for amendment of the remuneration policies for Top Management with respect to the variable component, as well as for the determination of variable remuneration payments to bank managers, assisting the Supervisory Board in complying with Supervisory Authority requirements.

Control Committee

Control Committee in office until 30 April 2010 and from 7 May 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Giulio Stefano Lubatti - Chairman	X	X	100.00%
Gianluca Ponzellini	X	X	92.45%
Rosalba Casiraghi	X	X	98.11%
Pietro Garibaldi		X	100%
Livio Torio	X	X	96.23%

The Control Committee - whose role has been strengthened in the Articles of Association also for the purposes of its stability (the Members of the Control Committee may be removed by the Shareholders' Meeting or replaced by the Supervisory Board solely with just cause) - is the permanent reference point for the Company's organisational Structures in charge of control functions; in fact, it is from these Structures that the Committee receives periodic reports or briefings on specific situations or company trends.

Within the scope of the Supervisory Board, the Control Committee proposes, advises and investigates on matters regarding the internal control system, risk management and the IT accounting system, submitting opinions where required by laws in force or when expressly required by the Bank of Italy.

In performing its duties, it takes into account the supervisory tasks envisaged by Article 19 of Italian Legislative Decree no. 39/2010.

With reference to risk management, the Committee, amongst other tasks, supports the Supervisory Board:

- for the purposes of approving Management Board proposals (such as the periodic review of risk management policies, the adoption of internal systems for calculating regulatory capital requirements, and the ICAAP);
- with the contribution of the relevant internal control departments, in monitoring the actual use of internal management systems ("use test") and their compliance with regulatory requirements;
- in guaranteeing the periodic auditing of the operations, efficiency and effectiveness of the risk management and control system and related procedures, promptly reporting audit results to the Supervisory Board; where shortcomings or anomalies are found, the Committee proposes appropriate corrective measures to the Supervisory Board;
- in auditing the internal capital adequacy assessment process, in both current and prospective terms, for the Bank's total consolidated capital with respect to the significant risks to which the Bank and the Group are exposed;
- in assessing the functioning and adequacy of the internal risk measurement systems in order to determine capital requirements.

With reference to the IT accounting system, the Committee supports the Supervisory Board by, among other tasks:

- examining the half-yearly reports prepared by the Manager responsible for preparing the Company's financial reports, for the attestations required by law;
- 8.C.3. d) evaluating proposals submitted by the independent auditors with regard to their assignment and relative fees, as well as the audit plan and the results described in the report and letter of recommendations;
- 8.C.3. e) monitoring the effectiveness of the auditing process, exchanging data and information with the independent auditors, also pursuant to Article 150, paragraph 3, of the Consolidated Law on Finance, for the performance of their respective tasks.

With reference to the internal control system, the Committee supports the Supervisory Board by, among other tasks:

- verifying that (i) structures for performing risk management duties defined by the relevant departments are consistent with the strategic guidelines approved by the Supervisory Board and (ii) that said departments (in particular the Risk Management, Internal Auditing and Compliance

-
- Departments) are guaranteed an appropriate level of independence along with the funding and resources adequate, as to quality and quantity, for the exercise of their duties;
- examining periodic reports from the Risk Management, Internal Auditing and Compliance Departments, together with briefings on specific situations or company trends, and making related observations and proposing resolutions for approval by the Supervisory Board, when required;
 - assessing the degree of efficiency and adequacy of the internal control system, with particular reference to risk control, the functioning of internal auditing and the IT accounting system.

The Committee also:

- promptly informs the Supervisory Board of any action or fact that may be regarded as significant under Article 52 of the Consolidated Law on Banking, and makes any necessary reports and/or reprimands to the competent bodies and/or authorities;
- supports the Supervisory Board in performing the supervisory activities required by law;
- evaluates the general rules and criteria aimed at ensuring transparency and substantial and procedural fairness in transactions with related parties; to this end, it submits, also in the interest of the Management Board, opinions on the Regulations governing these transactions, pursuant to Consob Resolution 17221 of 12 March 2010 and subsequent amendments;
- in liaison with the Corporate Social Responsibility Unit and the Internal Auditing Department, supervises compliance with the principles and values of the Bank's Code of Ethics;
- cooperates with the Supervisory Board, in liaison with the Financial Statements Committee, in preparing the report on supervisory activities performed, for submission to the Shareholders' Meeting, pursuant to Article 153 of the Consolidated Law on Finance.

9.C.1.

The Committee can make use at any time of the dedicated company departments (Internal Auditing and Compliance) to proceed with inspection and control action, in addition to exchanging information with the control bodies of Group companies regarding management and control systems and the general progress of operations.

10.C.6.

In 2010, the Committee continued its meetings with the heads of the Bank's main organisational structures and with the independent auditors, also for the purposes of Article 150 of the Consolidated Law on Finance, improving and consolidating, on a regular basis, the existing information flows, in particular from the Internal Auditing, Compliance and Risk Management Departments. The Committee also examined:

- the report on Intesa Sanpaolo's management and coordination powers with respect to the asset management companies (SGR) of the Group, drawn up in accordance with the relative supervisory provisions, and expressed its relative opinion, as envisaged by said provisions;
- the project for implementation of the Consob Regulation on related parties and, taking into account the relevant regulations, the margins of flexibility allowed by the same (small-amount and significance thresholds) regarding the scope of related parties, the exemptions structure, and the possibility to differentiate the preliminary, decision-making and reporting procedures depending on the transaction type and significance. Within this context, it assessed the assumptions, objectives and contents of the selected solutions to verify their suitability in ensuring, overall, an effective and efficient monitoring of possible conflicts of interest in transactions with related parties; following this, it issued its favourable opinion on the Bank's adoption of the new Intesa Sanpaolo Group Regulations on the management of transactions with related parties;
- projects and/or activities for the organisational development of the Group, including monitoring of implementation of the action plan for the Custodian Bank segment, subject to sale to State Street.

It also monitored the actions implemented to comply with the new regulatory provisions and for the anti-money laundering project.

In terms of risk management, the Committee continued its examination of the risk management policies at the Group level. In particular, with reference to:

- credit risk (the Bank received authorisation to use the FIRB system for the corporate segment and for the regulatory "residential mortgages for private individuals" segment), the Committee continued its periodic analysis of the loan process and of growth in the loans portfolio of the Parent Company and network banks and its relative concentration, and supervised the application made to the Bank of Italy to use, in the corporate segment, the advanced internal system (AIRB);
- counterparty risk, the Committee was informed of the main characteristics of the new management method to measure the value of Banca IMI exposures subject to this risk;

-
- market risk, the Committee examined the progress of corrective actions required by the Bank of Italy;
 - operational risks, the Committee received updates on the changes in the rollout plan for the internal AMA system.

The Committee constantly monitored correspondence with the Supervisory Authorities, with specific reference to the Bank of Italy, Consob and AGCM, also as regards verification activities conducted by these Authorities at the Bank and Group companies. Specifically, the Committee oversaw inspections and audits, issuing opinions where required, carrying out the necessary analyses and assessments and requesting regular updates on matters and, with specific reference to the Parent Company, lent its support to the Supervisory Board for connected decisions.

Special Committee attention was paid to the internal capital adequacy assessment process of the Group (ICAAP). Therefore, the Committee examined updates of the ICAAP process results, further examining, together with the functions involved, the criteria used to define the base and stress scenarios, as well as assessments of the process by Internal Validation and the Internal Auditing Department. Particular attention was also paid to the capital adequacy assessment process of international subsidiaries. The complete report approved by the Supervisory Board, on recommendation from the Management Board, was sent to the Bank of Italy in accordance with the deadline indicated by the Authority (30 April 2010).

9.C.1. In 2010, the Control Committee also expressed advance opinions on significant transactions with related parties, in line with Committee regulations, according to indications in the Code and specific regulations adopted by the Bank. As mentioned, these Regulations have been replaced, effective 1 January 2011, by specific Group Regulations, involving the Related Party Transactions Committee.

With support from the General Secretariat of the Supervisory Board, the Committee makes use of a constantly updated planning tool to organise its tasks.

In 2010 the Control Committee held 53 meetings (of which 32 involving the Committee currently in office), including some joint meetings held with the Financial Statements Committee, providing detailed information at every Supervisory Board meeting, also by means of specific reports, on the activities and main findings of the Committee, and, on a half-yearly basis, reporting summarily on the effectiveness of the internal control system.

8.C.3. g) A copy of the Control Committee's half-yearly report to the Supervisory Board is issued by the Chairman of the Supervisory Board to the Chairman of the Management Board and the Managing Director in order to enhance information exchange between the bodies with strategic, management and control duties. During the year, the Committee held a series of regular meetings with the Managing Director for the systematic reporting of activities.

In accordance with the Articles of Association and in line with the New Supervisory Provisions, members of the Control Committee participate in meetings of the Management Board.

The Committee also performs the duties and tasks of a Surveillance Body pursuant to Italian Legislative Decree 231/2001 on the administrative responsibility of companies, supervising operations and compliance with the Organisational, Management and Control model adopted by the Bank.

Strategy Committee

Strategy Committee in office until 30 April 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Giovanni Bazoli – Chairman			100%
Antoine Bernheim – Deputy Chairman			0%*
Rodolfo Zich – Deputy Chairman		X	100%
Carlo Barel di Sant’Albano			50%
Giovanni Costa		X	100%

*The absence of Antoine Bernheim in the Strategy Committee’s meetings was motivated by the cautionary measures adopted in relation to the non-compliance proceeding against the Bank by AGCM, regarding the shareholders’ agreement made between Crédit Agricole and Assicurazioni Generali.

Strategy Committee established with Supervisory Board resolution of 7 May 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Giovanni Bazoli – Chairman			100%
Mario Bertolissi - Deputy Chairman		X	100%
Elsa Fornero - Deputy Chairwoman		X	100%
Ferdinando Targetti		X	100%
Gianluca Ferrero	X	X	100%

The Strategy Committee assists and advises the Supervisory Board in the performance of its duties as the designated body, pursuant to Article 25.1.2 of the Articles of Association, and on the recommendation of the Management Board, in charge of: (i) decisions concerning general programmes and strategic guidelines, and (ii) the approval of business and/or financial plans and/or the budgets of the Bank and the Group; (iii) the authorisation of strategic transactions.

Among its various duties, the Strategy Committee:

- may submit suggestions to the Supervisory Board for guidelines to be presented to the Management Board, where it is responsible for making the related proposal upon strategic transactions, as identified under the Articles of Association;
- supports the Supervisory Board in examining the Bank and Group’s risk appetite, and in measuring current and prospective total internal capital and total capital, in accordance with multi-year plans and annual budgets, so as to determine capital adequacy at the Group level.

The Committee held 6 meetings in 2010 (of which 4 by the Committee currently in office). Its activities in 2010 included examination of the 2010 budget and of the results of the specific European stress test, with particular focus on Intesa Sanpaolo’s positioning. The Committee supervised definition of the new Business Plan and carried out an analysis of the related outlook.

Financial Statements Committee

Financial Statements Committee in office until 30 April 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Eugenio Pavarani – Chairman	X	X	100%
Marco Ciabattoni	X	X	100%
Gianluca Ferrero	X	X	100%
Gianguido Sacchi Morsiani		X	100%
Ferdinando Targetti		X	83%

Financial Statements Committee established with Supervisory Board resolution of 7 May 2010

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings
Marco Spadacini – Chairman	X	X	100%
Jean-Paul Fitoussi		X	70%
Luigi Arturo Bianchi		X	100%
Gianni Marchesini		X	100%
Gianguido Sacchi Morsiani		X	80%

The Committee supports the Supervisory Board in a consulting role (i) in performing its duty regarding approval of the Parent Company's and consolidated financial statements; (ii) in measuring regulatory capital; and (iii) in examining information on the development of Bank and Group operations, received periodically from the Management Board, in compliance with the Articles of Association; as part of these duties with reference to financial statements, the Committee:

- studies issues relating to preparation of the Parent Company's and consolidated financial statements, and to this end may obtain information from the Manager responsible for preparing the Company's financial reports;
- analyses the logic and processes involved in the preparation of the financial reports of the Bank and the Group (including quarterly and half-yearly reports);
- examines, together with the Control Committee, the documentation and reports supporting the statutory attestation of the Manager responsible for preparing the Company's financial reports, and proposes related resolutions for approval by the Supervisory Board;
- examines the drafts of the Parent Company's and the consolidated financial statements approved by the Management Board and submits recommendations to the Supervisory Board;
- examines the quarterly and half-yearly reports prepared by the Management Board and reports to the Supervisory Board.

In addition to this, the Committee cooperates, together with the Control Committee, with the Supervisory Board in preparing the report on supervisory work completed, to be submitted to the Shareholders' Meeting pursuant to Article 153 of the Consolidated Law on Finance.

As envisaged in the related Regulations, members of the Control Committee and the Manager responsible for preparing the Company's financial reports have the right to participate in Financial Statements Committee meetings, without voting rights.

The Committee's Chairman duly reported to the Supervisory Board on the Committee's activities in 2010, which saw the participation of officers from the Administration and Tax and Risk Management Departments, the Administrative and Financial Governance Office, the Audit Coordination and

Development Unit, and the AVM and Strategies Unit. Meetings were also held with the independent auditors, also for the purposes of Article 150 of the Consolidated Law on Finance.

In particular, the Committee (i) analysed the preparation procedures for the Parent Company's and the consolidated financial statements, involving an examination of the relative Guidelines and connected analyses; (ii) examined and reported on the draft Parent Company's and the consolidated financial statements for the Group for 2009, which were both then approved by the Supervisory Board; (iii) received updates on changes in the accounting regulations; (iv) received reports on capital ratios; (v) oversaw the project for the adoption of an Accounting Manual.

Finally, through its specific report, the Committee supported the Supervisory Board in examining the Half-yearly Report and the Quarterly Reports as at 31 March and 30 September 2010.

The Financial Statements Committee held 16 meetings in 2010 (of which 10 by the Committee currently in office), including joint meetings with the Control Committee.

Related Party Transactions Committee

Members	Inclusion in the Register of Auditors and professional practise of legal auditing of accounts	Independent pursuant to the Code	Attendance percentage at meetings *
Franco Dalla Sega – Chairman	X	X	100%
Rosalba Casiraghi	X	X	100%
Marco Mangiagalli		X	100%
Fabio Pasquini (alternate)	X	X	

The Committee performs the duties assigned to it by the Consob Regulation on related parties and the Intesa Sanpaolo "Group Procedures regulating the conduct of related party transactions", with regard to transactions with related parties of Intesa Sanpaolo carried out by the Bank or by its subsidiaries. The Committee does not oversee the Bank's transactions with related parties concerning remuneration issues.

In exercising its duties, the Committee:

- expresses a motivated opinion on the Bank's interest in carrying out the Transaction, as well as on the suitability and fairness of the related conditions;
- expresses an opinion if the transaction involves subsidiaries and, where it is influenced by the Bank management and coordination activities, indicates - through the opinion under the previous point - the reasons and interests influencing it;
- where envisaged by the Regulations, participates in the negotiation and analysis phases, receiving a complete and timely flow of information and with the faculty of requesting information and submitting comments to the delegated bodies and to the parties conducting the negotiations or analysis.

Pursuant to the Consob Regulation on related parties and the Group Procedures of the Bank, the Committee's operations are effective from 1 January 2011. As at the date of approval of this Report, the Committee had met 2 times and issued to the Supervisory Board its favourable and motivated opinion on carrying out the transactions examined, as well as on the suitability and fairness of the related conditions.

Supervisory Board operations

The role of strategic supervision entrusted to the Supervisory Board, involves Supervisory Board Members in key decisions, including, as mentioned, approval of the business plan and the strategic guidelines identified to achieve results set out in the plan, liaising with the Management Board, also through the constant supervision of general operations development, to pursue Group consolidation objectives, growth and the creation of value for shareholders, without prejudice to observance of the sound and prudent management and capital adequacy of the Bank.

1.P.2.

Board Members are bound to secrecy on any documents, data or information of a confidential or privileged nature that they may learn through the performance of duties, and to uphold the confidentiality

4.P.1.

of the information beyond their term of office. They are also required to comply with the procedure adopted for internal management and external communication of said documents or information.

Calling of Meetings

1.P.1. Board meetings are called by the Chairman or, in the event of absence or impediment, by the Deputy Chairman, normally on a monthly basis, in accordance with terms established in the Articles of Association, or at the initiative of the Chairman, as he deems necessary, or upon request of just one Board Member, unless particular reasons hinder the holding of meetings and, in any event, in cases envisaged by law and the Articles of Association.

The meeting is called by the issue of a notice containing the agenda of matters for discussion, addressed to each member of the Board at least four days prior to the date of the meeting. In particularly urgent situations, the meeting may be called by giving 24 hours' notice.

The Supervisory Board generally meets alternatively at the Torino registered office and Milano secondary office or, exceptionally, at another venue in Italy.

Reports to Board Members

When Board meetings are called, the Members of the Supervisory Board are provided, to all extents possible, with information and documents relevant to the agenda items to be discussed for informed decisions to be made.

The General Secretariat of the Supervisory Board ensures that this provision is met promptly, efficiently and in accordance with the provisions of the Supervisory Board Regulations and in respect of the procedures aimed at ensuring compliance with any guidelines issued by any Authorities.

For every Supervisory Board meeting, the agenda is required to include reports on the activities of the Committees.

The documentation provided at meetings of the Board is filed in company records and remains available for consultation at the Secretariat.

Conduct of meetings and the decision-making process

2.P.2. Board meetings are always conducted in an atmosphere of open and constructive discussion between members, with the added value of contributions from the Committees. A sense of responsibility adopted in office along with the skills acquired by each member have contributed to consolidating the structure and operation of the corporate Body, in which specific individual competences help contribute to discussions in a cohesive, cooperative context in order to make reasoned, informed and, usually, unanimous decisions.

The adopted governance model offers the option of enlisting specific professional qualities and competences of all Members, also by means of participation in at least one of the Committees established by the Board. The participation in such Committees, together with the technical competence acquired outside the Bank, during studies, in the exercise of professions or other corporate offices, fosters the Members' contribution of their specific skills to the Board's work.

10.P.2.
1.P.2. Members of the Supervisory Board, on the basis of information that must be received from the Management Board, and the support of the Committees and the General Secretariat of the Supervisory Board, act and pass resolutions independently and with full knowledge of the facts.

In 2010, as previously, the Chairman of the Supervisory Board invited the Chairman of the Management Board and the Managing Director to take part in Supervisory Board Meetings each time achieved results were presented, or when a general and/or strategic issue was addressed, as well as other Heads of Business Units, Governance Areas and Head Office Departments of the Bank to provide information and figures as appropriate on matters submitted for examination by the Board.

The Articles of Association permit the holding of valid meetings through remote connection systems, provided that the identity of those attending can be verified and that all are able to follow discussions and intervene in real time with regard to the matters on the agenda as well as view, receive and transmit

documents. At least the Chairman and the Secretary must always be physically present at the venue officially designated as that in which the Board Meeting is deemed to have taken place.

For the validity of decisions a majority of members in office must be present at the meeting; resolutions are adopted with vote in favour by the absolute majority of members attending the meeting, without prejudice to special decisions, e.g. those relating to the appointment of the Chairman and of one or two Deputy Chairmen of the Management Board, for which vote in favour by the majority of Supervisory Board Members in office is necessary.

Minutes are prepared for each meeting, fully illustrating the agenda items discussed and related decisions adopted.

Frequency of meetings and Board Member attendance

In 2010, the Supervisory Board held a total of 14 meetings (of which 10 by the Board currently in office), with the following attendance percentage per Member:

1.C.1. h)

Supervisory Board in office until 30 April 2010

Giovanni Bazoli – Chairman	100%	Pietro Garibaldi	100%
Antoine Bernheim – Deputy Chairman	25% *	Giulio Stefano Lubatti	100%
Rodolfo Zich – Deputy Chairman	100%	Giuseppe Mazzarello	100%
Franco Dalla Sega – Secretary	100%	Eugenio Pavarani	100%
Carlo Barel di Sant'Albano	25%	Gianluca Ponzellini	100%
Rosalba Casiraghi	100%	Gianguido Sacchi Morsiani	100%
Marco Ciabattoni	100%	Ferdinando Targetti	100%
Giovanni Costa	100%	Livio Torio	100%
Gianluca Ferrero	100%	Riccardo Varaldo	100%
Angelo Ferro	100%		

*The limited participation of Antoine Bernheim in the Supervisory Board's meetings was motivated by the cautionary measures adopted in relation to the non-compliance proceeding against the Bank by AGCM, regarding the shareholders' agreement made between Crédit Agricole and Assicurazioni Generali.

Supervisory Board appointed by the Shareholders' Meeting of 30 April 2010

Giovanni Bazoli – Chairman	70%	Marco Mangiagalli	100%
Mario Bertolissi - Deputy Chairman	100%	Gianni Marchesini	100%
Elsa Fornero - Deputy Chairwoman	90%	Fabio Pasquini	100%
Franco Dalla Sega – Secretary	100%	Gianluca Ponzellini	100%
Luigi Arturo Bianchi	90%	Gianguido Sacchi Morsiani	90%
Rosalba Casiraghi	90%	Marco Spadacini	100%
Gianluca Ferrero	100%	Ferdinando Targetti	90%
Jean-Paul Fitoussi	100%	Livio Torio	90%
Pietro Garibaldi	100%	Riccardo Varaldo	90%
Giulio Stefano Lubatti	100%		

The Supervisory Board has scheduled 11 meetings for 2011; at the date of approval of this Report, two had already been held.

The Company's 2011 financial calendar indicates 5 April as the date of the Supervisory Board meeting for approval of the Parent Company's and consolidated financial statements.

Contestation of resolutions

Resolutions adopted by the Supervisory Board in breach of law or the Articles of Association may only be contested by Board Members who were absent from the relative meeting or who voted against or abstained, by and no later than 90 days from the date the resolution was adopted.

Shareholders may also contest the resolutions of the Supervisory Board where a resolution is prejudicial to their rights. In this case, as to terms and procedures for contesting resolutions, provisions governing the contestation of shareholder resolutions shall apply, as per Articles 2377-2378 of the Italian Civil Code, where compatible.

Special rules are in place for contesting resolutions approving the financial statements, in accordance with Article 157 of the Consolidated Law on Finance and Article 2409-quaterdecies, paragraph 2, of the Italian Civil Code.

Self-assessment of extent, composition and operations

2.C.2. The Members of the Supervisory Board are aware of the duties and responsibilities inherent to their office. Upon appointment, they receive detailed relative information on their office, as well as on the obligations connected to their function, also in terms of the applicable regulations. The Secretariat ensures they receive prompt updates on the regulatory scenario, also with respect to the duties and obligations of members of control bodies.

2.C.2. In 2010, the Board Members participated in a seminar – promoted by the Chairman and organised by the General Secretariat of the Supervisory Board – dedicated to the dual system and its application by the Bank, in order to inform new members on the functions, powers and organisational methods of the Board, as well as on the organisational structure of the Group. Increased awareness of the business and Group dynamics and operations will then be acquired through regular participation in the work of the Committees and of the Board.

1.C.1. g) Each year, the Supervisory Board carries out an assessment of its adequacy in terms of powers, size, composition and operations, also in accordance with its Regulations, which have adopted the New Supervisory Provisions.

In 2010, this assessment was preceded by an evaluation carried out upon adoption of the procedures envisaged by the Consob Regulation on related parties. In this regard, the qualified and considerable participation of independent Members at Board meetings allowed it to achieve a judgement of compliance with the regulatory provisions on establishment of the Related Party Transactions Committee.

Furthermore, taking into account the size, complexity and activities carried out by the Bank and by the Group, as well as the positive experience gained during the previous term of office, the Committees and the Board appear to be able to effectively carry out their respective functions, also in light of the duties and tasks carried out in 2010 and the exercising of powers granted by the law and by the Articles of Association.

The Management Board

In addition to the legal and regulatory provisions, the Management Board is governed by the Articles of Association and by its own Regulations, adopted in 2008 and last amended in 2010, following the establishment of specialised Commissions. Specifically, the aforementioned Regulations provided the Board with precise organisational and operating rules, identifying its duties in detail. The Regulations are applicable to the Management Board jointly as a whole and severally to the Commissions, as well as to the Chairman and Members of the Management Board, who contribute to forming the decisions of the Board.

Duties and powers of the Management Board

The Management Board has sole responsibility for management of the Bank in compliance with general, programme-related and strategic guidelines approved by the Supervisory Board, with which it however cooperates, to the extent of its own duties, in performing the strategic supervisory role.

1.P.1.
1.C.1. h)

For this purpose, the Board resolves on all transactions – relating to both ordinary and extraordinary administration – necessary, useful or appropriate in achieving the corporate purpose.

Pursuant to the Articles of Association and in accordance, inter alia, with the provisions contained in the New Supervisory Regulations and in the Joint Bank of Italy/Consob Regulation, the Management Board is guaranteed sole responsibility for certain matters of greater importance – identified in a precise and analytical manner – beyond those strictly envisaged in the regulations. On such matters joint decision-making makes it possible to actively involve Board Members who therefore participate, with independent judgement, in key moments in the operational governance of the Bank.

More specifically, in addition to the duties that according to law may not be delegated, those reserved to the Board include, amongst others:

- submitting proposals on general programmes and strategic guidelines of the Bank and the Group to the Supervisory Board; 1.C.1. a)
- the preparation of business and/or financial plans as well as the budgets of the Bank and the Group for submission to the Supervisory Board for approval;
- the appointment of specialised Committees with preparatory and advisory duties, made up of executive board members, in accordance with the Articles of Association; 5.P.1.
- the definition of guidelines and policies related to risk management (including the policy relative to the risk of non-compliance) and to internal audit, to be submitted to the Supervisory Board's approval; 8.C.1. a)
- the purchase and sale of equity investments leading to changes in the Banking Group;
- adequacy assessment of the organisational, administrative and accounting structure of the Bank, also with respect to the internal control system, and the Group organisational structure; 1.C.1. b)
- adequacy assessment of the organisational, administrative and accounting structure of subsidiaries of strategic importance; 1.C.1. b)
- the determination of criteria for the coordination and management of Group companies and for the implementation of Bank of Italy provisions;
- the appointment, on the recommendation of the Supervisory Board, and removal of the Managing Director and the delegation, amendment and withdrawal of the relevant powers; 1.C.1. c)
- the appointment to particular offices or the assignment of particular powers to one or more Board Members and the determination of the relevant powers;
- the appointment and removal of one or more General Managers, the determination of the relevant powers and the setting of remuneration, on the recommendation of the Managing Director and upon previous opinion of the Supervisory Board;
- subject to the mandatory opinion of the Supervisory Board, the appointment and removal of the Manager responsible for preparing the Company's financial reports and the determination of relevant powers, funding and remuneration;
- the appointment and removal, further to the favourable opinion of the Supervisory Board, of the Managers of internal control functions (including internal audit, compliance to regulations and risk management), pursuant to applicable laws or regulations; 8.C.1.

- supervision to ensure that the Manager responsible for preparing the Company's financial reports and the Internal Control Managers have the powers and resources they need to fulfil the duties assigned to them;
- preparation of the draft Parent Company's and consolidated financial statements and of documentation on merger and spin-off projects;
- 1.C.1. f) - the arrangement of transactions to be submitted for Supervisory Board authorisation or approval pursuant to the Articles of Association, and resolutions on transactions with a unit value exceeding 3% of the consolidated regulatory capital;
- 9.C.1. 1.C.1. f) - the determination of criteria to identify related party transactions for which the Management Board has sole decision-making responsibility;
- the designation of members of corporate bodies of subsidiaries, including executive board members;
- the approval of major internal regulations and the amendment thereof;
- the definition of remuneration policy for employees and other staff, to be submitted to the approval of the Supervisory Board;
- the determination, upon previous opinion of the Supervisory Board, of incentive and remuneration schemes for top managers in the Company's organisational and operational structure, as well as of remuneration paid to internal control managers.

