

Articles of Incorporation

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I. Name, Head Office, duration and purpose of the company

Article 1 Name, Head Office and duration

Under the name of:

Cornèr Banca SA
Cornèr Banque SA
Cornèr Bank AG
Cornèr Bank Ltd.

a company limited by shares exists with its Head Office in Lugano.

The company's duration shall be unlimited.

Article 2 Purpose

The purpose of the company is to engage in banking activities and securities trading. The field of activity extends to all areas of banking, financial, consultancy, services and business operations in Switzerland and abroad, offered to Swiss and foreign private, business and institutional clients.

The company may purchase, mortgage or sell real estate both in Switzerland and abroad.

The company may establish branches, other affiliates and representative offices both in Switzerland and abroad and may found and manage banks, finance companies and other enterprises, and acquire shareholdings in the latter.

II. Share capital

Article 3 Share capital

The share capital amounts to CHF 12 million and is divided into 120,000 registered shares with a nominal value of CHF 100.00 each, fully paid in.

Instead of shares, the company may issue certificates representing a specific number of shares. Such certificates may be exchanged at any time for others representing fewer shares or for a corresponding number of shares.

The ownership or usufruct of a share or share certificate, as well as any exercise of shareholder rights, shall imply acceptance of the company's Articles of Incorporation.

Article 4 Restrictions on the transferability of shares

The Board of Directors (hereinafter referred to as the "Board") keeps a share register of registered shares in which the names and addresses of the owners and usufructuaries are registered.

Only those shareholders or usufructuaries registered in the share register shall be acknowledged by the company.

The transfer of registered shares shall, in any event, require the Board's approval; the Board may delegate this prerogative to the Executive Committee as defined in the Articles of Incorporation.

Such approval may be denied providing it states good cause, and specifically for the purposes of

- a) excluding acquirers who manage, have an interest in or are employed by an enterprise in competition with the purpose of the company; or
- b) rejecting the acquisition or holding of shares on behalf or in the interest of third parties; or
- c) precluding a transfer of shares that would jeopardise the company's licence to carry on its banking activity.

The Board or the Executive Committee, as the case may be, may also reject a request for approval – without stating the reasons – if it offers to acquire the shares (on behalf of the company, of other shareholders or of third parties) at their real value at the time the request was made.

No entries shall be made in the share register from the date of publication of the invitation to a general meeting until the date following the meeting itself.

The owners and usufructuaries of a registered share shall notify any change of address. Until such notice has been received, all relevant correspondence shall be validly sent to the last address entered in the share register.

III. Organisation of the company

Article 5 Organisation

The organisation of the company is as follows:

- a) the general meeting;
- b) the Board of Directors;
- c) the Executive Board; and
- d) the external auditors.

A. General meeting

Article 6 Powers

The supreme governing body of the company is the general meeting.

It shall have the following inalienable powers:

- a) to determine and amend the Articles of Incorporation;
- b) to elect the members of the Board and the external auditors;
- c) to approve the management report and the consolidated accounts;
- d) to approve the annual accounts and resolutions on the allocation of the disposable profit, and in particular to set the dividend and the shares of profits;
- e) to discharge the members of the Board; and
- f) to pass resolutions concerning the matters reserved to the general meeting by law or the Articles of Incorporation.

Article 7 Right to convene general meetings

The general meeting is convened by the Board or, where necessary, by the external auditors, subject to the provisions of Article 699(1) of the Swiss Code of Obligations (“CO”; SR 220).

The ordinary general meeting takes place every year within four months of the end of the financial year. Shareholders shall be called to extraordinary general meetings whenever the Board or the external auditors deem it necessary. A general meeting may also be convened by one or more shareholders together representing at least ten per cent of the share capital by written request and stating the reasons.

Article 8 Procedure for convening general meetings

General meetings shall be convened by written notice to the holders of registered shares no later than 20 days before the date for which it is scheduled. The notice convening the meeting must include the agenda items and related motions as well as – in the event of an ordinary general meeting – that the management report and the auditors’ reports may be inspected at the company’s Head Office.

No resolutions may be made on motions relating to agenda items that were not duly notified; exceptions to this are motions to convene an extraordinary general meeting or carry out a special audit. No advance notice is required to propose motions on duly notified agenda items and to debate items without passing resolutions.

