



**"2020 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**

# CREVAL S.P.A.

## *"2020 Bonus Pool" 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 «*2020 Bonus Pool*» *incentive plan, based on the allocation of Phantom Shares*" ("**2020 Bonus Pool**").

The Board of Directors of Creval of 10 March 2020 convened the Ordinary Shareholders' Meeting of Creval on 24 April 2020 ("**2020 Shareholders' Meeting**"), in single call, in order to deliberate upon, amongst other items, the "2020 Bonus Pool" Plan.

Specifically, the "2020 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 "2020 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 Plan approved by the Board of Directors of Creval on 10 March 2020; (ii) any reference to the "2020 Bonus Pool" Plan contained in this Information Document must refer to the proposal to adopt the plan itself.

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.

<b>Shareholders' Meeting</b>	The Ordinary Shareholders' Meeting of Credito Valtellinese S.p.A.
<b>Shares</b>	The ordinary shares of Credito Valtellinese S.p.A.
<b>Beneficiaries</b>	The Managing Director, the General Manager and the other Material Risk Takers of the Group (Other Material Risk Takers) beneficiaries of the "2020 Bonus Pool" Plan.
<b>Opportunity Bonus</b>	the maximum bonus payable to each Beneficiary
<b><i>Claw back</i></b>	Mechanism requiring the return of an already received Individual Bonus amount in case of fraudulent or severely wrongful conduct of the Beneficiary (see paragraph 2.3).
<b>Remuneration Committee</b>	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.
<b>Board of Directors</b>	Board of Directors of Credito Valtellinese S.p.A.
<b>Creval or the Bank</b>	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.
<b><i>CRO Dashboard</i></b>	The table prepared by the CRO ( <i>Chief Risk Officer</i> ), which checks the consistency of the results with the <i>Risk Appetite Framework</i> ; based on this table, the bonus pool (total amount) may be revised upwards or downwards by the Board of Directors (see paragraph 2.2(b)).
<b>Creval Group or Group</b>	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.
<b>Gate Indicators or <i>entry gate</i></b>	Conditions without which the Beneficiaries will not be entitled to the payment of the Individual Bonus (see paragraph 2.2(a)).

<b>Malus</b>	Clause requiring the reduction to zero of the Individual Bonus if predetermined assumptions occur (see paragraph 2.3).
<b>Material Risk Takers or MRT</b>	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.
<b>Electronic Stock Market (MTA)</b>	Electronic Stock Market organised and operated by Borsa Italiana S.p.A. where the Shares are traded.
<b>Individual Objectives</b>	Individual objectives - quantitative and qualitative (KPIs) - included in a formalised objective sheet, used for determining the Individual Bonus (see paragraph 2.2(c)).
<b>Retention Period</b>	The period between the allocation date of the <i>Phantom Shares</i> and their payment date (see paragraph 4.1(c)).
<b>Phantom Share</b>	A unit representing the value of a share that is converted into a cash bonus according to its price on a certain date.
<b>Business Plan</b>	The " <i>2019-2023 Business Plan: Sustainable Growth</i> " approved in June 2019.
<b>"2020 Bonus Pool" Plan</b>	The short-term incentive plan called " <i>«2020 Bonus Pool» incentive plan, based on the allocation of Phantom Shares</i> ", which is the subject matter of this Information Document and of the documents implementing the "2020 Bonus Pool" Plan itself.
<b>Overall Bonus</b>	The overall theoretical amount of the incentive to be paid to all the Beneficiaries (see paragraph 2.1.1(b)).
<b>Individual Bonus</b>	The theoretical amount of the incentive to be paid to each Beneficiary (see paragraph 2.2(c))
<b>First Payment and Allocation Date</b>	The date of payment of the cash portion and of allocation of the <i>Phantom Shares</i> of the Up-front Portion of the Individual Bonus (see paragraph 2.3).
<b>Deferred Portion</b>	The portion of the Individual Bonus to be allocated on the Subsequent Payment and Allocation Dates (see paragraph 2.3).
<b>Up-front Portion</b>	The portion of the Individual Bonus to be allocated on the First Payment and Allocation Date (see paragraph 2.3).

