

**Credito
Valtellinese**



Ordinary Shareholders' Meeting

30 April 2019

**REPORT ON THE DRAFT RESOLUTIONS CONCERNING THE
ITEMS ON THE AGENDA**

AGENDA

1. Reports of the Board of Directors and of the Board of Statutory Auditors on the 2018 financial year; approval of the Financial Statements at 31 December 2018; presentation of the consolidated financial statements at 31 December 2018. Related resolutions.
2. Approval of the financial statements at 31 December 2018 of Creval Sistemi e Servizi Società Consortile per Azioni, a company merged into Credito Valtellinese S.p.A. effective as from 1 January 2019; reports of the Board of Directors, the Board of Statutory Auditors and the audit company.
3. Appointment, pursuant to Article 19 of the Articles of association, of a Director to replace a Director who left office on 21 January 2019; related resolutions.
4. Appointment, pursuant to Article 19 of the Articles of association, of a Director to replace a Director who left office on 24 February 2019; related resolutions.
5. Appointment of the Board of Statutory Auditors for the three-year period 2019-2021.
6. Determining the Statutory Auditors' fee.
7. 2019 Incentive Plan. Related resolutions.
8. Long-term Incentive Plan (LTI 2019-2021). Related resolutions.
9. Report on Remuneration pursuant to Article 123-ter of Italian Legislative Decree no. 58/1998. Related resolutions.
10. Information on the status of the in-depth analyses carried out by the current Board of Directors with regard to the resolutions passed by the previous Boards of Directors concerning the disputes carried out by some shareholders, also during the last Shareholders' Meeting held on 12 October 2018, and on possible future actions to be taken.

ITEM 1 ON THE AGENDA

Reports of the Board of Directors and of the Board of Statutory Auditors on the 2018 financial year; approval of the Financial Statements at 31 December 2018; presentation of the consolidated financial statements at 31 December 2018. Related resolutions.

Dear Shareholders,

In compliance with the regulations in force, the file containing the 2018 draft financial statements and the 2018 consolidated financial statements with the reports of the Directors, of the Board of Statutory Auditors and of the Audit company KPMG S.p.A., the certification set forth in Article 154-*bis*, paragraph 5, Italian Legislative Decree no. 58 of 24 February 1998, as well as the consolidated non-financial statement, prepared pursuant to Article 4 of Italian Legislative Decree no. 254 of 30 December 2016 are made available to the public at the registered offices, on the Company's website and with other methods envisaged by the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as amended and supplemented no later than 8 April 2019.

The draft resolution of the Board of Directors on this item on the agenda will be presented as part of the financial statements referred to above and published together with it no later than 8 April 2019.

ITEM 2 ON THE AGENDA

Approval of the financial statements at 31 December 2018 of Creval Sistemi e Servizi Società Consortile per Azioni, a company merged into Credito Valtellinese S.p.A. effective as from 1 January 2019; reports of the Board of Directors, the Board of Statutory Auditors and the audit company.

Dear Shareholders,

The approval of the financial statements at 31 December 2018 of Creval Sistemi e Servizi Società Consortile per Azioni ("CSS"), a company merged into Creval effective as from 1 January 2019, is also submitted to the ordinary shareholders' meeting of Credito Valtellinese S.p.A. ("Bank" or "Creval").

The draft financial statements at 31 December 2018 of CSS were drawn up by the Board of Directors of the Bank, which replaced the former Board of Directors of the merged company. As a result of the merger, the balances resulting from these financial statements were fully included in the accounting records of the merging company Creval as from 1 January 2019.

This being stated, the file containing the 2018 draft financial statements of CSS with the reports of the Directors, the Board of Statutory Auditors and the audit company KPMG S.p.A. are made available to the public at the company's registered office, on the company's website by 8 April 2019.

The draft resolution of the Board of Directors on this item on the agenda will be presented as part of the financial statements referred to above and published together with it no later than 8 April 2019.

