



Credito Valtellinese S.p.A.

**2019-2021 LTI, medium to long-term variable
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.

2019-2021 LTI, medium to long-term variable incentive plan, based on the allocation of Phantom Shares

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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 "*2019-2021 LTI, medium to long-term variable incentive plan, based on the allocation of Phantom Shares*" ("**2019-2021 LTI 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 2019-2021 LTI Plan. At the same meeting, the Board of Directors decided to also present the 2019 Shareholders' Meeting with a short-term incentive plan called "*«2019 Bonus Pool» incentive plan, based on the allocation of Phantom Shares*" and described in a separate information document ("**2019 Bonus Pool Plan**").

As a whole, the 2019-2021 LTI Plan envisages a maximum bonus of around EUR 5 million if the objectives are fully achieved as described below, while the 2019 Bonus Pool Plan envisages a maximum amount of around EUR 5.8 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 2019-2021 LTI 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 2019-2021 LTI 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 2019-2021 LTI Plan approved by the Board of Directors of Creval on 12 March 2019; (ii) any reference to the 2019-2021 LTI Plan contained in this Information Document must refer to the proposal to adopt the 2019-2021 LTI 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 and General Manager of Creval, as well as other managers, Group key employees and high-potential employees beneficiaries of the 2019-2021 LTI Plan.
Categories of Beneficiaries	The categories of executives of the Group identified for the purposes of the 2019-2021 LTI Plan (see paragraph 1.4).
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 Quadrivio 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.
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	The conditions without which the Beneficiaries will not be entitled to the payment of the Individual Bonus (see paragraph 2.2(a)).
KPI or Key Performance Indicators	The consolidated objectives of the Group for determining the Individual Bonus (see paragraph 2.2(b)).
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.

Retention Period	The period between the allocation date of the <i>Phantom Shares</i> 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 2019-2021 business plan to be approved by the Bank's Board of Directors by the first half of 2019.
2019-2021 LTI Plan	The medium to long-term incentive plan called “ <i>2019-2021 LTI, medium to long-term incentive plan, based on the allocation of Phantom Shares</i> ” which is the subject matter of this Information Document and the documents implementing the 2019-2021 LTI 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(b))
First Allocation Date	The date 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 2019-2021 LTI variable bonus potentially amounting to at least EUR 400,000 and (ii) 40% for the other beneficiaries of a 2019-2021 LTI variable bonus, 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 2019-2021 LTI variable bonus potentially amounting to at least EUR 400,000 and (ii) 60% for the other beneficiaries of a 2019-2021 LTI variable bonus, 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 (KPIs) assigned to the Beneficiaries.
Subsequent Allocation Dates	The dates of allocation of 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 2019-2021 LTI 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 2019-2021 LTI Plan applies to the MD/GM, other managers and employees in key roles, as well as certain high-potential employees of the Group (together, the "Beneficiaries"). See also paragraph 1.1 above.

1.3. *Name of the parties who benefit from the 2019-2021 LTI 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 2019-2021 LTI 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 2019-2021 LTI Plan.*

The 2019-2021 LTI Plan applies to the MD/GM and to other managers and employees of the Group, also those not included in the list of Risk Takers for the year 2018, with a maximum number of 20. Employees in control functions are excluded.

2. Reasons behind the adoption of the incentive plan

2.1. *Objectives of the 2019-2021 LTI Plan.*

The 2019-2021 LTI Plan serves as a key management tool to motivate management to achieve the Business Plan objectives to be approved by the Board of Directors by the first half of 2019. This incentive system envisages the disbursement of a bonus only upon the achievement of certain results defined within the time period of the Business Plan.

The primary objective is therefore to align the interests of management with those of the Group's shareholders for the purposes of creating long-term value, in accordance with the provisions of current regulations and best market practices.

The 2019-2021 LTI Plan provides, on the one hand, incentives for the Group's top management and the most important personnel of the Group to pursue these objectives and, on the other, retains the Beneficiaries throughout the 2019-2021 LTI Plan.

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

(a) Guidelines of the 2019-2021 LTI Plan.