Without prejudice to regulatory provisions and the Articles of Association, the Management Board resolves on all other matters reserved to the Board under its own Regulations and on those it decided non to delegate.

In particular and solely by way of example, the Board is responsible for the following matters, without prejudice, where required, to concurrent responsibility of the Supervisory Board:

- a) structure, organisation and operations of the Management Board;
- b) strategies and general guidelines of the Bank and the Group;
- c) structure and organisation of the Bank and the Group;
- d) control and prudent supervision policies;
- e) financial reporting, financial statements and relations with independent auditors;
- f) Shareholders' Meetings and relations with Bank Shareholders.

With specific regard to control and prudent supervision policies, the Board implements the ICAAP, monitoring and ensuring that the process corresponds with strategic guidelines and satisfies the following requirements: takes into account all significant risks; incorporates outlook assessments; adopts appropriate methodologies; is known and shared by internal Departments; is adequately formalised and documented; identifies the roles and responsibilities assigned to corporate Structures; is entrusted to resources adequate, as to quality and quantity, and granted the authority necessary to ensure the observance of plans; forms an integral part of management activities.

1.C.1. e) The Management Board periodically assesses the general development of operations, also on presentation of the financial data of the Bank and Group, taking into account, in particular, the information received from the Managing Director, using in-depth analyses of the specialised Commissions established within the Board itself, and periodically comparing results achieved with those previously forecast.

In order to ensure proper coordination with the Supervisory Board, the Management Board provides the Supervisory Board with prompt reports, at least every three months, regarding, amongst other things, the general development of operations and the more significant transactions. On a monthly basis, the Board instead reports on the key performance data for the period compared with system data.

On recommendation from the Chairman, the Board appoints a Secretary. The Secretary provides support to the Chairman and the Board in exercising their respective duties, arranging all matters necessary to operations of the Board and its specialised Commissions, for which mutual coordination is ensured, pursuant to law, the Articles of Association, regulations and procedures adopted by the Bank.

The activities of the Management Board are supported by the Corporate Secretariat Service, which is part of the Corporate Affairs and Investments Department. The Corporate Secretariat's duties include handling activities essential to the Management Board and providing support to the various members in carrying out their respective duties, especially to the Chairman, Deputy Chairmen, Managing Director and specialised Commissions.

The Corporate Secretariat guarantees reporting and organisational coordination as necessary with the Supervisory Board and appropriate links between the Management Board and the specialised Commissions with the other corporate Bodies and Departments, and in general ensures that corporate obligations for which the Board and its Members are responsible, are fulfilled.

Board Members act and pass resolutions independently and with full knowledge of the facts, pursuing the corporate interest, in accordance with the principle of sound and prudent management and the principles and values of reference adopted by the Bank.

1.P.2.

Board Members are required to uphold the confidentiality, also beyond their term of office, of all documents, information and data concerning the Bank or the Group or otherwise learnt through the performance of their duties, and to comply with Bank procedures for the internal management and disclosure of such information. Board Members are further required to refrain from using information or knowledge about business opportunities learnt during their term of office to their own advantage or to the advantage of third parties.

4.P.1.

Board Members are jointly liable to the Bank for any damage caused by a breach of their duties, unless the duties were assigned specifically to one or more Board Members. In any case, however, Board Members will remain jointly liable if, despite being aware of detrimental facts, they take no action to prevent or eliminate or lessen any consequential damage.

Composition of the Management Board

Composition and appointment

In accordance with the Articles of Association, the Management Board is composed of a minimum of 7 and a maximum of 11 members, including non-shareholders, appointed by the Supervisory Board, which determines their number at the time of appointment. In doing so, the Supervisory Board is required to ensure that the Board has a sufficient number of members and the professional competence to fulfil its duties effectively.

6.P.1.

Art. 123-bis (2), (d) CLF

The Management Board in office at the date of publication of this Report consists of:

Andrea Beltratti - Chairman
Marcello Sala - Senior Deputy Chairman
Giovanni Costa - Deputy Chairman
Corrado Passera - Managing Director and CEO
Aureliano Benedetti
Paolo Campaioli
Elio Catania
Roberto Firpo
Emilio Ottolenghi

The Management Board was unanimously appointed by the Supervisory Board in the meeting held on 7 May 2010, which set the number of its members at 9, appointing Andrea Beltratti as Chairman, Marcello Sala as Senior Deputy Chairman and Giovanni Costa as Deputy Chairman. In the meeting held on 10 May 2010, the Management Board, on recommendation from the Supervisory Board, appointed Corrado Passera as Managing Director with Chief Executive Officer duties.

The Board's composition, consisting of a limited number of members, is fully in line with the New Supervisory Provisions and with the Regulations of the Management Board.

The Bank website provides brief biographical and professional notes on each of the Board Members in office.

Term of office, replacement and removal

The Members of the Management Board remain in office for a maximum period of three financial years, as determined by the Supervisory Board, with their term of office expiring as of the date of the Supervisory Board meeting called to approve the financial statements relating to the last year of their office, but effective as of the actual appointment of a new Board by the Supervisory Board. Board members may be re-elected.

The current Management Board will remain in office for the 2010/2012 financial years. Expiry of the term of office for all Members is envisaged as the date of the Supervisory Board meeting called to approve the 2012 financial statements.

Where one or more Management Board Members leave service, for any reason whatsoever, the Supervisory Board is to substitute them without delay. The term of office of the newly appointed Board Members expires simultaneously with the term of the members in office at the time of their appointment.

Where during the year, for whatever reason, the majority of the members of the Management Board, as appointed by the Supervisory Board, resigns, the entire Management Board will forfeit office as of the date on which the newly appointed Members take office. The term of office of the newly appointed members expires on the date on which the office of the replaced Management Board would have expired.

Members of the Management Board may be removed by the Supervisory Board at any time, without prejudice to the right of the removed Member to be indemnified for removal without just cause.

Management Board Members may also be removed as a result of shareholder derivative actions as per Article 2393 of the Italian Civil Code, by resolution approved by a number of shareholders representing at least one-fifth of the share capital, or by decision of the Supervisory Board pursuant to Article 2409-decies of the Italian Civil Code, approved by at least two-thirds of its members. In the latter case, the Supervisory Board is required to appoint replacements for the removed Management Board Members at the same meeting.

Executive and non-executive Members

2.P.1.
2.P.2.
2.P.3.
2.C.1.

The New Supervisory Provisions require the Management Board to be a “corporate body characterised by a predominance of executives”, meaning Board Members that are members of the executive committee, that hold delegated powers, and that perform, also solely in practice, duties connected with company operations.

In accordance with this requirement, the Articles of Association and the Management Board Regulations provide for the establishment, within the scope of the Board itself, of specialised Commissions (described in detail in the next paragraph) with preparatory and advisory duties, as well as the task of making an active and systematic contribution to the exercise of management functions. The Commissions will be comprised of executive Board Members appointed by the Supervisory Board.

The Management Board therefore currently consists of 6 Executive Members: the Managing Director as Chief Executive Officer and in relation to the role of head of operational management of the Bank and the Group, and the other Board Members Marcello Sala, Giovanni Costa, Paolo Campaioli, Roberto Firpo and Emilio Ottolenghi, who are responsible, through their appointment to the aforementioned Commissions, for duties connected with company operations.

This organisation on the one hand ensures full compliance with the requirements of the aforementioned Provisions and, on the other, further enhances and develops the experience acquired during the prior three-year period, through the creation of and activities carried out by Work Groups, safeguarding the cardinal principle of unity in company management.

Given the above, it is also important to outline that the Articles of Association, as previously mentioned, envisage a system of duties not to be delegated, which reinforces the joint decision-making of the Board in the exercise of its duties and actively involves all Board Members with regard to and in support of its entire management role, making full use of their professional expertise.

Intesa Sanpaolo does not have a plan in place for replacement of the Managing Director or other executive Management Board Members in the event of advance termination of their office.

In such a case, the aforementioned provisions of the Articles of Association apply, according to which, where one or more Management Board Members leave service, for any reason whatsoever, the Supervisory Board is to substitute them without delay.

The Supervisory Board is supported in this task by the Nomination Committee, which carries out consulting, selection and propositional tasks. In submitting nomination proposals to the Supervisory Board, the Committee also takes into account the professional skills considered appropriate to have within the Management Board, the requirements of the Articles of Association and the regulations in force for Management Board Directors.

Following proposals by the Nomination Committee, the Supervisory Board appoints the new Board Member, indicating said individual to the Management Board as Managing Director or Executive Board Member. Based on the indications of the Supervisory Board, the Management Board appoints the Managing Director and the members of the Commissions.

Chairman and Deputy Chairmen

The Chairman and Deputy Chairmen of the Management Board are appointed by the Supervisory Board.

The Chairman is a non-executive board member: in fact, he/she is not a member of any specialised Commission, has no operating powers and the current organisational structure of the Bank separates his/her duties from those of the Managing Director.

2.P.5.
2.P.4.

The corporate governance structure adopted by Intesa Sanpaolo gives the Chairman of the Management Board a special role, the fulfilment of which calls for deep commitment and proven managerial skills.

The Chairman – the Bank’s legal representative – is in charge of promoting and coordinating the activity of the Board and is furthermore called upon to manage relations among Management Board Members and with the Supervisory Board and its Chairman, ensuring efficient coordination of the activities of the two corporate Bodies.

One specific duty of the Chairman is to ensure that Management Board Members participate in initiatives aimed at increasing their business and corporate awareness, also with regard to the relevant regulatory framework.

2.C.2.

Moreover, the role of Chairman is especially important with regard to the specialised Commissions, in terms of promoting their activities and acting as their contact for presentation of their results at Board meetings.

In general, the Chairman exercises all powers appropriate to his/her office, and based on provisions of the Articles of Association and Management Board Regulations fulfils duties with specific regard to:

- a) the Corporate bodies and their operations;
- b) the Bank’s strategies and general guidelines;
- c) external relations and corporate information;
- d) legal representation and relations with Supervisory Authorities.

Lastly, the Chairman – in agreement with the Managing Director – has the power to adopt resolutions in urgent cases on any matter relevant to the Management Board, with the exception of matters that the latter may not delegate.

The same rules apply to the approval of urgent resolutions that may not be delegated under the Articles of Association, concerning:

- transactions having a unit value greater than 3% of the consolidated regulatory capital, and equal to or lower than 6% of said capital, provided that such transactions are unrelated to matters for which a resolution, approval or authorisation by the Supervisory Board is required under the Articles of Association;
- the nomination of members of the corporate bodies of subsidiaries.

The Management Board must be informed of such decisions at the next meeting.

In accordance with the Articles of Association, in the case of absence or impediment of the Chairman, the Chairman’s functions are carried out by the Deputy Chairman or, if there are two Deputy Chairmen, by the

longest-serving one, intended as the one with the longest uninterrupted service or, in the case of equal terms of service, the eldest one.

Under the further hypothesis of absence or impediment of the latter, the functions are exercised by the other Deputy Chairman or, in case of absence or impediment of this Deputy Chairman, by the Managing Director or, in the case of absence or impediment of the latter, by the longest-serving Management Board Member present or, in the event of equal terms of service, the eldest one.

The Management Board currently has two Deputy Chairmen in office and, therefore, upon their appointment, the Supervisory Board established that replacement of the Chairman in the event of absence or impediment would first be assigned to Senior Deputy Chairman Marcello Sala, given his seniority as Management Board Member acquired during the prior three-year period.

Given the growing international scope of the Intesa Sanpaolo Group and to ensure an active presence and involvement by the Bank and the Group in related initiatives of interest, the Management Board has assigned the Senior Deputy Chairman the task of overseeing the development of international relations and internationalisation projects. In particular, the role of the Senior Deputy Chairman involves dialogue and development of relations, aimed at identifying and promoting opportunities for collaboration and business potential with respect to transnational entities, such as sovereign wealth funds, entities that oversee the internationalisation processes of countries, and organisations, associations and research bodies of an international calibre. These functions are carried out in agreement with the Managing Director and in coordination with the Chairman of the Management Board and the relevant Group structures. The Senior Deputy Chairman periodically reports to the Board on the most significant actions completed in carrying out this task, providing a summary of all activities carried out during the period on an annual basis.

Managing Director

1.C.1. c)

The Management Board, upon the indication of the Supervisory Board, is required to appoint a Managing Director from among its members, by resolution adopted by favourable vote of the majority of the Board members in office. The Management Board also determines the powers to be delegated, along with their limitations and how they may be exercised.

The Managing Director appointed for the period 2010/2012 has the role of Chief Executive Officer of the Bank and the Group and also that of General Manager.

The Managing Director - whose duties are governed by the Articles of Association and the Management Board Regulations – is the Chief Executive Officer, supervising corporate management by means of powers attributed in compliance with general programmes and strategic guidelines of the Corporate bodies. He or she ensures implementation of the resolutions of the Management Board, is responsible for personnel management, determines operational directives, has the power to submit proposals to the Management Board and ensures that the Company's organisational, administrative and accounting structure is adequate considering the nature and size of the Bank.

He or she is in charge of the operational management of the Bank and the Group, with full powers of ordinary and extraordinary administration, with the sole exception of the powers that cannot be delegated according to law and of those reserved to the Management Board under the Articles of Association.

By way of example only, the powers attributed to the Managing Director include:

- drafting and submitting proposals on strategic guidelines, multi-year plans and annual budgets of Intesa Sanpaolo S.p.A. and the Group for approval by the Management Board;
- preparation of the general organisational structure of the Bank and the Group;
- definition of guidelines, plans, budgets and detailed organisation of the Group's main business units;
- acquisition, increase (also via share capital increases) and disposal of investments not implying a change in the Banking Group to a limit of 25 million euro; authorisation of the waiver or disposal of option rights on share capital increases in subsidiaries and the waiver of pre-emption rights, where these do not imply a change in the Banking Group;
- authorisation without limit of compulsory expenses and other expenses up to a limit of 25 million euro;
- authorisation of the purchase or sale of real estate assets with a commercial value of no more than 25 million euro and concession of such assets on free loan;

-
- ensuring application of the Group's corporate governance rules;
 - definition of guidelines and coordination, also via dedicated Departments, of initiatives and activities related to the Group's ethical and social responsibility.

The Managing Director has been delegated specific responsibility for risk management and internal control policies by the Management Board; for further information see the following chapter on control systems.

8.C.1. b)

The Managing Director reports to the Management Board at least once every three months, for appropriate assessments on general business performance and outlook, and on the more significant transactions carried out by the Company and its subsidiaries. On a monthly basis reports are submitted to the Board on the key performance data for the period compared with system data.

1.C.1. c) and e)

Independent Management Board Members

Pursuant to the Articles of Association, at least one Member of the Management Board must meet the independence requirements pursuant to Article 148, paragraph 3 of the Consolidated Law on Finance, particularly with regard to administrative offices held in Group companies or self-employment, established employment or other relations of an economic or professional nature with the company – or with its subsidiaries, parent companies or companies under common control – which might compromise their independence.

3.P.1.

To this end, Consob recently amended several provisions in its Issuers' Regulation, introducing the requirement for quoted issuers to make an assessment regarding possession by one or more Board Members of the prerequisites envisaged by the aforementioned provision, as well as to inform the market of said assessment upon appointment.

The Management Board verified that each Board Member satisfies the independence criteria upon their appointment and subsequently on an annual basis, also taking into consideration their individual statements; the last verification in this respect was performed prior to the approval of this Report on 8 March 2011 and, in the light of the elements considered and indications provided by Consob, the following Board Members proved to be independent:

3.P.2.
3.C.4.

Andrea Beltratti
Elio Catania

Each of the Members has declared his independence under applicable law and is committed to informing the Management Board should they find themselves in a situation of non-independence.

In the Articles of Association, members of the Management Board are not required to meet the independence requirements envisaged in the Corporate Governance Code, also as a result of the Bank's decision to set up within the Supervisory Board the Committees, provided for in accordance with the Code, for which such requirements are necessary.

Requirements of integrity and professionalism

In order to ensure the sound and prudent management of the Bank and, in particular, the proper functioning of the Management Board, members of the latter – as representatives of a quoted bank – must meet the specific requirements of integrity and professionalism in compliance with current pro tempore laws and regulations.

2.P.3.

The integrity requirement aims to ensure that the Bank can rely on corporate bodies composed of individuals of proven honesty and moral integrity. At the same time, in terms of professionalism, these individuals are expected to have successfully practised the profession for at least three years through proper and qualified activities relevant to the office covered. Loss of the aforementioned requirements leads to lapse of the post.

More specifically, in accordance with laws in force, the Chairman of the Management Board is required to have a total of at least five years' experience in the aforementioned professional activities, while the Managing Director is required to have specific management experience in a position of high responsibility, given the fundamental role the Managing Director has in managing the company.

The appointment of Members of the Management Board, along with the choice of Chairman and Managing Director, consequently involves an adequate examination of the personal and professional characteristics of the candidates to such office, with decisions oriented towards those of the highest professional standing and wide-ranging managerial experience. In any event, the Management Board verifies the possession of such requirements by each Board Member, in compliance with supervisory regulations and its own Regulations.

Other offices of Management Board Members

1.C.2. Management Board Members accept office in the full awareness of the need to dedicate the effective time necessary for the performance of the duties and responsibilities assigned to them with the diligence required by the nature of their office, taking into account other offices held and any commitments to any other professional activities they may pursue.

In this respect, it must be mentioned that Intesa Sanpaolo Management Board is not required to state a specific orientation regarding the maximum number of offices an individual Member may hold, nor is it required to identify any specific general criteria in this respect.

1.C.3. This matter, in fact, is specifically governed by the Articles of Association, according to which no individual may be appointed member of the Management Board, and if appointed such office shall lapse, where the maximum of four administrative, steering or control office in other listed companies, their subsidiaries or parent companies is exceeded. Note that accumulative office - up to a maximum of four - within the same group is classed as one office; where the maximum of four is exceeded they are classed as two).

For each Management Board Member, compliance with the aforementioned provisions is checked periodically.

1.C.4. Furthermore, again pursuant to the Articles of Association, unless specific ad personam approval is given by the Supervisory Board with unanimous vote in favour by the Nomination Committee, persons who are members or become members of administrative, steering or control bodies, or employees of rival groups or in any event other banks, their parent companies or subsidiaries, may not be appointed Board Members, and if appointed such office shall lapse.

The Management Board checks and assesses the suitability of each Board Member to fulfil their respective duties upon their appointment and on an ongoing basis, as well as the number of offices held by each Member, with focus placed on those demanding the greatest involvement in ordinary company operations.

1.C.2. Summary Table No. 3, provided as an attachment to this Report, illustrates the number of other administration or control offices held by Members of the Management Board in other companies quoted on regulated markets (also abroad), in financial, banking, insurance or large companies; Table No. 4 provides the list of such offices.

Specialised Commissions in the Management Board: composition and duties

Art. 123-bis (2), (d) CLF In carrying out its tasks and pursuant to the Articles of Association, the Board uses specialised Commissions, with preparatory and advisory duties, established upon resolution by the Board itself and consisting of Executive Board Members.

The specialised Commissions consist of three Members, all possessing specific skills and experience and able to perform their tasks in a timely manner.

More specifically, the members of the Commissions must have specific credit, financial, securities or insurance knowledge, gained through work experience in positions of responsibility.

Individuals who have exceeded the limit of five offices in administrative, steering or control bodies of other groups may not be appointed as members of the specialised Commissions, and if appointed such office shall lapse, unless specific ad personam approval is given by the Supervisory Board. Individuals who hold executive offices or subordinated employment contracts in rival groups may not be appointed as members of specialised Commissions, and if appointed such office shall lapse.

The Management Board, upon proposal by the Chairman in accordance with the Managing Director, appoints the members of the Commissions and defines their duties, also identifying a Coordinating Member for each Commission.

The Coordinating Member organises and plans the activities of the Commissions, ensuring the appropriate coordination with the Chairman and the Managing Director. In the event of absence or impediment of the Coordinating Member, the longest-serving Member or, in the case of equal terms of service, the eldest member, takes on all of the relative functions.

The specialised Commissions are responsible to making an active and systematic contribution to the exercise of management functions, in order to ensure that the decision-making process of the Management Board is based on an appropriate and constructive exchange of opinions.

They continuously monitor, with a constant presence of their members in the company, the specific issues falling within their scope of responsibility, carrying out the preparatory work for Board activities and making any appropriate inquiries, even for information purposes, to the Managing Director, the Management Committees and the company Departments. Any documentation submitted to the Management Board is first examined by the relevant Commission.

No company Department reports to the Members comprising the Commissions.

In performing their tasks, the Commissions are supported by the Corporate Secretariat, which handles the operational planning of work, assists in the necessary preliminary inquiries and handles minutes of the meetings as well as reporting to the Board.

At least once a year, the Management Board performs an evaluation of the composition and operation of the Commissions.

The Commissions are convened by the respective Coordinators each time they deem it necessary or one of the members requests so.

The convocation, containing a brief summary of the topics to be discussed, takes place in time to allow members to acquire sufficient information on the topics under discussion, and is followed by documentation, where available, to ensure that their tasks are carried out in an optimal manner.

Where these topics fall under the realm of more than one Commission, joint meetings may also be called.

Meetings are generally held at the Torino registered office and Milano secondary office.

Meetings may also be validly held through telecommunication methods; such meetings are considered to have been held at the location of the Coordinating Member.

The majority of members must attend in order for the meetings to be considered valid.

According to a procedure implemented right from their establishment, other Management Board Members, both executive and non-executive, may take part in the works of the Commissions, demonstrating a systematic team approach to the more important management issues.

Furthermore, the General Managers and Manager responsible for preparing the Company's financial reports may also participate in the meetings, upon invitation by the Coordinating Member and where required by the topics under discussion. The Managers of Bank Departments and top management of subsidiaries may also be invited to participate – upon approval by the Managing Director - in order to provide information and data regarding matters examined by the Board. Moreover, independent auditor representatives and external consultants may also attend where their specific technical expertise is pertinent to items on the agenda.

The specialised Commissions, through their respective Coordinators, ensure a constant flow of information with the Board on the results of preparatory activities and research conducted in regard to resolution proposals, as well as on their assigned topic areas.

The results of such activities are subject to submission and discussion with the Chairman and Managing Director, according to deadlines consistent with the need to report to the Management Board.

The following specialised Commissions were operational as at the time of preparation of this Report. Nevertheless, the Board Regulations contemplate the possibility to establish additional specialised Commissions and other entities not specified by the Articles of Associations.

Business Plan and Extraordinary Transactions Commission

The composition of the Business Plan and Extraordinary Transactions Commission is summarised below, along with the attendance percentage by each member at the meetings:

Marcello Sala - Coordinator	100%
Giovanni Costa	100%
Emilio Ottolenghi	100%

The Commission carries out advisory and preparatory activities regarding:

- proposals on the Company's and Group's general programmes and strategic guidelines, which the Board submits to the Supervisory Board and
- preparation of the planning documents, such as the Business Plan and Annual Budget.

The Commission also examines, on a preliminary basis, the main transactions of the Bank falling under the responsibility of the Board, including all of the strategic transactions to be submitted to the Supervisory Board for authorisation or approval, pursuant to the Articles of Association.

The Commission also monitors the results and trends in the operational areas of greatest interest (also in comparison with the Plan/Budget forecasts) and, in general, supports the Board in the exercise of its duties.

The Commission periodically examines the adequacy of the Bank's and Group's organisational model, also with respect to the staff numbers.

Lastly, it provides assessments and expresses opinions on the staff remuneration and incentive policy, providing the Board with its observations on activities under its responsibility for the purpose of proposals to be submitted to the Supervisory Board.

In 2010, the Commission met 28 times, also analysing, in addition to the topics strictly related to its tasks, important issues that required specific research, such as examination of the adequacy of the Bank's and Group's organisational model and the remuneration and incentive policy. As at the date of approval of this Report, the Commission met 10 times.

Capital Adequacy and Financial Statements Commission

The composition of the Capital Adequacy and Financial Statements Commission is summarised below, along with the attendance percentage by each member at the meetings:

Giovanni Costa - Coordinator	100%
Marcello Sala	100%
Roberto Firpo	100%

This Commission carries out preparatory and advisory activities regarding assessment of the Group's current and prospective capital adequacy in relation to risk and corporate strategies.

It also carries out preparatory work for the draft and interim financial statements and regarding the adequacy and effective implementation of administrative and accounting procedures for preparation of the financial statements and financial reporting in general.

During 2010, the Commission met 12 times, also analysing, in addition to the topics strictly related to its tasks, important issues that required specific research, such as examination of the loan portfolio, the process for management and assessment of non-performing loans and the Social Report.

Lending and Risks Commission

The composition of the Lending and Risks Commission is summarised below, along with the attendance percentage by each member at the meetings, with any absence always backed by just cause:

Paolo Campaioli – Coordinator	96%
Roberto Firpo	100%
Emilio Ottolenghi	96%

The Commission carries out preparatory and advisory activities regarding risk management.

Specifically, it provides its preparatory contribution to the Board in view of the exercise, by the latter, of the duties assigned to it in accordance with the Articles of Association, the Regulations and the current Guidelines on risk management and control issues (particularly credit risk, market risk, liquidity risk, operational risk and compliance risk), with specific reference to drawing up resolutions to define risk management positions and policies subsequently submitted to the Supervisory Board for approval.

The Commission also performs the preliminary examination of credit line proposals subject to subsequent Board resolution.

Lastly, the Commission supports the Board in regard to the definition of internal control policies, to the extent of the responsibilities attributed to the Management Board and in strict respect of the prerogatives of the Supervisory Board and the Control Committee.

The Commission met 25 times in 2010, analysing topics strictly related to its tasks - such as review of the guidelines on lending and the structure of the assigned credit powers, the internal risk measurement systems, the risks tableau de bord of risk and credit line proposals under the responsibility of the Management Board - as well as important topics requiring specific research, such as results to be provided to the Supervisory Authorities following inspections, policies for adoption of the provisions pursuant to MIFID, anti-money laundering and transparency provisions, periodic compliance reports and the loan portfolio.

Management Board operations

Calling of Meetings

The Management Board, which generally meets once a month, is summoned by the Chairman when deemed necessary or when a written request is made by the Managing Director or by at least two Members of the Management Board; subject to prior notification to the Chairman of the Management Board, the Board may also be summoned by the Supervisory Board or by its individual Members in accordance with law.

1.P.1.

Art. 123-bis (2),
(d) CLF

In calling a Board Meeting, the Chairman decides on the agenda, also taking into consideration proposed resolutions submitted by the Managing Director or other Members.

The meeting is called by the issue of a convocation notice containing the agenda of matters for discussion, addressed to each member of the Management Board at least four days prior to the date of the meeting. In urgent situations the meeting may be called by giving 24 hour notice. The convocation notice and agenda are also sent to members of the Supervisory Board.

The Management Board meets alternatively at the Torino registered office and Milano secondary office or, exceptionally, at another venue in Italy. The Articles of Association also permit the holding of valid Management Board meetings through remote connection systems, provided that the identity of those attending can be verified and that all are able to follow discussions and intervene in real time with regard to the matters on the agenda as well as view, receive and transmit documents. At least the Chairman and the Secretary must always be physically present at the venue officially designated as that in which the Board Meeting is deemed to have taken place.

Reports to Board Members

The Chairman is specifically responsible for ensuring that all Board Members receive adequate information on agenda items.

The convocation notice to Board Members is followed by the issue of documentation – by the Corporate Secretariat and normally two working days prior to the meeting – necessary to allow each Board Member to perform his/her duties with awareness and make informed decisions on the agenda items.

