



Credito Valtellinese S.p.A.

“2019 Bonus Pool” incentive plan, based on the allocation of Phantom Shares

Information Document drawn up pursuant to Article 114-bis of the Consolidated Finance Act and to Article 84-bis of the Issuers' Regulation

This is a translation into English of the original in Italian. The Italian text shall prevail over the English version

CREDITO VALTELLINESE S.P.A.

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Contents

	<i>Foreword</i>	page	2
	<i>Definitions</i>	page	3
1.	Beneficiaries	page	6
2.	Reasons behind the adoption of the incentive plan	page	6
3.	Approval procedure and timing for the allocation of the instruments	page	11
4.	Characteristics of the allocated instruments	page	13

FOREWORD

This information document (hereinafter referred to as the "**Information Document**") was drawn up pursuant to Article 114-bis of Italian Legislative Decree No. 58 of 24 February 1998 ("**Consolidated Finance Act**") and of Article 84-bis of the Regulation approved by Consob with resolution No. 11971 of 14 May 1999 ("**Issuers' Regulation**") as well as in compliance with, even in terms of the numbering of the relative paragraphs, the specifications contained in Diagram 7 of Annexe 3A of the Issuers' Regulation. The Information Document was prepared for the purpose of providing the Shareholders' Meeting of Credito Valtellinese S.p.A. ("**Creval**" or "**Bank**") with the information necessary to deliberate on the approval of the incentive plan called "*«2019 Bonus Pool» incentive plan, based on the allocation of Phantom Shares*" ("**2019 Bonus Pool Plan**").

The Board of Directors of Creval of 12 March 2019 convened the Ordinary Shareholders' Meeting of Creval on 30 April 2019 ("**2019 Shareholders' Meeting**"), in single call, in order to deliberate upon, amongst other items, the 2019 Bonus Pool Plan. At the same meeting, the Board of Directors decided to also present the 2019 Shareholders' Meeting with a new medium to long-term incentive plan called "*2019-2021 LTI, medium to long-term variable incentive plan, based on the allocation of Phantom Shares*", described in a separate information document ("**2019-2021 LTI Plan**").

As a whole, the 2019 Bonus Pool Plan envisages a maximum amount of around EUR 5.8 million if the objectives are fully achieved as described below, while the 2019-2021 LTI Plan envisages a maximum bonus of around EUR 5 million, again if the objectives are fully achieved. In both cases, the estimate of the maximum amount was made on the assumption that the stock-exchange prices of the Creval Share are such as to determine a "2019 Initial Value" equal to the "Final Value" (both for "Up-front portion" and the "Deferred portions") (as specified below, see paragraph 4.1, letter (b)).

Specifically, the 2019 Bonus Pool Plan must be considered as "*particularly important*" pursuant to Article 114-bis, paragraph 3, Consolidated Finance Act, as well as to Article 84-bis, paragraph 2, letters a) and b), Issuers' Regulation.

At the date of this Information Document, the proposal to adopt the 2019 Bonus Pool Plan has not yet been approved by the Bank's Shareholders' Meeting. Therefore: (i) this Information Document is exclusively prepared on the basis of the proposal to adopt the 2019 Bonus Pool Plan approved by the Board of Directors of Creval on 12 March 2019; (ii) any reference to the 2019 Bonus Pool Plan contained in this Information Document must refer to the proposal to adopt the 2019 Bonus Pool Plan.

This Information Document is prepared pursuant to Article 114-bis of the Consolidated Finance Act and to Article 84-bis, paragraph 1, of the Issuers' Regulation, and made available to the public at the registered office of Creval, on the authorised storage device "eMarket Storage" and on the Bank's website (<http://www.gruppocreval.com>).

DEFINITIONS

Unless otherwise stated, the following terms and expressions will have the meaning set out below, it being understood that the same meaning will be assigned in the masculine and in the feminine as well as in the singular and in the plural.

