

Articles of Association of Banque Cantonale Vaudoise

May 2024



I. Name, duration, registered office, scope of operations and purpose

Article 1 Name, duration

Established by the *Grand Conseil du Canton de Vaud* (the Vaud Cantonal Parliament) by the decree of 19 December 1845, and governed by the Cantonal Act Governing the Organization of Banque Cantonale Vaudoise of 20 June 1995, as amended on 25 June 2002, 30 January 2007 and 2 March 2010 (hereinafter the "LBCV," which is the French abbreviation of the name of the Act), Banque Cantonale Vaudoise (hereinafter "the Bank" or "BCV") is a public law corporation (*société anonyme de droit public*) not subject to the Swiss Code of Obligations, pursuant to Article 763(2) of that Code.

As a bank active in securities trading, it is subject to Swiss federal law governing such activities.

Except as otherwise provided by the LBCV or these Articles of Association, the Swiss Code of Obligations shall be supplementally applicable to the Bank, subject to Swiss federal banking legislation.

The duration of the Bank is unspecified.

Article 2 Registered office

The Bank's registered office is in Lausanne. The Bank may establish subsidiaries, branch offices, retail outlets and representative offices in the Canton of Vaud, elsewhere in Switzerland and abroad.

Article 3 Scope of operations

The Bank shall conduct its business primarily in the Canton of Vaud; in the interests of the cantonal economy, it may do business elsewhere in Switzerland and abroad.

Article 4 Purpose

The purpose of the Bank is to operate as a full-service bank with a regional focus. To this end, it shall contribute to the development of all sectors of the economy and to financing the work of public authorities and entities, throughout the various regions of the Canton. It shall also contribute to meeting mortgage-lending needs in the Canton. It shall manage risk in accordance with the customary prudential rules.

In its role as a cantonal bank, it shall have particular concern for the development of the Canton's economy, in keeping with the principles of economically, environmentally, and socially sustainable development.

Within the scope of its purpose, the Bank shall engage in banking operations, for its own account or for the account of third parties, that include but shall not be limited to:

- a) accepting all customary forms of bank deposits, including savings deposits
- b) acting as legal depositary for funds
- c) granting term loans and advances as well as call loans and advances, which may be secured or unsecured, in particular via mortgage-related risk mitigants
- d) discounting and collecting bills of exchange
- e) granting securities and guarantees
- f) carrying out securities transactions, for its own account and the account of third parties, including but not limited to issuing, buying, selling, lending and borrowing certificated securities and book-entry securities and other financial instruments (all types of derivatives, structured products, warrants, etc.); and buying and selling foreign exchange, currencies, precious metals, goods and commodities
- g) opening documentary credits and paying and collecting letters of credit
- h) carrying out fiduciary transactions
- i) recording, managing and acting as custodian for securities, rights and valuables, managing assets and pension funds, and renting safe deposit boxes
- j) engaging in firm-commitment underwriting of debt and equity issues; participating in issues and financial operations of private-sector companies and public-sector entities, individually or as part of a syndicate, and in operations involving other financial instruments
- k) creating subsidiaries and taking permanent or temporary interests in commercial, industrial and financial companies and banks, including, where appropriate, participating in the management of such companies
- l) acting as subscription agent and custodian bank for investment funds

- m) buying and selling real estate or the share capital of real-estate companies
- n) engaging in any operation relating to banking or finance, including but not limited to the field of bancassurance.

The Bank shall cooperate in the work of the Association of Swiss Cantonal Banks.

Article 5 Caisse d'Epargne Cantonale Vaudoise

Deleted.

II. Share capital, conditional capital, subscription rights and shares

Article 6 Share capital

The share capital of eighty-six million sixty-one thousand nine hundred Swiss francs (CHF 86,061,900) is divided into eighty-six million sixty-one thousand nine hundred (86,061,900) fully paid-up registered shares with a par value of one Swiss franc (CHF 1) per share.

Article 7 Conditional capital

The Bank may from time to time increase its conditional capital in the form prescribed by the Swiss Code of Obligations. If the preferential rights of shareholders are excluded, such action must be properly justified under the Articles of Association; if convertible bonds or warrant bonds are issued, provision for compliance with market conditions shall suffice.

Article 8 Subscription rights

When new shares are issued, shareholders shall be entitled to the newly issued securities in proportion to their existing shareholdings.