1.P.2.

In the event that the documentation provided is particularly complex, an executive summary is provided, recapping the most significant points of relevance for resolutions.

In respect of the aforementioned procedures and relative timing - and in order to optimise the information circulation process and significantly reduce the consumption of paper - documentation is provided to the Management Board Members in electronic format through a specific IT application, accessible by the Members via intranet in protected mode, enabling management of the information flows to Board

Members in full compliance with the internal and system security standards. When documents are made available on the aforementioned IT platform, Board Members receive an e-mail notification in real time at their company e-mail account.

Where urgent meetings are called, it must still be guaranteed that each agenda item is addressed thoroughly and that special attention is paid to the content of any documents that could not be delivered in the normal manner.

Where confidentiality has to be maintained or if the Chairman deems confidentiality to be appropriate with regard to the content of the topic and related resolution, the documentation may be consulted only by the Corporate Secretariat and will be distributed directly at the meeting.

In any case, the documentation provided at meetings of the Board is filed in company records and remains available for consultation at the Corporate Secretariat, as well as on the dedicated IT platform.

The documentation is also sent and made available to the Secretary of the Supervisory Board and to members of the Control Committee.

The Bank Departments involved from time to time ensure that the utmost attention is focused on the information provided to Board Members on the business to be discussed at meetings, in the awareness that such information is fundamental for Board Members to make suitable decisions and dedicate more time to in-depth analysis and discussion at meetings.

Conduct of meetings and the decision-making process

The Management Board meeting is duly constituted if the majority of its members in office are in attendance.

The Chairman presides over Board meetings and coordinates the work in hand, ensuring adequate space is given to the discussion of each topic along with the time necessary for constructive debate, with particular attention placed on the content of documents not delivered in the normal manner.

2.P.2. Based on their respective competences and knowledge (also in relation to office held in Group companies), the Board Members contribute to discussions and analyse the various topics from different viewpoints, fuelling discussions in such a manner that Board resolutions are fully considered and reasoned.

Management Board meetings are attended by the Secretary of the Supervisory Board and, in accordance with the Articles of Association, also by the members of the Control Committee, though without the right to vote.

At the invitation of the Chairman, the General Managers and the Manager responsible for preparing the Company's financial reports may also take part in meetings, in addition to the Managers of Bank Departments and the top management of subsidiaries, in order to provide information, data and analyses regarding matters examined by the Board. Moreover, representatives of the independent auditors and external consultants may also attend where their specific technical expertise is pertinent to items on the agenda.

Management Board resolutions are normally carried by absolute majority vote of the Members in attendance (in the event of a tie, the meeting Chairman has the casting vote); certain resolutions involving, amongst other things, the appointment and removal of the Managing Director and General Managers and the delegation of their powers, as well as the appointment and removal of the Manager responsible for preparing the Company's financial reports are carried by majority vote of all members in office.

The Secretary of the Management Board prepares minutes of the meeting, illustrating the method adopted for decision-making and the underlying reasons for such decisions. A copy of the minutes is issued to all Board Members for comments, which are collected by the Corporate Secretariat and forwarded without delay to the Chairman of the Supervisory Board. Each Board Member has the right to ensure that the minutes include a note of any vote against or abstention and the related reasons.

Resolutions made by the Board on topics in the agenda are sent by the Corporate Secretariat to the Departments involved, to ensure timely information and subsequent implementation within the Bank or Group.

Frequency of meetings and Board Member attendance

The Management Board met 21 times in 2010, of which 15 in its current composition following renewal. There was a very high and constant level of attendance by Members. As in the past, this ensured the systematic contribution of all its members to the management of Group business, thereby allowing the Bank to make full use of the professional skills represented. The meetings lasted an average 4 hours, considered adequate in satisfying the need for thorough development and discussion of matters on the agenda by the Board Members.

1.C.1. h)

The table below illustrates the attendance percentage of each Member at Management Board meetings before and after its renewal, and it should be mentioned that absences were always justified by the member in question:

Management Board in office until 7 May 2010

Enrico Salza	100%	Gian Luigi Garrino	100%
Orazio Rossi	83%	Virgilio Marrone	100%
Corrado Passera	100%	Emilio Ottolenghi	100%
Aureliano Benedetti	100%	Giovanni Perissinotto	0%*
Elio Catania	100%	Marcello Sala	100%
Giuseppe Fontana	100%		

*The figure referring to Giovanni Perissinotto derives from the cautionary measures adopted in relation to the non-compliance proceeding against the Bank by AGCM, regarding the shareholders' agreement made between Crédit Agricole and Assicurazioni Generali.

Management Board in office from 7 May 2010

Andrea Beltratti	100%	Paolo Campaioli	93%
Marcello Sala	100%	Elio Catania	100%
Giovanni Costa	100%	Roberto Firpo	100%
Corrado Passera	100%	Emilio Ottolenghi	100%
Aureliano Benedetti	100%		

A similar number of meetings is planned for this year, 4 of which have already been held. In compliance with Borsa Italiana Regulations, in January Intesa Sanpaolo disclosed the 2011 corporate events calendar to the market (also published on the website), with an indication of Management Board meeting dates for the approval of financial reports.

Contestation of resolutions

Resolutions adopted by the Management Board in breach of law or the Articles of Association may only be contested by the Supervisory Board and Management Board Members who were absent or who voted against the resolution, by and no later than ninety days from the date the resolution was adopted.

Shareholders may also contest the resolutions of the Management Board where a resolution is prejudicial to their rights. In this case, the term and procedures for contesting resolutions are determined in application of the provisions governing the contestation of shareholder resolutions in the Italian Civil Code, where compatible, which are addressed in this Report in the chapter on Shareholders' Meetings.

Self-assessment of extent, composition and operations

The Management Board carried out the required self-assessment process in 2011 as well. Specifically, in its session of 8 March, the Board conducted an assessment of its adequacy in terms of size and composition, its internal organisation and operations, and, in accordance with its Regulations, an

1.C.1. g)

assessment of the suitability of its Members to effectively fulfil their duties, taking into consideration the size, complexity and operations of the Bank.

To this end, the Management Board made a positive assessment, also taking into account the overall governance structure, the strategies pursued and the activities carried out by the Bank, as well as the context in which it operates.

2.C.2. The Management Board Members are aware of the duties and responsibilities inherent to their office. In addition, as part of the reporting and decision-making process that characterises Management Board and specialised Commission meetings, Board Members are constantly updated by the relevant Departments on new legislation and regulatory provisions pertinent to the Bank and the exercise of the board's own duties, whilst the flow of information on topics discussed proves adequate for the purpose of awareness - and further study as appropriate - of corporate transactions, corporate processes and the topics of strategic importance to the Bank, in order that each may effectively fulfil his/her duties.

Board Members also have the opportunity to increase their business and corporate awareness (at Bank and Group level), through the now consolidated practice, as mentioned above, of participation of not only General Managers and Company Managers in board meetings, but also of independent auditor representatives and external consultants in the Commission meetings.

In this regard, as mentioned above, one of the specific duties of the Chairman of the Management Board is to ensure that Management Board Members participate in initiatives aimed at increasing their business and corporate awareness, also with regard to the relevant regulatory framework.

Powers

1.C.1. c) In accordance with the Articles of Association, and within the scope of its powers, as mentioned above, for the ordinary and extraordinary administration of the Bank, the Management Board may appoint, by resolution adopted by majority vote, a Managing Director, delegating relevant powers and determining their scope, limitations and how they may be exercised, and may delegate special capacities or tasks to one or more Board Members, together with their relative powers.

In addition to this, without prejudice to the powers of the Managing Director, for certain categories of action and business activities, specific powers can also be delegated to Bank personnel, provided the limits and methods for the exercise of powers are defined, and establishing whether the appointed individuals may act individually or jointly in Committees.

In implementation of the provisions of the Articles of Association, the Management Board, as mentioned, elected a Managing Director from among its own members, upon whom powers were delegated, without prejudice to its power of issuing directives and calling back decisions on matters delegated.

The Board also defined and approved the decision-making powers and expenditure limits of Bank Department Managers, in accordance with the organisational and management responsibilities assigned to them respectively, and set limits and rules for the subdelegation of those powers.

The power to subdelegate is exercised through a transparent process that is constantly monitored and graded on the basis of the role and responsibilities of the subdelegate, who has the obligation to report back to the delegating function.

It should be noted that all Bank Departments operate on the basis of specific regulations that define the scope of their powers and responsibilities; these Regulations are available throughout the Company, as are the operating procedures that determine how all the Company's various processes are to be performed. All the main decision-making and implementing processes concerning Bank operations are encoded and can be monitored and traced by the entire Department.

1.C.1. e) Finally, the Management Board decides the methods for reporting to the Board on decisions made under delegated powers. In this regard it should be noted that the Board assesses the general performance of operations on a periodic basis, taking into consideration information received from delegates.

Information Flows to Corporate Bodies and between Corporate Bodies

Intesa Sanpaolo considers effective internal information flows to be a key element of the organisation and corporate governance of the Bank, not only because they allow for the correct fulfilment of obligations imposed by current regulations, but because they also offer effective Management and Supervisory Board activities and efficient relations between the two Corporate bodies. The circulation of information between and within the Corporate bodies is also a fundamental condition for the effective achievement of management and control efficiency objectives.

The Articles of Association and Board Regulations contain provisions to ensure the correct flow of information between Bank Departments and the Managing Director and between the latter and the Management Board and between the Management and Supervisory Boards, in addition to effective coordination and full liaison between the Management and Supervisory Boards.

In accordance with the Articles of Association:

- the Managing Director reports to the Management Board, at least once a month, on key performance data for the period compared with system data. The same information is reported by the Management Board to the Supervisory Board also on a monthly basis;
- the Managing Director reports to the Management Board, at least once every three months, on the general business performance and outlook, and on the most significant transactions carried out by the Company and its subsidiaries;
- the Management Board provides the Supervisory Board with up-to-date reports, or reports at least once every three months, on the general business performance and on significant transactions (i.e. transactions with a major economic, capital and financial impact) for the Bank and its subsidiaries; in particular the Board reports on transactions in which Management Board Members have personal or third-party interests, or which are influenced by the entity responsible for management and coordination activities;
- all members of the Control Committee are required to attend meetings of the Management Board, and for this purpose any documentation prepared by the Management Board is also made available to members of the Control Committee.

As part of its duties attributed by the dual system, the Supervisory Board provides the Management Board with periodic Control Committee reports on analyses and studies completed with regard to the control system, also to allow the Management Board to implement corrective action or improvements as necessary.

Furthermore, the Control Committee periodically meets the Managing Director and CEO in order to discuss issues considered significant for the efficiency and effectiveness of the internal control system.

8.C.3. b)

In general, the Articles of Association also envisage that the Chairmen of the Supervisory and Management Boards liaise amongst themselves and with the Managing Director in order that all are appropriately informed.

Specifically, the Regulations envisage that the Chairman of the Supervisory Board request and receive information, and be promptly informed and consulted by the Chairman of the Management Board and Managing Director on specific aspects of Bank and Group management and on business performance in general, also in terms of business outlook, and on initiatives regarding the Bank's general strategies and guidelines and strategic transactions subject to Supervisory Board approval. The Chairman of the Supervisory Board in this respect reports and may submit his/her own observations and proposals to the Board for resolution as appropriate.

In turn, the Chairman of the Management Board requests the advance opinion and proposals that according to the Articles of Association or regulatory provisions must be submitted to the Supervisory Board or its internal Committees, and receives information on resolutions adopted by the Supervisory Board together with all other communications relevant to assessment activities to be fulfilled by the Management Board. In addition, the Chairman regularly consults the Chairman of the Supervisory Board in order to guarantee effective coordination between the two Corporate bodies and to promote coordination as appropriate with the Managing Director for the implementation of the Bank's general strategies and guidelines. The Chairman is promptly informed and consulted by the Managing Director -

also for reporting as required to the Chairman of the Supervisory Board - on initiatives regarding the Bank's general strategies and guidelines and on significant transactions. For this purpose he/she obtains all information necessary for related decisions of the Board, formulating any observations and proposals in this respect. Lastly, the Chairman requests and obtains information from the Managing Director and top management on specific aspects of Bank and Group management and management performance in general, including the business outlook.

The Chairman of the Management Board, as part of his/her duties as "guarantor" of the completeness of reporting within the Board, ensures that all Members receive adequate information on matters on the agenda and exchanges information with individual Members also in relation to their delegated powers or duties. The Chairman is also responsible for ensuring that at least once every three months, the Supervisory Board receives reports on general business performance and outlook, and on the significant transactions carried out by the Bank and its subsidiaries. On a monthly basis, reports are submitted on the key performance data for the period compared with system data.

In this respect, the Managing Director arranges action by the Bank and Group Departments to guarantee appropriate information flows, reporting such information to the Management Board, and through this Board to the Supervisory Board.

Operating Structure

Business Units, Governance Areas and Head Office Departments

In terms of organisational logic and to ensure that Group governance has thoroughly the necessary coherence, the Parent Company is divided into six Business Units – comprising business line aggregations with similar characteristics in terms of products and services provided and in terms of regulatory framework – Head Office and Staff Departments, most of which are grouped into four Governance Areas under the direct responsibility of the Managing Director and CEO and reporting to the Chief Operating Officer, Chief Financial Officer, Chief Lending Officer and Chief Risk Officer.

The Chief Operating Officer, within the scope of his duties, works with Intesa Sanpaolo Group Services, which is responsible for providing services and support to the Group meeting effectiveness, efficiency and quality standards.

The Internal Auditing Department holds a special position in the organisation, in order to enjoy the necessary autonomy and independence, reporting directly to the Chairmen of the Management and Supervisory Boards.

The Managers in charge of Business Units, Governance Areas, Head Office Departments, Staff Units and Group companies, in the general policy and guidelines framework, are responsible for the achievement of objectives in their specific business areas, also through the optimum use of assigned human and technical resources.

With the exception of staff assigned to the Chairman of the Supervisory Board, to the Chairman of the Management Board, to the Managing Director and CEO, and to the Internal Auditing Department, all other departments of the Bank and of other Group companies report to a Business Unit, to a Head Office Department or directly to the Managing Director and CEO.

In particular, Intesa Sanpaolo is made up of the following 6 Business Units which report directly to the Managing Director and CEO. Under their domain are the Group companies that operate in specific sectors:

- Banca dei Territori Division, responsible for serving retail customers, private customers and SMEs in Italy through supervision of the territorial branch network, attention to the specific needs of local markets and the promotion of local bank trademarks and companies specialised in medium/long-term credit, insurance and consumer credit, reporting to the Business Units through which the Group operates;
- Corporate & Investment Banking Division, dedicated to corporate customers and financial institutions in Italy and abroad, has the task of creating value through the offer of corporate banking products and services for target customers together with structured finance, investment banking, capital markets, merchant banking, lease and factoring for the entire Group;
- Public Finance is responsible for government customers, public entities, local authorities, public utilities, healthcare structures and general contractors and for developing activities related to medium-/long-term lending, project financing, securitisations, financial consulting and investments in initiatives and investment projects in the reference segments;
- International Subsidiary Banks Division, responsible for supervising and coordinating activities in markets abroad, where the Bank is present through subsidiary and partly-owned commercial banks performing retail activities and for defining strategies aimed at identifying growth opportunities for the Group;
- Eurizon Capital is the company dedicated to the provision of collective and individual asset management products to the Group's internal banking networks, and the development of its presence on the open market through specific distribution agreements with other networks and institutional investors;
- Banca Fideuram, which through its network of private bankers, performs asset gathering activities serving customers with medium to high investment potential.

General Managers

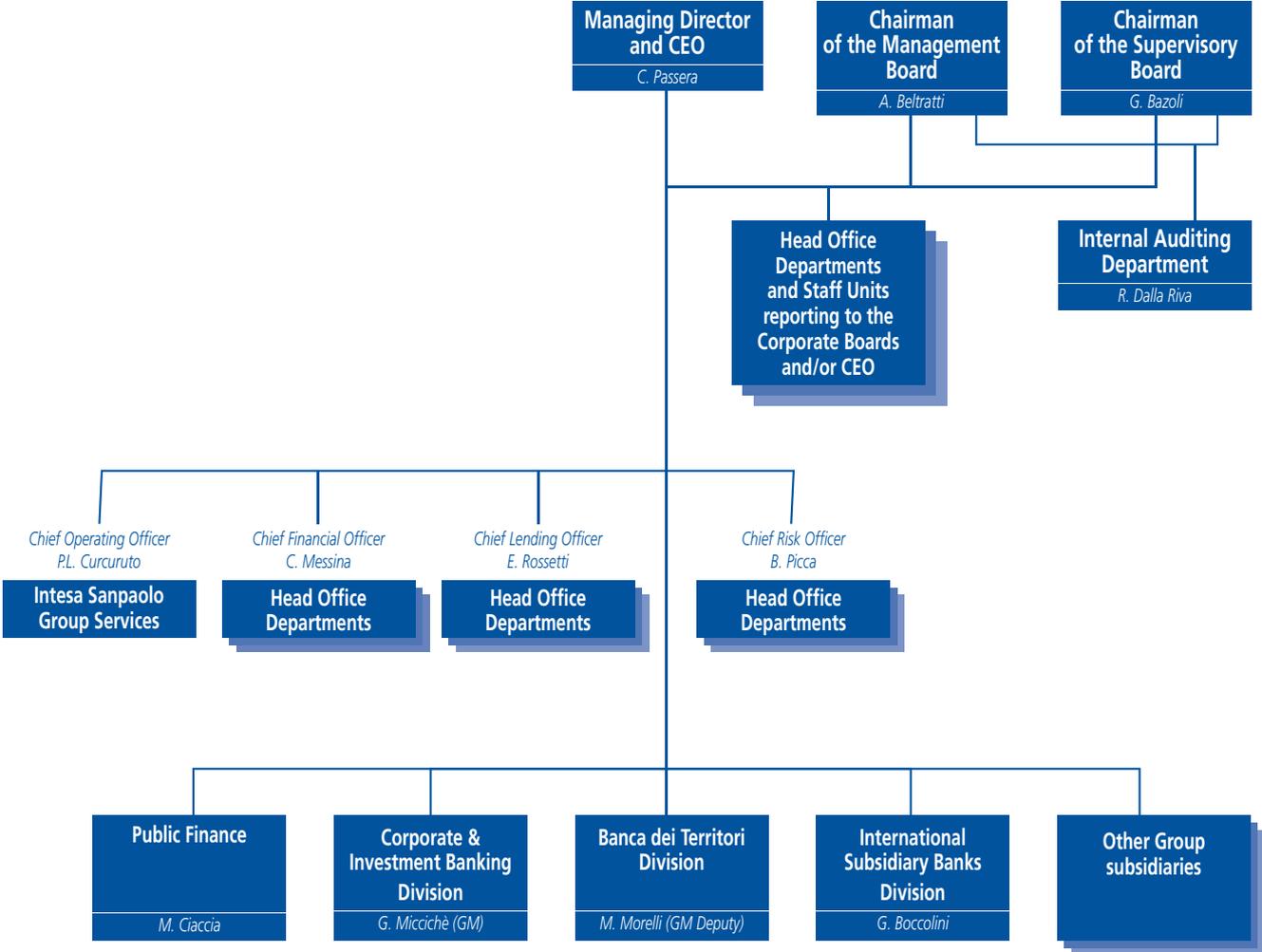
The Management Board, upon proposal by the Managing Director and after consultation with the Supervisory Board, is responsible for the appointment, removal and the determination of the powers and remuneration of one or more General Managers, one of whom acts as deputy to the Managing Director, excluding functions which must be performed by the latter.

The General Managers report to the Managing Director within the scope of their roles and responsibilities, and assist the Managing Director in the management of the company to the extent of the powers delegated to them upon their appointment.

On 9 February 2010, the Management Board appointed Marco Morelli as General Manager, Deputy to the Managing Director and Head of the Banca dei Territori Division (as of 15 March 2010) and Gaetano Miccichè as General Manager and Head of the Corporate and Investment Banking Division. Until 9 February 2010, the office of General Manager and Head of the Banca dei Territori Division was held by Francesco Micheli.

The Management Board has therefore appointed the two heads of the Bank's two main business areas as General Managers, without prejudice to the general responsibility of the Managing Director, in accordance with the principle of the unified management of the Bank, for the general management of all Bank and Group operations.

Operating Structure: simplified chart



Operating Structure: detailed chart

Reporting to the Supervisory Board:

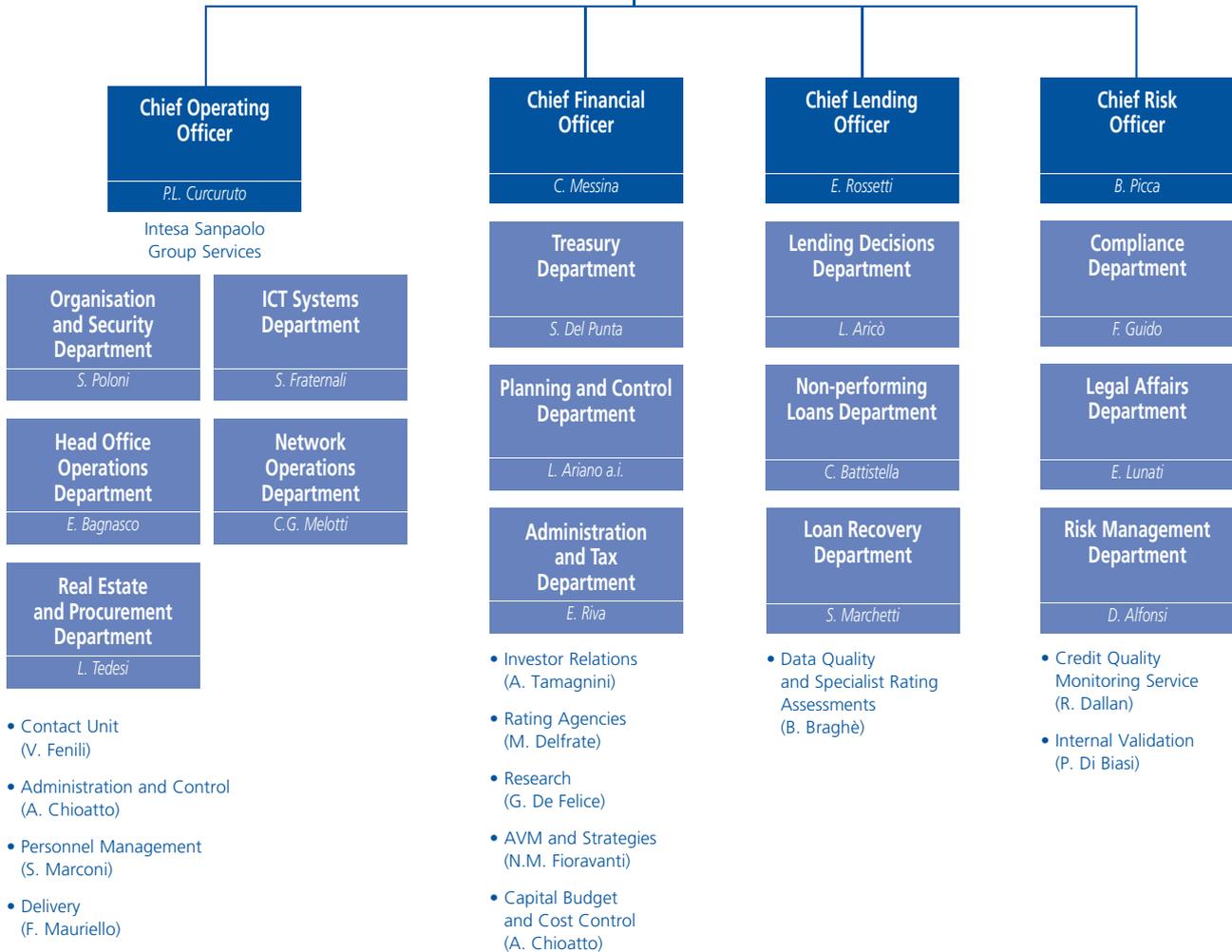
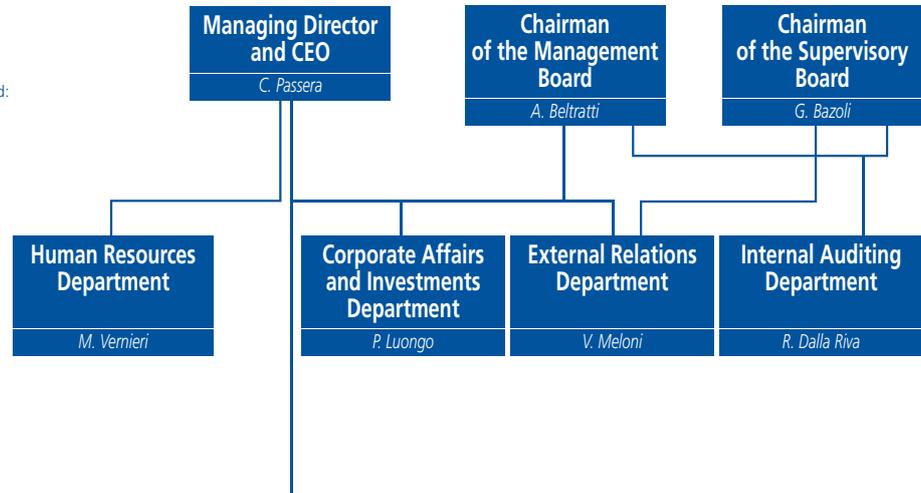
- General Secretariat of the Supervisory Board (P. Grandi)

Reporting to the Chairman of the Management Board:

- Office of the Chairman of the Management Board (G. Paladino)

Reporting to the Managing Director and CEO:

- Office of the Managing Director and CEO (S. Firpo)
- Corporate Social Responsibility (V. Serrentino)
- International Regulatory and Antitrust Affairs (A. Perrazzelli)
- Laboratorio Banca e Società (M. Morganti)
- Strategic Operations and Special Projects (G. Gilli)
- Safety (R. Zani)



Group Committees

As part of the mechanisms to guarantee effective management of operational matters relevant to the entire Group and to guarantee an adequate level of internal communication and discussion, special Group Committees are established by the Bank, composed of Bank Executives and Members of the Group's top management:

- Coordination Committee, consultative body with the role of facilitating intragroup operations and top level communication between the Bank departments, with a view to sharing and coordinating the main corporate decisions;
- Steering Committee, consultative body formed for the purpose of supervising the Group's coordination mechanisms, facilitating and accelerating the adoption of strategic orientations and implementation guidelines as well as ensuring the exchange of information between members of various Group companies. The Committee suggests strategic options and shares the operating guidelines of banking activities, consistent with the budget and the three-year plan, for this purpose ensuring management commitment also with regard to their translation into executive plans and related control;
- Group Risk Governance Committee, with decision-making, consultative and reporting powers, formed to ensure the monitoring and management of risks and the safeguarding of corporate value at Group level. The Committee also coordinates the activity of specific Technical Committees to monitor financial and operational risks, and the Group Compliance and Operational Risk Committee;
- Group Financial Risk Committee, a body with a decision-making and reporting role, focusing on proprietary financial risks of the banking and trading book and Active Value Management, which operates on the basis of operating powers and duties assigned by the Parent Company statutory bodies and of coordination activities performed by the Group Risk Governance Committee;
- Group Compliance and Operational Risk Committee, body with a decision-making, consultative and reporting role with the aim of stepping up coordination and interdepartmental co-operation mechanisms, and facilitating the effective management of operational and compliance risks, which operates within the scope of the guidelines set by the Corporate bodies, on the basis of the operational and functional powers delegated by the Parent Company's Management Board, and under the coordination of the Group Risk Governance Committee;
- Group Credit Committee, body with a decision-making and consultative role that has the task of guaranteeing coordinated management of issues relating to credit risk to the extent of its assigned powers.