<b>RAF or <i>Risk Appetite Framework</i></b>	The reference framework for determining the Creval Group's risk appetite.
<b>RAL (gross annual remuneration)</b>	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.
<b>Scorecard</b>	The document summarising the Individual Objectives assigned to the Beneficiaries.
<b>Subsequent Payment and Allocation Dates</b>	The dates of payment of the cash portion and of allocation of the <i>Phantom Shares</i> of the Deferred Portion of the Individual Bonus (see paragraph 2.3).

## 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 "2020 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 "2020 Bonus Pool" Plan applies to the MD/GM and other 53 Material Risk Takers of the Group ("Other Material Risk Takers", together, the "**Beneficiaries**").  
See also paragraph 1.1 above.

1.3. *Name of the parties who benefit from the "2020 Bonus Pool" Plan belonging to the following groups: general manager, other executives with strategic responsibilities and natural persons controlling the Issuer who are employees.*

a) *General Manager of the Issuer of financial instruments:*

Position held by the Managing Director of Creval, indicated in point 1.1 above.

b) *other executives with strategic responsibilities as defined by the Issuer of financial instruments, in the event that during the year they received higher overall remuneration than the highest overall remuneration among the members of the Board of Directors, or of the Management Board, and of the General Managers of the Issuer of financial instruments;*

The recipients of this plan do not fall into this category.

c) *natural persons controlling the Issuer of shares, who are employees or who collaborate with the Issuer of shares.*

The recipients of this Plan do not fall into this category.

1.4. *Description and number, by categories, of the beneficiaries identified by the "2020 Bonus Pool" Plan.*

a) *executives with strategic responsibilities as defined by the Issuer other than those indicated in letter b) of paragraph 1.3.*

This category includes 6 Executives with strategic responsibilities.

b) *other possible categories of employees or collaborators for which differentiated*

*characteristics of the Plan have been envisaged (for example, executives, middle managers, employees, etc.).*

A further 47 Group Material Risk Takers are among the beneficiaries. The different categories of MRTs may have different deferral plans, as highlighted in point 23.

## **2. Reasons behind the adoption of the incentive plan**

### *2.1. Objectives of the "2020 Bonus Pool" Plan.*

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 (ii) from the strategic objectives defined by the Board of Directors.

For 2020, the Group 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).

The "2020 Bonus Pool" short-term incentive plan aims to achieve objectives set out in the company's strategy and support the Group's ability to generate value over time, rewarding, through a selective mechanism based on the assessment of one year's *performance*, appropriate actions and positive results for the year in question, in full compliance with risk and sustainability *performance profiles*

The adoption of this instrument is aimed at translating the "2019-2023 Business Plan: Sustainable Growth" drivers into an annual set of targets that can significantly influence the Risk Takers' performance, taking careful account of corporate risks.

The "2020 Bonus Pool" is a short-term incentive plan that - in compliance with regulatory provisions (use of financial instruments, time deferral, *Malus* and *Claw back* clauses) - has been deemed by the Board of Directors to comply with the principles set out in the "Report on the 2020 Remuneration Policy and remuneration paid in 2019" drawn up pursuant to article 123-ter of the Consolidated Finance Act and which is submitted annually to the approval of the Bank's Shareholders' Meeting.



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

*(a) Guidelines of the "2020 Bonus Pool" Plan*

The principles on which the "2020 Bonus Pool" annual variable remuneration plan is based can be summarised as follows:

- it must serve as an important management tool to motivate the Bank's management to achieve the objectives of the Business Plan;
- 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 *entry gate*) that allows for disbursement only in the case of adequate levels of capital adequacy, liquidity and profitability of the Group;
- it must be part of a framework of overall economic and financial sustainability of the Group's business;
- it must be in line with the industry benchmark as well as with the guidelines of the Supervisory Authorities.