Shareholders' Meeting	The Ordinary Shareholders' Meeting of Credito Valtellinese S.p.A.
Shares	The ordinary shares of Credito Valtellinese S.p.A.
Beneficiaries	The Managing Director, the General Manager and the other Risk Takers of the Group beneficiaries of the 2019 Bonus Pool Plan.
Claw back	Mechanism requiring the return of an already received Individual Bonus amount in case of fraudulent or severely wrongful conduct of the Beneficiary (see paragraph 4.1(d)).
Remuneration Committee	The Committee set up within the Board of Directors of the Bank based on Articles 4 and 6 of the Code of Self-Discipline, aligned with Bank of Italy Circular No. 285 of 17 December 2013 as updated. It is composed of three members appointed by the Board of Directors and chosen from among the Non-Executive Directors, with a majority of Independent Directors.
Board of Directors	Board of Directors of Credito Valtellinese S.p.A.
Creval or the Bank	Credito Valtellinese S.p.A., with registered offices in Piazza Quadri via 8, Sondrio, Italy, Tax code and Sondrio Company Registration No. 00043260140, Register of Banks No. 489, as well as Register of Banking Groups No. 5216.7.
CRO Dashboard	The table prepared by the CRO (Chief Risk Officer), which checks the consistency of the results with the Risk Appetite Framework; based on this table, the Bonus Pool may be revised upwards or downwards by the Board of Directors (see paragraph 2.2. (b)).
Creval Group or Group	The banking group entered in the special list maintained by the Bank of Italy with code No. 5216.7 and consisting of Creval, together with the subsidiary companies.
Gate Indicators	Conditions without which the Beneficiaries will not be entitled to the payment of the Individual Bonus (see paragraph 2.2(a)).
Malus	Clause requiring the reduction to zero of the Individual Bonus if predetermined assumptions occur (see paragraph 4.1(e)).
Electronic Stock Market (MTA)	Electronic Stock Market organised and operated by Borsa Italiana S.p.A. where the Shares are traded.

Individual Objectives	Individual objectives - quantitative and qualitative (KPIs) - included in a formalised objective sheet, used for determining the Individual Bonus (see paragraph 2.2(c)).
Retention Period	The period between the allocation date of the Phantom Shares and their payment date (see paragraph 4.1(c)).
Phantom Share	A unit representing the value of a share that is converted into a cash bonus according to its price on a certain date.
Business Plan	The new 2019-2021 business plan to be approved by the Bank's Board of Directors by the first half of 2019.
2019 Bonus Pool Plan	The short-term incentive plan called “ <i>«2019 Bonus Pool» incentive plan, based on the allocation of Phantom Shares</i> ”, which is the subject matter of this Information Document and the documents implementing the 2019 Bonus Pool Plan itself.
Overall Bonus	The theoretical amount of the incentive to be paid to all the Beneficiaries (see paragraph 2.1.1(b)).
Individual Bonus	The theoretical amount of the incentive to be paid to each Beneficiary (see paragraph 2.2(c))
First Payment and Allocation Date	The date of payment of the cash portion and of allocation of the Phantom Shares of the Up-front Portion of the Individual Bonus (see paragraph 4.1(a)).
Deferred Portion	The portion of the Individual Bonus, equal to (i) 60% for the Managing Director/General Manager, for the members of the general management and for the other managers of business areas and, in any case, for all the Beneficiaries of a variable bonus of the 2019 Bonus Pool potentially amounting to at least EUR 400,000 and (ii) 40% for the other Beneficiaries of a variable bonus of the 2019 Bonus Pool, to be allocated on the Subsequent Payment and Allocation Dates (see paragraph 4.1(a)).
Up-front Portion	The portion of the Individual Bonus, equal to (i) 40% for the Managing Director/General Manager, for the members of the general management and for the other managers of business areas and, in any case, for all the Beneficiaries of a variable bonus of the 2019 Bonus Pool potentially amounting to at least EUR 400,000 and (ii) 60% for the other beneficiaries of a variable bonus of the 2019 Bonus Pool, to be allocated on the First Payment and Allocation Date (see paragraph 4.1(a)).
RAF or Risk Appetite Framework	The reference framework for determining a bank's risk appetite, as defined in the Bank of Italy's Supervisory Provisions.
RAL (gross annual remuneration)	The fixed component of remuneration, represented by the base salary, rises due to seniority, any <i>ad personam</i> amounts and allowances, expressed on an annual basis, gross of taxes and

social security contributions.

Risk Takers

The personnel of the Creval Group whose professional activity has or may have a material impact on the Bank's risk profile, as defined in the Group's remuneration policies in compliance with the applicable provisions.

“Scorecard”

The document summarising the Individual Objectives assigned to the Beneficiaries.

Subsequent Payment and Allocation Dates

The dates of payment of the cash portion and of allocation of the Phantom Shares of the Deferred Portion of the Individual Bonus (see paragraph 4.1(a)).

1. Beneficiaries

1.1. *Name of the beneficiaries who are members of the Board of Directors of the Issuer of financial instruments, of companies controlling the Issuer and of companies directly or indirectly controlled by the Issuer.*

The Managing Director and General Manager of Creval, Luigi Lovaglio (also only "MD/GM"), is a Director of Creval and is among the Beneficiaries of the 2019 Bonus Pool Plan.

1.2. *The categories of employees or collaborators of the Issuer of financial instruments and of the companies controlling or controlled by the Issuer.*

The 2019 Bonus Pool Plan applies to the MD/GM and other 55 Risk Takers of the Group (together, the "Beneficiaries").

See also paragraph 1.1 above.

