

Articles of Association

of Luzerner Kantonalbank AG

(As at 30 May 2023)

1. Company name, registered office and object

Article 1 *Company name, registered office and duration*

A company limited by shares (*Aktiengesellschaft*), in accordance with Article 620 et seq. of the Swiss Code of Obligations (CO), is established in Lucerne under the name of 'Luzerner Kantonalbank AG'. The Company has been established for an indefinite period.

Article 2 *Object*

¹ The object of the Company is the for-profit operation of a full-service bank conducting the usual banking business in accordance with recognised banking principles. Specifically, the Bank pays particular heed to the needs of the population and the economy of the canton of Lucerne.

² The Company operates both domestically and internationally.

³ The Company may establish branch offices and subsidiaries, collaborate with other enterprises and take shareholdings in the same.

⁴ It is authorised to acquire and to sell real estate.

2. Share capital

Article 3 *Share capital*

¹ The share capital of the Company amounts to 183,458,332.10 Swiss francs and is fully paid up. It is divided into 49,583,333 registered shares at a par value of 3.70 Swiss francs each.

² Under the Act on the Conversion of Luzerner Kantonalbank (*Gesetz über die Umwandlung der Luzerner Kantonalbank*) of 8 May 2000, the cantonal parliament of the Canton of Lucerne approved the conversion of 'Luzerner Kantonalbank', in Lucerne, as a public-law institution with a state guarantee, into a company limited by shares in accordance with Article 620 et seq. CO with a state guarantee, to operate under the name of 'Luzerner Kantonalbank', with its registered office in Lucerne.

Article 4 *Share register*

¹ The owners and usufructuaries of shares are listed in the Company's share register with their name and address. Entries are made in one of two categories: 'Shareholders with no voting rights' and 'Shareholders with voting rights'.

² Only those persons who are validly entered in one of these two categories are deemed to be shareholders or usufructuaries in dealings with the Company. Notwithstanding any restrictions in these Articles of Association, only these persons are permitted to exercise the rights attached to their shares vis-à-vis the Company.

³ Shareholders with no voting rights are permitted to exercise neither voting rights nor the rights attached to voting rights. Shareholders with voting rights may exercise all of the rights attached to their shares.

Article 5 *Ownership structure*

Shareholders other than the Canton of Lucerne are entered in the share register as shareholders with voting rights only up to a maximum of ten per cent of the share capital in each case.

Article 6 *Transfer of registered shares*

¹ The transfer of registered shares to a new owner, and their entry in the share register, requires the approval of the Board of Directors. Having acquired the shares, the acquiring party is regarded as a 'Shareholder with no voting rights' until the Company has recognised them as a 'Shareholder with voting rights' in response to an application for such recognition. If the Board of Directors does not reject the application for recognition within 20 days, the shareholder concerned is deemed recognised as a 'Shareholder with voting rights'.

² In the following cases the Board of Directors will refuse to enter acquiring parties in the share register as shareholders with voting rights:

- a. If a single shareholder individually holds more than ten per cent of the Company's share capital;
- b. If, when requested to do so, a shareholder does not expressly state that they have acquired the shares in their own name and for their own account (for example, if the applicant is a nominee), that there is no agreement to take or give back the shares in question, and that they bear the financial risk attached to the shares;
- c. To the extent that and for as long as entry in the share register might hinder the Company in providing evidence of the composition of its shareholders, as required by federal law.

³ The restrictions on transfer apply irrespective of the form and nature of accounting for the registered shares and the provisions that apply to transfer, as well as to shares drawn or acquired as the result of the exercise of subscription, option or conversion rights. With regard to entry in the share register as a shareholder, the following are also deemed to be single shareholders: legal entities, partnerships, other groups of persons or joint ownership arrangements associated through capital ownership or voting rights, or through common management or by other means. The same applies to natural persons and legal entities or partnerships acting in concert (in particular as a syndicate) in order to circumvent a restriction on entry.

⁴ Having granted the person concerned a hearing, the Board of Directors is entitled to revoke approval and an entry in the share register granted on the basis of false information. This applies retroactively as of the date on which the share register entry was made.