The Remuneration Committee proposed to develop the 2019-2021 LTI Plan to the Board of Directors, taking into account that the medium to long-term incentive plan must be guided by the following principles:

- it must constitute an important management tool for motivating the Bank's top management to achieve the objectives set in the medium-long term;
- it must effectively align the interests of the Group with those of shareholders.

(b) Primary elements of the 2019-2021 LTI Plan.

On the basis of the aforementioned principles, the 2019-2021 LTI Plan was drawn up, which envisages - subject to the provisions of paragraph 4.12 (in relation to the potential increase in the value of the Share) - an incentive payable to the Beneficiaries in case of full achievement of all objectives whose maximum amount is EUR 5 million (the "**Overall Bonus**").

In compliance with the contents of the regulations in force, 100% of the bonus will be disbursed in financial instruments identified in the technical form of Phantom Shares.

The allocation of the bonus is structured, according to the Categories of Beneficiaries (as defined below), over a period of 4 and 6 years in Up-front Portions and Deferred Portions at 3 and 5 years.

The allocation system of Phantom Shares requires that there be a period of time between the allocation and payment of the Phantom Shares (the "**Retention Period**") which is equal to one year.

For more details, refer to paragraph 4 below.

2.2. Key variables, also in the form of performance indicators considered for the allocation of the 2019-2021 LTI Plan.

(a) Access of the Beneficiaries to the 2019-2021 LTI Plan.

The period of reference of the 2019-2021 LTI Plan is the time period from 1 January 2019 to 31 December 2021.

Any entitlement to the bonus is subject to the achievement of all four indicators ("**Gate Indicators**") for the 2021 financial year:

- Group Common Equity Tier 1 Ratio¹;
- LCR²;

¹ The **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.

² The **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.

- NSFR³;
- Net profit (losses)⁴.

Gate Indicators are defined in the annual budget planning, business plan and RAF. Therefore, the Beneficiaries may have access to the 2019-2021 LTI Plan only if all four Gate Indicators are achieved at 31 December 2021.

(b) Determining the amount of the Overall Bonus envisaged by the 2019-2021 LTI Plan.

The incentive system is based on a maximum amount of EUR 5 million, which represents the maximum amount of bonuses payable (Overall Bonus), related to the achievement of results. The Overall Bonus can therefore be allocated entirely or partially to the Beneficiaries.

After verifying whether the Gate Indicators had been reached, the plan specifies that the **Individual Bonus** must be allocated to the Beneficiaries on the basis of the performance achieved in relation to the objectives assigned (KPIs) in the company **Scorecard**.

The Scorecard contains the same objectives for all beneficiaries of the 2019-2021 LTI. In fact, these are three objectives (the KPIs - Key Performance Indicators) whose choice and percentage weight take into account the fundamental targets that will be defined in the new Business Plan (creation of value; efficiency; riskiness).

In selecting the performance indicators (KPIs), the Board of Directors preferred to approve the use of a limited number of "key indicators" with the precise intention of directing the activities of all Beneficiaries clearly and immediately towards the fundamental targets of the new Business Plan, rather than resorting - as in the annual incentive system 2019 Bonus Pool Plan - to a higher number of KPIs that would have allowed a wider coverage of management activities at the expense, however, of greater dispersion on the drivers of the Plan.

Beneficiaries do not include control functions.

(c) Determining the amount of the Individual Bonus envisaged by the 2019–2021 LTI Plan.

Where possible, the Overall Bonus can therefore be allocated entirely or partially to the Beneficiaries. The Individual Bonus due to the individual Beneficiary is related to the achievement of the objectives (KPIs) and the fixed remuneration received.

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.

³ The **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.

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

In defining the 2019-2021 LTI Plan, indicators have been identified (Gate Indicators, KPIs) so as to ensure consistency between the contents of the 2019-2021 LTI Plan and the potential payment of the incentives and the determination of their amount. For further details, reference is made to paragraphs 2.1. and 2.2.

Before the 2019-2021 LTI Plan, the Group had the 2018-2020 LTI Plan in place, for which no variable bonuses were disbursed.