1.3. *Name of the parties who benefit from the 2019 Bonus Pool Plan belonging to the following groups: general manager, other executives with strategic responsibilities and natural persons controlling the Issuer who are employees.*

The names of the Beneficiaries of the 2019 Bonus Pool Plan included in categories indicated in paragraph 1.3., letter a), of Annexe 3A of Diagram 7 of the Issuers' Regulation are reported below: Luigi Lovaglio, General Manager of Creval.

1.4. *Description and number, by categories, of the beneficiaries identified by the 2019 Bonus Pool Plan.*

The 2019 Bonus Pool Plan applies to the MD/GM and other 55 Risk Takers of the Group.

2. Reasons behind the adoption of the incentive plan

2.1. *Objectives of the 2019 Bonus Pool Plan.*

For a few years now, the Group has defined the structure of its incentive model for Risk Takers, adjusting from time to time its characteristics and technical methods according to the indications coming (i) from national and international regulations on the matter as well as (ii) from the need to increase performance for the Group, in the light of the strategic objectives defined by the Board of Directors.

For 2019, the Group also intends to activate a short-term incentive plan with a simple architecture and in line with industry practices. The plan was developed in accordance with the objectives defined in the planning and development processes of the Risk Appetite Framework (known as RAF). These objectives pursue a corporate growth strategy aimed at creating value over time in a context of prudent risk management and of capital and financial soundness of the Group.

The short-term incentive plan (2019 Bonus Pool Plan) aims to achieve annual objectives and support the Group's ability to generate value over time, rewarding, through a selective mechanism, appropriate actions and positive results, with reference to the budget for the year in question, in line with the strategic guidelines defined by the Board of Directors.

The adoption of this instrument is aimed at translating the Group's strategies into a set of targets that can significantly influence the overall banking Group's performance, taking careful account of corporate risks. Targets are allocated annually by means of a sheet to individual beneficiaries.

In particular, with reference to the remuneration and incentive policy of the Bank, the Board of Directors identified the following principles that must serve as guidelines for the preparation of the Group's remuneration policy:

- pursue an effective alignment of the interests of the Bank, of the shareholders and of the management within the new governance structure;
- set up an incentive plan in order to motivate at best the management and the personnel in the achievement of budget objectives, as well as valorise and engender loyalty amongst the persons employed by the Bank;
- pursue a remuneration policy aimed at ensuring a more balanced composition of management fees between fixed and variable elements, based on selectivity and sustainability principles.

In this context, the setting-up of an incentive plan for the management, on an annual basis and in accordance with the specifications required by the regulations (use of financial instruments, timing deferral and malus and claw back clauses), represents a method that has been deemed appropriate by the Board of Directors to meet the mentioned needs, concurrently with the attention to all the benchmark values that Credito Valtellinese reserves to the subject, as widely represented in the Report on Remuneration pursuant to Article 123-ter of the Consolidated Finance Act annually submitted to the approval of the Shareholders' Meeting of the Bank.

2.1.1. Additional information for the so-called relevant plans pursuant to Article 84-bis, paragraph 2, Issuers' Regulation.

(a) Guidelines of the 2019 Bonus Pool Plan

The Remuneration Committee proposed to the Board of Directors to develop the 2019 Bonus Pool Plan in order to align the interests of management with the creation of value for shareholders, thereby rewarding - through a selective mechanism - appropriate actions and positive results in the light of the reference objectives of the budget for the year in question.

The adoption of this tool aims to transform the strategies of the Group business plan into a set of targets that can significantly influence the Group's global performance, taking careful account of corporate risks. Targets are allocated on an annual basis and communicated to

individual Beneficiaries.

The 2019 Bonus Pool Plan therefore aims to achieve short-term objectives and, in any case, support the Group's capacity to generate value over time by rewarding the achievement of risk-adjusted objectives, preserving adequate levels of capital and liquidity and avoiding the creation of incentives in conflict with the interests of the Group itself and of its shareholders and customers.

Therefore, the 2019 Bonus Pool Plan represents a fundamental management tool to motivate management to achieve the economic and financial objectives that the Group intends to achieve in the short term.

The principles on which the 2019 Bonus Pool Plan is based can be summarised as follows:

- it must serve as an important management tool to motivate the Bank's management to implement the budget for the year;
- it must be selective, i.e. reward those that provide a distinct contribution;
- it must provide for a mechanism to access the system (known as gate) that allows for disbursement only in the case of adequate levels of capital adequacy, liquidity and profitability of the Group;
- it must be sustainable with regard to the Group's financial situation.

(b) Main elements of the 2019 Bonus Pool Plan

Based on the principles mentioned above, the 2019 Bonus Pool Plan has been drafted; on an individual level, it envisages a maximum variable incentive ranging from 100% to 33% of RAL according to the category of Beneficiaries identified for the purposes of the 2019 Bonus Pool Plan.