The owners or representatives of all shares may, if no objection is raised, hold a general meeting without complying with the formal requirements for convening meetings. So long as they are present, such meeting may validly discuss and pass binding resolutions on all matters within the remit of the general meeting.

Article 9 Chairman, shareholder’s meeting and minutes

The general meeting shall be chaired by the Chairman of the Board, in case of his absence by a Vice Chairman or another member of the Board, designated by the Board itself.

The Chairman designates a scrutineer and the meeting’s secretary.

The minutes of the general meeting shall be signed by the Chairman and the secretary.

Article 10 Voting rights

Each share confers one vote.

Article 11 Decision-making power

Unless provided otherwise in the law or the Articles of Incorporation, the general meeting shall be quorate if the number of shareholders present or represented reaches one-third of the share capital.

If a first general meeting does not fulfil these requirements, a second meeting may be convened no earlier than eight days following the first. Such second general meeting shall have full decision-making power, even if the attendance quorum required in the previous paragraph is not met.

Unless provided otherwise in the law or Articles of Incorporation, the general meeting shall adopt its resolutions and carry out its elections with the absolute majority of the represented shares. In the event of a tie, the motion is deemed to have been rejected.

A resolution by the general meeting requires at least two-thirds of the voting rights represented and an absolute majority of the nominal value of shares represented for any amendments of the Articles of Incorporation, increases or reductions of the share capital, dissolution or decisions governed by the Swiss Merger Act (SR 221.301).

Voting procedures shall be set by the meeting.

B. Board of Directors

Article 12 Powers

The Board is responsible for the overall management, supervision and control of the Bank.

In addition, the Board may rule on all matters which do not, by law or by the Articles of Incorporation, fall within the competence of the general meeting or of another organ of the company.

The Board reserves the right to delegate the management and/or supervision to committees, individual members of the Board or third parties as per the organisational regulations.

Article 13 Overall management

The overall management shall in particular consist of

- a) examining and preparing the motions to be submitted to the general meeting, including the annual report;
- b) issuing the regulations necessary to run the Bank, to delimit its competence, on matters of information and reporting and, more particularly, the organisational regulations and arrangement of competences;
- c) resolving on all matters attributed inalienably and irrevocably by law to the Board (Article 716a CO) and on all matters not delegated under the organisational regulations;
- d) forming committees entrusted to support it, notably the Executive Committee and the Audit and Risk Committee, and instituting the Executive Board by appointing and revoking its members;
- e) appointing and dismissing any other persons authorised to manage and represent the company, subject to the right of the Board to delegate such authority under the organisational regulations to the Executive Committee or Executive Board;
- f) appointing and dismissing the internal auditors;
- g) defining the general investment policy and the outline strategy for risk management upon proposal of the Executive Board;
- h) guaranteeing an appropriate risk and control environment within the Bank and establishing an effective system of internal audit which reflects in particular the size, complexity and risk profile of the Bank and ensures that all of the company's material risks are identified, limited and monitored; and
- i) appointing the external auditors required by the Swiss Banking Act (SR 952.0).

Article 14 Supervision and monitoring

The Board is responsible for regulating, establishing, maintaining, monitoring and regularly supervising an appropriate internal control function.

By setting up an internal control function based on systematic risk analysis, and conducting the necessary monitoring and supervision, the Board ensures that all material risks to which the Bank is exposed are identified, limited and monitored.

Article 15 Election and term of office

The Board consists of at least seven members, elected by the general meeting for a one-year term of office.

The members of the Board are eligible for re-election.

With regard to professional skills, experience, availability and independence, the prevailing banking laws and regulatory provisions apply.

The Board appoints among its members the Chairman, at least one Vice Chairman and the secretary of the Board, who need not be a member of the Board.

Article 16 Executive Committee

The Board may form among its members an Executive Committee which consists of at least three members and endow it with specific competences and powers in accordance with the organisational regulations.

Article 17 Audit and Risk Committee

The Board may form among its members an Audit and Risk Committee which consists of at least three members and endow it with specific competences and powers in accordance with the organisational regulations.

With regard to professional skills, experience, availability and independence, the prevailing banking laws and regulatory provisions apply.

