Luzerner Kantonalbank

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Basic Documents

of Luzerner Kantonalbank AG

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A. General Terms and Conditions of the Bank

A.1 Purpose and scope

The following General Terms and Conditions govern the basic relationship between Luzerner Kantonalbank AG (hereinafter the "Bank") and the parties who maintain a client relationship with it (subject to any special agreements). For the sake of readability, these parties are referred to as the "Client" or "Clients", and consequently no other wording is used.

A.2 Verification of signature(s) and/or identity

The Bank shall check the signatures and/or the identity of Clients, their representatives and authorised agents with the customary care of established banking practice. Losses owing to failure to recognise faulty identification, forgeries, manipulations of electronic transmissions, fraudulent acts, misuses or similar shall be borne by the Client, providing the Bank exercised the customary care of established banking practice. Providing neither the Bank nor the Client has violated their duties of care, the loss is borne by the party in whose sphere of influence the cause of the damaging act lies.

A.3 Incapacity to act

The Client shall assume responsibility for all damage and loss caused by themselves or a third party as a result of lack of capacity to act, unless the Bank was informed in writing of the restriction with regard to third parties or if the Bank should have recognised the lack of capacity to act as part of standard banking diligence.

A.4 Client information/data

A.4.1 Passing information to third parties or obtaining information from third parties

The Bank is entitled, in accordance with the provisions of the law, to pass information required for the business relationship to third parties or to obtain information on the Client from third parties. In particular, the Bank may disclose information on Clients applying for a loan to the Central Credit Information Office (ZEK) and the Information Centre on Consumer Credit (IKO) and obtain information on the Client from them. In other respects the statutory duty of the Bank to provide information shall apply.

A.4.2 Outsourcing business areas and services

The Bank is authorised to outsource various existing and new business areas and services (e.g. IT, payment services, investment consultancy, safekeeping of

certificated, uncertificated securities and tokens, compliance functions, data storage, internal audit) wholly or partly to third parties in Switzerland and abroad. These third parties are obliged to maintain confidentiality if they have access to Client data that might allow the identity of the Client to be established.

A.4.3 Data processing and client profiles

The Bank may process client data (including the data of any third parties involved) for its own purposes (e.g. marketing, market research, statistics, product development, compliance purposes or risk management) in accordance with data protection law and the rights of personality. The processing also, in particular, includes the analysis and assessment of the data, and this process may also be automated. The Bank may also, in particular, (in combination with data from third-party sources) create and use client profiles for business reviews, appropriate client relationship management or the provision of offers or information. The client profiles may lead to automated individual decisions (e.g. the processing of orders in E-Banking).

A.4.4 Recording telephone calls

The Client agrees that the Bank may record communication with the client (telephone conversations and chat messages, for example) for the purpose of evidence and quality assurance.

A.4.5 Processing transactions and providing services

The disclosure of client data (including the data of third parties involved, e.g. beneficial owners) may be necessary to process domestic or cross-border transactions or to provide domestic or cross-border services. These include inter alia payments, trading, the safekeeping of and investment in securities, and derivative and foreign currency transactions. Information is disclosed to the third parties involved, in particular authorities, banks, securities firms, system and infrastructure operators in Switzerland and abroad, primarily on the basis of Swiss and foreign law and orders issued by government authorities. Examples include provisions on combating money laundering and the financing of terrorism, self-regulation, market practices or terms and conditions of issuers, service providers and other parties on which the Bank relies for the processing of such transactions. Such information refers, in particular, to the account number and/or identification number, name, address, date of birth, nationality, the origin of funds, the duration of the banking relationship, the relationship between the Client and the recipient, any representation arrangements and, in the case of companies, business activities, the purpose of the business, the ownership structure, company structure and number of employees. The Bank is entitled to disclose this data in its own name or also in the name of third parties concerned and the Client shall support it in meeting such requirements. It is possible that the parties involved in the transaction might, for their part, transmit the data to commissioned third parties in other countries, for example for processing or data backup purposes. Furthermore, beneficiaries in Switzerland and abroad also receive information about the principal.

A.4.6 Data privacy and consent

The Client acknowledges that data may be passed abroad, in particular from or in connection with their business relationship, especially where business or services are outsourced or when a transaction is processed. Data that reaches other countries is no longer protected by Swiss law in these countries. Instead, it is subject to the provisions of the respective foreign legal system. Foreign laws and orders issued by government authorities may require that this information be disclosed to authorities or to other third parties. The Client further acknowledges that, in such cases, Swiss data protection law does not offer any protection, and they release the Bank from its obligation to uphold it.

In addition, reference is made to the Privacy Policies (see www.lukb.ch/datenschutzerklaerung). The Client hereby consents to the data processing, profiling and automated individual decision-making described therein and also in these General Terms and Conditions.

A.5 Compliance with laws and measures

The Client is responsible for complying with the statutory, official and regulatory provisions that are applicable to them, including any tax law provisions. The Client may be charged for any costs and expenses that are incurred by the Bank as a result of their non-compliance with such regulations and provisions. Furthermore, for the purposes of observing domestic or foreign statutory, official or regulatory requirements and measures (such as sanctions or embargoes), as well as on the basis of its own risk considerations, the Bank may at any time wholly or partially restrict the provision of services and products to the Client. In this regard the Client bears the corresponding risks, and to the extent permitted by law the Bank bears no liability.

A.6 Notification of changes

The Client is obliged to inform the Bank immediately of any changes to their personal data such as address, name, company, place of residence, nationality and tax status, etc. Notices from the Bank are deemed to have been delivered when sent to the address last reported by the Client.

A.7 Errors in transmission

Damage and loss arising from the use of post, telephone, fax, e-mail, internet, other

types of transmission or forwarding establishments, as a result specifically of loss, delay, misunderstandings, mutilations, irregularities or duplications, shall be borne by the Client, provided that the Bank has exercised the customary care of established banking practice.

A.8 Improper execution of orders

If damage or loss arises owing to non-execution or incomplete execution of orders – with the exception of trading instructions for transactions relating to securities and uncertificated securities, options, futures and foreign exchange – the Bank shall be liable solely for the loss of interest, unless notified of the impending risk of a greater loss in a particular case.