Overall, the incentive payable to the Beneficiaries - in the event of full achievement of all the objectives and without prejudice to the provisions of paragraph 4.12 (in relation to the potential increase in value of the Shares) - will have a maximum amount of EUR 5.8 million (the “**Overall Bonus**” or “**Bonus Pool**”).

In compliance with the contents of the regulations in force, 40% of the bonus will be paid in cash and 60% in financial instruments for the MD/GM, for the members of the General Management, for the other managers of business areas and, in any case, for all the Beneficiaries of a variable bonus of the 2019 Bonus Pool Plan potentially equal to at least EUR 400,000; for the other Beneficiaries, 50% of the bonus will be allocated in cash and 50% in financial instruments.

2.2. Key variables, also in the form of performance indicators considered for the allocation of the 2019 Bonus Pool Plan.

(a) Access of the Beneficiaries to the 2019 Bonus Pool Plan

The 2019 Bonus Pool Plan is based on the Group's results for the period 1 January 2019 - 31 December 2019.

Any entitlement to the bonus is subject to the achievement of all four indicators (“**Gate Indicators**”) for the 2019 financial year:

- Group Common Equity Tier 1 Ratio¹;
- LCR²;
- NSFR³;
- Net profit (losses)⁴.

Gate Indicators are defined in the annual budget planning and RAF.

Therefore, the Beneficiaries may have access to the 2019 Bonus Pool Plan only if all four Gate Indicators are achieved.

(b) Determining the amount of the Overall Bonus envisaged by the 2019 Bonus Pool Plan

The incentive plan is based on a bonus pool representing the maximum amount of bonuses payable of approximately EUR 5.8 million (the Overall Bonus), an amount calculated (i) for the case of full achievement of performance targets and (ii) on the assumption that the stock-exchange prices of the Creval Share are such as to determine a “2019 Initial Value” equal to the “Final Value” (both for “Up-front portion” and the “Deferred portions”) (see paragraph 4.1, letter (b)).

In order to ensure the consistency of the results with the Risk Appetite Framework, the Bonus Pool may be revised upwards or downwards on the basis of the quality of the overall performance measured through the CRO Dashboard that includes indicators relating to the main risks such as credit, liquidity and capitalisation. The assessment of risk sustainability determines the application of some possible multipliers for the adjustment of the Bonus Pool. An increase of up to 20% in the Bonus Pool is also permitted if determined by the Board of Directors.

(c) Determining the amount of the Individual Bonus envisaged by the 2019 Bonus Pool Plan

After verifying whether the Gate Indicators had been reached and, if necessary, modifying the Bonus Pool following the results of the CRO Dashboard, the plan specifies that the individual bonus must be assigned to the Beneficiary based on a managerial evaluation on the basis of the results achieved in the reference period compared to pre-identified individual objectives (the "**Individual Objectives**") contained in a special form sent to the Beneficiaries (the

¹The **Group Common Equity Tier 1 Ratio** or **Group CET1 ratio** is the solvency ratio expressed by the ratio of Common Equity Tier 1 to Risk Weighted Assets calculated on the basis of Basel III regulations, in application of the CRR Regulation, the CRD IV Directive and the Bank of Italy Supervisory Provisions.

²The **Liquidity Coverage Ratio** or **LCR** represents the contribution between the stock of high-quality liquid assets and the net outflows of the 30 calendar days following the date of recognition.

³The **Net Stable Funding Ratio** or **NSFR** is the 12-month structural liquidity indicator introduced by the Council of Basel, expressing the ratio between the available amount of stable funding and the compulsory amount of stable funding.

⁴**Net profit (losses)** is obtained by deducting from the operating result impairment losses and reversals of impairment losses, provisions and extraordinary income components, net of taxes.

"Scorecard").

The Individual Objectives are in turn divided into two different types: (i) quantitative objectives, which take into account the prevailing aspects of the overall management of the Group (profitability, operating efficiency, risk, development of commercial activities) and the particular results of the individual "areas of responsibility" (functional or geographical); as well as (ii) qualitative objectives, which instead concern - by way of example - aspects such as the coverage of function objectives, the management of planned projects, express managerial skills, the results of checks carried out by the control functions, other so-called compliance breaches. The Scorecard of the Beneficiaries belonging to the control structures are based on a number of Individual Objectives between a minimum of 5 and a maximum of 8, which are defined in order to guarantee their independence. In order to avoid conflicts of interest, indicators independent of the results of the areas subject to control are used and indicators linked to economic results are not used.

Within the overall amount of the Bonus Pool, the amount of the maximum individual variable bonus is equal for each Risk Taker to 100% of the fixed remuneration, with the exception of the control functions, for which it is equal to 33%, as per applicable provisions ("**Individual Bonus**")

The methods of actual payment of the Individual Bonus (Up-front Portion and Deferred Portion), as well as the mechanisms related to the Retention Period, the Malus and the Claw back are described in the following paragraph 4.1.