Preferential rights must be exercised by shareholders during the subscription period, failing which the rights shall lapse.

Shareholders' preferential rights may be excluded on objectively determined grounds, provided that such exclusion does not result in unequal treatment or in harm that is not justified by the purpose of the transaction. Valid grounds shall include the acquisition of a company or of part of a company or interests in companies, an equity interest in the Bank taken by the Executive Board, management and staff, and the issue of convertible bonds and warrant bonds, in compliance with market conditions.

Article 9 Shares

The Bank shall issue its shares in the form of individual instruments, certificates, global certificates or book-entry securities within the meaning of the Swiss Code of Obligations and in the form of securities held with an intermediary within the meaning of the Federal Act on the Custody and Transfer of Securities Held with an Intermediary (hereinafter the "LTI"). The Bank may withdraw shares issued in the form of "securities held with an intermediary" from such a system. Shares are indivisible; the Bank shall recognize only one owner per share.

In accordance with applicable law, the Bank is free at any time to convert its shares issued in one of the forms mentioned above into another form, without the shareholders' consent. It shall bear the costs of such conversion.

If the shares are issued in the form of individual instruments, certificates or global certificates, they shall be signed by the Chair of the Board of Directors and the Bank's Chief Executive Officer (CEO). The signatures may be facsimile signatures. With the shareholder's consent, the Bank may cancel the certificates that have been issued to the shareholder.

Shareholders are not entitled to have their shares converted from one form to another.

The Bank shall keep a register of all registered shares and all book-entry shares.

The Shareholders' Meeting may convert all or part of the registered shares into bearer shares and vice versa.

Article 10 Dematerialized registered shares

Shareholders cannot demand that the Bank print and deliver certificated shares. However, shareholders who are recorded in the share register are entitled to a written confirmation of the number of shares that they hold. This confirmation, which will serve solely as proof, is not a security.

Uncertificated registered shares and associated rights may only be transferred by assignment. The Bank must be notified of the assignment for it to be valid.

Uncertificated registered shares and associated rights administered by a bank under a mandate from a shareholder may only be transferred by such bank. Furthermore, such shares and rights may only be pledged in favor of that bank; BCV need not be notified of such operations.

In respect of other matters, subject to Article 13 below and to the extent that it applies pursuant to Article 685f of the Swiss Code of Obligations, the transfer and pledge of intermediated securities based on registered shares are subject to the LTI.

Article 11 Purchase of own shares

The Bank may hold its own shares in the cases provided for under Articles 659 et seq. of the Swiss Code of Obligations, and in order to cover options and convertible bonds issued by the Bank.

The Bank may also hold its own shares where the par value represents more than ten per cent (10%) of its share capital if such shares are acquired pursuant to a decision to reduce the Bank's capital.

Voting rights attached to own shares held by the Bank and any associated rights shall be suspended.

Article 12 Share register

Shareholders' names and addresses shall be recorded on the Bank's share register.

The Bank shall recognize as shareholders only those persons and entities validly entered in the shareholder register. Only those persons and entities whose names appear in the register may exercise the rights attached to BCV shares, subject to the restrictions provided herein.

Shareholders without the right to vote may not exercise such a right or any other associated right. Shareholders with the right to vote may exercise all rights attached to the shares.

Registered shareholders shall notify the Bank of any change of address. Until such notice is given, all correspondence shall be deemed to have been validly communicated when sent to the last registered address.

Article 13 Transfers of registered shares

The transfer of any registered share and its entry in the share register shall be subject to approval by the Board of Directors. An acquirer of BCV shares shall be deemed a shareholder without voting rights until recognized by the Bank as a shareholder with voting rights, upon a request being made to this effect on the appropriate form. If the Board of Directors does not reject the request within 20 days, the acquirer shall be recognized as a shareholder with voting rights.

The Board of Directors may refuse to register an acquirer as a shareholder with voting rights:

- a) in respect of a shareholding exceeding five percent (5%) of the Bank's share capital held by a single shareholder or group of shareholders as defined by the Federal Act on Financial Market Infrastructure (FinMIA). This limitation shall also apply to the subscription or acquisition of shares through the exercise of subscription rights, option rights, or conversion rights attached to certificated securities issued by the Bank or third parties; that limit shall not apply to the Canton of Vaud or any third party to which the Canton of Vaud sells part of its shareholding, or to the takeover of a company or part of a company.
- b) if a shareholder does not expressly state, when requested to do so, that the shareholder has acquired the shares in the shareholder's own name and for the shareholder's own account, that no contract to buy back or return such shares has been entered into, and that the shareholder bears the economic risk related to the shares. The Board of Directors shall not refuse the registration on the sole ground that the request was made by the acquirer's bank.
- c) if and so long as recognition of the shareholder could prevent the Bank from furnishing proof of the shareholder base required under Swiss federal law.