ITEM 3 ON THE AGENDA

Appointment, pursuant to Article 19 of the Articles of association, of a Director to replace a Director who left office on 21 January 2019; related resolutions.

Dear Shareholders,

On 21 January 2019, Massimo Massimilla resigned, with immediate effect, thus terminating his office as member of the Board of Directors of Credito Valtellinese S.p.A. Massimilla, appointed by the Shareholders' Meeting on 12 October 2018, should have remained in office until the Ordinary Shareholders' Meeting to approve the financial statements for the year ended 31 December 2020. The reason for his resignation was the intensification of Massimilla's professional commitments.

Article 19 of the Articles of Association envisages that, if during the year, for any reason whatsoever, one or more Directors leave office, provided that the majority is still comprised of members appointed by the Shareholders' Meeting, the Board will replace them by co-optation pursuant to Article 2386 of the Italian Civil Code, and the subsequent Shareholders' Meeting will appoint them without the use of list voting.

In this case, the Director leaving office was taken from the list presented by the shareholder DGF D S.A. with a view to the Shareholders' Meeting of 12 October 2018, a list that also contains candidates who were not elected.

Pursuant to Article 19, paragraph 1, letter (a) of the Articles of Association, the Board of Directors replaced Massimilla, appointing, according to the progressive order, the first name who was not elected taken from the list to which the Director leaving office belonged. Therefore, on 21 January 2019, the Board of Directors co-opted Jacob F. Kalma as Director.

The appointment was also made in compliance with the provisions of the law and of the Articles of Association concerning the requirements of directors and the composition of the board of directors. The Board of Directors checked that the requirements envisaged by current regulations are met as well as the overall adequacy, also with reference to the qualitative and quantitative composition approved with a view to the Shareholders' Meeting of 12 October 2018.

Given the above, the Shareholders' Meeting was therefore called upon to resolve, by legal majority, on the appointment of a Director who will remain in office, pursuant to Article 19, paragraph 2, of the Articles of Association, until the ordinary Shareholders' Meeting to approve the financial statements for the financial year ended 31 December 2020, as the other members of the Board.

In particular, the appointed candidate, in accordance with the provisions of Article 19, paragraph 1, letter (a), of the Articles of Association, is Jacob F. Kalma. The following documents are available on the Bank's website www.gruppocreval.com:

- the curriculum indicating the personal and professional characteristics of Kalma;

- the declaration by which Kalma accepts his candidature, confirms under his own responsibility, that there are no reasons to exclude his eligibility and that there are no incompatibility issues, and that he complies with all the requirements prescribed by the laws and regulations in force and by the Articles of Association to hold the position of director, including the declaration on the requirements to be qualified as an independent director under Article 18 of the Articles of Association.

Draft resolution to the Ordinary Shareholders' Meeting

Dear Shareholders,

In the light of the above, we invite you to pass the following resolution:

"The Shareholders' meeting of Credito Valtellinese S.p.A. of 30 April 2019,

resolved

to appoint, in accordance with the provisions of Article 19, paragraph 1, letter (a), of the Articles of Association, Jacob F. Kalma, born in Groningen (Netherlands) on 6 November 1966, as a member of the Board of Directors of Creval S.p.A. with term of office expiring, as the other directors in office, on the date of the Shareholders' Meeting called to approve the Company's financial statements at 31 December 2020".

ITEM 4 ON THE AGENDA

Appointment, pursuant to Article 19 of the Articles of association, of a Director to replace a Director who left office on 24 February 2019; related resolutions.

Dear Shareholders,

On 24 February 2019, Mauro Selvetti resigned, with immediate effect, thus terminating his office as member of the Board of Directors of Credito Valtellinese S.p.A.. Selvetti, appointed by the Shareholders' Meeting on 12 October 2018, should have remained in office until the Ordinary Shareholders' Meeting to approve the financial statements for the year ended 31 December 2020. The reasons for the resignation are set out in the press release issued on 25 February 2019, which can be consulted on the website www.gruppocreval.com.