2.3. *Elements and methods for determining the amount of the fee based on financial instruments.*

2.3.1. *Additional information for the so-called relevant plans pursuant to Article 84-bis, paragraph 2, Issuers' Regulation.*

With regard to the last three financial years, the Shareholders' Meeting held on 27 April 2018 approved the 2018 MBO incentive plan whose structure and functionality were essentially identical to the 2017 MBO Plan, while for 2016 no incentive plan had been implemented.

With reference to the 2018 MBO plan, in consideration of the failure to pass the "access gates", the plan was not activated, with the exception of the 6 beneficiaries belonging to the "control functions" for whom a variable bonus amount was recognised, related to the achievement of the individual objectives assigned. Therefore, only for the "control functions" the deferred portions of the 2018 MBO incentive plan will remain in place.

2.4. *Reasons behind the decision to assign remuneration plans based on financial instruments not issued by the Issuer of financial instruments.*

Not applicable.

2.5. *Evaluations regarding significant tax and accounting implications that affected the definition of the Bonus Pool Plan.*

There were no significant evaluations regarding tax and accounting implications that affected

the preparation of the 2019 Bonus Pool Plan.

2.6. *Possible support to the 2019 Bonus Pool Plan by the Special fund to encourage participation of workers in companies, referred to in Article 4, paragraph 112, of Italian Law No. 350 of 24 December 2003.*

Not applicable.

3. Approval procedure and timing for the allocation of the instruments

3.1. *Scope of powers and functions delegated by the Shareholders' Meeting to the Board of Directors in order to implement the 2019 Bonus Pool Plan.*

On 12 March 2019, the Board of Directors of Creval decided formally, on recommendation of the Remuneration Committee, to submit to the Shareholders' Meeting of the Bank, called on 30 April 2019, the approval of the 2019 Bonus Pool Plan.

This Shareholders' Meeting will be asked to grant the Board of Directors, with the right to sub-delegate, all the powers required for actually implementing the 2019 Bonus Pool Plan, to be exercised in accordance with the instructions of the Information Document. To this end, the Board of Directors, by way of example but not limited to, may assign the rights to the Beneficiaries, approve the implementing regulation of the 2019 Bonus Pool Plan and, where possible, pay the bonus.

3.2. *Subjects in charge of managing the 2019 Bonus Pool Plan and their function and skills.*
The Board of Directors is responsible for the management of the 2019 Bonus Pool Plan by using, as and when, the competent corporate functions.

The Bank of Italy's Supervisory Provisions provide the Remuneration Committee with the task of (i) guaranteeing the involvement of the competent corporate functions in the process of preparing and monitoring remuneration and incentive policies and practices, and (ii) expressing their opinion - even by making use of the information received from the competent corporate functions - on the achievement of the Gate Indicators and Individual Objectives to which the 2019 Bonus Pool Plan is related and on the assessment of the other conditions set for the disbursement of the remuneration.

3.3. *Potential current procedures for reviewing the 2019 Bonus Pool Plan, even in relation to any change in the underlying objectives.*

In case of extraordinary and unforeseeable corporate events during the course of the 2019 Bonus Pool Plan - such as to entail a change in the Group's scope of consolidation (including but not limited to demergers, non-intragroup mergers, acquisitions and/or sales of equity investments and/or company branches), and likely to alter the Gate Indicators and/or the individual objectives - the Board of Directors may consider making the necessary or appropriate changes to the 2019 Bonus Pool Plan in order to eliminate the effects of these operations on the Gate Indicators and/or individual objectives.

3.4. *Description of the methods used to determine the availability and allocation of the financial instruments on which the 2019 Bonus Pool Plan is based.*

Given that this is a Phantom Share plan, the 2019 Bonus Pool Plan does not envisage the allocation or purchase of Shares by Creval, or the allocation of options to purchase them.

3.5. *The role played by each director in determining the characteristics of the 2019 Bonus Pool Plan; possible occurrence of conflicts of interest with regard to the directors concerned.*

When identifying the essential elements of the 2019 Bonus Pool Plan, the Remuneration Committee, composed of non-executive and independent Directors, was involved in the various stages of preparation. The only Director of the Bank included among the beneficiaries is the Managing Director.

3.6. *Date of the resolution passed by the Board of Directors proposing the approval of the 2019 Bonus Pool Plan to the Shareholders' Meeting and of any proposal of the Remuneration Committee, for the purposes of what is requested by Article 84-bis, paragraph 1, Issuers' Regulation.*

On 12 March 2019, the Board of Directors approved the proposal to adopt the 2019 Bonus Pool Plan on recommendation of the Remuneration Committee convened, finally, on 6 March 2019.