The Bank may, after hearing the person concerned, remove any entries in the share register made on the basis of false representations made by the acquirer. The acquirer shall be informed forthwith.

III. Governing bodies of the Bank

Article 14 Governing bodies

The Bank's governing bodies are:

- A) the Shareholders' Meeting
- B) the Board of Directors
- C) the Executive Board
- D) Internal Audit
- E) the Auditors.

A) Shareholders' Meeting

Article 15 Powers

The Shareholders' Meeting, chaired by the Chair of the Board of Directors, shall have the inalienable right to:

- a) amend the Articles of Association, in particular to decide upon increases to the share capital, except in cases otherwise reserved to the Board of Directors by the Swiss Code of Obligations, subject to approval by the Vaud Cantonal Government (*Conseil d'Etat Vaudois*)
- b) appoint and remove half of the non-Chair members of the Board of Directors, pursuant to Article 12(1)(c) of the LBCV
- c) appoint the Auditors, upon the recommendation of the Board of Directors
- d) approve the annual report and annual financial statements (including consolidated financial statements) and determine the appropriation of net profit shown in the income statement, in particular to set the dividend after consideration of the Auditors' Report
- e) grant the members of the Board of Directors and the Executive Board discharge from liability
- f) make recommendations on the dissolution of the Bank
- g) establish the interim dividend and approve the interim financial statements necessary in order to do so
- h) decide to refund the statutory reserve
- i) delist the Bank's equity securities
- j) elect an Independent Voting Representative
- k) approve the Report on Non-financial Matters
- l) make all decisions reserved to it by the LBCV and the Articles of Association, or submitted to it by the Board of Directors.

Article 16 Meetings

Shareholders' Meetings shall be convened by the Board of Directors at least once a year.

The Annual Meeting shall be held within six months following the financial year-end at the headquarters of the Bank or at any other place in the Canton of Vaud as may be determined by the Board of Directors.

Special Shareholders' Meetings may be convened as often as required.

One or more shareholders together representing no less than 5% of the share capital may also request the convening of a Shareholders' Meeting. Shareholders together representing at least 0.5% of the share capital may request that an item of business be included on the agenda. The convening of a Shareholders' Meeting and the inclusion of an item of business on the agenda must be requested in writing, stating the business to be discussed and the motions to be submitted.

Any individual motion requiring a vote shall be submitted to the Chair of the Board of Directors in writing at least 45 days prior to the Meeting.

If necessary, a Shareholders' Meeting may be convened by the Auditors.

Article 17 Notice of meetings and agenda

Shareholders' Meetings shall be convened at least 20 days prior to the appointed date, by a notice published in the "Feuille officielle suisse du commerce" and in accordance with Article 38 of these Articles. Shareholders whose names appear in the share register may be notified of meetings by letter, or with their consent, by any appropriate electronic means.

The notice shall specify the items of business to be included on the agenda, any motions of the Board of Directors and shareholders who requested the convening of the Meeting or the inclusion of an item of business on the agenda, as well as the other information required by Article 700(2) of the Swiss Code of Obligations.

Motions to amend the Articles of Association, the financial statements of either the parent company or the Group, the Annual Report, the Auditors' Report and motions concerning the appropriation of available earnings shall be made available to the shareholders for inspection at the registered office of the Bank at least 20 days prior to the Shareholders' Meeting. Such availability shall be mentioned in the notice of the meeting.

Broad or complex questions or lists of questions must be submitted in writing to the Board of Directors sufficiently in advance of the Shareholders' Meeting for the Board to prepare the answers. The Chair reserves the right to wait until after the Meeting to answer any broad or complex questions that arise during a Meeting; the answer will then be included in the minutes of the Meeting.

No resolution may be adopted on any items of business that have not been included on the agenda, other than on a motion to call a Special Shareholders' Meeting; Articles 697a to 697h^{bis} of the Swiss Code of Obligations shall not apply. It shall not be necessary to include on the agenda any motions or debates that are not required to be put to a vote.

