

Statement of “A business model for managing confidential information and conflicts of interests”

Intesa Sanpaolo provides a business-orientated model formalizing a set of principles and rules for dealing with conflicts of interests. These are in line with internationally agreed norms and best practices.

The model is aimed at addressing:

- information imbalances between the Bank and the market. These arise from **confidential information** obtained while performing services for clients, and are particularly relevant to the Corporate Division;
- **conflicts of interests** regarding investors, and deriving from business relations with the Group, the simultaneous performance of more than one service, or specific business relations with issuers of financial instruments.

The model is based on two foundations. The rules for applying these are as follows:

Chinese Wall

This is an organizational, operational and logistical system which separates the areas of the bank performing investment/corporate banking services for companies (Corporate Side) from those operating on the financial markets or performing investment services (Market Side), and including the Research Department of Intesa Sanpaolo.

At an organizational level the Chinese wall involves a separation at the level of Division or equivalent structure (first organizational level below the Board of Directors). This separation renders it impossible for the same organizational division to do business on the Corporate Side and the Market Side at the same time.

At a logistical level the Chinese wall involves, according to the regulations, the physical separation of areas operating on opposite sides of The Wall. In addition, the exchange of confidential information between the two sides of The Wall is expressly forbidden.

In particular, in order to guarantee the independence of research production from the rest of the Bank's activities, the Research Department does not report to any business unit and is independent and separate from both the Corporate Side and the Market Side of the Bank.

Contact between business areas/personnel working on opposite sides of The Wall (and therefore also between financial analysts of the Research Department and other business areas of the Bank) is permitted only in specific situations and according to rigid standard procedures. Any contact should be supervised by the Compliance Section of the Internal Auditing Division.

In addition, specific restrictions exist concerning the participation of analysts in the business activities of corporate and investment banking.

Watch List and Restricted List

This is a mechanism for the detailing and preventive analysis of “sensitive” situations. These are operations in which conflicts of interests could potentially arise.

Appropriate precaution measures are decided on the basis of the sensitive situations detailed on the Watch List and the relevant analyses. These measures take the form either of a warning communicated to the client of conflicts of interest in the bank (“disclosures”), or operative restrictions (including the production and publication of recommendations) communicated by means of a list sent to the appropriate function (Restricted List).