In relation to the discontinuance of the RUN² Business Plan, to which the 2018-2020 LTI Plan was related, and taking into account the forthcoming adoption of a new Business Plan, on 12 March 2019 the Board of Directors decided, subject to approval of the beneficiaries of the 2018-2020 LTI Plan, to overcome this incentive system by proposing for the approval of the Ordinary Shareholders' Meeting, called for 30 April 2019, the adoption of the new 2019-2021 LTI Plan. Therefore, it is not possible to compare the 2019-2021 LTI Plan with other existing medium to long-term incentive plans based on financial instruments.

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 2019-2021 LTI Plan.

There were no significant evaluations regarding tax and accounting implications that affected the preparation of the 2019-2021 LTI Plan.

2.6. Potential support for the 2019-2021 LTI 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 2019-2021 LTI 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 2019-2021 LTI 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 2019-2021 LTI Plan, to be exercised in accordance with the instructions of this Information Document.

To this end, the Board of Directors, by way of example but not limited to, may definitively

identify the Beneficiaries, assign them the rights, approve the implementing regulation of the 2019-2021 LTI Plan and, where possible, pay the bonuses.

3.2. Subjects in charge of managing the 2019-2021 LTI Plan and their function and skills.

The Board of Directors is responsible for the management of the 2019-2021 LTI 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 Key Performance Indicators to which the 2019-2021 LTI 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 2019-2021 LTI Plan, even in relation to any change in the underlying objectives.

In case of extraordinary and unforeseeable corporate events during the course of the new Business 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 the KPIs - the Board of Directors may consider making the necessary or appropriate changes to the 2019-2021 LTI Plan in order to eliminate the effects of these operations on the Gate Indicators and KPIs.

Moreover, in case of extraordinary and unforeseeable corporate events such as to result in the termination of the Business Plan before the end of the 2021 financial year, the Board of Directors will in any case evaluate and check the conditions of applicability of the 2019-2021 LTI Plan, using as target values indices that take into account the final objectives envisaged by the Business Plan.

3.4. Description of the methods used to determine the availability and allocation of the financial instruments on which the 2019-2021 LTI Plan is based.

Given that this is a Phantom Share plan, the 2019-2021 LTI 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 2019-2021 LTI Plan; possible occurrence of conflicts of interest with regard to the directors concerned.

When identifying the essential elements of the 2019-2021 LTI Plan, the Remuneration Committee, currently composed of non-executive and independent Directors, was involved in the various stages of preparation.

3.6. *Date of the resolution passed by the Board of Directors proposing the approval of the 2019-2021 LTI 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 2019-2021 LTI 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 2019-2021 LTI Plan is expected to be held on 30 April 2019.

If the Shareholders' meeting approves the 2019-2021 LTI 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 2019-2021 LTI 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 2019-2021 LTI Plan is still subject to the approval of the Shareholders' Meeting of Credito Valtellinese.

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 2019-2021 LTI 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 2019–2021 LTI Plan is structured.*

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

100% of the Individual Bonus is paid in financial instruments (Phantom Shares). In this regard, it is also specified that:

- (i) 40% of the Individual Bonus must be disbursed to the MD/GM, to the members of the General Management, to the other managers of business areas and, in any case, to all the Beneficiaries of a 2019-2021 LTI variable bonus potentially amounting to at least EUR 400,000 ("**Category of Beneficiaries (i)**"), when the Gate Indicators are achieved, after determining the Individual Bonus ("**First Allocation Date**") based on the common performance indicators (KPIs) recorded in 2021 and the fixed remuneration (the Up-front Portion);
- (ii) with regard to the remaining beneficiaries of the 2019-2021 LTI Plan, other than those in the Category of Beneficiaries (i) ("**Category of Beneficiaries (ii)**") and, together with the Category of Beneficiaries (i), the "**Categories of Beneficiaries**", the Up-front Portion of the Individual Bonus allocated, if the conditions are met, on the First Allocation Date will be equal to 60% of the Individual Bonus.

The remaining 60% or 40% of the Individual Bonus, respectively for the Category of Beneficiaries (i) and the Category of Beneficiaries (ii), is instead disbursed in deferred form (the Deferred Portion).