Article 18 Voting rights

Each share entitles the holder to one vote. No shareholder shall be entitled to vote at a Shareholders' Meeting either personally or by proxy, or to exercise associated rights, unless entered in the share register.

Shareholder status and the right to appoint a proxy shall be determined on the basis of the share register on the 20th day prior to the Shareholders' Meeting.

Articles 689c to 689f of the Swiss Code of Obligations shall not apply.

Article 18bis Independent Voting Representative

The Shareholders' Meeting shall elect an Independent Voting Representative for the institutional representation of shareholders. Any individuals and legal entities as well as any partnerships are eligible.

The Independent Voting Representative's term of office shall expire at the end of the following Annual Meeting or, if the Independent Voting Representative is removed by the Shareholders' Meeting, the Independent Voting Representative's term of office shall expire at the end of any Shareholders' Meeting. An Independent Voting Representative may be reelected.

The Independent Voting Representative's true or apparent independence must not be impaired; Article 728(2) to (6) of the Swiss Code of Obligations shall apply *mutatis mutandis*.

The Board of Directors shall ensure that shareholders have an opportunity to issue to the Independent Voting Representative:

- a) specific or general instructions on any motion mentioned in the meeting notice and related to the items on the agenda
- b) general instructions on any motion not mentioned in the meeting notice, but related to the items on the agenda, as well as on any new items within the meaning of Article 704b of the Swiss Code of Obligations.

The Board of Directors shall further ensure that powers of attorney and instructions may be issued to the Independent Voting Representative electronically. The Board of Directors shall determine the procedure and deadlines applicable.

Powers of attorney and instructions can only be given for the following Shareholders' Meeting.

The Independent Voting Representative shall vote in accordance with the shareholders' instructions; in the absence of specific or general instructions, the Independent Voting Representative shall abstain.

If the Bank has no Independent Voting Representative or the Independent Voting Representative is unable to be present, the Board of Directors shall appoint an Independent Voting Representative for the next Shareholders' Meeting. Such Independent Voting Representative shall be authorized and bound by any powers of attorney and instructions given to the Independent Voting Representative's predecessor.

Representation of shareholders by a member of a governing body of the Bank or by a custodian is prohibited.

The Independent Voting Representative will inform the Bank of the number, type, and par value of the shares that he or she represents. The Chair will report this information in full to the Shareholders' Meeting.

Article 19 Quorum, resolutions

The Shareholders' Meeting shall have the power to transact business irrespective of the number of shares represented.

Resolutions put to the vote shall be decided by an absolute majority of the votes attached to the shares represented; in the event of a tie, the Chair shall have the deciding vote. Shares held by the Canton do not vote on the election of members of the Board of Directors carried out pursuant to Article 15(b).

Article 20 Proceedings at meetings

Shareholders' Meetings shall be presided over by the Chair of the Board of Directors. If at any Shareholders' Meeting the Chair is absent or unable to take the chair, one of the Vice Chairs shall preside or, if they are absent or unavailable, then another member of the Board shall preside; the Secretary of the Board of Directors or another person appointed by the Board of Directors shall take the minutes.

In general, shareholders shall vote by way of electronic voting, but a board of vote counters will be maintained in case, for example, the electronic voting system were to fail. In the event of such failure, voting shall be by show of hands, unless the Shareholders' Meeting or its Chair decides to hold a secret ballot or have the vote conducted by another electronic means. The vote counters shall be chosen in advance by the Board of Directors; they must not be members of a governing body of the Bank.

Minutes shall be kept, signed by the Chair and the person who drew them up, recording resolutions and appointments and any proceedings required by the shareholders to be entered in the minutes; extracts from the minutes shall bear the same signatures as the minutes. In respect of other matters, Article 702 of the Swiss Code of Obligations shall apply.

The Board of Directors may decide to hold all or part of the Shareholders' Meeting virtually. The Board of Directors shall determine the procedure for such meetings and shall inform the shareholders within the time period indicated in Article 17(1). Articles 701c to 701f of the Swiss Code of Obligations apply.

B) Board of Directors

Article 21 Composition

The Bank shall be managed by a Board of Directors made up of seven, nine or eleven members (determined, in consultation with the Vaud Cantonal Government, by resolution of the Board of Directors), including:

- a) a Chair, appointed by the Vaud Cantonal Government
- b) other members appointed by the Vaud Cantonal Government, who shall constitute half of the non-Chair members
- c) members elected by the Shareholders' Meeting, who shall constitute half of the non-Chair members; the Canton of Vaud shall abstain from voting in any such elections.