Article 7 *Share certificates*

¹ The registered shares of the Company take the form of loan-stock rights and are held as book-entry securities. The transfer of registered shares held as book-entry securities, and the creation of security interests against them, is governed exclusively by the provisions of the Intermediated Securities Act.

² Each shareholder may request at any time that the Company issue confirmation of the registered shares held in their possession, but does not have the right to the printing and delivery of certificates for registered shares, or to the conversion of issued registered shares into another form of security under the Intermediated Securities Act.

³ The Company may, at any time and without the consent of the shareholders, convert the registered shares into another form of security in accordance with the Intermediated Securities Act, and may also withdraw registered shares held as book-entry securities from the custody system.

Article 8 *Subscription rights*

¹ Shareholders have the right to subscribe to newly issued shares in proportion to their existing shareholdings.

² The General Meeting may cancel or limit these subscription rights only on the important grounds provided for in law. Important reasons are deemed to be, in particular, the acquisition of other enterprises, parts thereof or participations, as well as employee share ownership schemes.

³ Providing subscription rights have not been excluded, the Board of Directors will determine the issue and the payment terms, and will notify the shareholders. Subscription rights expire for those shareholders who do not exercise them within the period set by the Board of Directors, or who do not make the payments on their shares. Article 650, para. 2 point 9 CO remains reserved.

3. Governing and executive bodies

Article 9 *Governing and executive bodies*

The Company's governing and executive bodies are the:

- A General Meeting (GM)
- B Board of Directors (BoD)
- C Executive Board (EB)
- D Statutory Auditors

A General Meeting

Article 10 *Powers of the General Meeting*

¹ The General Meeting is the Company's supreme decision-making body.

² It holds the inalienable powers as laid down in particular in Article 698 CO.

- a. Establishing and amending the Articles of Association;

- b. Electing and removing from office the Chair and other members of the Board of Directors;
- c. Electing and removing from office the members of the Personnel and Compensation Committee;
- d. Electing and removing from office the independent proxy;
- e. Appointing the statutory auditors;
- f. Adopting the annual review and the consolidated financial statements;
- g. Adopting the annual report and the annual financial statements, and passing resolutions on the appropriation of net income, specifically determining dividends;
- h. Determining interim dividends and approving the necessary interim financial statements;
- i. Passing resolutions on the write-back of the statutory capital reserve;
- j. Approving the compensation paid to the members of the Board of Directors and the Executive Board;
- k. Discharging the members of the Board of Directors and those persons entrusted with business management;
- l. Approving the report on non-financial matters in accordance with Article 964 CO;
- m. Winding up the Company, where appropriate without liquidating it, in connection with the Company's merger with or takeover by another company;
- n. Passing resolutions on other items of business that are the preserve of the General Meeting under the law or the Articles of Association.

Article 11 *Convocation of the General Meeting*

¹ The General Meeting is convened by the Board of Directors or, if necessary, by the Statutory Auditors. Liquidators and, where debenture loans have been issued, the representatives of the debenture-holders, also have the right to convene a General Meeting.

² The Annual General Meeting is held each year within six months of the end of the financial year.

³ Extraordinary General Meetings are convened as necessary. One or more shareholders who alone or together represent at least five per cent of share capital or voting rights may demand that a General Meeting be convened.

⁴ One or more shareholders who alone or together represent at least 0.1 per cent of share capital or voting rights may demand that an item be placed on the agenda for the General Meeting. They may also demand that proposals relating to agenda items be included in the notice convening the General Meeting.

⁵ The request to convene a General Meeting must be made in writing and be accompanied by the deposit of Company shares representing at least five per cent of share capital or voting rights. The request to place an item on the agenda, including proposals, or the request to include a proposal on an agenda item, must be made in writing and be accompanied by the deposit of Company shares representing 0.1 per cent of share capital or voting rights. The shares must be deposited by the day of the General Meeting. If no certificated shares are issued, when submitting their request to the Board of Directors the shareholders must provide evidence of their shareholdings, stating their surname, first name, places of residence and origin, as well as the amount and identification numbers of the registered shares entered in the share register. Further evidence must be provided on the day of the General Meeting.