The Managing Director has the power to propose the set-up of further Group Committees to the Management Board and is responsible for their coordination.

Remuneration and incentive systems

Remuneration and incentive systems for Board Members

The New Supervisory Provisions require that shareholders be provided with adequate information on the implementation of remuneration policies.

This Report therefore is intended to provide information on the regulations, criteria and guidelines adopted by the Bank in this respect in 2010, with specific regard to Members of the Supervisory and Management Boards, the Executive Members and the Managing Director in office for 2010/2011/2012 and, in the next chapter, to the General Managers and Top Managers – including the Manager responsible for preparing the Company's financial reports and Internal Control Managers – and employees.

Supervisory Board Members

The Articles of Association envisage that members of the Supervisory Board be entitled, in addition to the reimbursement of expenses sustained due to their office, to a remuneration for the services rendered, which is determined for the entire period of their office by the Shareholders' Meeting at the time of their appointment, taking also into account the remunerations due to Board members appointed to special offices.

The Supervisory Board Members in office were appointed by the Shareholders' Meeting of 30 April 2010. In regard to their appointment, the Shareholders' Meeting also resolved their remuneration for the entire duration of office for the years 2010, 2011 and 2012.

The precise remuneration amount was determined on a fixed, annual basis for the office of Supervisory Board Member, as well as for the offices of Chairman, Deputy Chairman, Secretary, Committee Chairman and Committee member. In detail, the remuneration system envisages the following:

- to each Supervisory Board Member: a gross annual remuneration of 150,000 euro;
- to the Chairman: an additional 1,200,000 euro and to each Deputy Chairman 200,000 euro, for each year of office;
- to the Secretary: an additional gross remuneration of 150,000 euro for each year of office;
- to the Chairmen of the Committees established by the Supervisory Board, an additional gross remuneration of 50,000 euro for each year of office;
- a gross attendance allowance of 2,000 euro per meeting to each Supervisory Board Member designated to form part of the Committees established by the Supervisory Board, in relation to their actual attendance at each meeting of the respective Committees, and to each Member of the Control Committee for actual attendance at each meeting of the Management Board.

Note that the Chairmen of the Nomination Committee, Strategy Committee and Remuneration Committee have waived – as in the prior term of office – the annual remuneration envisaged for this position.

Similarly to what was contemplated for the expired body, the current Supervisory Board does not have a variable remuneration component, in line with the New Supervisory Provisions on this matter.

Remuneration policy for the Management Board, Executive Members and the Managing Director

1.C.1. d)

The Articles of Association require the Shareholders' Meeting to approve the remuneration policy for Management Board Members, and the Supervisory Board, upon consultation with the Remuneration Committee, to determine the relative remuneration amount.

Given the aforementioned provisions and in occasion of the renewal of the Bank's corporate Bodies, the Supervisory Board submitted the remuneration policy for the Management Board Members elected to office for the three-year period 2010/2011/2012 to the Shareholders' Meeting, which approved it.

This proposal highlighted that the remuneration policy aims at:

- boosting the Bank's and Group's competitiveness in the domestic and international context in which they operate;

- attracting qualified resources, having the appropriate professional skills and qualities necessary to successfully manage the Bank and steer and coordinate the Group headed by it;
- aligning the interests of Management Board Members with pursuit of medium-/long-term value creation for the Bank's shareholders;
- promoting the long-term sustainability of remuneration policies, balancing them with a full awareness of risks taken and of risk control measures, consistently with medium-/long-term objectives.

The proposal approved by the Shareholders' Meeting identified the criteria followed to define remuneration policy, with special regard to balancing the fixed and variable component and to linking remuneration with the level of risk taken and with the effectiveness and stability of results.

Accordingly, the new remuneration policy takes into account the composition of the Management Board, mainly consisting of Executive Members, i.e. – in addition to the Managing Director – the Members, indicated by the Supervisory Board pursuant to Article 25.1.1 of the Articles of Association, who shall perform corporate management tasks by sitting on specialised Commissions.

In accordance with the above-mentioned Supervisory Provisions, the Management Board also includes non-executive members - at least one of whom shall be independent pursuant to Article 148 of the Consolidated Law on Finance and Article 13.2 of the Articles of Association - with supervisory tasks, to be exercised continuously, on corporate management and organisation, without however taking an active part in executive management of the company.

In accordance with the policies resolved by the Shareholders' Meeting, the remuneration for Management Board Members, based on the office held and role carried out, is partly fixed and partly variable.

With particular regard to the balance between the fixed and variable component, as well as the connection between remuneration and level of risk and effectiveness and stability of results, the remuneration policy is based on an assessment of the individual positions (Management Board Member without executive tasks; Management Board Member with special tasks; Executive Management Board Member; Managing Director), based on careful assessment of the following elements:

- the responsibilities associated with the position under the law and the Articles of Association;
- the peculiar aspects and complexity of the duties of the position;
- the expected long-term contribution to increasing the sustainability of the Bank's performance, not only in economic terms, and to value creation for shareholders and stakeholders.

In line with the above criteria and with the reference regulatory framework, the current remuneration policy for the Management Board includes a fixed part for each Board Member, the amount of which will match the importance of the position and the time required for correct performance of the tasks assigned, and a variable part reserved for executive members.

The fixed components have been determined by the Supervisory Board – with the support of the Remuneration Committee – in line with the remuneration policy approved by the Shareholders' Meeting, which refers to the policy already adopted by the Bank for the Management Board's first term of office. Therefore:

- all Management Board Members, being members of the Bank's management body, shall receive a gross, fixed, annual remuneration for each year of their term of office;
- Management Board Members holding particular offices (Chairman, Deputy Chairman, Managing Director, Commission member) are entitled to additional remuneration consisting of a fixed annual amount for each year of their term of office. In the event of more than one office, only the highest fixed remuneration will be assigned.

More specifically, with respect of the fixed component, the remuneration for Management Board Members in offices during the three-year period 2010/2011/2012 envisages:

- payment to all Members of a fixed annual amount of 150,000 euro, linked to the office of Board Member;
- supplement of said remuneration, also fixed and on an annual basis, for the offices of Chairman (1,200,000 euro), Deputy Chairman (200,000 euro) and Managing Director (350,000 euro);

-
- payment of an additional fixed annual amount to the Managing Director, also in his/her capacity as Chief Executive Officer (1,500,000 euro), plus relative insurance and welfare benefits and supplementary pension scheme (300,000 euro);
 - payment to each of the five Executive Members comprising the commissions of a fixed annual remuneration amount (150,000 euro), not cumulative with the supplement contemplated for the office of Deputy Chairman.

The Supervisory Board subsequently resolved an additional remuneration in favour of the Senior Deputy Chairman, for the fixed amount of 150,000 euro, due to a special task assigned by the Management Board to handle, in agreement with the Managing Director and in coordination with the Chairman of the Management Board, development of the Bank's and the Group's international relations and internationalisation projects.

The incentive system, on the other hand, shall apply exclusively to the Managing Director and Executive Management Board Members.

To this end, the Supervisory Board, with the support of the Remuneration Committee, is responsible for ensuring that the variable components:

- are linked to measurable multi-year performance criteria that fully reflect the Bank's long-term profitability and can be adjusted to take into account all current and prospective risks and the cost of capital and liquidity needed to carry out planned activities;
- are aligned with actual performance and therefore are significantly reduced or forfeited if performance falls below target or is negative;
- take into account the results achieved by the Bank and the Group.

The parameters to take into consideration must be connected to pre-determined quantitative and qualitative indicators that can be objectively measured, ensuring there is a link between the level of risk taken and the achievement of stable and effective results. Therefore, purely for example purposes, sound capital base, liquidity, risk management, operating efficiency and profitability can be considered.

The Managing Director will receive an annual variable remuneration component linked to the annual target budget and a further variable component linked to the Business Plan.

The variable annual component for the parameters identified by the Supervisory Board for the 2010 Budget depends on the achievement of a positive EVA® for the Group, and on other parameters regarding profitability (Cost/Income), credit quality (Net Adjustments to Loans) and operating efficiency (Operating Income), in accordance with values closely linked to Budget forecasts, with a further indicator of control (qualitative assessment of provisioning policies to cover credit risk, based on expected loss and conducted by comparing total loan provisions set aside with the relative forecasted data).

The lump sum variable component envisaged on achievement of the aforementioned Budget results is equal to one year of fixed remuneration. Thirty-three percent (33%) of this amount is subject to deferred payment of three years from the year in question.

An additional variable component of the Managing Director's remuneration is linked to the Business Plan and, accordingly, to the Share-based long-term Incentive Plan based on financial instruments, approved by the Shareholders' Meeting of 30 April 2010. Determination and any payment of this variable portion is linked to the objectives of the new Business Plan and to parameters to be identified by the Supervisory Board.

For years subsequent to 2010, the remuneration system will be adjusted to the new regulatory framework.

7.P.1.
7.P.2.
7.C.1.
7.C.2.

Executive Management Board Members are entitled to a pre-established variable remuneration amount equal to a maximum of 20% of the fixed component. Determination and any payment of this variable portion is linked to the objectives of the new Business Plan and to parameters to be identified by the Supervisory Board.

No stock option plan is in place for the Managing Director or other Management Board Members.

Employee termination indemnities

The Members of the Supervisory Board and the Management Board, with the exception of the Managing Director who is also General Manager, are not in the regular employ of the Bank.

No agreements exist obliging the Bank to pay Board Members an indemnity in the event of their resignation, dismissal without just cause, or termination of employment following a public takeover bid.

Furthermore, pursuant to Consob Communication 11012984 of 24 February 2011, there are no agreements in place that envisage the assignment or maintenance of non-monetary benefits in favour of parties who terminated their office, or stipulation of consulting contracts for the period subsequent to termination of employment. Similarly, no agreements envisage remuneration for non-competition commitments.

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

Remuneration and incentives policy for employees and other staff in 2010

Trends in remuneration systems

The remuneration and incentives policy for employees and other staff illustrated below covers the set of systems, operating mechanisms and rules in effect at Intesa Sanpaolo during 2010.

This policy takes into account the experience and practices consolidated by Intesa Sanpaolo over the years, as well as the action taken, in accordance with the instructions provided by the Bank of Italy letter dated 28 October 2009, up until the last year, to adjust the existing mechanisms to the implementation principles and standards set out by the Financial Stability Board in April and September 2009, respectively.

The international regulations were again recently updated on 14 December 2010, with publication in the European Union's Official Gazette of Directive 2010/76/EU of the European Parliament and of the Council of 24 November 2010, amending Directives 2006/48/EC and 2006/49/EC as regards capital requirements for the trading book and for re-securitisations and the supervisory review of remuneration policies (the so-called CRD III).

This regulation is in the process of adoption by the Bank of Italy.

To take into account the changing regulatory framework, Intesa Sanpaolo reserves the right to submit for approval by the Shareholders' Meeting an adjustment in the incentives system for Management, replacing that described in the paragraph on General Managers and other Management.

Intents, purposes and criteria of the remuneration policies

Investment in the development and promotion of human resources has always been a distinctive and qualifying feature of the Intesa Sanpaolo Group, in a framework of sustainable development and strong sense of responsibility towards all its stakeholders.

This has translated into the promotion of conduct, competence and systems to guarantee respect for individuals and the development of human resources through adequate initiatives and empowerment, education and professional training, recognition of individual and team merit, involvement and motivation in achieving Business Plan objectives – also with a view to integration, equal treatment and the promotion of the distinctive organisational features, trust and a sense of belonging.

Working with leading international consultancy firms, the Company has introduced a series of initiatives, projects, tools and systems, all integrated into a specific "development platform", with a view to supporting management and promoting the professional growth of people in the Group. Of these measures, particular importance has been placed on the remuneration policy, the criteria, guidelines and purposes of which are described below.

The general objectives and guidelines pursued through the Bank's remuneration policy, in full accordance with the current Supervisory Provisions, satisfy the criteria of:

- equality, to reduce remuneration inconsistencies and standardise treatment;
- merit, to guarantee better matching of pay between actual performance and the management potential identified;
- sustainability, to limit expense deriving from application of the policy to values compatible with the Business Plan cost objectives.

The Bank's remuneration policies are based on reports provided by the "development platform", which consists of three suitably integrated systems:

- assessment of organisational posts to identify the relevance of each, expressed in international metric terms and resulting from a strict analysis of the level of responsibility concerned, the complexity of duties supervised and their impact in economic and organisational terms;

-
- assessment and identification of potential, through the definition of a special system available to each Manager and through the implementation of special assessments to verify alignment of managerial skills with those identified in the leadership models defined at Group level;
 - assessment of performance, aimed at, for Managers, guaranteeing effective supervision of Business Plan objectives, so facilitating alignment with economic terms of relevance for the Group and with the specific objectives of each business unit and, in reference to remaining personnel, at effectively identifying merit and enhancing skills.

General Managers and other Management

The information obtained via the abovementioned systems is an objective element on which Group remuneration policy is based, and which with regard to Management – including the Chief Executive Officer, General Managers and Key Managers (hereinafter “Top Management”) – aims to guarantee adequate positioning of the related overall annual remuneration at the market levels expressed by the large European banking groups, the values resulting from periodic specialist surveys.

7.C.1.

In keeping with its standing as an international group, the Intesa Sanpaolo Group adopts company remuneration policies that are consistent with industry practices in Europe.

This situation has led to the adoption of a merit-based remuneration policy, in accordance with the Business Plan’s strategies for achieving sustainability, which has enabled salaries to be linked to the effectiveness and stability of results. Specifically, the general criteria of equality, merit and sustainability are assured through:

- the closing of pay gaps that may arise from time to time via periodic realignments with levels identified from specific comparisons with market indicators;
- the correlation of pay to the weight of the role held;
- selective pay reviews linked to individual performance assessments and potential shown.

Consistent with the framework outlined above and without prejudice to the statements made in the introduction, the Bank implemented a specific Incentive System for Group Management in 2010, linked to the Business Plan and aimed at supporting the achievement of short and medium-term objectives.

This system is composed of two strictly related parts: the first regards objectives and the results achieved each year, whereas the second (the LTI - Long Term Incentive Plan), the details of which are provided in the report drawn up for the Meeting of 30 April 2010, regards objectives and results achieved overall on conclusion of the Business Plan.

Bonuses to be paid are proportionate to fixed pay. In the event that both short-term and medium-term Plan objectives are fully met, total bonuses may reach, within the overall cost limits of the Business Plan, the thresholds identified below:

- a bonus of up to 1 GAP (Gross Annual Pay) for Top Management, with payment of 33% of the amount deferred three years from the reference year, and for Senior Management, and a bonus between 0.33 and 0.67 GAP, depending on the professional category, for other employees, with specific reference to their annual incentive plans;
- a bonus of up to 2 GAPs for Top and Senior Management, which may be amended based on stock market performance according to the aforementioned mechanism, and a bonus of up to 1 GAP for other employees, to be paid as a lump sum, at the end of the three-year Business Plan.

Only the variable annual component will be paid for 2010. The LTI Plan portion has not been activated and will be reviewed during the Shareholders' Meeting.

The expected annual pay mix¹, given the systems in effect in 2010, in the event that all short-term and medium-term Business Plan objectives are fully met, is on average equal to:

	Fixed pay	Annual bonus		LTI Bonus	% Deferred variable remuneration (over total variable remuneration)
		Paid during the year	Deferred		
Top Management	37.5%	25%	12.5%	25%	60%
Senior Management	37.5%	37.5%	/	25%	40%
Other Managers	50-60% ca	30-20% ca	/	20% ca	40 - 50% ca

The Manager responsible for preparing the Company's financial reports and Internal Control Managers

Within the above remuneration framework, the variable pay components for the Manager responsible for preparing the Company's financial reports and for Internal Control Managers are set, in accordance with the New Supervisory Provisions, with reference to performance indicators specific to each function.

Specifically, with regard to the Manager responsible for preparing the Company's financial reports, these indicators assess:

- the correct presentation of economic and financial results of the Bank and the entire Group;
- fulfilment of accounting and Supervisory obligations;
- quality control of processes governing administrative and financial disclosures to the market;
- consistent with corporate strategies and objectives, the definition of guidelines and policies on financial statement and tax obligation matters.

With regard to the Internal Control Managers (the Chief Risk Officer and Heads of the Risk Management, Compliance and Internal Auditing Departments), performance indicators enable measurement of the managers' performance in accomplishing their respective control activities with regard to the various types of risk (market, credit, interest rate, liquidity, operational and country risk, including the risk of non-compliance) through the definition of guidelines, policies and methodological rules for managing risk, and guaranteeing the ongoing and independent surveillance of the Group's operations and processes for the purpose of preventing or identifying any anomalous or risky behaviour or situation.

Other staff categories

The remuneration policies in place for other staff categories make reference to two different objectives:

- ensuring the standardisation of pay structures and guaranteeing all Intesa Sanpaolo employees fair and equal treatment;
- rewarding individual merit.

The first objective was reached through several agreements with the Trade Unions, via identification of a specific framework to supplement the profiles for Department Staff and Middle-managers working in the various Business Units.

For each job profile, identifying elements, indispensable requirements and organisational features have been identified and considered in connection with the current organisational structure, which together form the exclusive framework of reference for the application of the conditions and benefits of each job profile.

The second objective was reached through periodic reviews and promotions and/or pay rises, based on reports provided by the "development platform", for staff members showing the greatest potential or who excel in the performance of their duties.

¹ For the purposes of this Report, "pay mix" means the breakdown of managers' salary packages, with fixed pay, the annual bonus and the LTI bonus each expressed as a percentage of total pay received.

Employees are offered a variable pay component through:

- specific incentive systems, as described further on, that provide for bonuses in line with market standards, as reported by periodic specialist surveys such as the Italian Banking Association's annual salary survey;
- the payment of a contractually determined "company bonus", designed to reward employees for productivity increases, on the basis of their respective job profiles.

Parameters used for calculating variable pay components

Specific incentive systems are in place for all Group employees. Bonuses envisaged under the systems are paid providing that Group EVA[®] is positive and that risk, profit and organisational efficiency objectives are met, as measured using a composite index based on Group/Division/Business Unit results, compared to budget targets, in terms of Net Operating Income, Cost-Income Ratio, Adjustments to Loans and other specific parameters for each Division/Business Unit.

In an effort to build fair and motivating incentive systems, studies were conducted on internal practices and their alignment with specific market benchmarks.

Remuneration policy-making procedures

The remuneration policy guidelines and relative operating mechanisms were presented and discussed with all competent corporate officers and, in particular, were approved by the Supervisory Board, upon proposal by the Management Board, on 23 June 2009.

The Group's remuneration policies and practices were reviewed for compliance with the new instructions issued by the Bank of Italy in October 2009 by the Management Board and the Supervisory Board, in meetings held on 15 December 2009, which found them to be essentially compliant. However, a simultaneous request was made for an independent review of the remuneration policies and, in relation to the new Business Plan and connected incentive system, additional focus on the risk parameters and, with specific reference to people whose decisions have a significant impact on the Group's risk profile, the introduction of equity-related instruments and a review of the amount of the variable remuneration deferred over time, with greater disclosure on an annual basis.

To this end, the independent review of remuneration policies, carried out by the internal auditing function, was discussed in the meetings of 12 April 2010 and 29 July 2010, and the use of equity-related instruments was approved by the Meeting of 30 April 2010, while the amount of the variable remuneration deferred over time was reviewed in the meetings of 12 April 2010 and 29 July 2010.

Internal Auditing Department assessment of the remuneration and incentives system

In accordance with the guidelines issued by the Supervisory Authority, the annual review of remuneration and incentives methods and mechanisms was carried out by the Internal Auditing Department.

The 2010 audits aimed to verify respect of the policies defined by the Bodies in terms of economic incentives on the 2009 results and on the 2007/2009 Business Plan, already subjected to a compliance assessment by the Compliance Department.

The audit plan was broken down into two separate stages, aimed at examining:

- proper implementation of the process for quantification and approval of the "2009 incentives system" and its components (estimate of economic requirements, measurement of results achieved, identification of beneficiaries, recognition to the Internal Control Managers and Key Managers);
- the payment phase of the incentives system, to verify alignment with what is defined and approved by the relevant Corporate Bodies.

The results of the two audits were presented to the Boards on 12 April and 29 July 2010.

The incentives system was judged to be adequate, particularly as regards the main regulatory aspects referred to by the Bank of Italy and by international institutions, comprising:

- bonus objectivity: the model was disclosed throughout the company, with transparency on the criteria applied;
- capital sustainability: the total value does not jeopardise the capital stability of the Group, with the ratio of the value of the "2009 incentives system" and "total assets" equal to 0.1%;
- contractual obligations with management: there are only five cases of contractual obligations to Top Managers, the application of which would involve a limited maximum economic outlay.

The sum of annual incentives paid was found to be consistent with the guidelines of the Supervisory Body. With respect to the economic performance and capital sustainability of the Group, the percent of total incentives ("annual bonuses" + "VAP premiums") paid showed the following trend:

Ratio of Total and Variable (including the company bonus)	Year		
	2007	2008	2009
Operating income	3.2%	2.8%	3.1%
Shareholders' equity	1.1%	1.0%	1.0%
Total assets	0.1%	0.1%	0.1%

Several improvements to the systems used to measure the performance of the internal control managers were recommended, in addition to full adoption of the recommendations already issued by the Compliance Department.

An analysis then carried out on the actual payment of "bonuses" involved a sizeable sample of resources belonging to different company departments, selected in order to assess both the commercial as well as the administrative and governance functions, as well as the various result "levels" achieved.

Specific reviews of the individual "bonuses" did not highlight any anomalies: the amounts disbursed were in line with what was defined, authorised and allocated in the 2009 financial statements.

Bonuses for Top Management were in line with what was defined by the Boards and equal to the amount indicated in Part "H" of the Notes to the financial statements.

As at the date of approval of this Report, audits of the 2010 incentives system are still underway, the results of which will be presented at two different times, as per the prior year: the 1st in time for the Shareholders' Meeting, the 2nd following actual disbursement of the bonuses.

Potential amendments to approved policies and their impact

In the light of the foregoing, the Intesa Sanpaolo Group's 2010 remuneration system can be firmly said to be based on merit, inspired by the principles of equality and sustainability, and clearly defined on the basis of shared rules approved by the competent corporate bodies.

Audits conducted by the Compliance Department confirmed that the remuneration policies comply with the principles and values expressed in the Code of Ethics and the corporate mission of providing customers with banking and financial services of excellence and promoting a growth model based on the sustainability of effective and stable results over time and on the creation of a virtuous circle based on trust, underpinned by the satisfaction of customers, shareholders and, more generally, all stakeholders, made possible also by the focus and attention placed on controlling various risk factors (market, credit, interest rate, liquidity, operational and country risks). The mechanisms ensuring that remuneration policies comply with laws and regulations in force have been reviewed annually by the Internal Auditing Department.

Employee termination indemnities

The termination of employment contracts, especially when at the initiative of the Company, generally involves consensual retrenchment agreements providing termination indemnities, with the aim of

minimising the cost to the Company that may result from litigation. These agreements generally provide leaving incentives and conditions in line with the provisions of current employment agreements in force (arbitration and additional indemnities).

In recent years, the Bank has signed specific agreements with the trade unions, with regard to the "solidarity allowance", applied to employees of all grades, including executives, which also govern the treatment of sums payable to personnel on termination of service.

The control system

The internal control system

Main characteristics

8.P.1.
8.P.2.
8.C.2.

The internal control system consists of a set of rules, procedures and organisational structures aimed at ensuring compliance with Company strategies and achievement of the following objectives:

- the effectiveness and efficiency of Company processes;
- the safeguard of asset value and protection from losses;
- reliability and integrity of accounting and management information;
- transaction compliance with the law, supervisory regulations as well as policies, plans, internal procedures and regulations.

Art. 123-
bis (2),
(b) CLF

In line with corporate law and bank supervisory regulations, and consistent with indications in the Corporate Governance Code, the Bank has adopted an internal control system aimed at the ongoing monitoring of risks of the Bank and the Group, involving the corporate Bodies, specific internal control functions, the Surveillance Body pursuant to Legislative Decree 231/2001, and the Manager responsible for preparing the Company's financial reports. The independent auditors also contribute to the internal control system.

8.C.1. a)

In the implementation of the guidelines set forth by the corporate Bodies, the internal control system of the Bank and the Group is designed to constantly monitor, identify and manage business-related risks. The primary reference in this respect are supervisory provisions on the prudential control of companies and banking groups, on organisation and corporate governance of Banks, of financial, service and investment conglomerates as well as developments in international best practices.

The internal control system consists of three levels of controls:

- the first level consists of line controls that are conducted by operational structures (by the person performing the relevant activity plus hierarchical controls), or are incorporated into procedures or back-office activities;
- the second level falls under the responsibility of the Chief Risk Officer and, in addition to the Legal function, includes:
 - risk management controls run by the relative function, which are aimed at contributing to the definition of risk management methodologies, at verifying compliance with the limits assigned to the various operating functions and at controlling the consistency of the operations of individual productive areas with the assigned risk-return targets;
 - compliance controls run by the relative function, which are aimed at preventing the risk of incurring legal and administrative penalties, significant financial loss or damage to reputation as a consequence of infringements of laws and regulations or voluntary codes;
 - credit granting controls, run by the relative function, including the correct process of assignment and updating of ratings, controls on the management process for non-performing and doubtful loans and monitoring of credit quality;
 - internal validation controls, run by the relative function, established in accordance with Bank of Italy Circular 263/2006.
- the third level consists of internal auditing activities run by the Internal Auditing Department, a separate, independent structure from the operational structures, whose aim is to identify anomalous operations and breaches of procedures and regulations, and to assess the overall functioning of the internal control system.

8.C.1. c)
8.C.1. d)

In this context, the adequacy of essential system elements is assessed on an ongoing basis by the corporate Bodies, and is taken into consideration in the report on operations attached to the Parent Company's financial statements as prepared by the Management Board, in this Report and in the report of the Supervisory Board pursuant to Article 153 of the Consolidated Law on Finance.

Given the above, a description is provided below of the main elements of the control system, also indicating the breakdown of financial reporting controls (in reference to the duties of the Manager responsible for preparing the Company's financial reports, the financial reporting control system and

independent auditing), other control Departments (risk management, compliance, credit quality monitoring, internal validation and internal audit) and crime prevention models.

The role of corporate bodies

Given the considerable importance of the subject and based on the implementation of the dual management and control model, both Corporate bodies involved in strategic supervision of the Bank play an active role in risk management and control activities, in particular:

- the Management Board defines the Bank's risk appetite and the related risk management policies to be submitted to the approval of the Supervisory Board and is responsible for the establishment and maintenance of an effective internal control system for the implementation of strategic guidelines, assessing its overall operations by taking into account all operating areas of the Group. Moreover, on the recommendation of the Managing Director, the Management Board adopts appropriate resolutions for submission to the Supervisory Board of guidelines to ensure the adequacy of the organisational, administrative and accounting structure; appoints and removes, with the approval of the Supervisory Board, the heads of internal control functions; defines guidelines for the approval and control of transactions with related parties to be submitted for approval by the Supervisory Board; and is responsible for the management and coordination of the Group, with strategic-management control and technical-operational control over Group activities;
- the Supervisory Board is responsible for approving the Bank's risk appetite and general risk management policies and their periodic review in order to ensure their effectiveness over time, for checking, at the proposal of the Management Board, that risk control Functions are organised in line with strategic objectives, and for assessing and supervising the efficiency and adequacy of the internal control system. In this context, the Supervisory Board also verifies the correct exercise of strategic and management control by the Parent Company over Group companies.

8.P.3.

The Management Board ensures that its assessments and decisions regarding the organisational structure of the Bank and Group and regarding the internal control system as a whole are backed by appropriate advisory and preparatory activities.