The Board of Directors shall be composed in such a way as to bring together the skills necessary for it to perform its duties.

The members appointed by the Vaud Cantonal Government shall be given an appointment letter. They shall brief the Vaud Cantonal Government about their activities in a written report, annually and whenever necessary.

The Vaud Cantonal Government shall appoint one or more Vice Chairs, upon the recommendation of the Board of Directors.

The Vaud Cantonal Government shall appoint the Secretary of the Board, upon the recommendation of the Board of Directors; the Secretary shall also act as Secretary of the Shareholders' Meeting.

Article 22 Term of office

The Chair and the other members of the Board of Directors shall be appointed to office for a term of four years. Their term of office may be renewed, but the total term may not exceed 12 years.

They are required to resign from office in accordance with the LBCV, as amended from time to time. Their resignation shall be approved at the Shareholders' Meeting following the end of their term of office.

Members of the Board of Directors must be shareholders of the Bank, subject also to the provisions of Article 707(3) of the Swiss Code of Obligations.

Article 23 Duties of office

No member of the Board of Directors may, without the Board's approval, be a partner, board member, auditor, director or employee of other banks, other than the Swiss National Bank. Members of the Board of Directors may not perform duties at the Bank other than those derived from their office.

The Chair of the Board of Directors shall not engage in any activity that would conflict with the interests of the Bank. Each Board member shall manage their personal and professional affairs so as to avoid conflicts of interest with the Bank.

Within the limits of Article 23(2) of these Articles, the maximum number of positions in the management or on the boards of directors of legal entities other than the Bank that must be recorded in the Commercial Register or a similar register abroad that may be held by members of the Board of Directors is 15, five of which may be held in publicly traded companies. These limits do not apply to positions at companies within the Group, companies in which the Bank holds a material interest, real-estate companies, pension funds, associations or foundations or unpaid positions. Specific banking regulations remain applicable. Positions held in several companies that are part of the same group count as a single position.

Members of the Board of Directors must inform the Board of Directors of their assignments and positions in other companies on their own initiative; the Board of Directors shall ensure that there are no conflicts of interest.

Article 24 Powers of the Board of Directors

The Board of Directors shall define the Bank's general policy.

It shall supervise the performance of the missions defined in Article 4 of the LBCV and report on that matter to the Vaud Cantonal Government, which is responsible for ensuring such performance pursuant to paragraph 4 of that Article, and to the Shareholders' Meeting. Communication procedures between the Vaud Cantonal Government and the Bank are regulated by an agreement. Article 12(2bis) of the LBCV shall also apply.

It shall direct the Bank's affairs at the highest level and issue the necessary instructions. It shall supervise the management of the Bank and the persons responsible for such management.

It shall have the following inalienable powers:

- a) to ensure compliance with the LBCV, the Articles of Association and the regulations, and to ensure implementation of resolutions of the Shareholders' Meeting and of the instructions that the Board of Directors gives

- b) to determine the organization of the Bank and define powers by means of regulations and approval authority grids
- c) to establish and periodically review the Bank's policy on investment, growth, and risk management
- d) to ensure that adequate financial reporting and planning systems are implemented and maintained to meet the Bank's requirements, as well as satisfactory internal and external auditing systems
- e) to appoint the audit firm, within the meaning of applicable banking legislation, and recommend that the audit firm also be appointed as the Auditors within the meaning of the Swiss Code of Obligations, by the Shareholders' Meeting
- f) to prepare the reports, financial statements, and other documents and proposals that are to be presented to the Shareholders' Meeting
- g) to submit recommendations to the Vaud Cantonal Government for the appointment of the Board of Directors' Vice Chair or Vice Chairs and its Secretary
- h) to submit recommendations to the Vaud Cantonal Government for the appointment and removal of the CEO and to appoint and remove the members of the Executive Board
- i) to set, in conjunction with the Vaud Cantonal Government, the terms and conditions for the appointment of its Chair, subject to the authority of the Shareholders' Meeting over issues of compensation
- j) to appoint and remove the head and members of Internal Audit
- k) to decide to open and close branch offices and create subsidiaries.

