

**POLICY CONCERNING RELATIONS
BETWEEN INTERNATIONAL SUBSIDIARY
BANKS AND POLITICAL PARTIES**

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INTRODUCTION

The present Policy applies to all employees of the Subsidiaries managed by the International Subsidiary Banks Division.

It is aimed at achievement of the utmost correctness, integrity, impartiality and independence in relations with political parties and/or trade union organizations and in particular their direct financing as well as financial relations with their related parties including disbursements under charity or sponsorship.

We do underline the potential reputational risk related to this kind of operations that, in absence of a transparent management, might be object of speculation by media and might be one of potential means for committing corruption crimes.

REPUTATIONAL RISK

Trust, consideration and respect that customers, counterparties, media and authorities put in various components of the Intesa Sanpaolo Group, represent an important corporate asset which must be protected from any involvement in acts of corruption and terrorism financing, potentially imbedded in the financial relations with some political organizations.

Despite the local regulations and practices and account taken of certain business opportunities, it is necessary to apply the utmost precaution in establishing any relation with political parties and related entities (both individuals and corporations) with particular reference to parties representing minorities (political, ethnical and religious) and radical organizations, pursuing racism and supporting violent, terrorist and unethical behaviour.

These organizations shall always be excluded from any relations with the Bank – both active and passive – in order to avoid damages to the reputation of the Group both in Italy and abroad.

Besides, there is a need for a specific monitoring of “Politically Exposed Persons” in each of the Subsidiaries.

CHARITY AND SPONSORSHIP

The Parent Company rules concerning the Legislative Decree n. 231 of 8th June 2001, introducing into the Italian legal system the administrative responsibility of the Companies and other Entities for some crimes committed in their interest or to their benefit (for example, crimes against the Public Administration), identify administration of Charity and Sponsorship as potential means of committing corruption crimes. Namely, these can comprise granting advantages to Public Agents with the aim to promote the Bank’s interests or by creating opportunities for carrying out other of the above mentioned illegal activities.

Consequently, general principles of conduct shall include the prohibition to make disbursements of charity or sponsorship to certain subjects, in particular to:

- Political parties;
- political movements and their organizational parts;
- trade union organizations;
- Public Agents.

In order to achieve unified action equally inspired by the utmost correctness, integrity, impartiality and independency, also the Subsidiaries shall abstain from providing charity and sponsorship to political parties and related organizations, as well as to trade union organizations and to institutions and Agents of the Public Administration, because those disbursements might lead to privileged treatment or adoption of biased decisions.

Pursuant to Intesa Sanpaolo’s Code of Ethics, any kind of institutional relations between the Group and the State shall only be carried out on purpose of communication and assessment of the impact of the legislative and administrative initiatives on Intesa Sanpaolo, or presenting Intesa Sanpaolo

positions on relevant topics by representing its interests in a transparent way and adopting specific organizational measures in order to prevent crimes against the Public Administration.

MODALITIES OF GRANTING LOANS

The principle of “neutrality” of the Group requires an extreme precaution in adopting decisions on financing political parties.

The risk assessment of credit counterparties shall ensure that loans granted to individuals and legal entities do not involve indirect facilities to political parties.

The granting, confirmation or variation of credit lines and conditions thereof applicable to:

- institutions and associations pursuing political aims;
- organizations or associations related to political parties that carry out functional activities to the political aim;
- single candidates – also by means of individuals/companies delegated by them – for financing the participation in electoral campaigns for the election to representative bodies of the State in its various forms (House of Representatives, Senate of the Republic, European Parliament, Regional, District and Municipal Councils or other equal Organizations of the single orders)

are therefore reserved to the exclusive responsibility of the “Board”¹ of the International Subsidiaries, acquiring in advance a binding opinion by the Parent Company’s Management Board (Consiglio di Gestione della Capogruppo).

As usual, the proposals for decision will be delivered to the “Credit Decisions Central Direction, Credit Approval Department – Credit Approval Office for Corporate International Investment Banking and Financial Institutions (Direzione Centrale Decisioni Creditizie, Servizio Concessione – Ufficio Concessione Corporate Investment Banking Estero e Financial Institutions) -, with a copy to the Credit Department of the International Subsidiary Banks Division (Servizio Crediti della Divisione Banche Estere).

The above mentioned credits shall be granted exclusively as advance facilities of the public contributions, in compliance with the Parent Company guidelines.

The new credit decisions adopted from time to time as well as the portfolio of current loans shall be reported quarterly to the Audit Committee of each Bank and the Governance Systems Service Unit of the International Subsidiary Banks Division by means of the attached form.

¹ Specific indications for every Subsidiary Bank will follow