A.9 Account transactions

The statement of account showing the credit or debit of the agreed or customary interest, commissions, charges, fees and taxes will be issued as the Bank determines, usually on a quarterly, half-yearly or annual basis.

The Bank retains the right to change its interest rates, especially if conditions on the money market change, and also to impose negative interest rates on balances if so required by the situation. It further retains the right to change commission rates and fees and to introduce new fees, especially to charge or debit a fee for liquidity instead of imposing a negative interest rate. The respective current interest rates, commissions and fees can be viewed at any time. The Bank shall notify the Client through its standard communication channels. Any change to or introduction of interest rates, commissions or fees is deemed to have been approved by the Client unless the Client cancels the product or service in question within 30 days of notification (subject to termination rights or termination or withdrawal periods otherwise applicable or agreed).

If the Client has issued various orders for a total amount in excess of the total available credit balance or overdraft limit, the Bank is authorised to decide, regardless of the order in which they were received, which orders are to be executed in part or in full and which are not to be executed at all. The Bank may refuse orders (e.g. cash transactions) in order to comply with regulations or official orders or on the basis of its own risk assessments.

If payments are received in favour of a Client who has several debts with the Bank, the Bank reserves the right to decide which payments shall be applied to which debts.

A.10 Assets in foreign currencies

The Bank shall invest the assets which correspond to the Client's credit balances in a foreign currency with the Bank's correspondent banks in the same currency inside and outside the currency area in question. In particular, the Client shall bear the risk of statutory or government regulations and restrictions, as well as any taxes and charges in the countries concerned.

A.11 Bills of exchange, cheques and other instruments

The Bank is entitled to debit the Client's account with previously credited or discounted bills of exchange, cheques and other similar instruments, if unpaid. Pending the settlement of any debit balance, the Bank retains a claim to payment of the total amount of the bills of exchange, cheques or other instruments as well as all ancillary claims against any party liable under said instruments.
Providing the Bank exercised the customary care of established banking practice, the Client shall bear the consequences of the loss, misuse or forgery of cheques or order forms, even if a loss has been reported to the Bank. The Client shall bear the consequences if the currency code is not clearly entered or not entered at all.

A.12 Right of lien and set-off

The Bank shall have a right of lien, for all its existing or future claims from time to time, on all claims and assets that it holds in custody – either in its own custody or elsewhere – for the account of the Client and a right of set-off with respect to any claim of the Client, irrespective of maturity or currency. This also applies to loans and credit facilities with specific or no collateral. This right of lien and set-off also applies to any indemnification or exemption claims of the Bank, especially when claims are addressed against it by third parties (e.g. issuers, liquidators, administrators, bankruptcy administrators or authorities) in connection with transactions or services carried out for the Client or assets held for the Client. Immediately upon default by the Client, the Bank shall be entitled at its own discretion to dispose, of any assets over which it has a right of lien, either by forced sale or on the open market. Without foregoing its right of lien, the Bank may also initiate proceedings against the Client through seizure of assets or bankruptcy. In the course of realisation of any such assets, the Bank may acquire the assets for its own account.

A.13 Investor protection, complaints and ombudsman

The scope of the investor protection shall depend on the classification of the Client. According to the Financial Services Act (FinSA), professional and institutional clients have the option of choosing a higher level of investor protection (opting in).

Client complaints concerning the execution or non-execution of orders in whatever form, or queries concerning statements of account or custody accounts as well as other communications, must be made immediately upon receipt of the relevant notification, but at the latest within the period stipulated by the Bank, otherwise the execution or non-execution and the statements and communications

in question shall be deemed to have been approved.
If a notice from the Bank is not received at the expected time, a complaint shall be lodged as soon as the notice should have been received by the Client in the normal course of business and if sent by normal post. Any loss or damage suffered owing to any delay in raising a complaint shall fall to the Client.

If the Bank and the Client do not find a solution, the Client has the option of contacting the Swiss Banking Ombudsman, Bahnhofplatz 9, P.O. Box, 8021 Zurich.

A.14 Termination of business relationships

Unless agreed otherwise in writing, the Bank reserves the right to terminate existing business relationships with immediate effect, in particular credit facilities which have been agreed or utilised, with the result that any amounts outstanding shall become due and payable immediately. If, having been set an appropriate grace period, the Client fails to provide instructions on where the terminated assets should be transferred, the Bank may deliver those assets in physical form, or liquidate them. The Bank may then decide at its own discretion to deposit the proceeds of the liquidation and any credit balances with a court, thereby releasing the Bank from further obligation, to transfer them to a different account in the name of the Client, or to send them in suitable form to the last known address of the Client.

A.15 Equivalent status of Saturdays and holidays

In all dealings between the Bank and the Client, Saturdays shall be treated as equivalent to official public holidays in Switzerland.

A.16 Reservation of special conditions

In addition to these General Terms and Conditions, special conditions issued by the Bank apply to particular types of business.

In other cases, stock exchange transactions are subject to customary local rules, documentary credit transactions to the "Uniform Customs and Practice for Documentary Credits" issued by the International Chamber of Commerce, and collection and discount transactions to the general conditions drawn up by the Swiss Bankers Association.

A.17 Bank client confidentiality

To the extent necessary to safeguard the Bank's legitimate interests, the Client hereby releases the Bank from bank client confidentiality obligations and other confidentiality or non-disclosure obligations, specifically:

- In the event of actual or threatened legal proceedings, criminal charges or other notifications to authorities brought by the Client against the Bank (even as a third party) either nationally or internationally;
- To safeguard or enforce the Bank's claims against the Client and to realise the collateral provided by the Client or third party (where third-party collateral has been provided to secure claims against the Client), both nationally and internationally;
- In the event of accusations against the Bank made by the Client in public, in the media, or to domestic foreign public officials;
- Where contact has broken off, to re-establish contact with the Client;
- Where transactions in foreign securities or book-entry securities are subject to provisions that require their disclosure (see also A.4).

The legal and regulatory disclosure obligations of the Bank also remain reserved.

Protections for data that passes abroad, for example when a transaction is processed, are governed by the applicable foreign law.
The Client acknowledges that, in such cases, Swiss bank client confidentiality does not offer any protection, and releases the Bank from its obligation to maintain that confidentiality.