It shall also perform any tasks not assigned to the Bank's other governing bodies by the LBCV, the Articles of Association, or the regulations.

It may delegate some of its responsibilities to committees established from among its members, except as otherwise provided by law, and may instruct such committees to prepare or implement Board resolutions.

The Board of Directors may also instruct such committees to monitor certain matters on its behalf.

The Board of Directors has a duty to remain informed.

It shall also ensure that shareholders are properly and fairly informed about the Bank's situation, insofar as this is consistent with business-related non-disclosure requirements, banking confidentiality, and securities laws. In particular, it shall reach an agreement governing disclosure of information to the Canton of Vaud and ensure compliance with Article 20(a) of the LBCV.

Article 25 Proceedings at Board meetings

The Board of Directors shall meet as often as business requires, and Board meetings may be convened by the Chair, or at the request of three of its members, or the Executive Board, or the Auditors. The Board must meet at least once a quarter.

The Board of Directors may only validly transact business if a majority of its members is present, except if required to recognize a capital increase and to amend the Articles of Association accordingly.

The Chair of the Board shall preside at Board meetings. If at any meeting the Chair is absent or unable to take the chair, one of the Vice Chairs shall preside or, if they are absent or unavailable, then another member appointed by the Board shall preside.

Resolutions shall be adopted by an absolute majority of votes of the members present, and in the event of a tie, the Chair shall have the deciding vote.

The vote shall be held by secret ballot where requested by three members.

Urgent resolutions may be validly adopted in writing or by another means of communication, provided none of the members object. These resolutions shall be recorded in the minutes of the next meeting.

The Board of Directors may appoint external committees and establish their duties.

The Chair may decide on an exceptional basis to hold all or part of the meetings of the Board of Directors electronically, by analogy with Articles 701c to 701e of the Swiss Code of Obligations. The Board of Directors may also adopt its resolutions in writing on paper or electronically in accordance with the procedures set forth in the Bank's organizational rules (*règlement d'organisation*), unless a discussion is requested by one of its members.

Article 26 Minutes

Minutes shall be kept of the meetings of the Board and shall be signed by the Chair and the Secretary.

Extracts of the minutes shall bear these same signatures.

C) Executive Board

Article 27 Composition

The Executive Board shall consist of a CEO appointed by the Vaud Cantonal Government upon the recommendation of the Board of Directors, and members appointed by the Board of Directors.

Article 28 Term of office

The CEO and members of the Executive Board shall resign from office in accordance with the LBCV, as amended from time to time.

The employment contracts of members of the Executive Board, including the CEO, shall be of indefinite duration. The notice period for termination by either side shall not exceed 12 months.

Article 29 Duties of office

The CEO and members of the Executive Board shall devote all their time to the Bank and must not engage in any activity involving a conflict of interest with the Bank. With the consent of the Board of Directors, they may accept assignments or functions in for-profit companies when this is in the Bank's interest. The Board of Directors shall verify and attest to the absence of any conflict of interest.

Within the limits of Article 29(1) of these Articles, the maximum number of positions on the boards of directors of legal entities other than the Bank that must be recorded in the Commercial Register or a similar register abroad that may be held by members of the Executive Board is five, two of which may be in publicly traded companies. These limits do not apply to positions at companies within the Group, companies in which the Bank holds a material interest, real-estate companies, pension funds, associations, foundations and unpaid positions. Specific banking regulations remain applicable. Positions held in several companies that are part of the same group count as a single position.

Article 30 Obligations and powers

The Executive Board shall be responsible for managing the business of the Bank and generally representing it in its dealings with third parties. It shall implement and ensure implementation of the Group's strategy approved by the Board of Directors.

The organization, powers, rights, and obligations of the Executive Board are set out in the Bank's organizational rules.

D) Compensation of the Board of Directors and the Executive Board

Article 30bis Compensation, Promotions and Appointments Committee

The Compensation, Promotions and Appointments Committee, made up of at least three members of the Board of Directors appointed by the Board, shall have the following duties:

- a) to prepare and issue recommendations on the decisions of the Board of Directors on matters of compensation, promotions, and appointments
- b) to prepare and issue recommendations on the strategic decisions of the Board of Directors on human resources matters
- c) to review the periodic human resources reports.

The organization and functioning of the Compensation, Promotions and Appointments Committee is described in a set of rules adopted by the Board of Directors.

The Board of Directors may give the Committee additional duties.