Article 19 of the Articles of Association of Creval envisages that, if during the year, for any reason whatsoever, one or more Directors leave office, provided that the majority is still comprised of members appointed by the Shareholders' Meeting, the Board will replace them by co-optation pursuant to Article 2386 of the Italian Civil Code, and the subsequent Shareholders' Meeting will appoint them without the use of list voting.

In this case, the Director leaving office was taken from the list presented by the shareholder DGFD S.A. with a view to the Shareholders' Meeting of 12 October 2018, a list that also contains candidates who were not elected and who were not previously co-opted.

Pursuant to Article 19, paragraph 1, letter (a) of the Articles of Association, the Board of Directors replaced Selvetti, appointing, according to the progressive order, the first name who was not elected and not already co-opted taken from the list to which the Director leaving office belonged. Therefore, the Board of Directors, which met on the evening of 24 February 2019, co-opted Maria Giovanna Calloni as Director.

The appointment was also made in compliance with the provisions of the law and of the Articles of Association concerning the requirements of directors and the composition of the board of directors. The Board of Directors checked that the requirements envisaged by current regulations are met as well as the overall adequacy, also with reference to the qualitative and quantitative composition approved with a view to the Shareholders' Meeting of 12 October 2018.

Given the above, the Shareholders' Meeting is therefore called upon to resolve, by legal majority, on the appointment of a Director who will remain in office, pursuant to Article 19, paragraph 2, of the Articles of Association, until the ordinary Shareholders' Meeting to approve the financial statements for the financial year ended 31 December 2020, as the other members of the Board.

In particular, the appointed candidate, in accordance with the provisions of Article 19, paragraph 1, letter (a), of the Articles of Association, is Maria Giovanna Calloni. The following documents are available on the Bank's website www.gruppocreval.com:

- the curriculum indicating the personal and professional characteristics of Calloni;
- the declaration by which Calloni accepts her candidature, confirms under her own responsibility, that there are no reasons to exclude her eligibility and that there are no incompatibility issues, and that she complies with all the requirements prescribed by the laws and regulations in force and by the Articles of Association to hold the position of director, including the declaration on the requirements to be qualified as an independent director under Article 18 of the Articles of Association.

Draft resolution to the Ordinary Shareholders' Meeting

Dear Shareholders,

In the light of the above, we invite you to pass the following resolution:

"The Shareholders' meeting of Credito Valtellinese S.p.A. of 30 April 2019,

resolved

to appoint, in accordance with the provisions of Article 19, paragraph 1, letter (a), of the Articles of Association, Maria Giovanna Calloni, born in Dairago (MI) on 26 December 1964, as a member of the Board of Directors of Creval S.p.A. with term of office expiring, as the other directors in office, on the date of the Shareholders' Meeting called to approve the Company's financial statements at 31 December 2020".

ITEM 5 ON THE AGENDA

Appointment of the Board of Statutory Auditors for the three-year period 2019-2021.

Dear Shareholders,

The current composition of the Board of Statutory Auditors of Credito Valtellinese S.p.A. terminates with the approval of the financial statements for the year ended 31 December 2018. Therefore, it is necessary to appoint, in compliance with the applicable legal and statutory provisions, the new standing and substitute auditors of the control body.

In this regard, it should be noted that, pursuant to Article 31 of the Articles of Association, the Ordinary Shareholders' Meeting is required to appoint three Standing Auditors, including the Chairman, and two Substitute Auditors, ensuring a balance between the genders. The appointed Statutory Auditors remain in office for three years and their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the third year of their office.

Note that, in accordance with legal and regulatory provisions in force, such appointment is required to be made based on lists presented by qualified persons who, alone or together with others, represent - in compliance with the provisions of Consob with director's decision no. 13 of 24 January 2019 - at least 2.5% of the share capital represented by ordinary shares with voting rights at the Shareholders' Meeting of the Bank. Each qualified person can present or take part in the presentation of only one list, and each candidate can be present on one list only, on pain of ineligibility.