A.18 Governing law, place of jurisdiction and place of performance

All legal relations between the Client and the Bank shall be governed by Swiss law. The place of jurisdiction shall be in accordance with applicable statutory provisions. In the event that none are applicable, the courts of Lucerne, Canton of Lucerne, Switzerland, shall have exclusive jurisdiction with regard to any and all legal action and shall also be the place of performance and place for debt recovery action for Clients domiciled/residing outside of Switzerland.
The Bank shall also be entitled to bring action against the Client before the competent courts or with the competent authority of the Client's place of residence/domicile or before any other competent court.

A.19 Amendments to the Basic Documents

The Bank reserves the right to amend the content of the Basic Documents. The Client shall be given notice of the amendments or shall be informed in another appropriate manner. The amendments shall be deemed to have been approved unless an objection is lodged within one month.

B. Terms and Conditions for the Use of Cards and PINs

B.1 Purpose and scope

The following General Terms and Conditions apply to the use of the Bank's various cards and the corresponding PINs.

B.2 Services

Depending on the type of account and card, the Bank offers its Clients various services:

a) Account card

The account card is intended to facilitate the rapid completion of counter transactions at any branch of the Bank and other cantonal banks, without the card serving as proof of identity.

b) Bank card

As well as serving as an account card, the Bank card allows the Client to withdraw cash from or to deposit cash in the Bank's automated teller machines (ATMs) 24 hours a day, to obtain information on their account balance, and to use other services.

c) Paying-in card

The paying-in card permits the Client to use the ATMs set up for this purpose in order to deposit cash in one of their accounts with the Bank as provided for by the separate Terms and Conditions for Use of the Paying-In Card.

d) Non-Bank cards

In addition to the functions of the account card, the Bank card and the paying-in card, non-Bank cards can be used for other services in accordance with their conditions of use. A copy of these conditions will be sent to the cardholder together with the relevant card.

Unless otherwise agreed, the cardholder accepts the card-specific conditions in each case the first time they use that card, for example by withdrawing cash from an ATM or registering the card on a smartphone. Those conditions are also deemed to have been accepted if the Client does not use the card within five days of the card having been delivered, and has not objected to the conditions in writing.

B.3 Authorised users

The Bank shall determine for which types of account first and additional cards, with or without a PIN, are to be issued.

B.4 PIN

The Personal Identification Number, or PIN, is a 4 to 6 digit number which is allocated to the cardholder or accountholder but not known to the Bank.

The PIN is assigned to a specific card. The authorised cardholder can and must change their PIN themselves. Each person proves their identity to the Bank as an authorised user with the card and the related PIN.

The Bank is entitled to debit or credit the account concerned for all electronically recorded transactions made using the PIN.

B.5 Client's duty of care

The Client undertakes to keep their card safe, to keep the PIN secret and to protect it from misuse. The PIN may not be noted on the card or kept with it in any form. Entry of the PIN must always be concealed from others.

If there is cause to assume improper use of the card and/or the PIN, the Client must notify the Bank as soon as possible or immediately block their card.

The Client shall be liable for any and all loss or damage arising from the loss, improper use or forgery of the card and for all risks arising from the use of the PIN, providing the Bank has exercised the customary care of established banking practice.

B.6 Cash withdrawals

Cash withdrawals made from ATMs using the card and the PIN are subject to the individual card limit and global limit and are permitted only within an existing credit balance or available overdraft limit. Furthermore, the Bank reserves the right, at its discretion, to change individual card limits or global limits or to set upper limits for specified periods.

B.7 Availability of automated teller machines (ATMs)

As a rule, the Bank's ATMs are in operation 24 hours a day, including Sundays and public holidays. However, the Bank will assume no guarantee that the information obtained from an ATM (balances etc.) is correct or complete.

The Bank accepts no liability for damage or loss caused by technical faults, breakdowns or illegal intrusion or intervention in its systems, providing the Bank has exercised the customary care of established banking practice.

B.8 Return of the card

The card remains the property of the Bank. The card must be returned to the Bank immediately in the event of cancellation of the account, in the event of the cardholder's death, bankruptcy, insolvency or incapacity to act and in the event of breach of these Terms and Conditions.

Where a power of attorney is revoked, the accountholder shall ensure that the authorised representative's card is returned. If the card cannot be produced, the accountholder must inform the Bank immediately. The Bank will then block the card. The power of attorney shall be without effect in relation to the Bank once the card has been returned or blocked.

The Bank also reserves the right to require the return of a card which has been issued, without giving reasons.

B.9 Lost and blocked cards

The loss of a card and/or a PIN must be reported to the Bank without delay. If a card is lost, arrangements to block it must be made immediately in accordance with the separate Terms and Conditions, including outside the Bank's normal business hours (e.g. in card administration in E-Banking).

The Bank is entitled to block the card and/or the PIN without giving any reasons. In the event of police inquiries in connection with the loss or improper use of the PIN or the card, the Client authorises the Bank to provide the authorities with the necessary client information.

C. Terms and Conditions for Electronic Services

C.1 Purpose and scope

C.1.1 Scope

These Conditions shall apply to all present and future electronic services (including the use of technical interfaces that connect the Bank's systems to third-party systems (e.g. financial software or banking platforms); hereinafter "Services"), unless otherwise provided in the Bank's supplementary terms and conditions for the Services in question.

In addition, individual Services shall be subject to any applicable supplementary terms and conditions, as well as to the conditions published on the relevant pages of the Bank's website.

C.1.2 Access to the Services

The Client or any authorised representative appointed by the Client (hereinafter referred to as the "User") shall obtain technical access to the Services via the internet through service providers selected by the User (e.g. internet and telecommunications service providers) or via other, new communication media and by means of specific third party software obtained by the User, through a mobile telephone obtained from a third party provider by the User, and/or through any other type of equipment or device used by the User, which shall, as a minimum, meet the requirements indicated on the relevant Bank webpage or elsewhere, as current at any given time.

Anyone who verifies their identity using the means of identification specified in the applicable terms and conditions shall have access to the Services.

Unless otherwise agreed, instructions, messages and the like sent by e-mail shall not be binding for the Bank.

C.1.3 User's duty of due care

The User shall ensure that any data entered by them is accurate and complete. The User shall continue to be responsible for any data sent by the User until such data is received into the Bank's systems.