⁶ The request to place an item on the agenda, including proposals, as well as the request to include a proposal on an agenda item, must be submitted to the Board of Directors no later than 50 days prior to a General Meeting, or by the deadline published by the Company.

Article 12 *Convocation procedure*

¹ An Annual or Extraordinary General Meeting is convened at least 20 days prior to the meeting by means of a one-time notice in accordance with Article 31 of these Articles of Association. The publication and the invitation must state the venue, date, nature and starting time of the meeting, the items on the agenda and the wording of the proposals of the Board of Directors and shareholders who have requested that a General Meeting be held, that a specific item be placed on the agenda, or that a proposal on an agenda item be included. It must also give the name and address of the independent proxy.

² The annual report and auditor's report, as well as the report on non-financial matters in accordance with Article 964c CO, will be made available to shareholders in electronic form no later than 20 days prior to the Annual General Meeting.

³ No resolutions may be passed on proposals regarding agenda items which have not been properly announced in advance, except for a proposal to convene an extraordinary General Meeting, to conduct a special audit, or to appoint an audit firm.

Article 13 *Voting rights, representation of shares*

¹ Each share entitles the holder to one vote. Only those persons entered in the share register as a 'Shareholder with voting rights' may exercise the voting rights attached to the shares, and other rights associated with voting rights, at the General Meeting.

² A single shareholder may not vote either directly or indirectly on behalf of more than ten per cent of all shares, constituting their own shares and/or shares they represent. Where voting is concerned, legal entities and parties holding rights in common to shares, associated through capital ownership, voting rights, through common management or in a similar way, are deemed to be a single shareholder. The Canton of Lucerne is an exception in this regard.

³ A shareholder may be represented at the General Meeting only by their legal representative, by another person holding written power of attorney, who does not need to be a shareholder, or by the independent proxy. All of the shares held by one shareholder must be represented by one person only.

⁴ The Company permits shareholders to issue powers of attorney and instructions to the independent proxy by electronic means.

Article 14 *Votes and elections*

¹ Notwithstanding any mandatory provisions in law or in the Articles of Association, the General Meeting passes its resolutions and conducts its elections on the basis of a majority of the shareholder votes represented, irrespective of the number of shareholders present and votes represented. In the case of elections, those candidates receiving the largest number of votes are thus deemed elected. In the event of a tie, the chair of the meeting has the casting vote.

² The chair of the meeting determines the open, written or electronic voting and election procedure.

Article 15 *Qualified majority for important resolutions*

The following resolutions of the General Meeting, and especially those listed under Article 704 CO, require a majority of at least two thirds of the votes represented, and the absolute majority of the par value of share capital represented, in order to be valid:

- a. A change to the object of the Company;
- b. The consolidation of shares, where the consent of all of the affected shareholders is not required;
- c. The introduction of voting shares;
- d. Restrictions on the transferability of registered shares;
- e. The introduction of conditional capital, the introduction of a capital band or the creation of buffer capital in accordance with Article 12 of the Banking Act of 8 November 1934;
- f. A capital increase from equity, against contributions in kind, or by a set off against a financial liability and the grant of special privileges;
- g. The restriction or cancellation of subscription rights;
- h. The relocation of the Company's registered office;
- i. The winding-up of the Company without liquidation.

Article 16 *Chair and organisation*

¹ The Chair of the Board of Directors chairs the General Meeting. Should they be unable to do so, the Vice-Chair or another Board Member appointed by the Board of Directors takes the chair.

² The chair leads the meeting and holds all of the authorities required or appropriate for the proper conduct of the General Meeting.

³ The chair appoints the vote-counter and the minutes secretary. The minutes of the General Meeting must be signed by the chair and by the minutes secretary.

⁴ In extraordinary circumstances a General Meeting may be held by electronic means without a physical venue. Examples of extraordinary circumstances are epidemics or pandemics, a direct or indirect ban on holding general meetings in person, natural disasters, war, unrest, or other cases of force majeure. The Board of Directors will issue rules governing the use of electronic means.