*(b) Main elements of the "2020 Bonus Pool" Plan*

Based on the principles mentioned above, the "2020 Bonus Pool" Plan has been drafted; on an individual level, once the maximum level of performance has been reached and subject to the availability of the total amount of bonuses, it may lead to the definition of individual bonuses of an amount in any case not exceeding 200% of the fixed remuneration, if the proposal to increase the maximum incidence of variable remuneration in relation to fixed remuneration, submitted for approval by the Shareholders' Meeting, is accepted.

Subject to the approval of this report by the Shareholders' Meeting, the maximum amount for Plan participants varies according to the category of beneficiaries as indicated below:

- 2:1 for Managing Director;
- up to 2:1 for a limited numbers<sup>1</sup> of Top Management and Heads of Business functions;
- up to 1:1 for other Material Risk Takers<sup>2</sup>;
- up to 0.33:1 for the Heads of the Company Control Functions.

*2.2. Key variables, also in the form of performance indicators considered for the allocation of the "2020 Bonus Pool" Plan.*

*a) Access of the Beneficiaries to the "2020 Bonus Pool" Plan*

The "2020 Bonus Pool" Plan is based on the Group's results for the period 1 January 2020 - 31 December 2020.

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<sup>1</sup> Under the limit of 15 Material Risk Takers, included Managing Director

<sup>2</sup> For the Head of the Human Resources Area and for the Manager in charge of signing the accounting documents, the fixed component of remuneration prevails.

Any entitlement to the bonuses is subject to compliance with the level expected on all four of the following indicators (**Gate Indicators** or *entry gate*) for the 2020 financial year:

Indicator	Expected level
Common Equity Tier 1 Ratio (CET1) <sup>3</sup>	Risk tolerance
Liquidity Coverage Ratio (LCR) <sup>4</sup>	Risk tolerance
Net Stable Funding Ratio (NSFR) <sup>5</sup>	Risk tolerance
Net Profit <sup>6</sup>	> 0

The level of risk Gate Indicators is as defined in the RAF for the year 2020.

Therefore, the Beneficiaries may have access to the "2020 Bonus Pool" Plan only if all four Gate Indicators are complied with.

*b) Determining the overall amount envisaged by the "2020 Bonus Pool" Plan*

After the Gate Indicators have been exceeded, the amount of the *maximum* Overall Bonus payable (maximum accrued bonus pool or total amount of bonuses) is determined in close correlation with the profitability results (post bonus) and could be adjusted for risk.

In particular, in order to ensure the consistency of the results with the Risk Appetite Framework, the bonus pool can 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. The Board of Directors is also empowered, after consulting the Remuneration Committee, to adjust the bonus pool by a factor of +20% or reduce it to zero.

*c) Determining the amount of the Individual Bonus envisaged by the "2020 Bonus Pool" Plan*

After verifying whether the Gate Indicators had been reached and determining the maximum amount of the bonus pool accrued as a result of the steps described above, the Plan specifies that the Individual Bonus payable to the Beneficiaries is determined, taking into account the maximum amount of the bonuses, the achievement of the results individually assigned and found on the basis of a managerial and compliance assessment. This assessment of individual performance is based on the results actually achieved in the reference period compared to pre-identified individual objectives and assigned to the individual Beneficiaries (the "**Individual Objectives**"), by means of a card (the "**Scorecard**").

The Individual Objectives, between a minimum of 5 and a maximum of 8, are in turn divided into

<sup>3</sup> The CET1 (Common Equity Tier 1) Ratio is the Group Common Equity Tier 1 Ratio calculated as the ratio between the Common equity tier 1 capital and Risk-weighted assets. The calculation is made based on the provisions of EU Regulation no. 575/13 (CRR) by applying the transitional regime.

<sup>4</sup> The Liquidity Coverage Ratio or LCR represents the ratio between the stock of high-quality liquid assets and the net outflows of the 30 calendar days following the date of recognition.

<sup>5</sup> 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.

<sup>6</sup> The Net Profit is the Profit for the year pertaining to the Parent Company (consolidated).

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 results referring to the individual "areas of responsibility" (functional or geographical); as well as (ii) the 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 sustainability of the business and "compliance targets".

The Scorecards of the Beneficiaries belonging to the company control functions 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 related to economic results are not used.