The User is obliged to minimise the security risks arising from use of the medium in question (e.g. internet, mobile telephone, etc.) by deploying suitable, state-of-the-art protective measures (especially antivirus software).

C.1.4 Complaints by the User

If after issuing an order (e.g. payment orders, stock exchange orders, etc.) to the Bank online, the User ascertains that the order was not executed by the Bank, or only

executed in part, in accordance with the User's instructions, the User shall raise a complaint with the Bank immediately.

C.1.5 Exclusion of warranty and liability

The Bank makes no warranty either that the User will have unrestricted, uninterrupted access to the applicable Services, or that the User's use of such Services will be unrestricted or uninterrupted. Similarly, the Bank cannot guarantee unrestricted internet operation or transmission of data via e-mail, text messaging, app, interfaces etc. in time to be of use.

The Bank will assume no liability for loss or damage suffered by the Client through lack of legal capacity, whether of the Client themselves or their authorised representatives. Moreover, the Bank shall not be liable for any indirect or consequential loss or damage, including loss of profits, third party claims, or loss suffered as a result of any breach by the Client of their contractual obligations.

The Bank will assume no liability for the User's terminal device (e.g. a computer, mobile telephone etc.), for technical access to any of the Services or for the requisite software. Likewise, the Bank will assume no liability for any defects in any software it may provide, for example via data storage media, download, etc., for the accuracy or completeness of data transmitted via a technical interface (e.g. account balance), for misconduct by third-party providers or their systems or for the interruption or restriction of services. The Services are provided via an open, publicly accessible network (e.g. internet, telephone network). The Bank accepts no liability for any loss or damage that may be suffered as a result of using such open networks. In particular, the Bank will not be liable for any loss and damage that may be suffered by the Client owing to transmission errors, technical faults, malfunctions, interruptions and delays (especially delays in processing), illegal hacking into the installations and systems of network and/or telecommunications operators, system overloads affecting such operators, the malicious blocking of online access by third parties, disruptions, breakdowns, outages, or other failures or faults attributable to network and/or telecommunications operators.

If security risks are identified, the Bank reserves the right to suspend the Services concerned until the risks are eliminated. The Bank shall also be entitled to suspend the Services in question for the purpose of carrying out maintenance work.

C.1.6 Blocking of access

The Client can have access to the Bank's Services blocked, whether for themselves or for their authorised representatives. The blocking of access may be requested only during the Bank's ordinary business hours and must be confirmed in writing without delay.

Access to the Services may only be restored upon the Client's written request to the Bank.

The Bank shall be entitled at any time, without stating reasons and without prior notice, to refuse, restrict, block or terminate access by the Client and/or any or all authorised representatives to any or all services, as well as to the connection to systems via technical interface.

C.1.7 Bank client confidentiality

C.1.7.1 General provisions

The User acknowledges that Swiss bank client confidentiality is limited solely to Swiss territory and that consequently all data to be transmitted outside of Switzerland and/or electronic data, etc. located outside of Switzerland is protected under Swiss bank client confidentiality.

C.1.7.2 Internet/mobile phones etc.

The User acknowledges that data is transmitted via an open network which is accessible to anybody. Data may thus be transmitted across borders, unchecked, even if both sender and recipient are in Switzerland. The User further accepts that Bank information transmitted by e-mail, text message, push notification, etc., is generally sent unencrypted, for which reason banking confidentiality is not guaranteed. Even if transmission is encrypted, the sender and recipient are still unencrypted. Thus, it is possible for third parties to infer that a banking relationship exists.

C.1.7.3 Technical interfaces

By activating technical interfaces, the Client consents to the Bank exchanging data (e.g. account information) with the third-party providers they have activated. The third-party systems may be located abroad and the exchange may not be encrypted end-to-end. In this regard, the Client releases the Bank from banking confidentiality and any other confidentiality obligations.

C.1.8 Security

C.1.8.1 General provisions

The encryption methods used will normally preclude unauthorised third parties from viewing confidential Client information. Nonetheless, absolute security cannot be guaranteed for either the Bank or the Client, even in the case of security measures which conform to the latest technology. The terminal device (computer, mobile telephone etc.) and/or the network of the User are part of the system. These components are, however, outside the Bank's control and may become a weak point in that system.

C.1.8.2 Other risks

The Client hereby acknowledges the risks set forth below and agrees to read any security information, which is provided on the webpages for the particular Services or supplied to the User by other means, and to implement any recommended security measures within a reasonable period of time:

- Inadequate knowledge of the system and deficient security precautions may facilitate unauthorised access (e.g. insufficient protection for data stored on a hard disk). There is always the danger that computer viruses may spread to the computer so long as there is contact with the outside world, whether through computer networks (e.g. the internet) or physical data storage media. The User is advised to use antivirus software, which can minimise the risks. It is the responsibility of the User to find out exactly what state-of-the-art security precautions are necessary.
- It is imperative that the User uses software only from trusted sources.
- It is impossible to exclude the possibility of the internet service provider (ISP) or software provider (app etc.) establishing a traffic pattern. In other words, the ISP or the software provider is able to trace who the User has been in contact with and when.
- It is possible for a third party to gain access to the User's terminal device undetected while they are using the network (e.g. the internet).
- Any information sent by the User separately by the Bank via e-mail, text message, push notification etc., will generally not be encrypted.

C.1.9 Foreign laws/import and export restrictions

The User is aware that, by using the Services from outside Switzerland, they may possibly be in violation of foreign law. The User is responsible for obtaining information regarding this. The Bank accepts no liability in respect of any violation of foreign law.

If the User uses the Services from outside Switzerland, they acknowledge, in particular, that import and export restrictions may exist for encryption algorithms, which the User may be contravening by using the Services from outside Switzerland.

C.1.10 Termination

Use of the Bank's individual Services can be terminated at any time by the Client and by the Bank. Notice of termination must be sent to the other party in writing.

C.1.11 Reservation of statutory provisions

These Conditions shall remain subject to any mandatory provisions of the law regulating the operation and/or use of the Services in question.

C.2 Special Conditions for E-Banking and technical interfaces

C.2.1 Services offered

The E-Banking Services (access via internet, app etc.) offered by the Bank are described on the relevant pages of the Bank's website. E-Banking Services form part of the Bank's basic offering.