B Board of Directors

Article 17 *Composition*

¹ The Board of Directors is composed of between seven and nine members.

² The Chair and the other members of the Board of Directors are elected for a one-year term of office, where one term runs from one Annual General Meeting until the end of the next. Members may be re-elected.

³ Minority shareholders are entitled to appropriate representation on the Board of Directors.

⁴ The members of the Board of Directors should display initiative, independence, knowledge of economic relationships and general knowledge of the banking business.

⁵ Members of the Board of Directors may serve in office for a maximum of 15 years. In any event, members who have reached the age of 72 must step down from the Board of Directors at the next General Meeting.

⁶ Each member of the Board of Directors must also be a shareholder in the Company.

⁷ The Board of Directors appoints one person to serve as Company Secretary. This individual need not be a member of the Board of Directors.

Article 18 *Duties and powers of the Board of Directors*

¹ The Board of Directors is responsible for fulfilling non-delegable management tasks at the highest level of the Company; it also bears ultimate responsibility for supervising and monitoring business management. In this context, the Board of Directors has the following non-transferable and inalienable duties:

- a. Adopting the organisational and business regulations required by the Company, and issuing the necessary policies in this regard;
- b. Passing resolutions on the strategy of the Company and on other items of business which are the preserve of the Board of Directors under the organisational and business regulations;
- c. Responsibility for establishing and maintaining a system of financial reporting and financial planning that meets the needs of the Company and complies with the applicable legal provisions, and for a system of internal and external auditing that satisfies the legal requirements;
- d. Appointing and removing from office the statutory auditors, and reviewing their reports;
- e. Appointing and dismissing the Chief Executive Officer and other members of the Executive Board;
- f. Appointing and dismissing the head of the internal audit office;
- g. Supervising those individuals entrusted with the management and representation of the Company to ensure, specifically, that they comply with the law, the Articles of Association, regulations and policies;
- h. Producing the annual report, the compensation report and, where appropriate, the report on non-financial matters in accordance with Article 964c CO, as well as preparing the General Meeting and executing its resolutions;
- i. Applying for a debt restructuring moratorium and notifying the courts in the event of overindebtedness;
- j. Passing resolutions on all business that, according to the law or the Articles of Association, does not fall within the authority of the General Meeting or another governing or executive body.

² The maximum number of other directorships and offices that the members of the Board of Directors may hold is as follows:

- a. Five directorships of listed companies; and
- b. Ten directorships of unlisted companies or offices in other legal entities.

³ The Board of Directors will issue guidelines which set out further restrictions, taking the roles of the individual members into account.

⁴ Directorships and other offices are mandates in comparable roles in other commercial enterprises. Directorships and other offices in various legal entities that are under common control or subject to the same beneficial owner are deemed to be a single mandate.

⁵ There is no restriction on the number of directorships or other offices that may be held in legal entities that are controlled by Luzerner Kantonalbank, or on directorships and other offices with associations, non-commercial charitable and family foundations, and employee welfare foundations.

Article 19 *Convocation and resolutions*

¹ The Board of Directors meets as often as business requires. The meeting is convened by its Chair or, if they are unable to do so, by the Vice-Chair or by another member of the Board of Directors. Stating their reasons, each member of the Board of Directors may demand that the Chair convene a meeting within 30 days.

² The Board of Directors may pass its resolutions as follows:

- a. At an in-person meeting;
- b. By electronic means;
- c. In writing on paper or in electronic form, provided that no member demands a verbal discussion. Unless the Board of Directors has issued instructions to the contrary, no signature is required where resolutions are passed by electronic means.

³ The majority of members must be present for the Board of Directors to be quorate. No such in-person quorum is required for the Board of Directors to pass resolutions on a capital increase or subsequent payments on subscribed shares, or for those resolutions that require public certification.

⁴ The Board of Directors passes its resolutions and conducts its elections on the basis of the absolute majority of members present at the meeting. In the event of a tie, the Chair of the Board of Directors has the casting vote. As a rule, votes and elections are held as open ballots, unless one of the members requests a secret ballot.