In order to ensure the effectiveness of its actions, the Management Board is assisted by three specialised Commissions established within the Board itself, with preparatory and advisory duties, aimed at providing active, ongoing support for the establishment and maintenance of an effective internal control system and evaluating its overall operation.

As already mentioned, the Management Board has deemed it appropriate to include responsibility for ensuring the proper functioning of control measures among the prerogatives of the Managing Director. Consequently, Management Board resolutions on risk management policy and internal control are taken on the recommendation and proposal of the Managing Director, who in general is responsible for the measures necessary for ensuring that an effective and efficient control system is established and maintained. In addition the Managing Director steers the implementation of guidelines resolved by the Management and Supervisory Boards by the Departments concerned, specifically:

8.C.1. b)
8.C.5.

- ensuring effective management of operations and related risks, defining appropriate control policies and procedures;
- also in the light of changing internal and external conditions in the Bank's operations, ensuring the overall operation, efficiency and effectiveness of the internal control system, arranging its updating for the management of new risks or to improve the control of known risks;
- also based on analysis of business performance and any deviation from forecasts, identifying and assessing potential risk factors;
- defining the duties of business units dedicated to control, ensuring that the various tasks are supervised by qualified personnel with an adequate level of experience and technical skills;
- establishing effective communications channels to ensure that all personnel are aware of the policies and procedures relating to their own duties and responsibilities;
- nominating to the Management Board candidates for the office of internal control manager.

As already mentioned, the Supervisory Board, with the support of the Control Committee, also assesses the degree of efficiency and adequacy of the internal audit system, with particular reference to risk control, internal audits and the IT accounting system. In accordance with the New Supervisory Provisions and within the scope of the general strengthening of the control functions performed by the Supervisory Board, the Articles of Association now define the role of the Control Committee as a permanent reference point for

8.P.4.
8.C.3.

all internal control functions, from which it is to receive specific information. Accordingly, the Control Committee reports to the Supervisory Board on any management irregularities or breaches of banking regulations found through the exercise of its duties and responsibilities.

- 8.C.3. f) Under the Articles of Association and its own Regulations, the Control Committee plays a supporting role to the Supervisory Board and is responsible for:
- 8.C.3. a) - in liaison with the Manager responsible for preparing the Company's financial reports and the Independent Auditors, assessing the correct application of accounting standards and their consistency in drafting the Parent Company's and consolidated financial statements;
 - 8.C.3. a) - evaluating proposals submitted by the independent auditors with regard to their assignment as well as the audit plan and the results described in the report and letter of recommendations;
 - 8.C.3. e) - monitoring the effectiveness of the auditing process, exchanging data and information with the independent auditors, also pursuant to Article 150, paragraph 3, of the Consolidated Law on Finance, for the performance of their respective tasks;
 - advising on the appointment and removal of the internal control managers, including the managers of the Internal Auditing, Compliance and Risk Management Departments;
 - verifying that (i) structures for performing risk management duties defined by the relevant Departments are consistent with the strategic guidelines approved by the Supervisory Board and (ii) that said Departments (in particular the Risk Management, Internal Auditing and Compliance Departments) are guaranteed an appropriate level of independence along with the funding and resources adequate, as to quality and quantity, for the exercise of their duties;
 - 8.C.3. c) - examining periodic reports from the Risk Management, Internal Auditing and Compliance Departments, making related observations and proposing related resolutions for approval by the Supervisory Board;
 - reporting to the Supervisory Board on its activities at the time of the approval of the half-yearly report and annual financial statements, on the adequacy of the internal control system, and on the administrative and accounting systems.
- 8.C.3. c) Finally, the Control Committee, in its capacity as a Surveillance Body, is responsible for approving the annual audit plan prepared by the Internal Auditing Department. In this context, it may also request specific audits to assess the adequacy of crime prevention controls.

Again in 2010, the Control Committee focused its attention on the organisational structure, with particular regard to the internal control system, on risk management policies, including the lending process and internal capital adequacy assessment process (ICAAP), and on relations with other Bank Functions and Group companies.

Verification of the adequacy and effective operation of the internal control system involved, as usual, a number of meetings, centred on specific topics, between the Control Committee and the Internal Auditing, Compliance and Risk Management Departments, which continued to support Committee activities through the systematic provision of information. The Control Committee also met with the Independent Auditors, the Manager responsible for preparing the Company's financial reports, business Functions and the heads of the Bank's various governance areas.

In regard to the Internal Auditing Department, the Committee coordinated an analysis of the structure and operating methods of the function, the results of which were the subject of a specific seminar within the Supervisory Board. The assessment highlighted proper functioning of the Department, which was deemed compliant with the current standards.

With regard to risk control, the overall risk position of the Group was reviewed periodically by the Committee through an examination of the "Risk Tableau de Bord" and the progress made by the relative Work Group was inspected, also as concerns risk measurement and compliance with prudential supervisory regulations.

Regarding the IT accounting system, the Committee examined the periodic report on correct application of the Guidelines for Administrative and Financial Governance, and kept up-to-date on the Accounting Manual and Target Accounting Model until their adoption. It also launched - upon agreement with the Supervisory Board - and with the collaboration of the Manager responsible for preparing the Company's financial reports, the examination process for assignment of the Group's auditing mandate for the period 2012-2020.

In regard to the activities carried out by the Compliance Department and the monitoring of compliance risk, the Committee received periodic information flows and requested that the key issues be carefully monitored in terms of progress for their resolution.

Lastly, in relation to the internal control system as a whole, the Committee analysed the periodic results report on audits performed by the Internal Auditing Department and, via the "Audit Tableau de Bord", duly monitored the solutions implemented to overcome any weak points identified, including those found by Supervisory Authority inspections.

The Manager responsible for preparing the Company's financial reports

The Management Board, based on the opinion of the Supervisory Board, appointed Ernesto Riva as the Manager responsible for preparing the Company's financial reports, pursuant to the provisions of Article 154-bis of the Consolidated Law on Finance.

In accordance with the Articles of Association, the Manager responsible for preparing the Company's financial reports shall be chosen among the Company's executives and must meet specific professional requirements connected to adequate skills in financial and accounting disclosures, management or control of the related administrative procedures, gained in a period of at least five years in positions of responsibility in business units within the Bank, Group or other companies or entities comparable in terms of activities and organisational structures. The Manager responsible for preparing the Company's financial reports must also meet integrity requirements for members of control bodies of quoted companies envisaged under current regulations.

The Manager responsible for preparing the Company's financial reports has the task of monitoring the internal control system in terms of accounting and financial disclosures. In accordance with the aforementioned Article 154-bis, the Manager is required to:

- certify that the documents and disclosures disseminated by the Bank to the market and regarding interim and annual accounting information correspond to corporate records, books and accounts;
- jointly with the Managing Director, in a specific report attached to the annual Parent Company's and consolidated financial statements and to the condensed half-yearly reports, certify the adequacy and actual application of administrative and accounting procedures, the compliance of company accounting reports with the records, books and accounts and their capacity to provide a true and fair presentation of the Bank's balance sheet, income statement and financial situation and those of companies included in the scope of consolidation, and that the report on operations includes a reliable analysis of business performance and results, the position of the issuer and the overall position of companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which the Group is exposed.

For this purpose, the Supervisory Board and the Management Board approved the corporate "Guidelines for administrative and financial governance", which govern:

- the corporate governance model enabling the Manager responsible for preparing the Company's financial reports to constantly verify the adequacy and effective application of administrative and accounting procedures at Group level;
- the system of information flows and relations with other Parent Company departments and subsidiaries, enabling the Manager responsible for preparing the Company's financial reports to receive the information required for his/her duties;
- the system of certifications to the Managing Director and the Manager responsible for preparing the Company's financial reports from other Parent Company and subsidiary departments, in terms of related compliance with regulatory obligations;
- the communication flows from the Manager responsible for preparing the Company's financial reports towards Corporate bodies and the exchange of information with Independent Auditors.

The Manager responsible for preparing the Company's financial reports plays a steering and coordination role in Group companies with regard to administrative and accounting matters and in the supervision of internal control departments over accounting and financial reporting. To this end, the Manager responsible for preparing the Company's financial reports plans the activities that the Group is required to perform over the year and is responsible for:

- supervising compliance with the instructions given to companies for the correct and uniform implementation of accounting rules and principles and measurement criteria;

-
- outlining administrative and accounting procedures for producing the financial statements and other financial reports, including the Pillar III Disclosures document;
 - verifying the adequacy and effective application of administrative and accounting procedures over the period, also by subsidiaries subject to the laws of countries that are not European Union member states, in accordance with relevant Consob regulations, through a structured assessment process, with findings reported through the internal control system to financial reporting;
 - monitoring the data acquisition process for the information required to produce the Group's balance sheet, income statement and financial situation, especially with reference to the main risks and uncertainties to which Group companies are exposed;
 - supervising the duties assigned to the independent auditors via the management of the monitoring process governed by specific Regulations, and the preparation of the annual reports required under the Issuers' Regulation.

Group companies are required to implement provisions adopted on this matter by the Parent Company, adapting such provisions to their own business context in liaison with the Manager responsible for preparing the Company's financial reports, with whom they coordinate for adequate monitoring of procedures for the presentation of the financial statements and other financial disclosures at Group level, ensuring all information and data necessary to perform his/her duties and issue related certification.

With regard to subsidiaries subject to the laws of non-EU member states, as mentioned above, and in compliance with Consob regulations, the Bank has amongst other things made available to the public the accounting positions prepared for the purpose of drafting the consolidated financial statements, verifies that the subsidiaries concerned provide their auditors with the information necessary for related interim and annual audit of company accounts and that they use an administrative and accounting system appropriate to reporting regularly to the Bank and its auditors on the economic, equity and financial data required for preparation of the consolidated financial statements.

In the light of the relative responsibilities, the Manager responsible for preparing the Company's financial reports is also assigned adequate powers and means to perform his/her duties. Specifically, he/she makes use of an organisational structure, adequate in numeric and quality terms, and of support from other Parent Company departments with regard to activities relevant to the observance of duties envisaged in regulations.

In order to allow the Management Board to monitor access by the Manager responsible for preparing the Company's financial reports to adequate powers and means for the effective observance of administrative and accounting procedures, the latter issues a periodic report to the Board on activities performed, any critical points emerging and on remedial action taken, and, on a half-yearly basis, a report on the results of internal control system assessments of accounting and financial reporting requiring certification by the Managing Director and the Manager responsible for preparing the Company's financial reports in accordance with regulations.

These reports are also submitted to the Control Committee, which reports to the Supervisory Board in order for it to perform its supervisory task of monitoring the IT accounting system, as required by law and the Articles of Association.

Internal control of accounting and financial disclosure

The adopted reference model identified by Intesa Sanpaolo for verification of the adequacy and actual application of internal controls on accounting and financial reports is based on the COSO and COBIT Framework, the generally accepted reference standards at international level¹. The model provides for the existence of:

- an adequate internal control system at corporate level to reduce the risk of errors or incorrect conduct; this is achieved through the verification of elements such as adequate governance systems, conduct standards based on ethics and integrity, effective organisational structures, clear attribution of powers and responsibilities, adequate risk policies, effective codes of conduct and fraud prevention systems and personnel disciplinary systems;

¹ The COSO Framework was prepared by the Committee of Sponsoring Organizations of the Treadway Commission, the U.S. organisation dedicated to improving the quality of financial reporting through ethical standards and an effective system for corporate governance and organisation. The COBIT Framework - Control Objectives for IT and related technology is a set of rules prepared by the IT Governance Institute, the U.S. organisation whose aim is to define and improve the standards of corporate IT.

- administration and accounting procedures for the preparation of financial statements and financial reporting in general, with long-term monitoring of their adequacy and effective implementation; this category of procedures includes administrative and accounting processes in the strictest sense, relevant to documenting the reliability of accounting data through to their reporting in the financial statements, along with steering and control processes (planning, management control, risk control), business processes (lending, finance, etc.), and support processes that have a material impact on accounts and financial reporting;
- governance rules for the IT infrastructure and applications relating to administration and accounting procedures, with long-term monitoring of their adequacy and actual application.

The model is applied according to a risk-based logic, selecting the companies, the administration and accounting procedures and the governance rules for the IT infrastructure and the applications considered relevant for the purpose of the Group's accounting and financial reporting.

The verification of an adequate internal control system at corporate level was performed on the basis of evidence produced by Internal Auditing departments. Verification of the adequacy and actual application of administration and accounting procedures and of governance rules for the IT infrastructure and applications is partly carried out according to specific methodologies derived from auditing standards supervised by the Manager responsible for preparing the Company's financial reports and dedicated departments, and partly based on evidence provided by the Internal Auditing and Compliance Departments as well as other control departments, with a view to maximising organisational synergies. Compliance with relevant regulations is also confirmed by the system for certifications sent to the Manager responsible for preparing the Company's financial reports from other departments of the Parent Company and subsidiaries.

The model used offers a reasonable guarantee of the reliability of accounting and financial information. As evidenced by the COSO Framework, any internal control system, even if well designed and operational, cannot completely exclude malfunction or fraud that could affect such information.

Controlling corporate risks

The Chief Risk Officer

The Chief Risk Officer is responsible for the Risk Management, Compliance and Legal Affairs Departments together with the Credit Quality Monitoring and Internal Validation units, representing a "second line of defence" in the management of corporate risks that is separate and independent from the business support functions.

The Chief Risk Officer is responsible for:

- consistently with corporate strategies and objectives, defining guidelines and policies on risk management, compliance and legal matters;
- coordinating the implementation of guidelines and policies on risk management, compliance and legal matters by the relevant Group business units, and in other corporate departments as appropriate;
- guaranteeing the measurement and control of Group exposure to the various types of risk, also verifying the implementation of guidelines and policies as above;
- guaranteeing the monitoring of credit quality and the observance of credit-related guidelines and strategies through the constant monitoring of risk, and submitting proposals on the structure of delegated powers of the corporate Bodies;
- supervising the identification and monitoring of any misalignment of current regulations, and arranging consulting, support and sensitisation as appropriate on regulations to the corporate departments.

Risk Management

Policies concerning the assumption and management of risk are identified by the Supervisory Board and the Management Board. The Management Board, in turn, relies on the support of the specific Group Committees mentioned earlier, which are coordinated by the Group Risk Governance Committee, and on the Chief Risk Officer, who reports directly to the Chief Executive Officer.

The risk management strategy aims at providing the increasingly integrated and consistent management of

risks, in consideration of both the macroeconomic scenario and the Group's risk profile, while raising awareness of risk.

In particular, the Group Risk Governance Committee, chaired by the Managing Director and CEO, ensures the monitoring and management of risks and the safeguarding of corporate value at Group level. It is assigned important duties for the implementation of risk control strategies, such as:

- proposing Group risk management strategies and policies to the corporate bodies, so as to ensure the steering and coordination of the main risk management measures;
- ensuring compliance with Supervisory Authority instructions and provisions with regard to risk governance and related reporting transparency;
- ensuring that the Managing Director and CEO and the Management Board have an overall view of risk exposure, by reporting any non-compliance and/or breaches of relevant policy;
- identifying, analysing and monitoring situations of potentially significant deterioration of risk and managing events of specific impact and relevance, with implications for the Group's reputation;
- ensuring the adequacy and effectiveness of the risk measurement and reporting system architecture, assessing consistency between business guidelines and management tools/processes; on this point the Committee supervises the results of risk management model validation processes;
- assessing the adequacy of the Group's equity and regulatory capital, as well as the allocation of capital to business units on the basis of plan objectives and risk tolerance objectives;
- verifying the consistency of capital requirements and risk measurement with accounting policies;
- verifying the Group's overall credit risk profile, co-ordinating corrective action and strategic guidelines in relation to credit risk and lending policies;
- allocating risk limits to the Divisions/Departments and setting country risk limits (by country, duration and type of operations) and credit risk concentration limits, in accordance with the decisions of the Management Board;
- disseminating awareness of risk, in its various forms, within the Group;
- defining business continuity strategies for disaster recovery purposes.

The Committee is also responsible for Basel II governance and supervising the projects and measures necessary to guarantee compliance.

The Group Financial Risk Committee is responsible for matters concerning the assumption of financial risks (in both the trading and banking books). The Committee, chaired by the Chief Risk Officer and the Chief Financial Officer, is responsible for setting out the methodological and measurement guidelines for financial risks, establishing the operational limits and assessing the risk profile of the Group and its main operational units. The Committee also sets out the strategies for the management of the banking book to be submitted to the competent bodies and establishes the guidelines on liquidity, interest rate and exchange risk, and periodically assesses the Group's overall financial risk profile and any measures needed to modify it.

The Group Compliance and Operational Risk Committee, chaired by the Chief Risk Officer, has the task of supervising the implementation of compliance and legal risk guidelines and policies and periodically verifying the Group's overall operational risk profile, defining any corrective actions, coordinating and monitoring the effectiveness of the main mitigation activities and approving operational risk transfer strategies.

Within the Chief Risk Officer's governance area, the Risk Management Department is in charge of the operational implementation of management strategies and guidelines along the decision-making chain, down to each of the Bank's operational units. The Risk Management Department is also responsible for the risk management methods and controls implemented in each business unit, reporting on the general situation to the corporate governance bodies, proposing operational limits on financial risks (for both the banking and trading books), promoting the use of risk measurement tools in granting and monitoring loans and risk concentration, overseeing the methodological and organisational framework for operational risks, using capital-at-risk measurements in management reporting and for assessing the Group's internal capital adequacy, and ensuring statutory reports are sent to Supervisory Bodies.

For the purposes described above, Intesa Sanpaolo uses a wide-ranging set of tools and techniques for risk assessment and management which take from best practices, as comprehensively described in the notes to the Financial Statements and the Pillar III - Basel II Disclosure.

The Compliance Department

In compliance with Bank of Italy supervisory provisions, which require that the compliance department be independent from operating departments and separate from internal auditing, the Compliance Department reports directly to the Chief Risk Officer.

The Compliance Manager was appointed by the Management Board on recommendation from the Managing Director and with approval from the Supervisory Board, and has the necessary autonomy and independence from the operating Departments.

The Compliance Department is responsible for Group level management of the risk of non-compliance with regulations, meaning the risk of incurring legal and administrative penalties, significant financial loss or damage to reputation as a consequence of the violation of imperative regulations or self-imposed regulations, by preparing guidelines, policies and methodologies in relation to the management of compliance risk.

The "Compliance Guidelines", approved in 2009 by the Management Board and Supervisory Board, implement the Group's Compliance Model, identifying the roles and responsibilities of the corporate Bodies and company structures in monitoring compliance risk. Specifically, directly on behalf of the Parent Company and in-service subsidiaries, the Compliance Department performs all activities relating to compliance with Bank of Italy supervisory provisions and the Joint Bank of Italy-Consob Regulation on regulatory areas of strategic importance to the Supervisory Authorities or for which centralised management of compliance risk is considered necessary, consistent with industrial association guidelines and best market practices: investment services, insurance and pension-related intermediation, market abuse, public offerings, contractual transparency, customer protection regulations and initiatives, usury, payment systems, administrative responsibility of entities, anti-money laundering, embargos, custody services.

The Bank has also identified certain regulatory areas in any event significant in terms of compliance risk, for which the related duties of the Compliance Department are performed by other corporate departments, all with an adequate level of independence and the required skills: internal dealing, register of persons with access to inside information on Intesa Sanpaolo and Group company securities, safeguarding of competition, transactions with related parties, obligations of Board Members and General Managers of the Banking Group, protection of privacy, occupational safety, environmental protection. In these regulatory areas, the Compliance Department has the role of defining guidelines and methodologies for the monitoring and measurement of compliance risk, coordinating compliance initiatives also in terms of prioritising the related risk, verifying their actual implementation by the control Departments and producing a full report on related results to the corporate Bodies.

Lastly, the Compliance Department plays a coordination and controlling role on behalf of subsidiaries not in service and for branches abroad, whose internal compliance offices report directly to the central Compliance Department.

The Credit Quality Monitoring function

As part of the credit governance processes, the Credit Quality Monitoring Unit is responsible for monitoring risk and credit quality through second level controls, as well as for the implementation of any corrective measures by the Business Units and the Lending Decisions Department, according to the positions in question. Specifically, it carries out controls on the lending processes, monitors the process for management of non-performing and doubtful loans, proposes to the Chief Risk Officer criteria for the classification of positions as non-performing and doubtful loans and periodically reports on significant issues regarding credit quality, also in relation to specific status levels (performing, non-performing, overdrawn/past due, substandard and doubtful) and significant exposures.

The Internal Validation function

The objective of the Internal Validation function is the ongoing evaluation of compliance of the internal risk measurement and management systems over time as regards determination of the capital requirements to the regulatory provisions, company needs and changes in the relative market.

Level three controls and the Internal Auditing function

Internal auditing activities are performed by a special department - Internal Auditing - which reports directly to the Chairman of the Management Board and the Chairman of the Supervisory Board, and also liaises with the Control Committee.

As part of its duties the Department also liaises with the Internal Auditing Departments of Group companies.

The Internal Auditing Manager – appointed by the Management Board on recommendation from the Managing Director and with approval from the Supervisory Board – has the necessary autonomy and independence from the operating departments. The Internal Auditing Manager has the adequate resources and funding to perform his/her duties and has no constraints in the access to company data, archives and assets.

Internal Auditing is responsible for ensuring a constant and independent auditing of the regular performance of Bank operations and processes for the purpose of preventing or identifying any anomalous or risky conduct or situation, assessing the overall operations of the internal control system and its adequacy in guaranteeing the effectiveness and efficiency of company processes, safeguarding asset value and loss protection, and the reliability and completeness of accounting and management reports, and the compliance of transactions with corporate governance policies and with internal and external regulations. Furthermore, it provides consulting to Bank and Group departments, also through participation in projects, for the purpose of adding value and improving the effectiveness of control, risk management and organisational processes.

It supports corporate governance and ensures that top management, the corporate bodies and the competent authorities (Bank of Italy, Consob, etc.) promptly and systematically receive information on the status of the control system and on the outcome of activities performed.

Audit is performed directly for the Parent Company Intesa Sanpaolo and for Banche dei Territori, as well as for a limited number of subsidiaries with an outsourcing contract; second level audit is instead conducted on other Group companies (indirect audit).

In such cases, indirect audit is conducted via the steering and practical coordination of subsidiary Auditing departments, to guarantee control consistency and adequate attention to the different types of risks, also verifying the effectiveness and efficiency levels under both structural and operational profiles. Furthermore, direct audit and verification are also performed in its institutional capacity as Parent Company.

Any weak points are systematically reported to the Departments involved for prompt improvement action, monitored by follow-up activities.

Internal control system audits from the checks are periodically submitted to the Control Committee, Management Board and Supervisory Board which require detailed updates also on the progress status of remedial action on weak points; furthermore, the more significant events are promptly reported to the Control Committee.

A similar approach is used with regard to administrative liability pursuant to Italian Legislative Decree 231/2001 for the Control Committee in its capacity as a Surveillance Body.

The Surveillance Body and the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001

In Intesa Sanpaolo, the role and responsibilities of the Surveillance Body as per Legislative Decree 231/2001 are, as previously mentioned, assigned to the Control Committee, along with the necessary powers and capacities to fulfil such tasks.

Conferring the aforementioned supervisory function on the Control Committee guarantees a high degree of independence in exercising the duties set out in the aforementioned Decree, in that the Committee incorporates the prescribed characteristics of independence and professionalism and, at the same time, is aware of the corporate facts required to efficiently perform this role.

In 2010, following renewal of the corporate Bodies, the Supervisory Board appointed the members of the Control Committee, established on 7 May 2010, who are also effective members of the Surveillance Body, and confirmed three alternate members of the same Body, selected from professionals outside of the

Board. Alternate members may act in the place of effective members, within the limits of the functions assigned to Surveillance Body members, where more than one effective member is suspended or temporarily unable to act, as in the cases contemplated by the Model. To date, no alternate member has been required to substitute an effective member.

Intesa Sanpaolo, by decision of its Management Board and Supervisory Board, has adopted an “Organisational, Management and Control Model” for the prevention of crime, in accordance with Italian Legislative Decree 231/2001 (the “Model”).

For each category of offences contemplated by Legislative Decree 231/2001, the Model identifies “sensitive” company areas and, for each area, the company activities where there is a risk of the illicit offences being committed (so-called “sensitive activities”). For each sensitive activity, control principles and rules of conduct have been set forth, applicable to the people involved in such activities.

In particular, the Model outlines the reference legal context, the role and responsibility of the departments involved in its adoption, the efficient implementation and updating of the Model itself, the “sensitive” areas related to the type of illegal acts prevented, and the areas of company activity in which the risk of committing such acts may emerge, the behavioural principles and control rules for their prevention, related information flows and the disciplinary system.

The Model is fully and effectively implemented in daily operations through the connection between each sensitive area and the dynamic management of processes and the reference internal regulations. Being based on the control and behavioural principles stated for each activity, these regulations govern company operations at the various levels, thereby forming an integral part of the Model itself.

The Surveillance Body is responsible for supervising implementation and compliance with the Model and for providing support to the corporate bodies for implementation and updating purposes. Specifically, the Surveillance Body, with support from the Internal Auditing and Compliance departments, guarantees constant and independent supervision over the regular performance of Bank operations and processes to prevent and/or identify the emergence of anomalous or risky conduct or events. It assesses the operational nature of the internal control system as a whole and its adequacy in guaranteeing the effectiveness and efficiency of the control processes identified, and ensures their compliance with policies established by the corporate governance bodies and with internal and external regulations.

The operations and duties of the Surveillance Body, in addition to those indicated in the Model, were specified in a special section of the “Regulations for the Control Committee and Surveillance Body, pursuant to Legislative Decree 231/2001”, adopted by the Supervisory Board.

The Surveillance Body, at least on a half-yearly basis, must submit a specific report on the adequacy of and compliance with the Model to the Management and Supervisory Boards. The Committee reports to the corporate boards on its activities.

In 2010, the Surveillance Body met 14 times. Among other things, it monitored the Model’s efficiency, effectiveness and adequacy in preventing and overcoming the commitment of illegal acts, which are subject to Legislative Decree 231/2001, the compliance of recipients with the provisions contained in the Model, identifying the consistency and any deviations of behaviours, through analysis of the information flows and reports required from the heads of the various company departments, as well as implementation of the staff training plan.

The Model was updated in 2010 to take into account the legislative and organisational amendments introduced by the Bank.

With reference to the value of the Model, Intesa Sanpaolo pushed ahead with the roll-out of the internal communication and staff training plan to facilitate the dissemination of the provisions of the Decree and of the Organisation Model adopted, so that awareness of the subject and observance of the related rules become an integral part of the professional portfolio of each employee.

In addition to this, without prejudice to the separate responsibility of each Group company for the adoption and effective implementation of their own models under the Decree, the Bank, in its capacity as Parent Company, has formalised a series of guidelines for its subsidiaries concerning their administrative

liability with regard to the appointment of a surveillance body, the preparation of staff training plans, the adoption of suitable controls for sensitive processes, and periodic reports to the Parent Company's compliance function.

The surveillance bodies of subsidiaries are responsible for monitoring the implementation of the model and compliance with the statutory requirements of the Decree, and for reporting to the Parent Company's Surveillance Body on their respective activities.

The "Organisational, Management and Control Model" adopted by Intesa Sanpaolo is available in the Governance section of the Bank's website.

Independent Auditing

For Intesa Sanpaolo, as a quoted company (Public Interest Entity pursuant to the new relevant regulations), auditing of the accounts may only be conducted by an independent auditing firm (Auditor), responsible for verifying, during the year, the regular keeping of corporate accounts and the proper recording of management operations in the books, and for expressing, through the appropriate reports, an opinion on the Parent Company's and consolidated financial statements, as well as on the half-yearly report, after ascertaining that they correspond to the accounting entries and related audits and that such records comply with the relevant regulations.