The User can activate technical interfaces (e.g. application programming interfaces) in accordance with the Services agreed with the Bank. The User can use these technical interfaces to connect and use software or other third-party services with the Bank's Services (e.g. E-Banking) (e.g. connection to financial applications or banking platforms). The Client consents to data, in particular account information (e.g. IBAN), accountholder, account balance and transactions), being exchanged and displayed via these interfaces or platforms. Depending on the services offered, instructions may also be received and forwarded (e.g. payment orders).

The Bank may assume that the instructions are correct and have been issued by authorised persons.

The Client is responsible for accessing the Bank's or third-party systems and shall indemnify the Bank for all damages and third-party claims.

The Bank reserves the right to change the range of Services offered by it at any time.

The exchange of data referred to herein relates to banking transactions and the like which are based on separate contracts or business conditions (e.g. the Bank's General Terms and Conditions, Custody Account Regulations etc.). Within the scope of E-Banking Services, the present provisions shall take precedence over any deviating terms in the said contracts or business conditions.

C.2.2 Proof of identity (self-authentication)

Access to the E-Banking Services and/or technical interfaces shall be available to anyone who, in using them, identifies themselves by entering valid proof of identity for these Services. The Bank provides the Client/ authorised representative (hereinafter referred to as the "User") with the relevant proof of identity.

The proof of identity is sent to the address for service of the Client/authorised representative known to the Bank. The Client hereby acknowledges and agrees that the Bank cannot check who receives and uses the proof of identity. In particular, in the case of legal entities and/or delivery to a business address, the Client is responsible for overseeing receipt of the proof of identity and its use.

Identity shall be verified by means of:

a) the contract number delivered by the Bank to the User,
b) the personal password selected by the Client, and
c) means that have been issued by the Bank (e.g. LUKB Cronto or app).

Any person showing such proof of identity (self-authentication) shall be deemed in dealings with the Bank to be authorised to use the relevant Services. This also applies to Users who have access to the Services via a technical interface. The Bank may thus permit the person to make queries or provide them with the same Services as used by the User, without any further verification of the person's authorisation, or may accept orders and binding notifications from the person; this also applies if this person is not the actual authorised individual. Furthermore, the Bank has the right to refuse to carry out Services at any time without giving reasons, and to insist that the User provides proof of identity in a different form (e.g. with their signature or by appearing in person).

The Client acknowledges without reservation all transactions carried out within the framework of the E-Banking Services and interfaces with the use of their proof of identity or that of their authorised representative. Similarly, all instructions, orders and communications which the Bank receives by such means shall be deemed to have been entered and authorised by the Client.

C.2.3 Identification procedure with transaction confirmation

The Bank reserves the right to demand that the User verifies their order by confirming the transaction pursuant to C.2.4 (4). If no transaction confirmation is given by the User in such cases, then the order will be deemed not to have been issued by the User, and will therefore not be processed by the Bank.

C.2.4 User's duty of due care

After receiving the first password communicated to them by the Bank, the User is required to change it without delay and subsequently at regular intervals. The password must not consist of easily established combinations (e.g. phone number, date of birth, car registration number, etc.). The criteria for a secure password and other security information are detailed on the Bank's website.

The User is obliged to keep all means of identification (as per C.2.2 or providers of systems that are connected to the Bank's systems via technical interface) separate and with special care. The User is further required to keep the means of identification (including those of third-party providers) secret and to protect them from misuse by unauthorised third parties. In particular, the means of identification must not be stored unprotected on the User's terminal device (e.g. computer or mobile telephone), or written down elsewhere. Furthermore, the means of identification must not be given to third parties or otherwise made accessible.

If there is any cause to believe that one or more of the User's identification elements have become known to unauthorised third parties, the User must replace or alter the identification element concerned without delay. If this is not possible, the User must arrange for access to the relevant Services to be blocked without delay, or block E-Banking access themselves via their personal E-Banking account or with the third-party provider.

If a corresponding confirmation is demanded by the Bank within the context of an identification procedure with transaction confirmation, then the User must compare the data forwarded to them by the Bank (e.g. app or computer) with the original order or original receipt and check this for errors. If the User considers the data forwarded by the Bank to be correct, then the User must (insofar as they wish to place the corresponding order with the Bank) confirm this order (e.g. by entering the code transmitted by the Bank). If the User believes that the information provided by the Bank is incorrect, the User must terminate the transaction.

C.2.5 Risks from the identification check and breach of the duty of care

Based on the agreement on means of identification in accordance with C.2.2, the Client must bear all the consequences that arise from the use and misuse of their means of identification or those of their authorised representative (e.g. in the case of unauthorised access by a third party) unless the Bank has violated the customary care of established banking practice. The Client must also bear the consequences that arise as a result of a breach of the User's duty of care in accordance with C.2.4, or as a result of a transaction confirmation that is issued by the User in breach of their due diligence obligations.

C.2.6 Data protection

If the User makes use of a text messaging-based Service (e.g. alert functions), then they acknowledge and declare that they agree that the Bank may forward the telephone number selected by them and the data to be transmitted to them to the telecommunications company required transmit the text message.
Through use of an app, third-party providers of apps or mobile operating systems may receive, personal data that they can process. The Client agrees that the Bank may collect tracking data that provides information on user behaviour, for the purpose of optimising offers and for statistical purposes.

C.2.7 Stock exchange and other trade orders

Stock exchange and trade orders cannot be carried out round the clock. Precise business hours are specified in information relating to the E-Banking Services. If the User issues stock exchange orders, they undertake to comply with the relevant regulations governing the particular transaction and the particular stock exchange or trading venue. The User also acknowledges that the Bank will not provide any personalised advice regarding any stock exchange or trading transactions. The User confirms that they are familiar with the customs and practices in relation to stock exchange or trading transactions, in particular that they are aware of the risks

associated with individual types of transactions.
The Bank shall be entitled to decline or to cancel a stock exchange or trade order issued by the User if it is inconsistent with the relevant regulations governing the particular transaction and the particular stock exchanges or trading venue. The User undertakes to consult the current version of the booklet entitled "Risks Involved in Trading Financial Instruments" as well as the information on risk provided as part of the E-Banking Services.