The lists must contain no more than five candidates and no less than two. Candidates must be listed in progressive order. Each list will comprise two sections: one for the candidates for the position of Standing Auditor and one for the candidates for the position of Substitute Auditor. The composition of the lists must ensure compliance with the requirements set out in general regulations or provisions of the Articles of Association for individual members and for the entire Board of Statutory Auditors.

Each list that contains more than two candidates must be composed in such a way as to guarantee gender balance among candidates and must therefore ensure that one candidate in the section of the list relating to standing auditor candidates is of the less-represented gender.

All candidates must be suitable for the carrying-out of their tasks in accordance with the laws and regulations in force.

If more than one list has been presented, the members of the Board of Statutory Auditors shall be appointed as follows: (i) two Standing Auditors and one Substitute Auditor are taken from the list

that obtained the majority of votes in the progressive order in which they are listed in the list sections;

(ii) the third Standing Auditor and the second Substitute auditor are taken from the list that - among the remaining lists - obtained the majority of votes and is not connected, even indirectly, with the Shareholders who presented the list that obtained the majority of votes, in the progressive order in which they are listed in the list sections.

In any case, the Articles of Association also regulate the presentation of only one list, of incomplete lists and of no lists.

If at least two lists are presented, the Chairman of the Board of Statutory Auditors will be the first candidate listed on the minority list, i.e. the list that obtained the second highest number of votes.

Draft resolution to the Ordinary Shareholders' Meeting

Dear Shareholders,

Pursuant to and in compliance with the provisions of the Articles of Association of Creval S.p.A., the regulations in force, as well as Consob communication no. DEM/9017893 of 26 February 2009, we invite you to resolve on the appointment of the Standing auditors, including the Chairman, and the Substitute auditors of Creval S.p.A. for the 2019, 2020 and 2021 financial years (i.e. until the Shareholders' Meeting to approve the financial statements at 31 December 2021).

ITEM 6 ON THE AGENDA

Determining the Statutory Auditors' fee.

Dear Shareholders,

You have been called to an Ordinary Shareholders' Meeting to approve the establishing of the fee to which the members of Board of Statutory Auditors are entitled for the three-year period 2019-2021.

In this regard, note that Article 31, paragraph 10, of the Articles of Association, in compliance with the applicable law provisions, states that the fee to which each Auditor is entitled is established, when appointed and for all the duration of the term of office, by the Ordinary Meeting, which can also establish an attendance fee to be acknowledged for attending the meetings of the Board, of the Executive Committee and of the Board Committees referred to in paragraph 3 of Article 23 of the Articles of Association. The Auditors are also due reimbursement of the expenses for the performance of their office.

The Shareholders' Meeting of 23 April 2016 resolved to determine, for the three-year period 2016-2018, the fee of the Statutory Auditors as follows:

- to the Chairman of the Board of Statutory Auditors: EUR 100,000 per year;
- to the Standing Auditors: EUR 60,000 per year;
- attendance fee for the Meetings of the Board of Directors, the Executive Committee and for the meetings of Internal committees: EUR 750.

The meeting proposed to confirm the same fee also for the three-year period 2019-2021.

Draft resolution to the Ordinary Shareholders' Meeting

Dear Shareholders,

In the light of the above, given the provisions of the Articles of Association concerning the determination of the fee of the members of the Board of Statutory Auditors, we invite you to adopt the following resolution, subject to the fixing of the due amounts:

"The Shareholders' meeting of Credito Valtellinese S.p.A. of 30 April 2019,

resolved

to determine, for the three-year period 2019-2021, the fee of the Statutory Auditors as follows:

- to the Chairman of the Board of Statutory Auditors: EUR 100,000 per year;*
- to the Standing Auditors: EUR 60,000 per year;*

- attendance fee for the meetings of the Board of Directors, the Executive Committee, if any, and for the meetings of Internal committees established pursuant to Article 23, paragraph 3, of the Articles of Association: EUR 750.”.