The maximum amount of variable remuneration is in any case included, with reference to the Managing Director and General Manager and the members of top management and heads of business functions (up to a maximum of 15) within 200% of the fixed remuneration. This amount for the remaining plan participants is equal to a maximum of 100% of the fixed remuneration and can vary according to the category to which the Beneficiaries belong. The maximum variable remuneration of the heads of the Company Control Functions does not exceed 33%. With reference to the Head of the Human Resources Area and the Head of the Accounting Planning & Control Area, the variable component of remuneration, in any case within the limit of 100%, does not prevail over the fixed component.

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 2.3.

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

The number of *Phantom Shares* allocated to each Beneficiary of the Plan following the verification that the thresholds established for the entry gates (minimum condition for the activation of the Plan), the total amount of bonuses and the Opportunity Bonus will be determined based on the actual bonus accrued by each Beneficiary following the assessments with respect to the level of performance achieved.

The following individual bonus disbursement methods are envisaged:

- for MD/GM, General Management members and Material Risk Takers with a bonus of EUR 400,000 or more, 40% of the bonus is paid up-front (20% cash and 20% in *Phantom Shares*); the remaining 60% (20% cash and 40% *Phantom Shares*) is assigned over a period of 5 years. For *Phantom Shares*, there is a holding period of 1 year from the vesting date of each portion;
- for the remaining Material Risk Takers, 60% of the bonus is paid up-front (30% cash and 30% in *Phantom Shares*); the remaining 40% (20% cash and 20% *Phantom Shares*) is assigned over a period of 3 years. For *Phantom Shares*, there is a holding period of 1 year from the vesting date of each portion.

The *Retention Period* is the period of one year between the allocation date and payment date of the *Phantom Shares*. This period will apply to both the First Payment and Allocation Date and the Next 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.

The deferred portions are subject to *Claw back* and *Malus* clauses as described below:

### ***Claw back***

The 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;
- the presence of behaviour that does not comply with legal, regulatory or statutory provisions or with the code of ethics or behaviour or work duties resulting in a significant loss for the Bank or the Customers;
- receiving complaints and/or measures against fraudulent behaviour or behaviour characterised by gross negligence (excluding, therefore, verbal or written reprimands).

The *Claw back* may also be activated following the termination of the employment relationship and/or end of the term of office, and is subject to legal, social security and tax considerations.

In any case, it is resolved by the Board of Directors with the opinion of the Remuneration Committee, which also expresses its opinion on forms of settlement of the amounts.

Pending the final results of the internal inspections or disciplinary procedures initiated, the Bank reserves the right to suspend the disbursement and/or the vesting periods of the variable remuneration and/or the deferred portions due to serious clues that may result in the application of the *Claw back* clauses or the *Malus* criteria.

*Ex post* correction mechanisms cannot lead to an increase in variable remuneration initially paid, nor in variable remuneration previously reduced or set at zero as a result of the application of *Malus* or *Claw back* clauses.

The Bank reserves the right to offset/adjust the amounts subject to the request for return with any amounts due to the Beneficiary for any reason whatsoever, and in this case the setting-off/adjustment will take place from the moment the Beneficiary is notified of the exercise of the power to set off, without prejudice to any other action envisaged by law to protect the entity itself.

## **Malus**

The allocation of the Deferred Portion is submitted to a 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;
- failing of the Gate Indicators at the Subsequent Payment and Allocation Dates.

In case of bonuses of less than EUR 10,000, the amount is disbursed entirely in cash up-front.

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

The amount of remuneration to be paid in financial instruments, according to the methods described, was defined based on the current regulations and the Group's remuneration policies.

### *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 evaluations regarding tax and accounting implications that affected the preparation of the "2020 Bonus Pool" Plan.

### *2.6. Possible support to the 2020 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 "2020 Bonus Pool" Plan*

On 10 March 2020, 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 24 April 2020, the approval of the "2020 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 "2020 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 "2020 Bonus Pool Plan and, where possible, pay the

bonus.