3.7. *Date of the resolution passed by the Board of Directors with regard to the allocation of instruments and of the possible proposal to the aforementioned body formulated by the Remuneration Committee, for the purposes of what is requested by Article 84-bis, paragraph 5, letter a), Issuers' Regulation.*

The Shareholders' Meeting for the approval of the 2019 Bonus Pool Plan is expected to be held on 30 April 2019 in single call. If the Shareholders' Meeting approves the 2019 Bonus Pool Plan, the Board of Directors will meet to pass the relevant resolutions for its implementation. Information requested for this purpose by Article 84-bis, paragraph 5, letter a), Issuers' Regulation, is not currently available; it will be provided in compliance with the regulations in force.

3.8. *The market price, recorded on the dates referred to in points 3.6 and 3.7, for the financial instruments on which the 2019 Bonus Pool plan is based, if traded on regulated markets.*

The market price of the Shares recorded on the date indicated in point 3.7 is not available in that the 2019 Bonus Pool Plan is still subject to the approval of the Shareholders' Meeting of Creval.

The official market prices of the MTA Shares on the dates indicated in paragraph 3.6 above are:

- 12 March 2019, date of the Board of Directors, EUR 0.0705;
- 6 March 2019, date on which the Remuneration Committee meeting was held, EUR 0.0765.

3.9. *In case of plans based on financial instruments traded on regulated markets, the terms and methods with which the Issuer takes into account, when identifying the timing of allocation of the instruments implementing the plans, the possible coincidence in time between: (i) the said allocation or any decisions taken in this regard by the Remuneration Committee, and (ii) the disclosure of relevant information pursuant to Article 17 of EU Regulation No. 596/2014.*

Any disclosure of privileged information would be irrelevant with regard to the Beneficiaries who, based on the mechanism of the 2019 Bonus Pool Plan, cannot carry out any operation on the Shares, since they are not materially allocated.

4. Characteristics of the allocated instruments

4.1. *Description of the forms in which the 2019 Bonus Pool Plan is structured*

(a) *Method of allocation of the Individual Bonus*

60% of the Individual Bonus for MD/GM, for members of the General Management, other managers of business areas and, in any case, for all Beneficiaries of a variable bonus of the 2019 Bonus Pool potentially amounting to at least EUR 400,000 ("**Category Beneficiaries (i)**") is paid in financial instruments (Phantom Shares).

50% of the Individual Bonus for all other Risk Takers Beneficiaries of a variable bonus of the 2019 Bonus Pool ("**Category Beneficiaries (ii)**") and, together with the Category Beneficiaries (i), the "**Categories of Beneficiaries**") is paid in financial instruments (Phantom Shares).

Moreover, it is envisaged that a portion equal to 40/60% of the Individual Bonus - according to the two different categories of Beneficiaries - is expected to be allocated when the Gate Indicators are achieved, after determining the Individual Bonus on the basis of the Individual Objectives recorded in 2019 and the fixed remuneration (the "Up-front Portion").

The remaining 60/40% of the Individual Bonus is deferred (the "Deferred Portion").

More specifically, the 2019 Bonus Pool Plan envisages the following schemes of "Bonus Accrual" and "Bonus Payment".

1) Category of Beneficiaries (i)

(i.e. MD/GM, members of the General Management; other managers of business areas and all beneficiaries of a 2019 Bonus Pool variable bonus potentially amounting to at least EUR 400,000)

ACCRUAL SCHEME	2020	2021	2022	2023	2024	2025
CASH (40%)	20%	10%				10%

FINANCIAL INSTRUMENTS (60%)	20%	10%	10%	10%	10%	
PAYMENT SCHEME	2020	2021	2022	2023	2024	2025
CASH (40%)	20%	10%				10%
FINANCIAL INSTRUMENTS (60%)		20%	10%	10%	10%	10%

2) Category of Beneficiaries (ii)

(i.e. all the Risk Takers Beneficiaries of a variable bonus of the 2019 Bonus Pool Plan not already included in the Category of Beneficiaries (i) referred to in point 1)

ACCRUAL SCHEME	2020	2021	2022	2023
CASH (50%)	30%	10%		10%
FINANCIAL INSTRUMENTS (50%)	30%	10%	10%	
PAYMENT SCHEME	2020	2021	2022	2023
CASH (50%)	30%	10%		10%
FINANCIAL INSTRUMENTS (50%)		30%	10%	10%

The structure of the 2019 Bonus Pool Plan envisages that:

- (i) at the time of the Board of Directors' meeting called to approve the consolidated financial statements for the year 2019 of the CV Group, the Board of Directors will verify the existence, at the end of the 2019, of the conditions of access to the 2019 Bonus Pool Plan (Gate Indicators and Individual Objectives). In the event of a positive outcome of such verification, the allocation of the Up-front Portion of the Individual Bonus will be actually disbursed after approval by the Shareholders' Meeting of the 2019 financial statements of the Bank ("**First Payment and Allocation Date**");
- (ii) on the occasion of the Board of Directors' meetings in subsequent years to approve the consolidated financial statements for the relative completed financial years, the Deferred Portions of the Individual Bonus will be disbursed, unless the applicability of the Malus clause is confirmed; the portions will actually be disbursed (part in cash and part in Phantom Shares) following approval of the Bank's financial statements for the previous year by the Shareholders' Meeting ("**Subsequent Payment and Allocation Dates**").