C.3 Special Conditions for the Electronic Delivery of Bank Advice Notices via E-Banking

C.3.1 Scope

The Bank's Special Conditions for the Electronic Delivery of Bank Advice Notices via E-Banking (hereinafter referred to as "Electronic Bank Advice Notices") supplement and/or amend the Terms and Conditions for Electronic Services (general provisions and special conditions for E-Banking) and apply to the electronic delivery of bank advice notices via E-Banking.

C.3.2 Services offered

The bank advice notices provided by the Bank via E-Banking are described on the relevant pages of the Bank's website.

The electronic delivery of documents is included by default in the Bank's basic E-Banking service.

The Client may instruct the Bank to deliver the advice notices for his or her bank transactions in paper form subject to payment of a fee.

The Bank reserves the right to change the range of Services offered by it at any time.

C.3.3 Place of performance and delivery of the bank advice notices

The place of performance for the electronic delivery of bank advice notices is the User's electronic mailbox within the E-Banking system. However, the Bank is entitled, at any time, to deliver advice notices exclusively in paper form, without giving any reasons for this.

The Electronic Bank Advice Notices are deemed to be duly delivered on the day on which they are made available via E-Banking. Applicable time limits and, in particular, the time limit for complaints, begin to run with effect from the delivery of the individual bank advice notice.

C.3.4 Information and reporting requirements

The Client expressly acknowledges that the Bank fulfils its duties, in particular, to inform and render account through the electronic delivery of bank advice notices.

C.3.5 Recording and safekeeping of bank documents

The Client bears independent responsibility for satisfying any statutory requirements regarding the content, recording and retention of Electronic Bank Advice Notices.

The Client hereby acknowledges that the individual electronic Bank Advice Notices delivered to their electronic mailbox will remain available within the E-Banking system for a period of 720 days from the date of delivery and that they will no longer be available electronically after the expiry of this period.

C.3.6 Deactivation of Service

The Client may at any time instruct the Bank to revert to delivering the advice notices pertaining to their banking transactions in paper form only. The Client hereby acknowledges that the electronic advice notices already made available by the Bank will be deemed to have been delivered.

C.3.7 Conditions/charges

Any additional bank advice notices ordered, whether in electronic or paper form, shall be subject to a charge. The charges payable to the Bank in respect of such Services are set out in the schedule of charges (price list) as applicable from time to time. The Client will be notified in suitable form of any change or adjustment affecting such charges.

D. Terms and Conditions for Payment Services

D.1 General provisions

D.1.1 Scope

D.1.1.1 The following terms and conditions apply to the execution and receipt of domestic and cross-border cashless payment transactions (hereinafter referred to as "Payment Orders" or "Incoming payments") in all currencies.

D.1.1.2 They apply to all transfers processed by the Bank, irrespective of the payment service product used to process the transaction.

D.1.2 Other terms and conditions applicable to payment services

D.1.2.1 These terms and conditions for payment services do not apply to transfers that are processed with credit cards, the Bank's or non-Bank cards, as direct debits or through the payment systems of other third party providers.

D.1.2.2 Other special terms and conditions also concerning payment services remain reserved.

D.2 Payment Orders

D.2.1 Information required in a Payment Order

D.2.1.1 The principal must provide the Bank with the following information for a Payment Order to be executed:

- The principal's first and last name or company name, and home or company address;
- IBAN (International Bank Account Number) of the principal's account that is to be debited;
- The payee's first and last name or company name and home or company address;
- IBAN of the payee account to be credited where required (e.g. for payments in Switzerland or Europe);
- Otherwise IBAN or account number together with national bank code or BIC (Business Identifier Code) and name of the payee's bank;
- Payment amount and currency;
- Additional information necessary for the particular payment type (e.g. reference on payment part of QR-bill)
- Desired execution date of the Payment Order;
- Date and signature (for written Payment Orders).

The Terms and Conditions for Electronic Services apply to Payment Orders issued electronically.

D.2.1.2 In addition to the information specified in point D.2.1.1, the principal must provide the following information for cross-border Payment Orders in all currencies, as well as for foreign currency Payment Orders within Switzerland:

- Fee arrangement (shared/debited to the payer/debited to the payee);
- Any other necessary country-specific information.

D.2.1.3 In addition to the information in points D.2.1.1 and D.2.1.2, special criteria apply to Payment Orders processed according to the SEPA (=Single European Payment Area) standards, specifically:

- The currency of the transfer amount must be the euro;
- The payee's bank must be a SEPA participant;
- The fee arrangement must be "shared", i.e. payer and payee pay the fees charged by their own banks.
- No notifications / instructions are issued to LUKB
- "Normal" priority is selected.

Other mandatory criteria for Payment Orders under the SEPA standards are published on the Bank's website and can be obtained on request from the Bank at any time.

Payment processing may require further client data to be given in addition to the information set out in D.2.1.1 et seqq.

D.2.2 Execution of a Payment Order

D.2.2.1 The Bank shall execute a Payment Order on behalf of the Client provided the necessary information is available, the information specified in point D.2.1 is complete, accurate and consistent, and the subsequent requirements as set out in points D.2.2.2 to D.2.2.4 are satisfied.

D.2.2.2 When the Payment Order is executed, the Client must have a minimum available credit balance or minimum available overdraft limit on the account to be debited that is sufficient to cover the amount of the transfer plus the charges that are incurred.

D.2.2.3 Execution of the Payment Order may not be prohibited by any ban or restriction, specifically any legal or regulatory rules, orders by government authorities or national or international sanctions or agreements the Bank has to observe, such as credit balances having been pledged.

D.2.2.4 There may also be no doubts about the right of disposal enjoyed by the principal or their authorised representative(s).

D.2.2.5 The Bank shall be entitled, but not obliged, to execute the Payment Order in the interests of the Client despite insufficient or missing information, provided the insufficient or missing information can be unequivocally corrected and/or completed by the Bank.

D.2.2.6 The Bank may also execute a Payment Order in the interests of the Client when there is an insufficient credit balance.

D.2.2.7 Where the requirements specified in points D.2.2.1 to D.2.2.4 above are not met until after the desired execution date the Bank may, in the absence of instructions to the contrary from the Client, execute a Payment Order after the desired execution date rather than reject it.