ITEM 7 ON THE AGENDA
2019 Incentive Plan. Related resolutions.

Dear Shareholders,

You have been convened in ordinary session to discuss and resolve – as set out in Article 114-*bis*, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998 – on the approval of an annual incentive plan called “2019 Bonus Pool” (“2019 Bonus Pool Plan”) based on the allocation of financial instruments known as Phantom Share and intended for the Chief Executive Officer and General Manager as well as other representatives of the management of Credito Valtellinese S.p.A. and of companies controlled by it pursuant to Article 2359 of the Italian Civil Code, the format of which was defined by the Board of Directors, on recommendation of the Remuneration Committee.

In compliance with the provisions of Article 114-*bis*, paragraph 1, of Italian Legislative Decree No. 58 of 24 February 1998 and of Article 84-*bis*, paragraph 1, of Consob Resolution no. 11971 of 14 May 1999, the characteristics of the 2019 Bonus Pool Plan are described in a special information document made available, no later than 31 March 2019, at the registered offices, on the website of the authorised storage device “eMarket Storage” (www.emarketstorage.com) and on the Company's website, at www.gruppocreval.com to which reference is made.

Draft resolution to the Ordinary Shareholders' Meeting

Dear Shareholders,

In the light of the above, we invite you to pass the following resolution:

“The Shareholders' meeting of Credito Valtellinese S.p.A. of 30 April 2019,

resolved

1. *to approve the annual incentive plan called «“2019 Bonus Pool” incentive system», based on the allocation of Phantom Shares and intended for the Chief Executive Officer and General Manager as well as other representatives of the management of Credito Valtellinese S.p.A. and of companies controlled by it pursuant to Article 2359 of the Italian Civil Code, whose characteristics are described in the information document prepared pursuant to Article 114-*bis*, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998, and of Article 84-*bis*, paragraph 1, of Consob Resolution no. 11971 of 14 May 1999, and made available to the public at the registered offices, on the authorised storage device “eMarket Storage” (www.emarketstorage.com) and on the Company's website;*

2. *to grant the Board of Directors, with the right to sub-delegate, all the powers required for actually implementing the «“2019 Bonus Pool” incentive system», based on the allocation of Phantom*

Shares, to be exercised in accordance with the instructions of the relevant Information Document. To this end, the Board of Directors may assign, by way of example but not limited to, the rights to the beneficiaries, approve the implementing regulation of the plan and, where possible, pay the bonus”.

ITEM 8 ON THE AGENDA

Long-term Incentive Plan (LTI 2019-2021). Related resolutions.

Dear Shareholders,

You have been called in ordinary session to discuss and resolve – as set out in Article 114-*bis*, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998 – on the approval of a long-term variable incentive plan called “*Medium to long-term variable incentive system LTI 2019-2021, based on the allocation of Phantom shares*” (“LTI 2019-2021 Plan”) intended for the Chief Executive Officer and General Manager as well as other managers and employees of Credito Valtellinese S.p.A. and of companies controlled by it pursuant to Article 2359 of the Italian Civil Code, the format of which was defined by the Board of Directors, at the suggestion of the Remuneration Committee.

In compliance with the provisions of Article 114-*bis*, paragraph 1, of Italian Legislative Decree No. 58 of 24 February 1998 and of Article 84-*bis*, paragraph 1, of Consob Resolution no. 11971 of 14 May 1999, the characteristics of the LTI 2019-2021 Plan are described in a special information document made available, no later than 31 March 2019, at the registered offices, on the website of the authorised storage device “eMarket Storage” (www.emarketstorage.com) and on the Company's website, at www.gruppocreval.com to which reference is made.