(b) *Phantom Shares*

As mentioned earlier, the portions of Individual Bonus to be disbursed in non-monetary form are allocated through Phantom Shares. They assign to the Beneficiary the right to the allocation, when the Retention Period expires, of an amount of money that corresponds to the value of the Share on that date multiplied by the number of allocated Phantom Shares.

In relation to the First Payment and Allocation Date, the number of Phantom Shares will be calculated as follows:

- Phantom Share Number = Amount equal to 20/30% (as per point 1 above in relation to the two Categories of Beneficiaries) and 2)) of the amount of the Individual Bonus/Share Initial Value (as defined below)

Similarly, on the Subsequent Payment and Allocation Dates, the number of Phantom Shares will be calculated as follows:

- Number of Phantom Shares = Amount equal to the respective percentages of the Deferred Portions (see Accrual Schemes/Share Initial value (as defined below)

At the time of actual payment of the part of the Individual Bonus allocated through Phantom Shares, i.e. when their Retention Periods expire, the amount due to the Beneficiary will be equal to the number of Phantom Shares allocated multiplied, depending on the circumstances, by the "Up-front portion" Final Value or by the "Deferred portion" Final Value of the Share (as defined below).

The Share Initial Value will be equal to the simple arithmetic average of the official Share prices recorded in the four weeks preceding the date of the Shareholders' Meeting called (i) to approve the financial statements of the Bank ended 31 December 2019 and (ii) to examine the 2019 consolidated financial statements.

The "Up-front portion" Final Value and the "Deferred portions" Final Value of the Share for the Up-front and Deferred portions of the Individual Bonus allocated through Phantom Shares (to be paid after one year of retention with respect to the year of allocation) will be equal to the simple arithmetic average of the official Share prices recorded in the four weeks preceding the date of the Shareholders' Meeting called (i) to approve the Bank's financial statements for the year prior to payment and (ii) to examine the consolidated financial statements for the same year.

(c) *Retention Period.*

Between the allocation date of the Phantom Shares and their payment date, there will be a period of one year, both for what concerns the First Payment and Allocation Date and for what concerns the Subsequent Payment and Allocation Dates. The Retention Period as well as the deferral of a portion of the accrued Individual Bonus develop the loyalty of the Beneficiaries.

(d) *Claw Back.*

The 2019 Bonus Pool Plan envisages a mechanism to return the Individual Bonus paid, up to 100% of its amount depending on the seriousness of the behaviour put in place by the Beneficiary, if the following elements are ascertained no later than five years from the last payment ("**Claw back**"):

- the violation of the requirements envisaged by Articles 26 and 53 of Italian Legislative Decree of 1 September 1993, No. 385, where applicable;
- the behaviour, put in place with wilful misconduct or gross negligence, which led to significant financial losses for the Group, or had a negative impact on the risk profile or on other regulatory requirements;
- the behaviour that caused a significant damage to the reputation of the Bank, or was the subject matter of, or caused, sanction measures by the competent Authorities;
- receiving complaints and/or disciplinary measures against fraudulent behaviour or characterised by gross negligence.

Finally, the Claw Back can be activated also following the termination of employment.

(e) Malus.

The allocation of the Deferred Portion is submitted to a Malus clause that envisages its reduction to zero in case of:

- individual behaviour of the Beneficiary that can be subject to sanctions as defined by the Claw back clause described above;
- non-existence of the Gate Indicators at the Subsequent Payment and Allocation Dates.

4.2. Indication of the period of effective implementation of the 2019 Bonus Pool Plan.

The period of reference of the 2019 Bonus Pool Plan is the time period from 1 January 2019 to 31 December 2019, thus representing an annual plan.

4.3. Deadline of the 2019 Bonus Pool Plan.

According to the 2019 Bonus Pool Plan, the surveying phase of the performance ends on 31 December 2019. The 2019 Bonus Pool Plan envisages a mechanism of timing deferral in the disbursement of part of the Individual Bonus. Any last disbursements of the Bonuses will be made during 2025.

4.4. Maximum number of financial instruments, also in the form of options, allocated in each tax year in relation to subjects identified by name or to the identified categories.