⁵ Board of Directors' resolutions be passed in writing on paper or in electronic form are valid if approved by the majority of its members.

⁶ The resolutions must be recorded in minutes that are signed by the chair of the meeting and the Company Secretary.

⁷ Each member of the Board of Directors has the rights that are laid down in law to information and to inspect the Company records.

Article 20 *Signatory powers*

The Board of Directors will issue rules on authority to sign on behalf of the Company. Under the terms of organisational regulations, it may fully or partially delegate to the Executive Board the grant of signatory powers to persons not reporting directly to the Board of Directors.

Article 21 *Directors' compensation*

¹ The members of the Board of Directors receive a basic fee, plus allowances for fulfilling specific roles and for serving on committees. Contracts concerning compensation may be concluded with members of the Board of Directors. The duration and termination of such contracts is determined by law and by the length of time for which the member has been in office.

² The Board of Directors may determine special compensation packages for special tasks.

³ A portion of compensation is paid out in the form of shares, which are held in escrow for at least three years. They are allocated on the basis of a price that corresponds to their tax value.

⁴ On the basis of a proposal from the Board of Directors, the General Meeting approves the total amount of compensation for the Board of Directors for the period since the last General Meeting.

⁵ Severance packages, payments made in advance and commissions on the transfer or takeover of enterprises or parts thereof are prohibited, as is other compensation that is prohibited by law.

⁶ Any loans or credit facilities granted by Luzerner Kantonalbank to members of the Board of Directors are subject to the customary terms that apply to the bank's client business.

Article 22 *Assignment of business management*

The Board of Directors is authorised, in accordance with organisational regulations, to assign all or some of the functions of business management to third parties.

Article 23 *Board committees*

¹ The General Meeting elects three members of the Board of Directors to serve on the Personnel and Compensation Committee. The members of the Personnel and Compensation Committee serve for a one-year term of office, ending at the next Annual General Meeting. Members may be re-elected.

² The Personnel and Compensation Committee supports the Board of Directors in determining and reviewing the compensation policy of Luzerner Kantonalbank, as well as the system of compensation to the Board of Directors and the Executive Board. It prepares the proposals of the Board of Directors to the General Meeting regarding compensation for the Board of Directors and Executive Board. The Board of Directors may assign further duties to the Personnel and Compensation Committee. These will be laid down in regulations.

³ The Board of Directors may establish further committees to fulfil its remit.

⁴ Further details of the remit and responsibilities of these committees are laid down in the organisational and business regulations.

C Executive Board

Article 24 *Organisation*

¹ Notwithstanding the representation authority of the Board of Directors and its committees, the Executive Board is responsible for all aspects of business management and for representing the Company externally.

² The tasks and authorities of the Executive Board are laid down in the organisational and business regulations.

³ The employment contracts of the members of the Executive Board are usually concluded for an indefinite period. Their notice period is a maximum of 12 months. Short-term employment contracts have a maximum duration of one year. They may be renewed.

⁴ The total compensation package for the individual members of the Executive Board comprises a fixed component and a variable component, the latter depending on the role of the individual, their personal performance, and the results of the Company. The total compensation package also includes pension benefits, services and benefits in kind. The Board of Directors issues regulations governing the details of Executive Board pay.

⁵ Up to a maximum amount determined by the Board of Directors, special compensation may be paid in respect of work for companies that are controlled directly by Luzerner Kantonalbank.

⁶ The General Meeting approves the following on the basis of a proposal from the Board of Directors:

- a. The fixed component of compensation for the Executive Board for the current financial year; and
- b. The variable component of compensation for the Executive Board for the financial year just ended.

⁷ If the General Meeting rejects the proposal, the Board of Directors will determine how to proceed. It may convene a further General Meeting and submit new proposals to approve compensation for the Executive Board, or determine (maximum) compensation for the period in question on an interim basis, subject to the approval of the next General Meeting.

⁸ For each member joining the Executive Board after compensation has been approved by the General Meeting, the Company is authorised to pay an additional amount for this period if the compensation that has already been approved is not sufficient to meet the terms of that member's compensation package. For each compensation period, this additional amount may not exceed 30 per cent of the most recently approved maximum for fixed components of compensation to the Executive Board.