Draft resolution to the Ordinary Shareholders' Meeting

Dear Shareholders,

In the light of the above, we invite you to pass the following resolution:

“The Shareholders' meeting of Credito Valtellinese S.p.A. of 30 April 2019,

resolved

1. *to approve the medium to long-term variable incentive plan called “Medium to long-term variable incentive system LTI 2019-2021, based on the allocation of Phantom shares” and intended for the Chief Executive Officer and General Manager as well as other managers and employees of Credito Valtellinese S.p.A. and of companies controlled by it pursuant to Article 2359 of the Italian Civil Code, whose characteristics are described in the information document prepared pursuant to Article 114-*bis*, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998 and of Article 84-*bis*, paragraph 1, of Consob Resolution no. 11971 of 14 May 1999, and made available to the public at the registered offices, on the authorised storage device “eMarket Storage” (www.emarketstorage.com) and on the Company's website;*

2. *to grant the Board of Directors, with the right to sub-delegate, all the powers required for actually implementing the “Medium to long-term variable incentive system LTI 2019-2021, based on the allocation of Phantom shares”, to be exercised in accordance with the instructions of the relevant Information Document. To this end, the Board of Directors may assign, by way of example but not limited to, the rights to the beneficiaries, approve the implementing regulation of the plan and, where possible, pay the bonus”.*

ITEM 9 ON THE AGENDA

Report on Remuneration pursuant to Article 123-ter of Italian Legislative Decree no. 58/1998. Related resolutions.

Dear Shareholders,

With reference to the ninth point on the agenda of the Ordinary Shareholders' Meeting, reference is made to the 2018 Report on Remuneration, pursuant to Article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998, which will be made available no later than 8 April 2019, at the registered offices, on the Company's website and with other methods envisaged by Consob with regulation.

The aforementioned document complies *(i)* with the provisions on remuneration and incentive policies and practices in banks and banking groups contained in Circular no. 285 of Bank of Italy of 17 December 2013, as subsequently amended and supplemented, as well as *(ii)* with Consob resolution no. 11971 of 14 May 1999 as amended and supplemented.

The report is divided into two sections.

The first section (called "*General characteristics of the remuneration and incentive policy*") shows:

- a) the policy of the company concerning the fee of the members of the boards of directors, of general managers and of executives with strategic responsibilities, of executives and middle managers who are part of the control functions, the risk takers and the personnel with reference to at least the following financial year;
- b) the systems and methods used for the adoption and implementation of this policy.

The first section also includes further information on short-term and medium to long-term incentive systems (LTI).

The second section provides the quantitative information of the 2018 remuneration system, in the forms required by regulations, and, in particular, contains the most suitable representation of the items forming remuneration, illustrating its consistency with the company's policy on remuneration approved by your Bank in the previous financial year. This section also shows in detail the fees paid during the financial year of reference, individually or at aggregate level, based on the regulatory provisions.

Note that, pursuant to the combined provisions of Article 123-ter, paragraph 6, Italian Legislative Decree no. 58 of 24 February 1998, and of the above-mentioned provisions of the Bank of Italy, the Ordinary Shareholders' Meeting called to approve the financial statements is asked to approve the first section of the Report on Remuneration.

Draft resolution to the Ordinary Shareholders' Meeting

Dear Shareholders,

In the light of the above, we invite you to pass the following resolution:

“The Shareholders' meeting of Credito Valtellinese S.p.A. of 30 April 2019,

resolved

to approve the section “General characteristics of the remuneration and incentive policy” of the document “Group remuneration policies - Report on remuneration 2018”, already approved by the Board of Directors and prepared pursuant to Article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998, and of the provisions in force of the Bank of Italy”.

ITEM 10 ON THE AGENDA

Information on the status of the in-depth analyses carried out by the current Board of Directors with regard to the resolutions passed by the previous Boards of Directors concerning the disputes carried out by some shareholders, also during the last Shareholders' Meeting held on 12 October 2018, and on possible future actions to be taken.

Dear Shareholders,

With reference to the tenth point on the agenda of the Ordinary Shareholders' Meeting, reference is made to the Information note that will be made available no later than 31 March 2019, at the registered offices, on the Company's website and with other methods envisaged by Consob with regulation.

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