Without prejudice to the provisions of paragraph 4.12 (in relation to the potential increase in the value of the Shares), the maximum Overall Bonus was set at EUR 5.8 million, 50% or 60% of which to be paid through Phantom Shares, according to the two different Categories of Beneficiaries.

4.5. Methods and terms of implementation of the 2019 Bonus Pool Plan, by specifying whether the actual assignment of the instruments is subject to the occurrence of conditions or to the achievement of certain results, performance or otherwise; descriptions of such conditions and results.

On this point, reference is made to what is more fully explained in paragraphs 2.2. and 4.1. of this Information Document.

4.6. *Indication of any availability restrictions weighing on the allocated instruments or on the instruments deriving from the exercise of the options, with a special reference to the terms within which the subsequent transfer to the Company or to third parties is allowed or prohibited.*

The 2019 Bonus Pool Plan envisages the use of Phantom Shares and, therefore, no shares or options will be allocated.

For the Beneficiaries, a Retention Period of the Phantom Shares is expected with a 1-year term both with reference to the Phantom Shares allocated in 2020 and with reference to the Phantom Shares allocated in subsequent years.

4.7. *Description of any conditions subsequent in relation to the allocation of the plans if the beneficiaries carry out hedging transactions that allow to neutralise any prohibition to sell the allocated financial instruments, in the form of options or otherwise, or the financial instruments deriving from the exercise of these options.*

The 2019 Bonus Pool Plan does not envisage the allocation of Shares or options on Shares. Therefore, hedging transactions are not possible in principle. Therefore, this section cannot be applied.

The Beneficiaries will not be allowed – and this implies the loss of the right to the payment of the Individual Bonus – to carry out hedging transactions that alter or affect the alignment to the risk implicit in incentive mechanisms based on financial instruments.

4.8. *Description of the effects determined by the termination of employment.*

In case of termination of employment between the Beneficiary and Creval or a company of the Group before the payment of the Individual Bonus, the Beneficiary, unless otherwise determined by the Board of Directors, will automatically lose all the rights (or the Phantom Shares already calculated) that will become ineffective and it will not be entitled to receive any indemnity for any reason whatsoever by the Bank or other company of the Group. During the implementation of the 2019 Bonus Pool Plan, the Board of Directors, on recommendation of the Remuneration Committee, will define precisely the consequences caused by any termination of employment, it being understood that the assumption of automatic forfeiture of all rights in the event of interruption of the relationship may not be applied, in whole or in part, in the cases usually identified in practice as good leavers. Any bonuses will be recognised in proportion to the actual term of office.

4.9. *Specification of other potential causes for cancellation of the 2019 Bonus Pool Plan.*

Except as provided above, there are no other reasons for the cancellation of the 2019 Bonus Pool Plan.

4.10. *Reasons related to any expectation of a “redemption”, by the company, of the financial instruments covered by the 2019 Bonus Pool Plan, pursuant to Articles 2357 et seq. of the Italian Civil Code. Beneficiaries of the redemption, indicating whether it is limited only to certain categories of employees. Effects of termination of employment on this redemption.*

Not applicable.

4.11. *Any loans or other facilities to be granted for the purchase of the shares pursuant to Article 2358 of the Italian Civil Code.*

Not applicable.

4.12. *Measurement indication on the expense expected from Creval on the date of allocation, as can be determined on the basis of the terms and conditions already defined, by overall amount and in relation to each instrument of the 2019 Bonus Pool Plan.*

This amount cannot be currently calculated in that it will depend on the value of the Share on the MTA at the time of disbursement of the portion of the Individual Bonus allocated as Phantom Share at the end of the Retention Period. The estimated cost all through the 2019 Bonus Pool Plan, as described in this Information Document, is EUR 5.8 million for a maximum of 56 Beneficiaries at the date of approval of the Plan by the Board of Directors. The expense for Creval deriving from the 2019 Bonus Pool Plan could increase depending on the increase in value of the Share on the MTA during the two Retention Periods. This amount was determined at the time of the Board of Directors' resolution of 12 March 2019 on the assumption that (i) 100% of all objectives have been achieved and (ii) the stock-exchange prices of the Creval Share are such as to determine a “2019 Initial Value” equal to the “Final Value” (both for “Up-front portion” and the “Deferred portions”).

4.13. *Specification of potential diluting effects on capital caused by the 2019 Bonus Pool Plan.*

Not applicable.

Paragraphs from 4.14. to 4.23.

The sections relating to the allocation of shares and to stock options do not apply to the 2019 Bonus Pool Plan.

4.24. *Table referred to in Diagram 7 of Annexe 3A to the Issuers' Regulation.*

Table No. 1 envisaged in paragraph 4.24 of Diagram 7 of Annexe 3A to the Issuers' Regulation will be provided subsequently, according to the terms set forth in Article 84-bis, paragraph 5, letter a), Issuers' Regulation.