*32. Subjects in charge of managing the "2020 Bonus Pool" Plan and their function and skills.*

The Board of Directors resolves on the remuneration policies for the purposes of the approval to be submitted to the Shareholders' Meeting and, subject to such approval, is responsible for the management of the "2020 Bonus Pool" Plan, availing itself, from time to time, of 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 "2020 Bonus Pool" Plan is related and on the assessment of the other conditions set for the disbursement of the remuneration.

*33. Potential current procedures for reviewing the "2020 Bonus Pool" Plan, even in relation to any change in the underlying objectives.*

In case of extraordinary and unforeseeable events during the course of the "2020 Bonus Pool" Plan such as to entail a change in the Group's scope of consolidation (including but not limited to demergers, non-intra-group mergers, acquisitions and/or sales of equity investments and/or company branches, changes in accounting standards, etc.), and/or likely to alter the *entry gates* and/or Individual Objectives (KPIs), the Board of Directors, after consulting the Remuneration Committee - without prejudice to compliance with legal and regulatory constraints and in line with the Procedure relevant to transactions with related parties and associated parties of Creval - may consider the possibility of making the necessary or appropriate changes to the "2020 Bonus Pool" Plan. In case of corporate events, these changes may eliminate the effects of these operations on the *entry gates* and/or Individual Objectives (KPIs).

*34. Description of the methods used to determine the availability and allocation of the financial instruments on which the "2020 Bonus Pool" Plan is based.*

Given that this is a *Phantom Share* plan, the 2020 Bonus Pool Plan does not envisage the allocation or purchase of Shares by Creval, or the allocation of options to purchase them.

*35. The role played by each director in determining the characteristics of the "2020 Bonus Pool" Plan; possible occurrence of conflicts of interest with regard to the directors concerned.*

When identifying the essential elements of the "2020 Bonus Pool" Plan, the Remuneration Committee, composed of non-executive and, for the most part, independent Directors, was involved in the various stages of preparation. The only Director of the Bank included among the beneficiaries is the Managing Director who therefore did not take part in the Board's decision regarding the decision in question.

36. *Date of the resolution passed by the Board of Directors proposing the approval of the "2020 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.*

At the suggestion of the Remuneration Committee, which last met on 3 March 2020, the Board of Directors approved the proposal to adopt the "2020 Bonus Pool" Plan on 10 March 2020 and resolved to submit the Plan to the Shareholders' Meeting of 24 April 2020 for approval.

37. *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 "2020 Bonus Pool" Plan is expected to be held on 24 April 2020 in single call. If the Shareholders' Meeting approves the Plan, the Board of Directors will meet to pass the relevant resolutions for its implementation. The allocation of the instruments will take place in 2021, following the verification of 2020 results in terms of *entry gate*, bonus pool and individual *performance*. Therefore, this date is not available at the moment.

The total number of *Phantom Shares* will depend on the amount of the Bonus allocated and the average Share price established in the four weeks preceding the date of the Shareholders' Meeting approving the Group's consolidated results for the year 2020; therefore, it is not possible to determine *ex ante* the total number of *Phantom Shares* that will be allocated and their countervalue.

38. *The market price, recorded on the dates referred to in points 3.6 and 3.7, for the financial instruments on which the 2020 Bonus Pool plan is based, if traded on regulated markets.*

The market price of the Share established in the date indicated in paragraph 3.7 is not available yet. The official market prices of the MTA Shares on the dates indicated in paragraph 3.6 above are:

- 3 March 2020, date on which the Remuneration Committee meeting was held, EUR 0.0652;
- 10 March 2020, date of the Board of Directors, EUR 0.0455.

39. *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.*

During the execution of the Plan, information will be provided to the Market, where required by the laws and regulations in force from time to time.

Any disclosure of privileged information would be irrelevant with regard to the Beneficiaries who, based on the mechanism of the "2020 Bonus Pool" Plan, cannot carry out any operation on the Shares, since they are not materially allocated.