More specifically, the 2019-2021 LTI 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, in any case, all beneficiaries of a 2019-2021 LTI variable bonus potentially amounting to at least EUR 400,000)

ACCRUAL SCHEME	2022	2023	2024	2025	2026	2027	2028
FINANCIAL INSTRUMENTS (100%)	40%	20%	10%	10%	10%	10%	
PAYMENT SCHEME	2022	2023	2024	2025	2026	2027	2028
FINANCIAL INSTRUMENTS (100%)		40%	20%	10%	10%	10%	10%

2) Category of Beneficiaries (ii)

(i.e. all Beneficiaries of the 2019-2021 LTI Plan not already included in the Category of Beneficiaries (i) referred to in point 1)

ACCRUAL SCHEME	2022	2023	2024	2025	2026
FINANCIAL INSTRUMENTS (100%)	60%	20%	10%	10%	

	2022	2023	2024	2025	2026
PAYMENT SCHEME					
FINANCIAL INSTRUMENTS (100%)		60%	20%	10%	10%

(b) Phantom Shares

As mentioned earlier, the portions of Individual Bonus are allocated exclusively 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 Allocation Date, the number of Phantom Shares will be calculated as follows:

- Number of Phantom Shares = Amount equal to the Up-front Portion/Share 2019 Initial value (as defined below)

Similarly, at the Subsequent 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 2019 Initial value (as defined below)

At the time of actual payment of the Individual Bonus, 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 "upfront portion" Final Value or by the "deferred portions" Final Value of the Share (as defined below)

The 2019 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 approving the 2019-2021 LTI Plan (30 April 2019).

The "Up-front portion" Final Value and the "Deferred portions" Final Value of the Share for the portion of the Individual Bonus allocated through Phantom Shares 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 Allocation Date and for what concerns the

Subsequent Allocation Dates. The Retention Period as well as the deferral of a portion of the accrued Individual Bonus develop the loyalty of the Beneficiaries.

In case of termination of employment before the end of the Retention Period, the Beneficiaries will definitely lose the Phantom Shares already allocated (see also paragraph 4.8.).

(d) Claw Back.

The 2019-2021 LTI 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 Allocation Dates.

4.2. Indication of the period of effective implementation of the 2019-2021 LTI Plan.

The 2019-2021 LTI Plan begins on 1 January 2022 and ends on 31 December 2028, according to the following scheme:

- (i)* at the time of the Board of Directors' meeting of 2022 that aims to approve the consolidated financial statements for the year 2021, the Board of Directors will verify the existence, at the end of the 2019-2021 period, of the conditions of access to the 2019-2021 LTI Plan (Gate Indicators). In the event of a positive outcome of such verification, in 2022 the Up-front Portion of the Individual Bonus (in accordance with the procedures set out in paragraph 4.1. above), will be actually disbursed after approval by the Shareholders' Meeting;
- (ii)* on the occasion of the Board of Directors' meeting 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 (according to the procedures set out in

paragraph 4.1.), unless the applicability of the Malus clause is confirmed; the portions will actually be disbursed after approval by the Shareholders' Meeting.

4.3. *Deadline of the 2019-2021 LTI Plan.*

According to the 2019-2021 LTI Plan, the surveying phase of the performance ends on 31 December 2021. The 2019-2021 LTI 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 2028.

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.*

The maximum Overall Bonus is equal to EUR 5 million. 100% of the Overall Bonus will be paid through Phantom Shares.

4.5. *Methods and terms of implementation of the 2019-2021 LTI 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 2019-2021 LTI 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 the Up-front Portion and with the Phantom Shares allocated in the deferral period.

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 2019-2021 LTI 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 2019-2021 LTI 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 2019-2021 LTI Plan.*

Except as provided above, there are no other reasons for the cancellation of the Plan, except in the case pursuant to point 3.3.

4.10. *Reasons related to any expectation of a “redemption”, by the company, of the financial instruments covered by the 2019-2021 LTI 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 2019-2021 LTI 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 over the entire period of the 2019-2021 LTI Plan, as described in this Information Document, is EUR 5 million for a maximum of 20 Beneficiaries. 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 2019-2021 LTI 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 2019-2021 LTI 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.