The independent auditors currently appointed by Intesa Sanpaolo are Reconta Ernst & Young S.p.A., whose assignment will expire on the date of the Shareholders' Meeting called to allocate net income for 2011.

The independent auditors are appointed by the Ordinary Shareholders' Meeting on motivated proposal of the Supervisory Board.

10.C.5. In order to ensure full compliance with laws governing independent auditors engaged for the auditing of the accounts of Group companies, to create conditions to protect the independence of independent auditors and to ensure compliance with applicable laws in force, Intesa Sanpaolo has adopted specific Group Regulations used to introduce a supervisory system aimed at monitoring the appointment of independent auditors at the Group level and other engagements awarded by the Parent Company's departments and Group companies to independent auditors, their business networks and their affiliates, in accordance with the guidelines set forth by the Management Board and Supervisory Board.

Based on these Regulations, the appointment of independent auditors involved the prior analysis and authorisation of the Manager responsible for preparing the Parent Company's financial reports, who is also responsible for reporting to the Control Committee, the Supervisory Board and the Management Board on a periodic basis - as well as to Consob, as required by laws in force - on Group engagements awarded during the period to the independent auditors of the Parent Company and other Group companies and the fees paid to them over the year.

The coordination of the control system

The Supervisory Board, as the Control Body, is the centre of the control system, with the task of supervising compliance with legal and regulatory provisions, and the Articles of Association as well as correct governance and the adequacy of the Bank's organisational and accounting structures.

In this context, among its various duties, the Board is responsible for ensuring the effectiveness of all the structures involved in the internal control system and their adequate coordination.

The internal control system, as described, consists of a set of rules, procedures and organisational structures aimed at ensuring achievement of the following objectives:

- efficiency and effectiveness of activities (performance objectives);
- reliability, completeness and promptness of financial and management reports (information objectives);
- compliance with the applicable laws and regulations (compliance objectives).

The rules, regulations and procedures of relevance to the Bank include the Corporate Governance Project prepared in accordance with the New Supervisory Provisions, the Group Regulations, the Organisational,

Management and Control Model pursuant to Legislative Decree 231/2001, the Supervisory Board Regulations and the Management Board Regulations, the Group Committee Regulations and other so-called “governance documents”, including the main risk management and control guidelines, the compliance guidelines, the administrative and financial governance guidelines and the Pillar III Disclosure guidelines.

These documents outline the main information flows required for the purposes of coordinating internal control functions, including the information provided by control functions to the Bank’s corporate bodies and, in particular, the Control Committee, and the information exchanged between internal control functions.

Control Committee meetings are normally attended by the Head of the Internal Auditing Department, while the Manager responsible for preparing the Company’s financial reports normally attends Financial Statements Committee meetings. Where required, the independent auditors also attend the meetings of these Committees, and may liaise at any time with the Manager responsible for preparing the Company’s financial reports. Members of the Control Committee attend Management Board meetings. The broad exchange of reports and information through Group Committee meetings and the meetings of the corporate bodies ensures that the internal control system operates on the basis of rules ensuring the coordination of the Structures and Functions involved.

Management of conflicts of interest

Introduction

9.P.1. In line with corporate law, banking supervisory regulations and the new Consob provisions, and in accordance with the instructions of the Corporate Governance Code, the Bank has adopted a system of rules designed to ensure that transactions carried out with related parties, and transactions in which a corporate Board Member has a personal interest or interest on behalf of third parties, are performed in a transparent manner and meet criteria of substantial and procedural fairness.

Transactions with related parties

9.C.1. In 2007, the Management Board had adopted the Intesa Sanpaolo “Regulations on the management of transactions with related parties” approved by the Supervisory Board and intended for all companies within the Group. The Regulations set forth the criteria for identifying related parties, the assessment and decision-making rules as well as the principles to be followed in subsequently providing information to corporate Bodies and to the market. The Regulations were adopted in compliance with the Corporate Governance Code, as well as with Article 2391-bis of the Italian Civil Code, which requires the management boards of companies quoted on equity markets to adopt rules to ensure the transparency and substantial and procedural fairness of all transactions with related parties.

Complying with the criteria set out in IAS 24, the Regulations defined the rules for practical identification of the various entities belonging to categories covered by this accounting standard (companies related through control or association, joint ventures, pension funds, key managers, close family members of key managers and related significant shareholdings).

The Management Board and Supervisory Board had also decided, in 2008, to extend application of the rules beyond the scope of application considered in regulations of reference, so as to include shareholders and their corporate groups (subsidiaries, parent companies and companies under common control) with an equity investment with voting rights in the Bank of over 2% (calculated on registered shares only).

9.C.1.
1.C.1. f) The Regulations governed the various assessment and decision-making procedures applied by the Parent Company Departments and by subsidiaries when carrying out transactions with related parties, as well as specific resolution rules. In particular, the transactions exclusively attributed to the Management Board were those defined as “significant” and carried out by the Parent Company with its own related parties. With respect to decision-making profiles the transactions exclusively attributed to the Management Board were defined as “significant” and carried out by the Parent Company with its own related parties. “Significant” transactions included those with a major economic, capital and financial impact, as defined on the basis of specific qualitative and/or quantitative criteria applying to each type of transaction. Furthermore, transactions that, due to their content, the nature of the parties, the consideration paid, methods or timeframes, could affect the company assets or the thoroughness or accuracy of Intesa Sanpaolo information, including accounting data, were submitted for approval by the Management Board.

9.P.1.
9.C.1. In compliance with the provisions of the Corporate Governance Code, transactions having a value in excess of twice the levels established as being under the jurisdiction of the Management Board were also subject to the prior opinion of the Control Committee formed within the Supervisory Board. In any case, the Control Committee reviewed transactions that were under the jurisdiction of the Management Board when any economic conditions had been identified which differed from those of the market, except when subsidiaries were involved.

Concerning transactions carried out by subsidiaries, the Regulations specified which cases required a decision from the Board of Directors of the companies involved. The prior opinion of the Parent Company’s Control Committee was also required for the most significant transactions between subsidiaries and parties related to the Parent Company.

Moreover, information to be provided, at least quarterly – also pursuant to Article 150 of the Consolidated Law on Finance – to the Management Board and by the latter to the Supervisory Board regarding transactions with related parties completed in the reference period by the Parent Company or by its subsidiaries had also been ensured, with different quantitative thresholds to be decided for each type of transaction. All of the above was aimed at providing a complete overview of the most significant transactions, as well as the volumes and the main features of all those delegated.

On 12 March 2010, in implementation of Article 2391-bis of the Italian Civil Code, Consob adopted, through resolution 17221, the Regulations governing transactions with related parties, subsequently amended with resolution 17389 of 23 June 2010.

On 26 November 2010, in accordance with the provisions of the Commission, the Management Board and the Supervisory Board approved, upon favourable opinion by the Control Committee, the new "Group Procedures regulating the conduct of related party transactions", which establish for the entire Group and with respect to transactions with related parties of Intesa Sanpaolo:

- the criteria used to identify related parties,
- the categories of related party transactions,
- cases of exemption from application of the regulations,
- the analysis, proposal and decision-making procedures for the transactions,
- the subsequent requirements for reporting to the Parent Company's corporate Bodies,
- the necessary controls to ensure market disclosure.

The new Regulations have been effective since 1 January 2011, except for the provisions on publication of the report on more significant transactions considered separately, for which the Regulations became effective since 1 December 2010.

Pursuant to the new Procedures, the following are considered related parties of Intesa Sanpaolo: subsidiaries and associates, joint ventures, pension funds of the Group, shareholders holding over 2% of the share capital of the Bank and relative corporate groups, key managers, close family members of key managers and related companies in which they hold a significant interest. In this regard, it has been decided that the category of Key Managers will include not only Management and Supervisory Board Members but also General Managers and other Managers with strategic responsibilities.

As far as shareholders are concerned, the Bank confirmed its 2008 decision to extend application of the rules.

The new Regulations, published in their entirety on the Bank's website, contain a series of total or partial exemptions from application of the new rules, regarding specific types of transactions:

- a. without prejudice to the accounting disclosure requirements, exemptions are always applicable to transactions of negligible amounts, shareholders' meeting resolutions regarding remuneration of Supervisory Board Members, share-based remuneration plans and resolutions on remuneration of Members of the Management Board and other Key managers, upon existence of the conditions indicated by Consob;
- b. exemptions from the decision-making procedure and market disclosure requirements are applicable to intragroup transactions, provided that in the subsidiary counterparty to the transaction there are no significant interests of other related parties. The following are considered as significant interests of other related parties: stake in capital that involves the exercise of significant influence or the presence of key manager remuneration systems that depend to a large extent on the period results achieved by the subsidiaries or associates with which the transaction was carried out;
- c. all ordinary transactions of lesser significance carried out at market or standard conditions are exempt from the decision-making procedure;
- d. ordinary transactions at market or standard conditions are exempt from the market disclosure requirements for transactions of greater significance;
- e. all transactions to be carried out based on instructions by the Supervisory Authorities for the purpose of stability are exempt from the assessment and decision-making procedures;
- f. for transactions subject to the regulations on obligations of Board Members and General Managers of the Banking Group pursuant to Article 136 of the Consolidated Law on Banking, the opinion of the independent Committee is not required, due to application of the specific procedure contemplated by banking regulations.

The procedure for the management of transactions with related parties in the new Regulations is differentiated by:

- transactions of negligible amounts, excluded from application of the regulations;
- transactions of lesser significance, equal to or greater than the small-amount thresholds (250,000 euro for individuals, 1 million euro for entities connected to managers with strategic responsibilities, 5 million euro for significant shareholders and related corporate groups, associates and pension funds, and 20 million euro for subsidiaries);

-
- transactions of greater significance, if they exceed the threshold of 5% of the indicators defined by Consob (approximately 2 billion euro for Intesa Sanpaolo);
 - strategic transactions pursuant to the Articles of Association;
 - transactions attributed to the shareholders' meeting.

The Related Party Transactions Committee, established within the Supervisory Board and consisting entirely of independent Members, plays an important role in the approval process for these transactions.

For transactions of greater significance or strategic transactions, the Related Party Transactions Committee must be promptly involved in the analysis and negotiation phases, receiving a complete and timely flow of information, with the right of the Committee to request additional information and make observations.

Transactions of lesser/greater significance or strategic transactions require an opinion by the Related Party Transactions Committee, which evaluates the Bank's interest in carrying out the transaction, as well as the suitability and fairness of the relative conditions.

The Management Board may decide on a transaction of greater significance and the Supervisory Board may authorise a strategic transaction, despite the negative opinion of the independent Committee: the transaction, without prejudice to its effectiveness, must in both cases be submitted for non-binding resolution by the ordinary Shareholders' Meeting.

For transactions attributed to the shareholders' meeting, the resolution proposal by the Management Board, approved where required by the Supervisory Board, is governed according to the procedures envisaged for transactions of lesser/greater significance or strategic transactions, depending on the type of transaction. Transactions of greater significance that are approved despite the negative opinion of the Committee cannot be carried out if, during the Shareholders' Meeting, the majority of unrelated voting shareholders express an unfavourable vote, provided that the unrelated shareholders present at the Meeting represent at least 10% of the share capital with voting rights.

Transactions of lesser/greater significance carried out by Subsidiaries with related parties of Intesa Sanpaolo are subject to prior, non-binding approval by the Parent Company and subsequent resolution by the Subsidiary's Board of Directors. The request for prior approval follows the decision-making procedures described for the Parent Company for transactions of lesser/greater significance and strategic transactions, depending on the type of transaction.

Moreover, the new Regulations define the general criteria for the information to be provided, at least quarterly – also pursuant to Article 150 of the Consolidated Law on Finance – to the Management Board and by the latter to the Supervisory Board regarding transactions with related parties of Intesa Sanpaolo completed in the reference period by the Parent Company or by its subsidiaries. All of the above is aimed at providing a complete overview of the most significant transactions, as well as the volumes and the main features of all those delegated. Reports must include all transactions, even if exempt from the decision-making procedure, for amounts equal to or greater than the thresholds of lesser significance. Bank funding transactions and intragroup loans are excluded from this requirement, regardless of the amount.

Detailed public disclosure must be provided, in accordance with the provisions of Consob, if the Parent Company or subsidiaries carry out transactions of greater significance which are not ordinary and at market or standard conditions.

Ordinary transactions of greater significance at market or standard conditions carried out with entities in which there are significant interests by other related parties, namely shareholders, key managers and pension funds, must in any case be disclosed to Consob.

Transactions of lesser significance are reported to the market only in the event of negative opinion by the independent Committee.

Lastly, without prejudice to the reporting requirements envisaged by IAS 24, the Bank provides information on the most significant transactions with related parties of Intesa Sanpaolo in its half-yearly report on operations and annual report on operations.

Obligations of Board Members and General Managers of the Banking Group

Article 136 of the Consolidated Law on Banking requires the adoption of a special decision-making procedure which enables board members and general managers of banks or other companies forming part

of a banking group to contract obligations with the bank they belong to or other banking group companies, so as to prevent conflicts of interests from arising.

In accordance with the Article 136, persons with steering, administration or control duties in banks or companies forming part of the banking group cannot directly or indirectly enter into contracts binding upon their company or carry out financing transactions with another company or bank in the banking group without approval from the administrative and control bodies of the company or bank that is party to the contract; in such cases, moreover, the contract or document must be approved by the parent company.

9.C.2.

The special decision-making procedure also applies to contractual obligations entered into by the bank or companies in the banking group with companies controlled by board members and general managers or companies in which they have administration, steering or control duties. Moreover, it also applies to related subsidiaries and parent companies (unless the obligations are contracted between companies in the same banking group or refer to transactions on the interbank market).

In Intesa Sanpaolo, the special decision-making procedure set forth in Article 136 of the aforementioned law – even regarding related parties – requires a prior resolution adopted unanimously by the Management Board, with the approval of all the members of the Supervisory Board. Without the approval of all the members of the control body, it is strictly prohibited for the transaction in question to go ahead.

For the subsidiaries of the Banking Group, on the other hand, such transactions require a prior resolution adopted unanimously by the board of directors, with the unanimous approval of all the members of the board of statutory auditors and the consent of the Parent Company.

Finally, the provisions of the aforementioned law confirm the obligations contemplated in the Italian Civil Code governing directors' interests and transactions with related parties.

Interests of Management Board Members

In line with the provisions of Article 2391 of the Italian Civil Code, the Management Board Regulations require each Board Member to inform the other Management Board Members and the control Body of any personal interests held or interests held on behalf of third parties, with reference to a specific corporate transaction governed by the Board, specifying the nature, terms, origin and extent of the interests.

9.P.1.

In accordance with the abovementioned provision, the Management Board has jurisdiction over decisions regarding transactions – including those with related parties – in which the Managing Director possesses an interest on his/her own account or through a third party and must therefore abstain from carrying out the transaction. In such cases, any resolution adopted by the Management Board is to suitably explain the reasons and convenience of the transaction for the Company.

Where applicable, the special decision-making procedure set forth in Article 136 of the Consolidated Law on Banking is to be followed.

Interests of Supervisory Board Members

In line with the provisions of the Corporate Governance Code, the Supervisory Board Regulations require each Board Member holding a personal interest or interests on behalf of third parties, whether direct or indirect, in a specific transaction under examination by the Supervisory Board to promptly and fully inform the Supervisory Board of the nature, terms, origin and extent of the interests.

10.C.4.

In addition to this, in implementation of the New Supervisory Provisions, a new article was introduced into the Articles of Association governing the transparency of the interests held by Supervisory Board Members in transactions of strategic importance, as identified by the Articles of Association. Specifically, any Member of the Supervisory Board who holds a personal interest or interest on behalf of third parties, in a transaction deemed strategic under Article 25.1.2 of the Articles of Association, is required to disclose the interest and state its nature, terms, origin and extent. In this case, any resolution adopted by the Supervisory Board is to suitably explain the reasons and convenience of the transaction for the Company.

Where applicable, the provisions of Article 136 of the Consolidated Law on Banking also apply to Supervisory Board Members.

Conflict of interest management policy

In compliance with laws and regulations in force prior to the entry into force of the Markets in Financial Instruments Directive (MiFID), Intesa Sanpaolo had already introduced "Guidelines for the management of inside information and conflicts of interest" identifying relevant organisational principles and procedural rules.

In 2009, the Bank's corporate boards approved the "Conflicts of interest management policy" which amended internal regulations to comply with the provisions of the Joint Bank of Italy/Consob Regulations and the Consob Regulation on Intermediaries. Said Regulations, issued in implementation of the MiFID, step up obligations regarding the identification and management of conflicts of interest through the introduction of the following requirements:

- the express provision of a conflicts of interest policy that identifies conflict situations and how they are to be managed;
- alongside conflicts of interest that may arise between an intermediary and a client, the inclusion of conflicts that may arise between a relevant person of the intermediary and the client, between an entity with a controlling interest in the intermediary and a client, and between two or more clients of the intermediary;
- the establishment of a register to systematically record each and every situation where a conflict of interest arises and how the situation is dealt with.

In accordance with the Regulations, the policy adopted by Intesa Sanpaolo provides for:

- the mapping of conflicts: a list of circumstances that generate or may generate a conflict of interests at the Group level, which may harm the interests of one or more clients;
- the identification of management measures: a list identifying the procedures and organisational measures to be adopted to manage conflicts of interest, including those adopted prior to the entry into force of MiFID.

Personal transactions policy

In 2009, Intesa Sanpaolo's corporate Bodies approved a "Personal transactions policy", in compliance with the Joint Bank of Italy/Consob Regulations, issued in implementation of MiFID. The Regulations require intermediaries to adopt procedures to prevent relevant persons involved in activities that may give rise to conflicts of interest, or that have access to inside or confidential information, from performing personal transactions prohibited under regulations governing market abuse, or that involve the abuse or disclosure of confidential information, or that breach regulations governing conflicts of interest.

Applicable to all Group companies that provide investment services, as well as to asset management companies and open-ended collective investment schemes, the Policy identifies as relevant persons: (i) board members and general managers; (ii) managers, employees and other natural persons involved in the provision of investment services under outsourcing agreements; (iii) shareholders that are natural persons and that hold a corporate office in a Group company; (iv) shareholders that are legal entities and that hold equity interests in a quoted or non-quoted Group company of over 2% or 20% respectively and have representatives on the corporate boards of the company, with the exception of shareholders that are legal entities subject to supervision and joint-stock companies that have adopted the models contemplated by Italian Legislative Decree 231/2001.

The Policy introduces a set of specific restrictions on the transactions that relevant persons may perform, in order to prevent conflicts of interests or the abuse of inside or confidential information from arising in areas of greatest risk (e.g. investment banking, treasury services, proprietary trading, trading services, equity investment management, portfolio or UCI management, investment research studies, corporate customer relationship management, financial institutions, public entities and companies or loan arrangements with such customers).

Relevant persons are required to notify their companies of any transactions they order through accounts held in their name or held jointly in their name at companies that do not belong to the Intesa Sanpaolo Group, as well as any transactions they order through accounts held by persons for whom the relevant person has power of attorney, and any transactions ordered on their behalf by any third person.

For situations of greatest risk involving relevant persons subject to specific restrictions, in accordance with regulations in force, the Policy requires notification of the names of all persons with whom the relevant person has kinship ties (spouse or cohabiting partner, children living at home, and any other relative up to

the fourth degree of kin that has lived with the relevant person for at least a year at the transaction date) or close links (natural persons or legal entities linked to the relevant person through a controlling interest or equity interests of over 20% of the voting rights or share capital of a company).

In order to identify any non-compliance with the Policy, all personal transactions performed by or on behalf of relevant persons are subject to registration and monitoring, together with any transactions ordered through accounts held at Intesa Sanpaolo or other Group companies by persons with kinship ties or close links to relevant persons subject to specific restrictions.

Treatment of corporate information

Inside information

4.P.1.
4.C.1.

Intesa Sanpaolo - aware that the flow of price-sensitive information must be governed, pursuant to the provisions in force, according to the principles of fairness, clarity and equal access to information - has already adopted the "Regulation on disclosure to the market of inside information", governing the internal management and treatment of sensitive information and procedures to be observed for the external disclosure of documents and information regarding Intesa Sanpaolo and its subsidiaries, with particular reference to price sensitive data pursuant to Article 114, par. 1 of the Consolidated Law on Finance.

The recipients of the Regulation - also prepared in the light of Article 18.1 letter f) and Article 26.1 letter l) of the Articles of Association and the provisions of the Group Regulation on corporate disclosure management - are all persons whose role or duties grant them access to and/or management of price sensitive information and/or information that could become price sensitive (i.e. members of the corporate bodies, executives, employees and contractors of the Bank and its subsidiaries).

The Regulation identifies the Managing Director, Chairman of the Management Board and Chairman of the Supervisory Board, along with other Group employees and departments identified by said Managing Director and Chairmen as the persons authorised to issue disclosures - also to the market - of inside information on the Bank and the Group.

The Regulation envisages the adoption of any necessary precautionary measures in the treatment of sensitive information, in order to avoid jeopardising its confidential nature, and also outlines a procedure for the management and external disclosure of inside information of which Bank Departments may become aware as a result of their specific operating responsibilities.

In following these regulations, the Bank uses the External Relations Department and Investor Relations and Rating Agencies Services, which report directly to the Chief Financial Officer. The first of these – answerable to the Chairman of the Supervisory Board, Chairman of the Management Board, Managing Director and CEO – is responsible for managing press and media relations and relations with consumer associations; Investor Relations is responsible for managing relations with institutional investors and financial analysts in order to standardise the disclosure of information and news on operations, results, strategies and business outlook of the Group and, lastly, Rating Agencies is responsible for relations with the rating agencies.

Internal Dealing and Insiders List

In compliance with the provisions contained in the Consolidated Law on Finance and the Issuers' Regulation, Intesa Sanpaolo has adopted specific Internal Dealing Regulations, aimed at adapting internal regulations and procedures to the rules on reporting requirements for transactions involving financial instruments issued by the Bank (or other related financial instruments) by relevant persons and/or strictly related parties, in order to ensure the necessary transparency and consistency of disclosures to the market.

These Regulations, in addition to identifying the "relevant parties" (members of the Corporate bodies, General Managers and Key Managers of Bank departments), defining their conduct and disclosure requirements, as well as specifying the "competent party" for receiving, managing and disclosing such information, also forbid such transactions in the 30 days preceding the Management Board meetings called to approve the draft financial statements and the half-yearly report and in the 15 days preceding the Management Board meetings called to approve interim reports. Each relevant party is informed of the aforementioned "blocking periods" on the timely basis.

Any transactions by "relevant parties" are also published on the Bank's website (Governance/Internal Dealing section), through which the text of the Regulations can also be consulted.

Again on the basis of provisions contained in the Consolidated Law on Finance and the implementing provisions issued by Consob, the Bank has created and regularly updates a register of people who, due to their work or professional activities or duties performed, have permanent or occasional access to inside information concerning the Bank or its subsidiaries that issue quoted securities (the "Insiders List").

The regular and accurate updating of the Insiders List is governed by specific internal rules that, on the one hand, identify the people who by virtue of their role and/or responsibilities have permanent access to inside information, and on the other, set forth the criteria to be used to identify any people who may have occasional access to such information.

All Group companies that issue quoted securities are required to keep and update an Insiders List identifying the people who, by virtue of their work or professional activities or duties performed, have permanent or occasional access to inside information concerning the company.

In compliance with the same law, a Temporary Insiders List – Third-Party Issuers has been created and is regularly updated, identifying all people who, by virtue of the duties they perform on behalf of third-party issuers of quoted securities, have occasional access to inside information on said issuers. The List is kept and updated in accordance with the “Rules for the management of inside and confidential information regarding third-party issuers”, recently updated.

Considering the importance of the topic and the consequent objective of implementing timely monitoring, the internal regulations are subject to constant fine-tuning and development.

Relations with shareholders and the financial community

11.P.2.
4.C.1. Intesa Sanpaolo has a specific interest, as well as an obligation towards the market, in the management of ongoing dialogue with shareholders, institutional investors and national and international market operators in compliance with internal rules and procedures governing the disclosure of inside information. In this respect the Bank guarantees a regular and systematic disclosure of accurate, complete and prompt information on Group operations, results and strategies, also in the light of indications provided by Consob, the principles expressed in the Corporate Governance Code and in national and international best practices.

The Articles of Association assign to the Chairman of the Supervisory Board the task of supervising relations with shareholders, and verifying that such relations are managed correctly, in agreement with the Chairman of the Management Board and with the Managing Director. The Chairman of the Management Board also arranges for the Common Representative of Savings Shareholders to be informed of bank operations that could affect the official price of savings shares, particularly proposals that the Management Board has decided to submit to the Shareholders' Meeting with regard to capital transactions, mergers and spin-offs.

11.C.2. Given the size of the Bank and the Group, Intesa Sanpaolo makes use of specialist departments backed by appropriate technological and professional resources. The first of these, the Investor Relations Service, handles relations with institutional investors, whilst the second, the Corporate Secretariat Service, handles relations with shareholders – or shareholder associations – and support to shareholders by providing them with corporate documentation disclosed pursuant to law. Press and media relations in general, in Italy and abroad, are the responsibility of the External Relations Department - Media Relations Service, which in this respect is the main contact also for Group companies. As mentioned above, Rating Agencies is instead dedicated to the management of relations with analysts and rating agencies.

11.C.1. In its relations with the market, Intesa Sanpaolo adopts a specifically transparent form of conduct, especially with regard to annual and interim financial results and to Group strategies. This also takes place via meetings with the national and international financial community, in a framework of constant dialogue with the market based on correct and timely communication.

Given this line of transparent communications and in order to make information available promptly and as accessible as possible, Intesa Sanpaolo also uses its website www.group.intesasanpaolo.com. The Company focuses special attention on this particular information channel, taking into consideration developments in international best practices in the sector. The institutional website is constantly developed and expanded, so as to highlight its role in showcasing the Intesa Sanpaolo Group, its values and its characteristics, and comply with statutory obligations and transparency requirements for the institutional information published on-line, while satisfying the highest market communication standards in terms of the timeliness and adequacy of messages.

On the website, available in both Italian and English, stakeholders can use an internal search engine to find information on the structure of the Company and the Group, on Shareholders' Meeting, the ownership structure and dividends, as well as share performance, interim financial reports and presentations of the results, ratings and prospectuses concerning securities issued by Intesa Sanpaolo. The site also publishes the Company's press releases, the annual financial calendar of important corporate events as well as information on significant or extraordinary transactions.

Also available on the website is the Intesa Sanpaolo "Shareholder's Guide." The Guide is designed to provide useful information on investing in Bank shares, to inform shareholders of the rights attaching to their shareholdings, and to enable shareholders to build a more active relationship with the Company.

In this way the website becomes the place in which the financial community and stakeholders in general find numerous opportunities for information and dialogue with the Company within the framework of constant, consistent and complete communication. Telephone contacts are provided on the site and there are specific links for requesting documentation of interest.

Shareholders' Meetings: procedures and shareholders' rights

Legislative Decree 27 of 27 January 2010 implemented Directive 2007/36/EC, the "shareholders' rights directive", on the exercise of certain rights of shareholders in listed companies, into Italian law. In implementation of the decree, Consob made the relative additions and/or amendments to its Issuers' Regulation, with resolution 17592 of 14 December 2010.

The new provisions have had a significant impact on the regulatory context under which shareholders' meetings are classified, expanding the range and methods of exercise of shareholders' rights, with a view to facilitating participation by the various shareholders in the life of the companies.