Article 30ter Compensation system

Members of the Board of Directors shall receive fixed compensation in the form of fees. The Chair may also receive annual performance-based compensation.

The Board of Directors shall set itself objectives each year, taking into account the goals set forth in these Articles, as well as the Bank's strategy and risk policy. Achievement of these objectives and the Board of Directors' evaluation of the Chair's work during the past year are used to determine the Chair's annual performance-based compensation.

Compensation of the Executive Board may include a base salary, an annual performance-based component, a long-term performance-based component, and ownership of Bank shares. It may also include seniority bonuses, as is the case for all of the Bank's employees.

The Executive Board's annual performance-based compensation is determined each year by the extent to which both qualitative and quantitative business, operational and financial objectives, set and evaluated by the CEO for the members and by the Board of Directors for the CEO, have been met. The objectives are set on the basis of business and operating strategies, as well as the goals set forth in these Articles and the Bank's risk policy. The evaluation used to determine the annual performance-based compensation is based on the extent to which the objectives have been met, as assessed globally. Part of this compensation is payable in the form of shares, in accordance with the terms set by the Board of Directors.

Each year, the Executive Board's long-term performance-based compensation shall include a new multi-year plan adopted by the Board of Directors with quantitative and qualitative strategic and financial objectives, taking into account the business strategy, the Bank's goals as set forth in these Articles, its ongoing financial success and its risk policy. The compensation granted is then paid exclusively in the form of Bank shares on the basis of the extent to which the defined objectives have been met. The number of shares allocated for full achievement of the objectives (100%) is reported to each plan member when the plan commences.

Under the employee share ownership program, members of the Executive Board may be entitled to subscribe shares. The Board of Directors shall determine the allocation, number, and price of shares.

With the exception of taxable entertainment expenses, payments to cover, on an actual or lump-sum basis, the expenses and costs arising from the duties of members of the Board of Directors and the Executive Board do not constitute compensation.

Compensation paid to members of the Executive Board for their work as members of the boards of directors, the management or the advisory boards of external companies rests with the Bank.

The Bank may grant loans and other credit facilities to members of the Board of Directors and the Executive Board, subject to the same conditions as those granted to customers. Members of the Executive Board, who have an obligation in principle to borrow from the Bank, are entitled to the same preferential terms as those granted to all other personnel. This framework is described in the Annual Report.

Article 30quater Approval of compensation

The Shareholders' Meeting shall approve the compensation of the Board of Directors and the Executive Board separately each year, generally at the Annual Meeting.

The Board of Directors shall propose the following to the Shareholders' Meeting for the Board's own compensation:

- a) the total maximum amount of the fixed compensation up to the following Annual Meeting
- b) the annual performance-based compensation of its Chair in respect of the past financial year.

The Board of Directors shall propose the following to the Shareholders' Meeting with regard to the compensation of the Executive Board:

- a) the maximum total amount covering the fixed compensation, taxable entertainment expenses, employee share ownership and any seniority bonuses up to the next Annual Meeting
- b) the maximum total number of shares available for long-term performance-based compensation under the multi-year plan offered during the current financial year
- c) the total amount of the annual performance-based compensation in respect of the past financial year.

The proposal concerning the total maximum number of shares for long-term performance-based compensation shall indicate the term of the plan and the value of the shares. Fluctuations in the share price after the Shareholders' Meeting are not taken into account. The actual payment of the shares under the plan is not subject to new approval.

If the Shareholders' Meeting rejects the compensation proposed by the Board of Directors, the Board must either reformulate proposals to the Shareholders' Meeting or convene a new Shareholders' Meeting in accordance with these Articles.

If the total amount approved pursuant to Article 30(c)(3)(a) above is insufficient to cover until the next Annual Meeting the compensation of members of the Executive Board appointed after the approval of compensation, the Bank shall have an additional amount for their compensation. The additional amount shall be determined on the basis of the number and duties of the new members. For a new CEO, it includes a maximum of twenty percent (20%) more than the preceding CEO's compensation. For any other new member, it includes a maximum of twenty percent (20%) more than the average compensation of the members of the Executive Board (excluding the CEO). The additional compensation amounts authorized hereby are not subject to approval by the Shareholders' Meeting. Additional amounts shall not cover the items of compensation referred to in Article 30(c)(3)(b) and (c) above.