D.2.2.8 Once the Payment Order has been executed, the designated account will be debited on the execution date. Once the amount has been debited to the account, the Payment Order can no longer be revoked.

D.2.3 Collective orders

If the order is a collective order, each individual Payment Order must meet all the requirements of these terms and conditions. Otherwise the Bank will reject the entire collective order unprocessed. In the Client's interest, the Bank may nonetheless execute individual Payment Orders within the collective order that meet the requirements of these terms and conditions.

D.2.4 Execution date and cut-off times

D.2.4.1 The Bank shall execute a Payment Order on the desired execution date providing it has reached the Bank's processing centre by that date. If no execution date is indicated on the order, it will be executed within three bank working days of receipt at the Bank. This shall be subject to points D.2.4.2 (cut-off times) and D.4.1 (debit and credit date), as well as any delays caused by clarifications the Bank which must be conducted prior to execution (e.g. under point D.2.2 above). The Bank shall not be liable to the Client for any such delays.

D.2.4.2 If the Payment Order is received by the Bank after the cut-off time or if the execution date has already passed, the payment can normally only be executed on the next bank working day after receipt. Information on the cut-off times for Payment Orders is available to Clients from the Bank. It is also published on the Bank's website.

D.2.5 Data not matched for Incoming Payments

The principal acknowledges that the payee's bank will credit the Incoming Payment only by using the IBAN or account number contained in the Payment Order, i.e. without matching the payee's name and address. The payee's bank may also reserve the right to match this information at its own discretion and to reject the Payment Order if there is any inconsistency.

D.2.6 Rejection of a Payment Order

D.2.6.1 The Bank shall inform the Client within a reasonable period of time and in an appropriate manner, e.g. with the bank statement, if a Payment Order is not executed by the Bank, e.g. because at least one of the conditions has not been met, or if, following the account debit, the order is rejected by another party to the payment transfer (e.g. a correspondent bank or the payee's bank). The Bank shall state the reason for the rejection where permissible, if known. If the transfer amount has already been debited, the Bank shall recredit the amount to the account debited with the value date on when the funds are received by the Bank. Point D.4.2 applies to currency conversions and exchange rate risks.

D.2.6.2 If the Bank is able to resolve the reason for the rejection of the Payment Order, it shall be entitled, but not obliged, to execute the Payment Order again in the Client's interests without consulting the Client.

D.2.7 Third-party, transfer and credit risk

D.2.7.1 The Bank shall exercise customary care of established banking practice when selecting and instructing the parties involved in processing Payment Orders (e.g. correspondent banks). The Bank shall not be liable to the Client for any failure in the performance of duties by a party not selected by the Bank (e.g. the payee's bank), or a party that had to be used because the Bank had no other choice.

D.2.7.2 Payments may be delayed or prevented by circumstances beyond the control of the Bank, specifically as a result of (inter)national or foreign rules and measures (e.g. legal or regulatory restrictions such as sanctions, bans on transfers or restrictions on currency or payment systems), or owing to the insolvency of a participating correspondent or recipient bank. The Bank shall not be liable to the Client for any such delay, block or non-execution of a transaction.

D.3 Incoming Payments

D.3.1 Credit of an incoming Payment based purely on IBAN/account number

D.3.1.1 The Bank credits Incoming Payment to the account designated using the IBAN or account number stated in the transfer instruction, without comparing the other information provided with the name (company name) and address of the accountholder.

D.3.1.2 However, the Bank reserves the right to make such comparison at its own discretion and to act in accordance with point D.3.2 where there is a discrepancy (subject to point D.3.1.3).

D.3.1.3 Where a comparison reveals that non-material information is missing or incomplete the Bank shall be entitled but not obliged to credit an Incoming Payment if the details can be unequivocally completed by the Bank.

D.3.2 Return or block of an Incoming Payment

D.3.2.1 Incoming Payments for which information is missing, incorrect or unclear (e.g. no/incorrect IBAN/account number, incomplete payer information), or for which a comparison under point D.3.1.2 reveals discrepancies, will be returned by the Bank. The Bank will proceed in the same way where other reasons prevent a payment from being credited (account closed, legal or regulatory rules such as money laundering regulations, orders by government authorities, national or international sanctions the Bank must observe, etc.), except where the Bank is obliged to block the Incoming Payment.

D.3.2.2 In the cases mentioned in point D.3.2.1, the Bank may carry out clarifications to assess the background to an Incoming Payment, and may ask the principal's bank to provide corrected or additional payment instructions which might permit it to credit the payment, and thereby decide whether to credit, return or block an Incoming Payment. The Bank shall not be liable to the Client for any delays caused as a result.

D.3.2.3 If a credit is returned or blocked, the Bank shall be entitled to disclose the reason for the failed credit to all of the parties involved in the transaction (including the principal). It cannot be ruled out that this may allow third parties to draw conclusions about the Client's bank account.

D.3.3 Bank's right to reverse a credit

D.3.3.1 The Bank is entitled to reverse an amount credited to the Client's account (plus interest since credited), or reclaim it by other means any time if it emerges that the Bank made the credit incorrectly, especially in error, wrongly or illegally.

D.3.3.2 For Incoming Payments in foreign currency involving a covering payment (i.e. the relevant currency must be obtained from another bank), the Bank reserves the right to delay the credit until its correspondent bank has confirmed the covering payment has been received. If the Bank applies the credit before confirmation is received, this shall be on condition that it may reverse the amount credited (plus interest since credited) from the Client's account or reclaim by other means at any time unless it receives the covering payment from its correspondent bank within three bank working days of making the credit.

D.3.3.3 The Bank shall inform the Client of any such reversal.

D.4 Common provisions

D.4.1 Debit and credit dates

D.4.1.1 If the debit or credit date falls on a Saturday, Sunday or a bank or public holiday, the Bank shall be entitled to post the debit or credit on the bank working day before or after the date in question.

D.4.1.2 The Client acknowledges that credits to the payee may also be delayed as a result of foreign regulations regarding bank working days and bank or public holidays or other accounting crediting regulations applicable to the payee's bank.

D.4.2 Currency conversion risk

Amounts in foreign currency shall be credited and debited in Swiss francs at the exchange rate on the day on which the amount is credited or debited to the Bank, unless the Client has issued instructions to the contrary in good time, or holds an account in the foreign currency concerned. If the Client has only foreign currency accounts, the Bank may, at its discretion, credit or debit such amounts in one of these currencies.