The amended regulatory framework - applicable, in general, to meetings called after 31 October 2010 – required several adjustments to the Articles of Associations, adopted by the Supervisory Board, upon proposal by the Management Board and following verification by the Bank of Italy, pursuant to Article 25.2, letter c of said Articles.

The proposal for additional amendments to the Articles of Association, permitted by the new regulations on a discretionary basis, will be submitted at the next extraordinary Shareholders' Meeting.

The Shareholders' Meeting

The Shareholders' Meeting is the body deemed to represent all Shareholders and its resolutions, passed in accordance with the law and the Articles of Association, are binding on all Shareholders, irrespective of their attendance or dissent.

Art. 123-bis (2),
(c) CLF

The regulation for adoption of the shareholders' rights directive has amended the right to intervene at the shareholders' meeting, a right which is assigned to parties holding shares as at the record date (see below), regardless of any subsequent disposal of said shares. It is therefore now possible for parties who are no longer shareholders as at the date of the meeting to participate in the meeting, and for parties who actually are shareholders at said date to be denied participation, as a result of the former selling and the latter acquiring the shares after the record date.

Given the above clarification – and also considering that any misalignment between the actual shareholders and the participants of shareholders' meetings that originates from the record date mechanism does not appear such as to impact the representativeness of the Body – Intesa Sanpaolo views the Shareholders' Meetings as one of the main opportunities for contact and dialogue with shareholders and as an important occasion for the disclosure of news, in accordance with the principle of non-selective disclosure and rules on price sensitive information. In fact, even before the introduction of the implementation provisions on the shareholders' rights directive, the Company has always strived to encourage the broadest possible participation of shareholders in the Shareholders' Meetings and to guarantee the best quality standards for the information provided.

11.P.1.
11.C.1.

Duties of the Shareholders' Meeting

At Intesa Sanpaolo, a Company that has adopted the dual management and control model, the Shareholders' Meeting is amongst other things expected to resolve upon:

- the appointment, removal and remuneration of members of the Supervisory Board, including Board members vested with special duties;
- the responsibilities of members of the Supervisory Board and, without prejudice to the concurrent duties of the Supervisory Board, of members of the Management Board;
- the allocation of net income;
- appointment and revocation of the independent auditors;
- the approval of financial statements unless approved by the Supervisory Board;
- the approval of remuneration policies for Management Board Members and financial instrument-based plans, in keeping with the provisions of law and regulations in force;
- transactions reserved by the law to resolution of the Extraordinary Shareholders' Meeting.

The duties of the Shareholders' Meetings under the Articles of Association are in line with the New Supervisory Provisions. Specifically, the Shareholders' Meeting is responsible for determining the remuneration of Supervisory Board Members vested with special duties and for approving remuneration policies for Management Board Members, as well as financial instrument-based management incentive plans.

In this respect it should be pointed out that, despite the fact that under the dual model the Shareholders' Meeting agenda does not normally include approval of the financial statements, at the start of meetings the Chairman of the Supervisory Board, Chairman of the Management Board and Managing Director provide shareholders with information on the general performance of the Bank and its results for the year. Such reports are generally followed by a full debate – in question and answer format – with shareholders.

Calling and operations

Shareholders are called to the Shareholders' Meeting by the Management Board, whenever it is deemed appropriate or, pursuant to Article 2367 of the Italian Civil Code, upon request by shareholders representing at least one-twentieth of share capital. The Ordinary Shareholders' Meeting must be called at least once a year, no later than a hundred and twenty days after the end of the financial year.

The Shareholders' Meeting is called at the registered office of the Company or in another location in the municipality where the Company has its registered office, by notice containing the information envisaged by law and published within the regulatory deadline on the Bank's website, with other methods provided by the regulatory provisions, as well as in the daily newspaper "Il Sole 24 Ore" and in the Official Gazette of the Republic of Italy.

Generally speaking, the Bank, within the deadline for publication of the convocation notice, provides to the public at its registered office, on its website and via other methods envisaged by the regulations, the reports on issues on the agenda, as well as the documents to be submitted to the Shareholders' Meeting.

11.C.4. The Management Board Members and Members of the Supervisory Board attend the Shareholders' Meetings in order to make an effective contribution to their work and render discussions more useful. Also attending the Shareholders' Meeting are the Common Representative of Savings Shareholders, Company executives and employees, as well as directors, auditors, executives and employees of subsidiaries and representatives of the independent auditors. In addition, other persons whose presence is considered useful by the Chairman of the Meeting may participate in the topics for discussion or in the work of the meeting.

11.C.5. Intesa Sanpaolo has not deemed it necessary to adopt a specific Shareholders' Meeting Regulation. The management and coordination powers attributed to the Chairman on this matter by the law and the Articles of Association – through the identification, at the beginning of each session, of the main rules to be observed – ensure the orderly and practical conduct of the work of the Meeting and the participation of those entitled in related discussions.

In any event, participants are informed by the Chairman, prior to the start of the Meeting, of voting procedures in order that they may express clear and well-informed opinions about topics on the agenda.

As concerns the right to speak on the items posted on the meeting agenda, and with a view to ensuring the smooth and effective conduct of the meeting while guaranteeing everyone the opportunity to speak, based on the number of participants wishing to do so, the Chairman sets the speaking and answer time for each speaker at a maximum, normally, of five minutes. Requests to speak are generally made through specific stations in the meeting hall, via an automatic booking system.

Furthermore, Legislative Decree 27/2010 grants shareholders the right to ask questions on topics on the agenda even prior to the meeting and to obtain a response at the latest during the meeting itself.

11.C.6. The Company has decided not to change the percentage capital thresholds provided for by regulations in force with regard to the exercise of action and prerogatives to safeguard minority interests.

The right to participation and representation

As mentioned above, the right to participate has undergone a significant regulatory change, in order to align the regulations to the provisions of the shareholders' rights directive. In fact, this right is now recognised for parties that are entitled to vote at the end of the accounting day of the seventh market trading day prior to the date set for the meeting on first or second call (the so-called record date).

This legislative change was adopted into Intesa Sanpaolo's Articles of Association through reference to the current pro tempore provisions.

The provisions regarding representation at the shareholders' meeting were also amended by Legislative Decree 27/2010. Adaptation of the Articles of Association on this issue, where a reference to the current regulations was already envisaged, regarded the indication – made mandatory by the Decree – of at least

one method of electronic notification of voting proxy. For this purpose, the use of a specific section of the Bank's website or email has been envisaged, according to the specific provisions contained in the convocation notice.

For shareholders who do not intend to participate the Meeting directly, the convocation notice contains specific instructions regarding the voting by proxy procedure and the availability of a facsimile of the proxy form on the Bank's website.

11.C.1.

For each meeting, the Bank appoints one or more representatives to whom holders of voting rights can confer a proxy with instructions to vote on all or some of the items on the agenda. In fact, this procedure is believed to encourage more widespread participation in the decision-making processes of the shareholders' meetings.

11.C.3.

However, the legal provisions on the solicitations of proxies by promoters or collective proxies by associations of shareholders remain in force.

Regarding the latter, again to pursue ample involvement of shareholders, the Intesa Sanpaolo website also indicates contacts of Shareholder Associations in respect of whom the Bank received notice as of the last Shareholders' Meeting or by previous communications.

Intesa Sanpaolo's Articles of Association do not permit postal voting or the holding of Shareholders' Meetings using means of telecommunication.

Additions to the Meeting agenda

Regulations on additions to the Meeting agenda were also amended by Legislative Decree 27/2010, promptly adopted in the text of the Bank's Articles of Association via reference to the current pro tempore provisions.

In particular, shareholders severally or jointly representing at least one-fortieth of the share capital may, within ten days from publication of the convocation notice, request the addition of items to the Meeting agenda, specifying the additional topics proposed in their request. The deadline is reduced to five days in the cases of shorter deadlines envisaged by law.

Additional items are not permitted for topics which the Shareholders' Meeting addresses, by law, upon proposal by the Management Board or based on a project or report prepared by said Board, other than that usually drawn up for all items on the agenda pursuant to Article 125-ter, paragraph 1 of the Consolidated Law on Finance.

Notices with respect to the additions to the agenda as a result of such requests shall be given in the forms required for the publication of the convocation notice.

Voting rights

There are no restrictions on voting rights, except with regard to savings shares, which only carry voting rights at Special Savings Shareholders' Meetings, and not at ordinary and extraordinary Shareholders' Meetings. In this respect it should be mentioned that for the election of members of the Supervisory Board, the Articles of Association envisage a proportional list voting system.

Art.
123-bis,
(1), (f) and
l) CLF

Quorum and voting majorities

The quorum required for shareholders' meetings indicates the proportion of share capital required to be represented in order for the meeting to be declared valid. Voting majorities refer to the proportion of share capital required for shareholder resolutions to be approved.

At Intesa Sanpaolo, the quorum required for the validity of ordinary and extraordinary Shareholders' Meetings, on both first and second calling, and on third calling for extraordinary shareholders' meetings, is determined by law, as are the voting majorities required for the approval of resolutions, except as provided by the Articles of Association for the election of Supervisory Board members.

The table below recaps the quorum and voting majorities required under law and applicable to Intesa Sanpaolo.

Ordinary Shareholders' Meeting			
	first call	second call	further calls
Quorum	Any number of entitled parties representing at least half the share capital	The proportion of the share capital represented by the entitled parties attending	N/A
Voting majority	Absolute majority of the share capital represented at the Meeting	Absolute majority of the share capital represented at the Meeting	N/A

Extraordinary Shareholders' Meeting			
Quorum	Any number of entitled parties representing at least half the share capital	Any number of entitled parties representing over one-third of the share capital	Any number of entitled parties representing at least one-fifth of the share capital
Voting majority	At least two-thirds majority of the share capital represented at the Meeting	At least two-thirds majority of the share capital represented at the Meeting	At least two-thirds majority of the share capital represented at the Meeting

Contestation of shareholder resolutions

Shareholder resolutions adopted at Shareholders' Meetings in accordance with law and the Articles of Association are binding on all shareholders, including those who dissent or abstain from voting. Resolutions not approved in accordance with law and the Articles of Association may be contested by absent, dissenting or abstaining shareholders and by the Supervisory Board.

The terms and procedures for contesting shareholder resolutions are determined by the provisions of law in force, contained in Articles 2377-2378 of the Italian Civil Code.

In 2010, the ordinary Shareholders' Meeting was held on 30 April.

The Meeting agenda included: approval of the proposed allocation of 2009 net income and distribution of dividend; determination of the number of members of the Supervisory Board for the period 2010/2011/2012; appointment of the members of the Supervisory Board, election of the Chairman and Deputy Chairmen and determination of the remuneration for the members of said Board; the remuneration policies for the Management Board and the financial instrument-based long-term incentive plan for management.

Shareholders representing 60% of the ordinary share capital attended the Meeting of April 2010, confirming a constantly high participation of shareholders at meetings.

The Special Savings Shareholders' Meeting

Holders of savings shares have the right to participate and vote at Special Savings Shareholders' Meetings.

In accordance with law, Special Savings Shareholders' Meetings are called, among other things:

- a) to appoint and remove the Common Representative of Savings Shareholders and act against him;
- b) to approve shareholder resolutions that compromise the rights of savings shareholders, with approval requiring any number of savings shareholders representing at least twenty per cent of all savings shares.

The current Common Representative is Paolo Sfameni, appointed at the special meeting held on 3 December 2008 for the period 2009-2011.

The Common Representative of Savings Shareholders, who remains in office for 3 financial years, is to be informed without delay by the Chairman of the Management Board of any corporate operations that could affect the official price of savings shares, and in particular of any proposals that the Management Board has decided to submit to the Shareholders' Meeting regarding capital transactions, mergers and spin-offs.

Special Savings Shareholders' Meetings may be called by the Common Representative or by members of the Management Board as necessary and at the request of any number of savings shareholders representing at least one per cent of all savings shares. Where the Management Board fails to act or acts with unjustified delay, Special Savings Shareholders' Meetings may be called by the Supervisory Board.

The right of withdrawal

The right of withdrawal may be exercised only in those cases exclusively provided by Article 2347 of the Italian Civil Code. As permitted by Article 2437, paragraph 2, of the Italian Civil Code, the Articles of Association excludes the right of withdrawal for shareholders that vote against resolutions concerning the extension of the duration of the Company and the introduction of restrictions on the trading of shares.

The terms and methods for the exercise of the right of withdrawal and the criteria for determining the value of the shares and related liquidation procedures are governed by law.

Corporate social responsibility

In setting long-term growth and creation of value objectives, Intesa Sanpaolo is aware of the social and environmental developments that accompany the business activities of the Bank and the Group. It therefore promotes a style of growth that concentrates on long-term sustainability of results, in support of economies and the communities in the areas in which it operates, placing special focus on environmental protection and enhancement and on providing significant benefits for all stakeholders.

In order to monitor and coordinate the various issues related to social responsibility, there is a dedicated Intesa Sanpaolo business unit – the Corporate Social Responsibility Unit, and CSR officers have been appointed in all the Group's main entities and banks. Specific management tools have also been adopted in this respect, including the Code of Ethics and policies on specific sectors of the Bank activities, in addition to the Social Report.

The Code of Ethics - approved by the Management and Supervisory Boards – is the Group's constitutional charter, spelling out the reference culture and values of Intesa Sanpaolo that lead to conduct principles to be followed by all individuals – internal and external - with whom direct or indirect relations are entertained: first of all, customers, shareholders and employees, but also suppliers, the community and the local areas in which the Bank operates, in addition to the natural environment affected by the activities of any business.

All of the Personnel in the Group, both in Italy and abroad, are expected to behave in a manner that complies and is consistent with the values and principles described in the Code of Ethics and each company in the Group is expected to ensure the adherence of its actions and activities to the values and principles prescribed, albeit consistent with its own specific characteristics.

By way of the Social Report, prepared on the basis of international reporting standards and published on the Bank's website, also in interactive form, Intesa Sanpaolo is accountable to stakeholders regarding activities performed during the year. This demonstrates the ability to operate in a manner consistent with stated values and with the principle of development along the lines of economic, social and environmental sustainability.

Part IV – Summary tables and check list against the principles and application criteria of the Code

Table No. 1: Composition of the Supervisory Board and Committees

Director	Office	Independent pursuant to the Corporate Governance Code	No. of other offices held	Control Committee	Nomination Committee	Remuneration Committee	Strategy Committee	Financial Statements Committee	Related Party Transactions Committee
Giovanni Bazoli	Chairman		3		X		X		
Mario Bertolissi	Deputy Chairman	X			X		X		
Elsa Fornero	Deputy Chairwoman	X	1		X		X		
Luigi Arturo Bianchi	Director	X	3					X	
Rosalba Casiraghi	Director	X	11	X					X
Franco Dalla Sega	Director and Secretary to the Board	X	7						X
Gianluca Ferrero	Director	X	11				X		
Jean-Paul Fitoussi	Director	X	1					X	
Pietro Garibaldi	Director	X		X	X				
Giulio Stefano Lubatti	Director	X	1	X					
Marco Mangiagalli	Director	X	2			X			X
Gianni Marchesini	Director	X						X	
Fabio Pasquini	Director	X	2			X			X (alternate)
Gianluca Ponzellini	Director	X	14	X		X			
Gianguido Sacchi Morsiani	Director	X						X	
Marco Spadacini	Director	X	8					X	
Ferdinando Targetti	Director	X					X		
Livio Torio	Director	X	5	X					
Riccardo Varaldo	Director	X	2		X				

Table No. 2: List of other management or control offices of Members of the Supervisory Board in other companies quoted on regulated markets (also abroad), in financial, banking, insurance or large companies

Director	Office	Company
Giovanni Bazoli	Chairman Member, Supervisory Board Director	Mittel S.p.A. UBI Banca S.p.A. R.C.S. Quotidiani S.p.A. (since 25/03/2010)
Mario Bertolissi		
Elsa Fornero	Director	Buzzi Unicem S.p.A.
Luigi Arturo Bianchi	Director Chairman, Board of Directors Director	Benetton Group S.p.A. Idea Sim S.p.A. UBS Fiduciaria S.p.A.
Rosalba Casiraghi	Chairwoman, Board of Auditors Chairwoman, Board of Auditors Chairwoman, Board of Auditors Standing Auditor Director Director Director Director Director Director Director	Banca CR Firenze S.p.A. Non Performing Loans S.p.A. Nuovo Trasporto Viaggiatori S.p.A. Industrie De Nora S.p.A. Luisa Spagnoli S.p.A. Spa.Im S.r.l. Spa.Pi. S.r.l. Alto Partners SGR S.p.A. Biancamano S.p.A. NH Hoteles S.A. PMS S.p.A.
Franco Dalla Sega	Chairman, Board of Auditors Chairman, Board of Auditors Chairman, Board of Auditors Director Chairman, Board of Auditors Chairman, Board of Auditors Chairman, Board of Auditors Standing Auditor	Brands Partners 2 S.p.A. Hopa S.p.A. Intesa Previdenza SIM S.p.A. MicroVentures S.p.A. (since 29/03/2010) Mittel Investimenti Immobiliari S.r.l. Mittel Private Equity S.p.A. Mittel S.p.A. Progressio SGR S.p.A. (up to 27/04/2010)
Gianluca Ferrero	General Partner Standing Auditor Director and Member Executive Committee Alternate Auditor Standing Auditor Standing Auditor Sole Director Alternate Auditor Chairman, Board of Auditors Chairman, Board of Auditors Liquidator Alternate Auditor	Giovanni Agnelli e C. S.a.p.a.z. Alberto Lavazza e C. S.a.p.a. Banca del Piemonte S.p.A. COFINCAF S.p.A. Emilio Lavazza S.a.p.a. Fenera Holding S.p.A. FIBE S.r.l. (up to 4/05/2010) Gabriel Fiduciaria S.r.l. Cafiero Mattioli Finanziaria S.a.p.a. (since 23/06/2010) Luigi Lavazza S.p.A. Tecnodelta S.p.A. (in liquidation) Reale Mutua Assicurazioni
Jean-Paul Fitoussi	Director	Telecom Italia S.p.A.
Pietro Garibaldi		
Giulio Stefano Lubatti	Chairman, Board of Auditors	Banco di Napoli S.p.A.
Marco Mangiagalli	Director Chairman, Board of Directors	Luxottica Group S.p.A. Saipem S.p.A.
Gianni Marchesini		

Fabio Pasquini	Chairman, Board of Auditors Chairman, Board of Auditors Standing Auditor	Sangiorgio Costruzioni S.p.A. Finance Evolution S.p.A. (up to 1/03/2011) S.p.A. Michelin Italiana
Gianluca Ponzellini	Chairman, Board of Auditors Standing Auditor Alternate Auditor Chairman, Board of Auditors Chairman, Board of Auditors Chairman, Board of Auditors Chairman, Board of Auditors Standing Auditor Alternate Auditor Alternate Auditor Chairman, Board of Auditors Chairman, Board of Auditors Chairman, Board of Auditors Standing Auditor	Banca IMI S.p.A. Casa Editrice Universo S.p.A. CIR S.p.A. – Compagnie Industriali Riunite De'Longhi Appliances S.r.l. De'Longhi Capital Services S.p.A. De'Longhi S.p.A. Finmar S.p.A. G.S. S.p.A. Ital Press Holding S.p.A. Ital Press San Biagio S.p.A. Luisa Spagnoli S.p.A. Spa.Pi. S.r.l. Spa.Im S.r.l. Telecom Italia S.p.A.
Gianguido Sacchi Morsiani		
Marco Spadacini	Director Chairman, Board of Auditors Standing Auditor Standing Auditor Chairman, Board of Auditors Standing Auditor Director Standing Auditor	Arnoldo Mondadori Editore S.p.A. Atlantia S.p.A. Axa Assicurazioni s.p.A. Axa Partecipazioni S.p.A. Delmi S.p.A. Fondiarìa – SAI S.p.A. Lorenzo Galtruccio S.p.A. Transalpina di Energia S.r.l.
Ferdinando Targetti		
Livio Torio	Standing Auditor Chairman, Board of Auditors Alternate Auditor Chairman, Board of Auditors Chairman, Board of Auditors	Banca di Credito Sardo S.p.A. Mediocredito Italiano S.p.A. Intesa Sec 3 S.r.l. Setefi S.p.A. Moneta S.p.A.
Riccardo Varaldo	Director Director	Finmeccanica S.p.A. Piaggio & C. S.p.A.

Table No. 3: Composition of the Management Board and of the specialised Commissions

Director	Office	Executive	Non-executive	Independent pursuant to art. 148, Consolidated Law on Finance	No. of other offices held	Business Plan and Extraordinary Transactions Commission	Capital Adequacy and Financial Statements Commission	Lending and Risks Commission
Andrea Beltratti	Chairman		X	X				
Marcello Sala	Senior Deputy Chairman	X			2	X	X	
Giovanni Costa	Deputy Chairman	X			1	X	X	
Corrado Passera	Managing Director and CEO	X						
Aureliano Benedetti	Director		X		4			
Paolo Campaioli	Director	X			2			X
Elio Catania	Director		X	X	2			
Roberto Firpo	Director	X			2		X	X
Emilio Ottolenghi	Director	X			6	X		X

Table No. 4: List of other management or control offices of Members of the Management Board in other companies quoted on regulated markets (also abroad), in financial, banking, insurance or large companies

Director	Office	Company
Andrea Beltratti		
Marcello Sala	Director Director	Bank of Alexandria S.A.E. Banca ITB S.p.A.
Giovanni Costa	Director	Edizione S.r.l.
Corrado Passera		
Aureliano Benedetti	Chairman Chairman Deputy Chairman Director	Banca CR Firenze S.p.A. Centrovita Assicurazioni S.p.A. Agriventure S.p.A. Banca IMI S.p.A.
Paolo Campaioli	Director Director	Cassa di Risparmio di Pistoia e Pescia S.p.A. Centrovita Assicurazioni S.p.A.
Elio Catania	Chairman and Managing Director Director	Azienda Trasporti Milanese S.p.A. Telecom Italia S.p.A.
Roberto Firpo	Director Director	Banco di Napoli S.p.A. Equiter S.p.A.
Emilio Ottolenghi	Chairman Chairman Chairman Chairman Director Chairman, Supervisory Board	Banca IMI S.p.A. La Petrolifera Italo Rumena S.p.A. Pir Finanziaria S.p.A. Vis S.p.A. Sapir S.p.A. La Petrolifera Italo Albanese Sh.A.

Table No. 5: Check List

Principles and Criteria of the Corporate Governance Code		Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
1. ROLE OF THE BOARD OF DIRECTORS					
1.P.1.	Listed companies are governed by a Board of Directors that meets at regular intervals, and that adopts an organisation and a modus operandi which enable it to perform its functions in an effective, efficient manner.	✓			page 27, 46 (S.B.) page 49, 59 (M.B.)
1.P.2.	The Directors act and pass resolutions with full knowledge of the facts and autonomously, pursuing the priority of creating value for the shareholders. Consistent with this goal, they also take into account the directives and policies defined for the group of which the issuer is a member, as well as the benefits deriving from being a member of a group.	✓			page 45, 46 (S.B.) page 51, 59 (M.B.)
1.C.1.	The Board of Directors shall:				page 27 (S.B.) page 49 (M. B.)
	a) examine and approve the company's strategic, operational and financial plans and the corporate structure of the group it heads, the management and control system of the issuer and the group structure;	✓			
	b) evaluate the adequacy of the organisational, administrative and accounting structure of the issuer and its subsidiaries having strategic relevance, as established by the managing directors, in particular with regard to the internal control system and the management of conflicts of interest;	✓			page 28 (S.B.) page 49 (M. B.)
	c) delegate powers to the managing directors and to the executive committee and revoke them; it shall specify the limits on these delegated powers, the manner of exercising them and the frequency, as a rule no less than once every three months, with which the bodies in question must report to the board on the activities performed in the exercise of the powers delegated to them;	✓			page 49 (M. B.) page 54, 55, 62 (M. B.)
	d) determine, after examining the proposal of the special committee and consulting the board of auditors, the remuneration of the managing directors and of those directors who are appointed to particular positions within the company and, if the shareholders' meeting has not already done so, determine the total amount to which the members of the board and of the executive committee are entitled;	✓			Page 70 (M.B.)
	e) evaluate the general performance of the company, paying particular attention to the information received from the executive committee (when established) and the managing directors, and periodically comparing the results achieved with those planned;	✓			page 50, 55, 62 (M. B.)
	f) examine and approve in advance transactions carried out by the issuer and its subsidiaries having a significant impact on the company's profitability, assets and liabilities or financial position, paying particular attention to transactions in which one or more Directors hold an interest on their own behalf or on behalf of third parties and, in more general terms, to transactions involving related parties; to this end, the board establishes general criteria for identifying the transactions which might have a significant impact;	✓			page 27 (S.B.) page 50, 92 (M. B.)

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
g) evaluate, at least once a year, the size, composition and performance of the Board of Directors and its committees, eventually characterising new professional figures whose presence on the board would be considered appropriate;	✓			page 48 (S.B.) page 61 (M.B.)
h) provide information, in the report on corporate governance, regarding the application of this article 1 and, in particular, on the number of meetings of the board and of the executive committee, if any, held during the fiscal year, plus the related percentage of attendance of each director.	✓			page 47 (S.B.) page 49, 61 (M. B.)
1.C.2. The directors shall accept the office of director when they deem that they can devote the necessary time to the diligent performance of their duties, also taking into account the number of offices held as director or auditor in other companies listed on regulated markets (including foreign markets) in financial companies, banks, insurance companies or companies of a considerably large size. The board shall record, on the basis of the information received from the directors, on a yearly basis, the offices of director or auditor held by the directors in the above-mentioned companies and include them in the report on corporate governance.	✓			page 33, 34 (S.B.) page 56 (M.B.)
1.C.3. The board shall issue guidelines regarding the maximum number of offices as director or auditor for the types of companies referred to in the above paragraph that may be considered compatible with an effective performance of a director's duties. To this end, the board identifies the general criteria, differentiating them according to the commitment entailed by each role (executive, non-executive or independent director), as well as the nature and size of the companies in which the offices are performed, plus whether or not the companies are members of the issuer's group; it may also take into account the participation of the directors in committees established within the ranks of the board.	✓			page 33 (S.B.) page 56 (M.B.)
1.C.4. If the shareholders' meeting, when dealing with organisational needs and on a general, preventive basis, authorises exceptions to the rule prohibiting competition, as per Article 2390 of the Italian Civil Code, then the Board of Directors shall evaluate each such issue, reporting any critical points at the next shareholders' meeting. To this end, each director shall inform the board, upon accepting his/her appointment, of any activities exercised in competition with the issuer and of any effective modifications that ensue.	✓			page 56 (S.B.)

2. COMPOSITION OF THE BOARD OF DIRECTORS

2.P.1. The Board of Directors shall be made up of executive and non-executive directors.	✓			page 52 (M.B.)
2.P.2. Non-executive directors shall bring their specific expertise to board discussions and contribute to the taking of balanced decisions paying particular care to the areas where conflicts of interest may exist.	✓			page 46 (S.B.) page 52, 60 (M.B.)
2.P.3. The number, competence, authority and time availability of non-executive directors shall be such as to ensure that their judgement may have a significant impact on the taking of board's decisions.	✓			page 52, 55 (M.B.)
2.P.4. It is appropriate to avoid the concentration of corporate offices in one single individual.	✓			page 53 (M.B.)