Article 30quinquies Unauthorized compensation

Payment of the following compensation to members of the Board of Directors or the Executive Board is not authorized:

- a) severance pay, even where contractually agreed upon, it being understood that compensation due until the end of the contractual relationship is authorized
- b) advance payments
- c) provisions for the transfer or takeover of all or part of a company by the Bank or by companies controlled directly or indirectly by the Bank
- d) payments resulting from a covenant not to compete that exceed the average compensation for the past three fiscal years or from a covenant not to compete that is not justified by standard business practice
- e) payments made in connection with prior service in a governing body of the Bank that are not consistent with standard banking-sector practice
- f) hiring bonuses that do not offset an established financial disadvantage.

Payment of such compensation to members of the Board of Directors or the Executive Board of the Bank by companies directly or indirectly controlled by the Bank is not authorized.

Payment of such compensation to close relations of the Board of Directors or the Executive Board, and to former members of the Board of Directors or the Executive Board and related persons, is also forbidden.

Article 30sexies Transparency of compensation

The information on compensation provided in the Annual Report, pursuant to Article 20(a)(2) of the LBCV, replaces compensation reports.

The decision of the Shareholders' Meeting to approve the annual financial statements is without prejudice to its decision to approve compensation.

E) Auditing bodies

Article 31 General

Audits shall be performed by Internal Audit and the Auditors.

Article 32 Internal Audit

Internal Audit shall perform regular audits of all the Bank's operations.

The head of Internal Audit and its members shall be appointed by the Board of Directors. Members shall be senior managers with the status of chief auditor or an equivalent position.

Article 29 shall apply mutatis mutandis to the head and members of Internal Audit.

Its rights, obligations and powers shall be set out in regulations approved by the Board of Directors.

Article 33 Auditors

The Auditors shall perform the audit required by the Swiss Code of Obligations.

The Auditors shall be appointed by the Shareholders' Meeting, upon the recommendation of the Board of Directors. Their independence must be ensured by a regular rotation of persons managing the audit and of the auditing entity itself.

IV. Financial statements

Article 34 Financial statements

The financial year shall end on 31 December of each year.

Annual and interim financial statements, including consolidated accounts, shall be prepared in accordance with the Swiss Code of Obligations and federal banking legislation.

Net profit after deduction of overheads, taxes, interest and losses, and any necessary depreciation and amortization, shall be made available to the Shareholders' Meeting for appropriation, as provided by law.

Dividend payment dates shall be set by the Board of Directors. Any dividend that has not been claimed within five years of falling due shall automatically become null and void.

V. Supervision by the Swiss Financial Market Supervisory Authority (FINMA)

Article 35 Supervision by the Swiss Financial Market Supervisory Authority (FINMA)

The Bank is subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA), pursuant to the federal act on financial market supervision (LFINMA).

VI. Dissolution and Liquidation

Article 36 Dissolution

The Bank may be dissolved by a decree of the Vaud Cantonal Parliament, upon the recommendation of the Shareholders' Meeting.

Article 37 Liquidation

If the Bank is liquidated, any assets remaining after payment of all outstanding debts shall be distributed among the shareholders in proportion to the par value of shares held.

VII. Notices

Article 38 Publication

In addition to the provisions of Article 17 above, notices shall be published in the form prescribed by the Board of Directors, subject to applicable legislation.

VIII. Transitional provisions and entry into force

Article 39 Transitional provisions

Provisions on the introduction of registered shares, pursuant to Articles 6 to 13 above, shall take effect no later than six months after the entry into force of these Articles.

Subject to the foregoing paragraph, these Articles shall take effect on the same date as the LBCV of 25 June 2002 organizing Banque Cantonale Vaudoise.

Approval of the Shareholders' Meeting is not required for payment by the Bank of the long-term performance-based compensation under the multi-year plans that are in place when Article 30(c) takes effect on 1 May 2014, i.e., the plans ending on 31 December 2014, 31 December 2015 and 31 December 2016.

The foregoing are the Articles of Association as amended by the Annual Shareholders' Meeting held on 25 April 2024.

Lausanne, 25 April 2024.

THE ABOVE TEXT IS A NON-BINDING TRANSLATION OF THE ORIGINAL FRENCH DOCUMENT ENTITLED "STATUTS DE LA BANQUE CANTONALE VAUDOISE." ONLY THE ORIGINAL FRENCH TEXT IS AUTHORITATIVE.



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