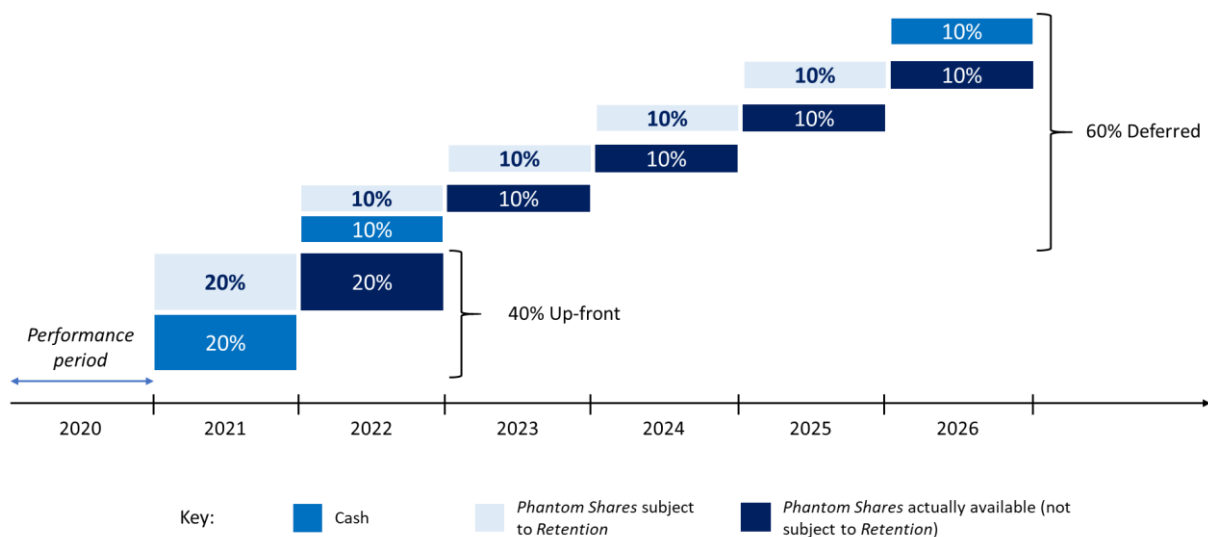
## 4. Characteristics of the allocated instruments

### 4.1. Description of the forms in which the "2020 Bonus Pool" Plan is structured

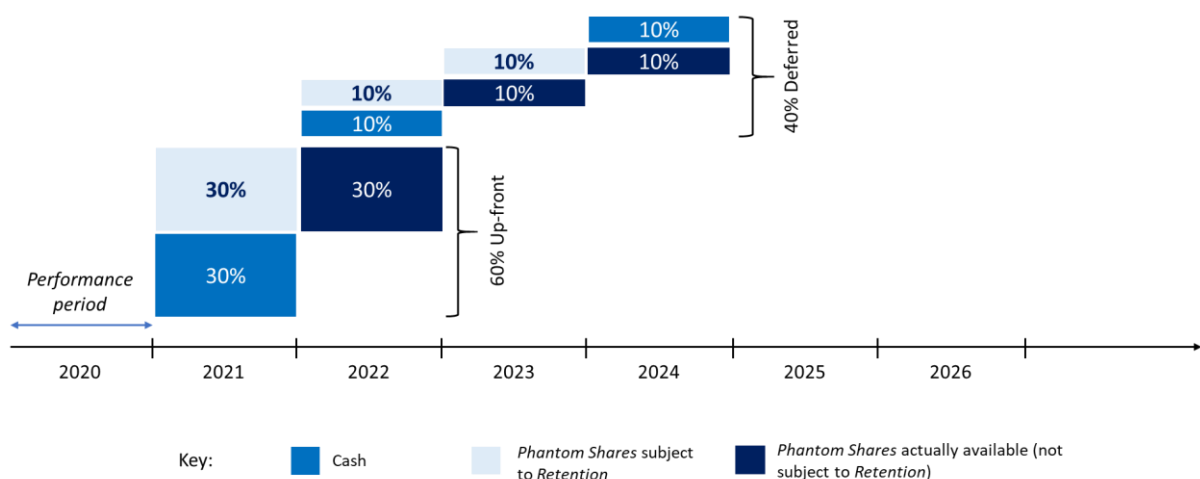
The Plan envisages, subject to the conditions for its activation, the free and personal allocation of a certain number of *Phantom Shares*, which give each recipient the right to the payment at the end of any period of deferment and/or retention of a cash bonus corresponding to the countervalue of the shares, calculated according to the procedures set out in paragraph 3.7 above of this information document.