D.4.3 Notification of debits and credits

Debit and credit advices shall generally be made available to the Client within one month, subject to any agreements with the Client to the contrary.

D.4.4 Charges and fees

D.4.4.1 The Bank shall be entitled to charge the Client a fee for processing Payment Orders and Incoming Payments, as well as for any associated additional services (e.g. research, reclaiming amounts credited, reproducing data or manual processing

as a result of special client instructions), as well as for currency conversions. This fee may also include costs charged to the Bank by financial institutions involved in processing a payment. Depending on the type of payment order, the receiving institution may charge a fee. The Client acknowledges that the receiving institution may transfer the fee, in whole or in part, to the Bank, and waives any claims for restitution.
D.4.4.2 Prices are based on the separate price lists in effect at any given time, which are also published on the internet and can be obtained on request at any time. The Bank reserves the right to amend price lists at any time, specifically when the market situation changes or for other objective reasons. Any changes will be made in good faith and notified to the Client appropriately in advance.

D.4.4.3 The Bank shall have the right to debit any fees directly to an account belonging to the Client.

D.4.4.4 The Bank shall be entitled to deduct any fees for Incoming Payments from the amount concerned before crediting that amount to the account.

D.4.5 Prevention of misuse

The Bank examines the Payment Orders it receives with the customary care of established banking practice. The Client is required to store payment services documentation (advice notices, payment instructions, identification and authorisation elements, etc.) carefully to avoid access by unauthorised persons. The Client must take all reasonable precautions to avoid misuse or fraud.

Annex

Information on avoiding uncontactable and dormant account status

1. General provisions

Every now and then, contact with some banking Clients is lost and assets held at the bank are declared dormant and uncontactable as a result.
This can lead to problems and undesirable situations for everyone concerned, particularly if the assets in question are ultimately forgotten by Clients or their rightful heirs.
In order to avoid this, the Swiss Bankers Association – in collaboration with the Swiss banks – has produced in particular the following guidelines and measures.

2. Avoiding uncontactable and dormant account status

2.1 Changes of name and address

Clients are requested to notify the Bank immediately if they move house or if their address used by the Bank is no longer accurate and needs to be updated as a result of changing name, for example.

2.2 Special instructions

The Bank requests that the Client notifies it if they are to be away for an extended period of time and notifications from the Bank are to be sent to a third-party address, for example, or if the Client's post is to be retained by the Bank during this time.

2.3 Issuing of powers of attorney

The Bank requests that the Client notifies it if they are to be away for an extended period of time and notifications from the Bank are to be sent to a third-party address, for example, or if the Client's post is to be retained by the Bank during this time.

2.4 Informing trusted persons/your will

Another way of avoiding assets being declared as uncontactable or dormant is for the Client to confide their banking details to a person they trust. The Bank cannot give that person information unless it has the Client's written consent, however. The Client might also mention any deposited assets – and the name of the bank where they are held – in their will.

3. Possible action on the part of the Bank in the event of inability to make contact or dormancy

The Swiss Bankers Association has defined professional guidelines for the attention

of Swiss banks, requiring in particular the following action to be taken in the event of inability to make contact and dormancy:

3.1 Immediate action

As soon as the Bank becomes aware that correspondence which it is sending to a Client by post can no longer be delivered – e.g. as a result of a change of address – it should take all reasonable steps to establish the new address. This might involve instructing third parties to make the necessary enquiries, in which case these parties will naturally be subject to the same duty of confidentiality as employees of the Bank itself. Bank client confidentiality is thus ensured. By the same token, the Bank will comply with any special or contrary instructions from Clients within the framework of guidelines and applicable legislation.

3.2 Action in the event of assets being declared uncontactable or dormant

If the Bank's enquiries prove unsuccessful or a Client cannot be contacted for some other reason, under the Swiss Bankers Association's guidelines, Swiss banks are obliged in particular:

- To keep a central, internal record of the assets belonging to the Client in question;
- To specifically flag the assets so that the central liaison unit can be notified accordingly. Those responsible at the liaison unit – which is equipped with state-of-the-art security systems – are subject to the same duty of confidentiality under Swiss banking law as the Bank's employees (bank client confidentiality).

4. Preservation of rights even where assets are declared uncontactable or dormant

The Client's rights continue to be upheld even in the event of inability to make contact or dormancy. The applicable contractual arrangements will be deviated from only if this is presumed to be in the Client's best interests. For example, current account balances and the like may be switched to investments with a conservative risk profile such as savings accounts, medium-term notes or investment fund units. Savings account balances will continue to be managed at the Bank's prevailing terms and conditions. The same applies to asset management mandates, providing the specified investment objective is not contrary to the Client's apparent best interests.

5. Fees and charges

The usual fees and costs that are charged by the Bank shall still apply, even in the event of inability to make contact or dormancy. Furthermore, the Bank may charge the Client for costs incurred for research, as well as for the special handling and supervision of uncontactable or dormant assets. The Bank will research dormant assets in accordance with the principle of proportionality, in particular in relation to the assets in question.

Information on the recording of telephone conversations

In accordance with point A.4 of its General Terms and Conditions, the Bank can record telephone conversations for the purpose of evidence or quality assurance. In some cases telephone conversations with the Client Centre, the hotline for blocking cards, the trading line, Trading, Asset Management and the employees of Private Banking and of the Competence Center Structured Products are generally recorded, partly on account of regulatory rules. On the basis of this provision or of the conducting of telephone conversations with the Bank, the Client agrees to the recording of telephone conversations.

Deposit protection scheme

The deposit protection scheme is organised by the association esisuisse and protects balances held on the accounts of private and corporate clients in the event of the bankruptcy of a bank or investment firm. Luzerner Kantonalbank AG is a member of the association esisuisse. The guarantee is regulated by law and is capped at a maximum of CHF 100,000 per client per institution. If there is more than one account, they are computed together. Esisuisse guarantees cover for the balance guaranteed in accordance with self-regulatory arrangements adopted by Swiss banks and investment firms. Balances at Luzerner Kantonalbank AG are guaranteed by the deposit protection scheme up to the level provided for by law. More detailed information can be found at www.esisuisse.ch.

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