⁹ Part of the variable component of the compensation package is paid out in the form of shares, which are held in escrow for several years. They are allocated on the basis of a price which corresponds to their tax value.

¹⁰ Severance packages, payments made in advance and commissions on the transfer or takeover of enterprises or parts thereof are prohibited, as is other compensation that is prohibited by law.

¹¹ Any loans or credit facilities granted by Luzerner Kantonalbank to members of the Executive Board are subject to the customary staff terms that apply to employees.

¹² The maximum number of directorships and other offices that the members of the Executive Board may hold is as follows:

- a. One directorship of a listed company; and
- b. Five directorships of unlisted companies or offices in other legal entities.

¹³ The Board of Directors will issue guidelines which set out further restrictions, taking the roles of the individual members into account.

¹⁴ Directorships and other offices are mandates in comparable roles in other commercial enterprises. Directorships and other offices in various legal entities that are under common control or subject to the same beneficial owner are deemed to be a single mandate.

¹⁵ There is no restriction on the number of directorships or other offices that may be held in legal entities that are controlled by Luzerner Kantonalbank, or on directorships and other offices with associations, non-commercial charitable and family foundations, and employee welfare foundations.

D Statutory Auditors

Article 25 *Appointment of the statutory auditors*

The General Meeting appoints an audit firm for a period of one year. The audit firm must fulfil the statutory requirements for auditors, and it has the rights and obligations laid down in law.

Article 26 *Remit of the statutory auditors*

¹ The statutory auditors examine whether the accounting records, annual financial statements and the proposed appropriation of net income comply with the law and the Company's Articles of Association.

They submit a written report to the General Meeting on the findings of their audit, and are required to attend the General Meeting itself. The relevant provisions of the Swiss Code of Obligations apply in all other respects.

² The statutory auditors reports annually to the Cantonal Council about the Company's equity and risk situation, in accordance with the Act on the Conversion of Luzerner Kantonalbank.

4. General provisions

Article 27 *Non-compete clause*

The members of the Board of Directors and Executive Board may not act as an employee, agent or member of the governing and executive bodies of other financial institutions that are in or might enter into competition with the Company. The Board of Directors may approve exceptions in justified cases

5. Balance sheet, appropriation of profit, reserve fund

Article 28 *Financial year, accounting policies*

¹ The financial year ends on 31 December of the calendar year.

² The annual financial statements, consisting of the income statement, balance sheet, cash flow statement and notes, are prepared in accordance with the requirements of the Swiss Code of Obligations, and the Federal Act on Banks and Savings Banks of 8 November 1934.

³ The Company also produces a set of consolidated financial statements in accordance with a recognised financial reporting standard.

Article 29 *Appropriation of net profit, reserves*

¹ Each year, an amount corresponding to five per cent of net profit must be paid into a statutory retained earnings reserve, until this reserve and the statutory capital reserve together have reached the equivalent of half of the share capital entered in the commercial register.

² Subject to the applicable statutory provisions, the amount remaining may be allocated at the discretion of the General Meeting. In particular, the General Meeting may create special reserves.

6. Dissolution and liquidation of the Company

Article 30

¹ The dissolution and liquidation of the Company must observe the provisions of the Swiss Code of Obligations, with the condition that the liquidators should have the authority to dispose of real estate in a free sale where appropriate.

² Should the Company be dissolved, in the absence of a resolution to the contrary from the General Meeting the Board of Directors that is in office at the time will institute liquidation proceedings.

³ The powers of the General Meeting remain effective for the entire duration of the liquidation proceedings, albeit with the restriction stated in Article 739 para. 2 CO. Specifically, it has the right to approve the liquidation accounts.

7. Official publications

Article 31

¹ Notices that are required by law, as well as other announcements, are published in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*).

² The Board of Directors may publish the same notices and announcements in other media of publication chosen at its discretion.

³ The Board of Directors may choose to communicate validly with registered shareholders by letter to the address most recently reported to the Company, by publication in the Swiss Official Gazette of Commerce or by other means that facilitates evidence in text form.