As mentioned in paragraph 2.3 above, the following deferral plans are envisaged:

- for MD/GM, General Management members and Material Risk Takers with a bonus of EUR 400,000 or more:



- for the remaining Risk Takers:





#### *42. Indication of the period of effective implementation of the Plan*

The period of reference of the 2020 Bonus Pool Plan is the time period from 1 January 2020 to 31 December 2020, thus representing an annual plan.

#### *4.3. Deadline of the "2020 Bonus Pool" Plan*

According to the "2020 Bonus Pool" Plan, the surveying phase of the performance ends on 31 December 2020. The 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 2026.

#### *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.*

There is no maximum number of *Phantom Shares* to be allocated in that this depends on the Credito Valtellinese share reference price (calculated as described above) and is equal to the ratio between the total bonus to be paid in *Phantom Shares* and the Credito Valtellinese share reference price.

The reference price is defined as the simple arithmetic average of the official Credito Valtellinese share prices recorded for the four full weeks prior to the date of the Shareholders' Meeting approving the Group's 2020 results.

The cash equivalent value of the *Phantom Shares* at the end of the *Retention Period* is defined as the simple arithmetic average of the official Credito Valtellinese share prices recorded in the four weeks preceding the date of the Shareholders' Meeting approving the Group results for the year preceding the payment (i.e. corresponding to the *Retention Period*).

#### *4.5. Methods and terms of implementation of the "2020 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 2.3. 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 "2020 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 2021 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 "2020 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.

In any case, in accordance with the Remuneration Policies 2020, 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 or a company of the Creval Group before the payment of the Individual Bonus or a portion of it, the Beneficiary will automatically lose all the rights (cash portions or *Phantom Shares* already allocated or accrued if not paid) 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.

As an exception to the foregoing, the Board of Directors may consider, according to the Remuneration Policies 2020 severance provisions, making payments in cases of consensual termination of the relationship, retirement, death or health conditions that do not permit the continuation of the employment relationship (known as "*good leaver*").

Under no circumstances may any disbursement be made in the event of dismissal for disciplinary reasons and other cases not related to the termination of the relationship, such as indictment for facts that may harm the company (known as "*bad leaver*").

*4.9. Specification of other potential causes for cancellation of the "2020 Bonus Pool" Plan.*

Except as provided above, there are no other reasons for cancellation of the "2020 Bonus Pool" Plan.

*4.10. Reasons related to any expectation of a "redemption", by the company, of the financial instruments covered by the "2020 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 "2020 Bonus Pool" Plan.*

This amount cannot be currently calculated in that it will depend on the overall results achieved by Creval and the individual beneficiaries as well as 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*.

*4.13. Specification of potential diluting effects on capital caused by the 2020 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 "2020 Bonus Pool" Plan.

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

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

Table No. 1 - Section I - Instruments relating to valid plans approved on the basis of previous Shareholders' Meeting resolutions

Note that the persons indicated in the tables (by name or in aggregate) are not yet actual beneficiaries of the instruments indicated but will become so during the vesting period, at the end of the Retention period, subject to verification of the conditions of each individual plan