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
2.P.5. Where the Board of Directors has delegated management powers to the chairman, it shall disclose adequate information in the report on corporate governance on the reasons for such an organisational choice.			✓	page 53 (M.B.)
2.C.1. The following are executive directors: <ul style="list-style-type: none"> – the managing directors of the issuer or a subsidiary having strategic importance, including the relevant chairmen when these are granted individual management powers and when they play a specific role in the definition of the business strategies; – the directors vested with management duties in the issuer or in one of its subsidiaries having strategic importance, or in a controlling company when the office concerns also the issuer; – the directors who are members of the executive committee of the issuer, when no managing director is appointed or when participation in the executive committee, taking into account the frequency of meetings and the scope of the relevant resolutions, entails, as a matter of fact, the systematic involvement of its members in the day-to-day management of the issuer. <p>The granting of powers only in cases of urgency to directors who are not provided with management powers is not enough, per se, to cause them to be identified as executive directors, unless such powers are actually exercised with considerable frequency.</p>	✓			page 52 (M.B.)
2.C.2. The directors shall know the duties and responsibilities relating to their office. The chairman of the Board of Directors shall use his best efforts for causing the directors to participate in initiatives aimed at increasing their knowledge of reality and business dynamics, also having regard to the relevant regulatory framework, so that they may carry out their role effectively.	✓			page 48 (S.B.) page 53, 62 (M.B.)
2.C.3. In the event that the chairman of the Board of Directors is the chief executive officer of the company, as well as in the event that the office of chairman is covered by the person controlling the issuer, the board shall designate a lead independent director who represents a reference and coordination point for the requests and contributions of non-executive directors and, in particular, those who are independent pursuant to Article 3 below.			✓	

3. INDEPENDENT DIRECTORS

3.P.1. An adequate number of non-executive directors shall be independent, in the sense that they do not maintain, nor have recently maintained, directly or indirectly, any business relationships with the issuer or persons linked to the issuer, of such a significance as to influence their autonomous judgement.	✓		page 34 (S.B.) page 55 (M.B.)
---	---	--	----------------------------------

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
3.P.2. The directors' independence shall be periodically assessed by the Board of Directors. The results of the assessment of the board shall be communicated to the market.	✓			page 35 (S.B.) page 55 (M.B.)
3.C.1. The Board of Directors shall evaluate the independence of its non-executive members having regard more to the contents than to the form and keeping in mind that a director usually does not appear to be independent in the following events, to be considered merely as an example and not limited to:	✓			page 34 (S.B.)
a) if he/she controls, directly or indirectly, the issuer also through subsidiaries, trustees or through a third party, or is able to exercise over the issuer dominant influence, or participates in a shareholders' agreement through which one or more persons may exercise control or considerable influence over the issuer;				
b) if he/she is, or has been in the preceding three fiscal years, a relevant representative of the issuer, of a subsidiary having strategic importance or of a company under common control with the issuer, or of a company or entity controlling the issuer or able to exercise over the same a considerable influence also jointly with others through a shareholders' agreement;				
c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which he/she is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship: - with the issuer, one of its subsidiaries, or any of its significant representatives; - with a subject who, jointly with others through a shareholders' agreement, controls the issuer, or – in case of a company or an entity – with relevant significant representatives; or is, or has been in the preceding three fiscal years, an employee of the abovementioned subjects;				
d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration compared to the "fixed" remuneration of non-executive director of the issuer, including the participation in incentive plans linked to the company's performance, including stock option plans;				
e) if he/she has been a director of the issuer for more than nine years in the last twelve years;				
f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;				
g) if he/she is a shareholder or director of a legal entity belonging to the same network as the company appointed for the accounting audit of the issuer;				
h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.				

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
3.C.2. For the purposes of the above, "strategic representatives" of a company or entity are: the chairman of the entity, legal representative, chairman of the board of directors, executive directors and managers with strategic positions in the company or entity concerned.	✓			page 34 (S.B.)
3.C.3. The number and competences of independent directors shall be adequate in relation to the size of the board and the activity performed by the issuer; moreover, they must be such as to enable the constitution of committees within the board, according to the indications set out in the Code. If the issuer is subject to management and coordination activity by third parties or is controlled by a subject operating, directly or through other subsidiaries, in the same sector of activity or in contiguous sectors, the composition of the Board of Directors of the issuer shall be suitable to ensure adequate conditions of autonomous management and, therefore, to pursue in a priority way the objective of the creation of value for the shareholders of the issuer.	✓			page 29, 35 (S.B.)
3.C.4. The Board of Directors shall evaluate, after the appointment of a director who qualifies as independent, and subsequently at least once a year, on the basis of the information provided by the same director or however available to the issuer, those relations which could be or appear to be such as to jeopardize the autonomy of judgement of such director. The Board of Directors shall notify the result of its evaluations, on the occasion of the appointment, through a press release to the market and, subsequently, within the report on corporate governance, specifying, with adequate reasons, whether any criteria have been adopted other than those indicated herein.	✓			page 33, 35 (S.B.) page 55 (M.B.)
3.C.5. The Board of Auditors shall ascertain, in the framework of the duties attributed to it by the law, the correct application of the assessment criteria and procedures adopted by the board for evaluating the independence of its members. The result of such controls is notified to the market in the report on corporate governance or in the report of the Board of Auditors to the shareholders' meeting.	✓			page 35 (S.B.)
3.C.6. The independent directors shall meet at least once a year without the presence of the other directors.	✓			page 35 (S.B.)

4. TREATMENT OF CORPORATE INFORMATION

4.P.1. Directors and members of the Board of Auditors shall keep confidential the documents and information acquired in the performance of their duties and shall comply with the procedure adopted by the issuer for the internal handling and disclosure to third parties of such documents and information.	✓			page 45 (S.B.) page 51 (M.B.) page 98
--	---	--	--	---

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
4.C.1. The managing directors shall ensure the correct handling of corporate information; to this end they shall propose to the Board of Directors the adoption of a procedure for the internal handling and disclosure to third parties of documents and information concerning the issuer, having special regard to price sensitive information.	✓			page 98, 100

5. COMPOSITION AND DUTIES OF THE INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS

5.P.1. The Board of Directors shall establish among its members one or more committees with proposing and consultative functions according to what set out in the articles below.	✓			page 35 (S.B.) page 49 (M.B.)
5.C.1. The establishment and functioning of committees within the Board of Directors shall meet the following criteria:				
a) committees shall be made up of at least three members. However, in those issuers whose Board of Directors is made up of no more than five members, committees may be made up of two directors only, provided that they are both independent;	✓			page 35 (S.B.)
b) the duties of individual committees are provided by the resolution by which they are established and may be supplemented or amended by a subsequent resolution of the Board of Directors;	✓			page 35, 36 (S.B.)
c) the functions that the Code attributes to different committees may be distributed in a different manner or delegated to a number of committees less than the envisaged one, provided that for their composition the rules are complied with those indicated from time to time by the Code and is ensured the achievement of underlying objectives;	✓			page 35 (S.B.)
d) minutes shall be drafted of the meetings of each committee;	✓			page 36 (S.B.)
e) in the performance of their duties, the committees have the right to access the necessary company's information and functions, according to the procedures established by the Board of Directors, as well as to avail themselves of external advisers. The issuer shall make available to the committees adequate financial resources for the performance of their duties, within the limits of the budget approved by the board;	✓			page 36 (S.B.)
f) persons who are not members of the committee may participate in the meetings of each committee upon invitation of the same, with reference to individual items on the agenda;	✓			page 36 (S.B.)
g) the issuer shall provide adequate information, in the report on corporate governance, on the establishment and composition of committees, the contents of the mandate entrusted to them and the activity actually performed during the fiscal year, specifying the number of meetings held and the relevant percentage of participation of each member.	✓			page 37 (S.B.)

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
--	---	-------------	----------------	--------------------

6. APPOINTMENT OF DIRECTORS

6.P.1.	The appointment of Directors shall occur according to a transparent procedure. It shall ensure, inter alia, timely adequate information on the personal and professional characteristics of the candidates.	✓		page 30 (S.B.) page 51 (M.B.)
6.P.2.	The Board of Directors shall evaluate whether to establish among its members a nomination committee made up, for the majority, of independent directors.	✓		page 35, 37 (S.B.)
6.C.1.	The lists of candidates to the office of director, accompanied by exhaustive information on the personal traits and professional qualifications of the candidates with an indication where appropriate of their eligibility to qualify as independent directors as defined in Article 3, shall be deposited at the company's registered office at least fifteen (15) days before the date fixed for the shareholders' meeting. The lists, complete with the information on the characteristics of the candidates, shall be timely published through the Internet site of the issuer.	✓		page 30 (S.B.)
6.C.2.	Where established, the committee to propose candidates for appointment to the position of director may be vested with one or more of the following functions:	✓		page 37 (S.B.)
	a) to propose to the Board of Directors candidates to the position of director in the events provided by Article 2386, first paragraph, of the Italian Civil Code, as it is necessary to replace an independent director;			
	b) to designate candidates to the position of independent director to be submitted to the shareholders' meeting of the issuer, taking into account any recommendation in this regard received from shareholders;			
	c) to express opinions to the Board of Directors regarding the size and composition of the same as well as, possibly, with regard to the professional skills whose presence within the board is considered appropriate.			

7. REMUNERATION OF DIRECTORS

7.P.1.	The remuneration of directors shall be established in a sufficient amount to attract, maintain and motivate directors endowed with the professional skills necessary for managing the issuer successfully.	✓		page 71, 72 (M.B.)
7.P.2.	The remuneration of executive directors shall be articulated in such a way as to align their interests with pursuing the priority objective of creating value for the shareholders in the medium-long term timeframe.	✓		page 71, 72 (M.B.)
7.P.3.	The Board of Directors shall establish among its members a remuneration committee, made up of non-executive directors, the majority of which are independent.	✓		page 35, 38 (S.B.)

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
7.C.1. A significant part of the remuneration of executive directors and executives with strategic responsibilities is linked to the economic results achieved by the issuer and/or the achievement of specific goals indicated in advance by the Board of Directors or, in the event of the abovementioned executives, by the managing directors.	✓			page 71, 72, 75 (M.B.)
7.C.2. The remuneration of non-executive directors shall be proportional to the engagement requested from each of them, taking into account their possible participation in one or more committees. Their remuneration shall not be – other than for an insignificant portion – linked to the economic results achieved by the issuer. Non-executive directors shall not be beneficiaries of stock option or equity based remuneration plans, unless it is so decided by the shareholders' meeting, which shall also give the relevant reasons.	✓			page 71, 72 (M.B.)
7.C.3. The remuneration committee shall: <ul style="list-style-type: none"> - formulate proposals to the board for the remuneration of the managing directors and other directors who cover particular offices, monitoring the application of the decisions adopted by the board; - periodically evaluate the criteria adopted for the remuneration of executives with strategic responsibilities, control their application on the basis of the information provided by the managing directors and submit to the Board of Directors general recommendations on the subject matter thereof. 	✓			page 39 (S.B.)
7.C.4. No director shall participate in meetings of the remuneration committee in which proposals are submitted to the Board of Directors relating to his/her remuneration.			✓	

8. INTERNAL CONTROL SYSTEM

8.P.1. The internal control system is the set of rules, procedures and organisational structures aimed at making possible a sound and correct management of the company consistent with the established goals, through adequate identification, measurement, management and monitoring of the main risks.	✓			page 80
8.P.2. An effective internal control system contributes to safeguard the company's assets, the efficiency and effectiveness of business transactions, the reliability of financial information, and compliance with laws and regulations.	✓			page 80
8.P.3. The Board of Directors shall evaluate the adequacy of the internal control system with respect to the characteristics of the company.	✓			page 28, 81 (S.B.)

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
8.P.4. The Board of Directors shall ensure that its evaluations and decisions relating to the internal control system, the approval of the financial statements and half-yearly reports and the relationships between the issuer and the external auditor are supported by an adequate preliminary activity. To such purpose the Board of Directors shall establish an internal control committee, made up of non-executive directors, the majority of which are independent. If the issuer is controlled by another listed company, the internal control committee shall be made up exclusively of independent directors. At least one member of the committee must have an adequate experience in accounting and finance, to be evaluated by the Board of Directors at the time of his/her appointment.	✓			page 35, 81 (S.B.)
8.C.1. The Board of Directors, with the assistance of the internal control committee, shall: <ul style="list-style-type: none"> <li data-bbox="295 862 965 1041">a) define the guidelines of the internal control system, so that the main risks concerning the issuer and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, determining moreover the criteria for establishing whether such risks are compatible with sound, correct management of the company; <li data-bbox="295 1041 965 1153">b) identify an executive director (usually one of the managing directors) for supervising the functionality of the internal control system; <li data-bbox="295 1153 965 1243">c) evaluate, at least on an annual basis, the adequacy, effectiveness and actual functioning of the internal control system; <li data-bbox="295 1243 965 1332">d) describe, in the report on corporate governance, the essential elements of the internal control system, expressing its evaluation on the overall adequacy of the same. <p data-bbox="295 1344 965 1512">Moreover, the Board of Directors shall, upon proposal of the executive director in charge of supervising the functionality of the internal control system and after consulting with the internal control committee, appoint and revoke one or more persons in charge of internal control and define their remuneration in line with the company's policies.</p>	✓			page 49 (M.B.) page 80 page 55, 81 (M.B.) page 80 page 80 page 49 (M.B.)
8.C.2. The Board of Directors shall exercise its functions with regard to the internal control system taking into due consideration the reference models and the best practices existing on the national and international fields. Particular attention shall be devoted to the organisation and management models adopted pursuant to Legislative Decree no. 231 of 8 June 2001.	✓			page 80, 89

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
8.C.3. In addition to assisting the Board of Directors in the performance of the duties set out in criterion 8.C.1, the internal control committee shall:	✓			page 81 (S.B.)
a) evaluate together with the executive responsible for the preparation of the company's accounting documents and the auditors, the correct utilisation of the accounting principles and, in the event of groups, their consistency for the purpose of preparation of the consolidated financial statements;	✓			page 82 (S.B.)
b) upon request of the executive director, express opinions on specific aspects relating to the identification of the principal risks for the company as well as on the design, implementation and management of the internal control system;		✓		page 63 (S.B.)
c) review the work plan prepared by the officers in charge of internal control as well as the periodic reports prepared by them;	✓			page 82 (S.B.)
d) evaluate the proposals submitted by the auditing firm for obtaining the relevant appointment, as well as the work plan prepared for the audit and the results described in the report and letter of suggestions, if any;	✓			page 40 (S.B.)
e) supervise the efficiency of the auditing process;	✓			page 40, 82 (S.B.)
f) perform any additional duties that are assigned to it by the Board of Directors;	✓			page 82 (S.B.)
g) report to the board, at least on a half-yearly basis, on the occasion of approval of the financial statements and half-yearly report, on the activity carried out, as well as on the adequacy of the internal control system.	✓			page 42 (S.B.)
8.C.4. The chairman of the Board of Auditors or another auditor designated by the chairman of the board shall participate in the works for the internal control.			✓	
8.C.5. The executive director responsible for supervising the functionality of the internal control system, shall:	✓			page 81 (M.B.)
a) identify the main business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and submit them periodically to review by the Board of Directors;				
b) implement the guidelines defined by the Board of Directors, through the design, implementation and management of the internal control system, constantly monitoring its overall adequacy, effectiveness and efficiency; moreover, it shall adjust such system to the dynamics of the operating conditions and the legislative and regulatory framework;				
c) propose to the Board of Directors the appointment, revocation and remuneration of one or more persons in charge of internal control.				

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
<p>8.C.6. Each person in charge of internal control shall:</p> <p>a) ensure that the internal control system is always adequate, fully operating and effective;</p> <p>b) not be responsible for any operational divisions and shall not report hierarchically to any manager of operational divisions, including the administration and finance divisions;</p> <p>c) have direct access to all useful information for the performance of his/her duties;</p> <p>d) have the availability of adequate means for the performance of the functions assigned to him/her;</p> <p>e) report on his/her activity to the internal control committee and the board of auditors; moreover, they could be required to report also to the executive director responsible for the supervision of the functionality of the internal control system. In particular, he/she shall report on the procedures according to which the risk management is conducted, as well as about the compliance with the plans defined for their reduction and express his/her evaluation of the internal control system to achieve an acceptable overall risk profile.</p>	✓			page 88
<p>8.C.7. The issuer shall establish an internal audit function. The person responsible for internal control shall usually coincide with the person responsible for the internal audit function.</p>	✓			page 88
<p>8.C.8. The internal audit functions may be entrusted, as a whole or by business segments, to persons external to the issuer, provided, however, that they are endowed with adequate professionalism and independence; these persons may also be responsible for the internal control. The adoption of such organisational choices, with a satisfactory explanation of the relevant reasons, shall be disclosed to the shareholders and the market in the report on corporate governance.</p>			✓	

9. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

<p>9.P.1. The Board of Directors shall adopt measures aimed at ensuring that the transactions in which a director is bearer of an interest, on his/her behalf or on behalf of third parties, and transactions carried out with related parties, are performed in a transparent manner and meet criteria of substantial and procedural fairness.</p>	✓			page 92 page 95 (M.B.)
<p>9.C.1. The Board of Directors shall, after consulting the internal control committee, establish approval and implementation procedures for transactions carried out by the issuer, or its subsidiaries, with related parties. It shall define, in particular, the specific transactions (or shall determine the criteria for identifying those transactions), which must be approved after consulting the internal control committee and/or with the assistance of independent experts.</p>	✓			page 39, 41, 42 (S.B.) page 50 (M.B.) page 92

Principles and Criteria of the Corporate Governance Code	Applied with adaptations as appropriate	Not applied	Not applicable	Page of the Report
9.C.2. The Board of Directors shall adopt operating solutions suitable to facilitate the identification and an adequate handling of those situations in which a director is bearer of an interest on his/her behalf or on behalf of third parties.	✓			page 95

10. MEMBERS OF THE BOARD OF AUDITORS

10.P.1. The appointment of auditors shall occur according to a transparent procedure. It shall ensure, inter alia, timely adequate information on the personal and professional characteristics of the candidates.	✓			page 30 (S.B.)
10.P.2. The auditors shall act with autonomy and independence, also vis-à-vis the shareholders, which elected them.	✓			page 46 (S.B.)
10.P.3. The issuer shall adopt suitable measures to ensure an effective performance of the duties typical of the board of auditors.	✓			Pag. 27, 29 (S.B.)
10.C.1. The lists of candidates for the position of auditor, accompanied by detailed information on the personal traits and professional qualifications of the candidates, shall be deposited at the company's registered office at least fifteen (15) days before the date fixed for the shareholders' meeting. The lists, complete with the information on the characteristics of the candidates, shall be timely published through the Internet site of the issuer.	✓			page 30 (S.B.)
10.C.2. The auditors shall be chosen from among persons who may be qualified as independent also on the basis of the criteria provided in this Code with reference to directors. The Board of Auditors shall check compliance with said criteria after the appointment and subsequently on an annual basis, including the result of such verification in the report on corporate governance.	✓			page 33, 34, 35 (S.B.)
10.C.3. The auditors shall accept appointment when they believe they can devote the necessary time to the diligent performance of their duties.	✓			page 33 (S.B.)
10.C.4. An auditor who has an interest, either directly or on behalf of third parties, in a certain transaction of the issuer, shall timely and exhaustively inform the other auditors and the chairman of the board of the nature, terms, origin and extent of his/her interest.	✓			page 95 (S.B.)
10.C.5. The board of auditors shall monitor the independence of the auditing firm, verifying both compliance with the provisions of law and regulations governing the subject matter thereof, and the nature and extent of services other than accounting control provided to the issuer and its subsidiaries by the same auditing firm and the entities belonging to the network of the same.	✓			page 28 (S.B.) page 90
10.C.6. In the framework of their activities, the auditors may demand from the internal audit function to make assessments on specific operating areas or transactions of the company.	✓			page 41 (S.B.)
10.C.7. The board of auditors and the internal control committee shall promptly exchange material information for the performance of their respective duties.			✓	

11. RELATIONS WITH THE SHAREHOLDERS

11.P.1.	The Board of Directors shall take initiatives aimed at promoting the broadest participation possible of the shareholders in the shareholders' meetings and making easier the exercise of the shareholders' rights.	✓	page 101
11.P.2.	The Board of Directors shall endeavour to develop a continuing dialogue with the shareholders based on the understanding of their reciprocal roles.	✓	page 100
11.C.1.	The Board of Directors shall use its best efforts for ensuring that access to the information concerning the issuer and of significance to its shareholders is timely and easily accessible, so as to provide shareholders with information appropriate in the exercise of their rights. For this purpose, the issuer shall establish a specific section on its internet site that may be easily identified and accessed, in which the abovementioned information is available, with particular reference to the procedures regarding attendance and the exercise of the voting right in the shareholders' meetings, as well as the documentation relating to items on the agenda of the shareholders' meetings, including the lists of candidates for the positions of director and auditor with an indication of the relevant personal traits and professional qualifications.	✓	page 100, 101, 103
11.C.2.	The Board of Directors shall ensure that a person is identified as responsible for handling the relations with the shareholders and shall evaluate from time to time whether it would be advisable to establish a business structure responsible for such function.	✓	page 100
11.C.3.	The Board of Directors shall use its best efforts for reducing the restrictions and fulfilments, which make it difficult and burdensome for shareholders to participate in shareholders' meeting and exercise their voting rights.	✓	page 103
11.C.4.	All the directors usually participate in the shareholders' meetings. The shareholders' meetings are also an opportunity for disclosing to the shareholders information concerning the issuer, in compliance with the rules governing price-sensitive information. In particular, the Board of Directors shall report to the shareholders' meeting with regard to performed and planned activity and shall make every effort to ensure that shareholders receive adequate information on the necessary elements for them to make informed decisions that are the competence of the shareholders' meeting.	✓	page 102
11.C.5.	The Board of Directors shall propose to the approval of the shareholders' meeting rules laying down the procedures to be followed in order to permit an orderly and effective conduct of the ordinary and extraordinary shareholders' meetings of the issuer, without prejudice, however, to the right of each shareholder to express his or her opinion on the matters under discussion.	✓	page 102
11.C.6.	In the event of a significant change in the market capitalisation of the company, the composition and/or the number of the shareholders, the Board of Directors shall assess whether proposals should be submitted to the shareholders' meeting to amend the Articles of Association as regards to the minimum percentage required for exercising actions and rights provided for as a protection of minority interests.	✓	page 102

12. TWO TIER AND ONE TIER MANAGEMENT AND CONTROL SYSTEMS

12.P.1.	In the event of adoption of a two-tier or one-tier management and control system, the above articles shall apply insofar as compatible, adapting individual provisions to the particular system adopted, consistently with the objectives of good corporate governance, transparency of information and protection of investors and the markets pursued by the Code and in the light of the criteria provided by this article.	✓	page 11
12.P.2.	In the event that a new management and control system is proposed, the directors shall inform the shareholders and the market with regard to the reasons for such proposal, as well as on how it is envisaged that the Code will be applied to the new management and control system.	✓	page 25
12.P.3.	In the first report on corporate governance published after modification of the management and control system, the issuer shall describe in detail how the Code has been applied to such system. Such information shall be published also in subsequent reports, indicating any amendments to the procedure followed in applying the Code to the selected management and control system.	✓	page 25
12.C.1.	In the event of adoption of the two-tier management and control system, the Code shall be applied according to the following criteria: <ul style="list-style-type: none"> a) except as provided in paragraph (b) below, the articles of the Code that make reference to the Board of Directors and the Board of Auditors, or their members, are applied in principle to the Management Board and Supervisory Board or their members respectively; b) due to the specific options of the Articles of Association adopted, in the configuration of the management and supervisory bodies also in consideration of the number of members and the powers and duties attributed to them, and of the specific circumstances existing, the issuer may apply the provisions concerning the Board of Directors or directors to the Supervisory Board or its members; c) provisions relating to the appointment of directors provided in Article 6 of this Code shall apply, insofar as compatible, to the appointment of the members of the Supervisory Board and/or the members of the Management Board. 	✓	page 26

Table No. 6: “Art. 123-bis - Report on corporate governance and ownership structures”

Art. 123-bis - Report on corporate governance and ownership structures	Page of the Report
--	--------------------

1. The management report of issuers with securities admitted to trading on regulated markets shall contain a specific section entitled: “Report on corporate governance and ownership structures”, providing detailed information on:

- a) the capital structure, including securities not traded on a regulated market in an EU Member State, with an indication of the different classes of shares and, for each class of shares, the related rights and obligations and the percentage of total share capital represented; page 19, 20
- b) any restriction on the transfer of securities, e.g. limitations in the possession of securities or the need to obtain consent from the company or other securities holders; page 20
- c) significant direct and indirect holdings, for example through pyramid structures and cross-holdings, as stated in reports submitted pursuant to article 120; page 20
- d) if known, the holders of any securities with special control rights and a description of such rights; page 19
- e) the mechanism for the exercise of voting rights in any employee share scheme where voting rights are not exercised directly by the employees; page 20
- f) any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for the exercise of voting rights, or systems whereby, with the company’s cooperation, the financial rights attached to the securities are separate from the holding of securities; page 22, 103
- g) agreements known to the company pursuant to article 122; page 20
- h) any significant agreements to which the company is party and which take effect, alter or terminate upon a change of control of the company, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception is specifically obliged to disclose such information on the basis of other legal requirements; page 24
- i) agreements between companies and directors, members of the control body or supervisory council which envisage indemnities in event of resignation or dismissal without just cause, or if their employment contract should terminate as a result of a takeover bid. page 73
- l) rules applying to the appointment and replacement of directors and members of the control body or supervisory council, and to amendments to the articles of association if different from those applied as a supplementary measure; page 30, 31, 103 (S.B.)
- m) the existence of delegated powers regarding share capital increases pursuant to article 2443 of the Italian Civil Code or powers of the directors or members of the control body to issue security-related financial instruments or to authorise the purchase of own shares. page 19, 20

2. In the same section of the report referred to in subsection 1, information shall be provided regarding:

- a) adoption of a corporate governance code of conduct issued by regulated market management companies or trade associations, giving reasons for any decision not to adopt one or more provisions, together with the corporate governance practices actually applied by the company over and above any legal or regulatory obligations. The company shall also indicate where the adopted corporate governance code of conduct may be accessed by the public; page 9, 11
- b) the main characteristics of existing risk management and internal audit systems used in relation to the financial reporting process, including consolidated reports, where applicable; page 80
- c) the operating mechanisms of the shareholders' meeting, its main powers, shareholder rights and their terms of exercise, if different from those envisaged by legal and regulatory provisions applicable as supplementary measures; page 101
- d) the composition and duties of the administrative and control bodies and their committees. page 29, 37 (S.B.)
page 51, 56, 59 (M.B.)

Contacts

Intesa Sanpaolo S.p.A.

Registered office

Piazza San Carlo, 156
10121 Torino
Telephone: +39 011 555 1

Secondary registered office

Via Monte di Pietà, 8
20121 Milano
Telephone: +39 02 879 11

Company Secretariat

Telephone: +39 011 555 2762 - 8213
Fax +39 011 555 2322
E-mail: segreteria.societaria@intesasnpaolo.com
adempimenti.societari@intesasnpaolo.com

Internet: <http://group.intesasnpaolo.com>

An ability to develop new solutions, attention to and ongoing dialogue with households, businesses, the third sector and public institutions underlie Intesa Sanpaolo's commitment to contribute to Italy's growth.

A role that we carry out with professionalism, a sense of responsibility and passion, offering innovative, personalised products and services and sharing our projects with our customers.

This is the origin of the decision to tell our story through the vivid, positive stories of our customers, representing, with these images, the projects achieved, the spirit of initiative and entrepreneurial determination and ability.



Brunello Cucinelli S.p.A., Solomeo (PG).



Students in the Villa Amoretti Public Library, Torino.



I Leprotti, Abbiategrasso (MI).



Photovoltaic plant in Montalto di Castro, Viterbo.



The Venturino family, Maretti (AT).



Esaote S.p.A., Genova.



Buccellati Holding Italia S.p.A., Milano.



La Casa dei Girasoli, "Genitori Oggi" Non-Profit Voluntary Association, San Giustino Umbro (PG).