BOX 1								
Financial instruments other than stock options								
Section 1								
Surname and name or category	Office	<u>Instruments relating to valid plans approved on the basis of previous Shareholders' Meeting resolutions.</u>						
		Date of the relevant shareholders' meeting resolution	Type of financial instruments	Number of allocated financial instruments	Allocation date	Possible purchase price of the instruments	Market price on allocation date	Vesting period
LOVAGLIO LUIGI	Chairman of the Board of Directors (until 24/02/2019) and Managing Director and General Manager (since 25/02/2019)	"2019 Bonus Pool" plan: shareholders' meeting resolution of 30/04/2019	Phantom Shares	nd	2020 (2)	nd	nd	2019-2025
		"2019-2021 LTI" plan : shareholders' meeting resolution of 30/4/2019 (1)	Phantom Shares	64.082	2021	nd	0.0716 (4)	2019-2027
SELVETTI MAURO	Managing Director and General Manager (until 24/02/2019)	"2018 MBO" plan: shareholders' meeting resolution of 27/4/2018 (5)	-	-	-	-	-	-
		"2019 Bonus Pool" plan: shareholders' meeting resolution of 30/04/2019	-	-	-	-	-	-
		"2019-2021 LTI" plan : shareholders' meeting resolution of 30/4/2019 (1)	-	-	-	-	-	-
no. 2 EXECUTIVES WITH STRATEGIC RESPONSIBILITIES		"2018 MBO" plan: shareholders' meeting resolution of 27/4/2018 (5)	-	-	-	-	-	-
		"2019 Bonus Pool" plan: shareholders' meeting resolution of 30/04/2019	Phantom Shares	nd	2020 (2)	nd	nd	2019-2023
		"2019-2021 LTI" plan : shareholders' meeting resolution of 30/4/2019 (1)	Phantom Shares	47.732	2021	nd	0,0716	2019-2027
no. 6 OTHER MRTs KNOWN AS CONTROL FUNCTIONS BENEFICIARIES OF THE PLAN		"2018 MBO" plan: shareholders' meeting resolution of 27/4/2018 (5)	Phantom Shares	96.709	27/04/2018 (3)	nd	0,069	2018-2022
no. 51 RISK TAKERS BENEFICIARIES OF THE PLAN		"2019 Bonus Pool" plan: shareholders' meeting resolution of 30/04/2019	Phantom Shares	nd	2020 (2)	nd	nd	2019-2023

Notes:

(1) In addition to the MD/GM and two Executives with strategic responsibilities, this incentive plan was also intended for 17 other managers and employees in key roles, as well as high-potential employees of the Group

(2) The actual allocation will take place upon approval of the 2019 financial statements by the Shareholders' Meeting. Indication of the Up-front Portion

(3) Indicative allocation date: the date of approval of the Shareholders' Meeting that approved the plan has been indicated

(4) Without prejudice to the verification of entry gates with reference to 2021 and the change in share value at the time of actual payment

(5) In this plan, the recipients are composed exclusively of the MRTs falling within the control functions, as classified following the 2018 MRT identification process. Two of these resources in 2020 are classified as Executives with strategic responsibilities

Table No. 2 - Section I - Newly allocated instruments

Surname and name or category	Office	BOX 1						
		Financial instruments other than stock options						
		Section 1						
		Newly allocated instruments						
		Date of the relevant shareholders' meeting resolution	Type of financial instruments	Number of allocated financial instruments	Allocation date	Possible purchase price of the instruments	Market price on allocation date	Vesting period
LOVAGLIO LUIGI	Chairman of the Board of Directors (until 24/02/2019) and Managing Director and General Manager (since 25/02/2019)	"2020 Bonus Pool" plan: shareholders' meeting resolution 24/4/2020	Phantom Shares	nd (1)	2021 (2)	nd	nd	2020-2026
no. 2 EXECUTIVES WITH STRATEGIC RESPONSIBILITIES		"2020 Bonus Pool" plan: shareholders' meeting resolution 24/4/2020	Phantom Shares	nd (1)	2021 (2)	nd	nd	2020-2026
no. 4 EXECUTIVES WITH STRATEGIC RESPONSIBILITIES CONTROL FUNCTIONS		"2020 Bonus Pool" plan: shareholders' meeting resolution 24/4/2020	Phantom Shares	nd (1)	2021 (2)	nd	nd	2020-2024
no. 47 OTHER RISK TAKERS BENEFICIARIES OF THE PLAN		"2020 Bonus Pool" plan: shareholders' meeting resolution 24/4/2020	Phantom Shares	nd (1)	2021 (2)	nd	nd	2020-2024

**Notes:**

- (1) The number of Phantom Shares is not yet available in that the Plan is subject to the approval of the Shareholders' Meeting of 24/4/2020.  
 (2) Without prejudice to the verification of entry gates with reference to 2020