Article 18 Convening

The Board shall meet whenever business requires but at least every three months, at the invitation of the Chairman or request of a Board member.

Article 19 Decisions and minutes

The Board may not validly resolve if the majority of its members are not present. Resolutions may also be made by written consent, provided that no Board member requests that it be debated orally.

Meetings of the Board may also be held by teleconference, videoconference or by using similar means of communication. In such events, the identification of the participants must be guaranteed, and the possibility of viewing documents and participating in the debate in real time must be ensured. Meetings are deemed to have been held in the place where the Chairman or acting Chairman is located.

The Board passes resolutions and proceeds by an absolute majority of the votes cast by the members present.

Each Board member shall be entitled to one vote.

The Chairman shall have the casting vote in the event of a tie.

Minutes must be kept on the resolutions and decisions and be signed by the Chairman and the secretary.

Article 20 Conflicts of interest

The members of the Board must refrain from participating in debates and voting at meetings of the Board which are dealing with transactions concerning them personally or a close relative or a company in which they have a direct or indirect interest.

Article 21 Remuneration

The members of the Board shall receive an adequate remuneration that is to be charged to the company's profit and loss account.

The Board shall set the amount of the remuneration, taking into consideration the time devoted on the company's business, the services rendered and the responsibilities of every Board member.

C. Executive Board

Article 22 Organisation and powers

The Executive Board consists of at least three members. One of its members shall serve as Chief Executive Officer, while the others shall serve as Executive Vice Presidents.

This organ is responsible for running the business and represents the company towards third parties.

The powers of this organ are defined in the organisational regulations issued by the Board.

Article 23 Duties

In particular, the Executive Board shall

- a) submit to the Board and to the Executive Committee motions concerning the management of the business in general and matters for which the aforementioned organs are competent in particular;
- b) carry out the decisions of the Board;
- c) draw up the directive needed to run the affairs of the Head Office, branches, agencies or representative offices; and
- d) keep the Board informed of the company's business on a regular basis.

D. External auditors

Article 24 External auditors

The general meeting shall elect external auditors for a one-year term. Re-election is possible.

The auditors shall comply with the provisions of Articles 728 et seqq. CO.

IV. Signing authority

Article 25 Signing authority

The company is bound by joint signature of two authorised signatories.

The Board shall regulate the exceptions and determine the manner and form of the signing authority in the organisational regulations.

V. Closing of accounts, distribution of loss and profits, reserves

Article 26 Annual financial statements

The annual financial statements and consolidated financial statements shall close on 31 December and shall be drawn up consistently with Articles 957 et seqq. CO, with the Swiss Banking Act and the directives of the Swiss Financial Market Supervisory Authority regarding the preparation of the accounts.

Interim account closures shall take place in accordance with the banking regulation.

Article 27 Distribution of loss and profits

The utilisation of the profit on the balance sheet shall be the responsibility of the general meeting which shall resolve on its appropriation, subject to compliance with the provisions on transfers to the general statutory reserves.

Article 28 Reserves

Five per cent of the net profit for the financial year shall be allocated to the general legal reserve until this equals twenty per cent of the share capital. Subject to the statutory provisions, the net profit shall be at the disposal of the general meeting.

The Board shall dispose of the reserves set up under the Articles of Incorporation, which may be assigned in compliance with the law (Articles 672 and 673 CO).

VI. General provisions

Article 29 Publications

Notifications of the company shall be published in the Swiss Official Gazette of Commerce ("SOGC").

Notices and invitations to owners and usufructuaries of registered shares shall be dispatched in writing to the addresses entered in the share register.

Article 30 Banking secrecy and professional secrecy

The members of the organs of the company and all of the company's employees shall be bound, both during their employment and upon leaving the company, to maintain the utmost secrecy with respect to the affairs of the Bank and of its clients as well as with regard to all the company's internal affairs that may have come to their knowledge.

VII. Liquidation

Article 31 Liquidation

If a decision is made to dissolve the company, the Board shall be in charge of the liquidation unless third persons are entrusted with the task by resolution of the general meeting.

After settlement of the liabilities and reimbursement of paid-in capital, the balance of the wind-up proceeds shall be distributed to the beneficiaries in proportion to their respective rights.

These Articles of Incorporation were cancelled by the extraordinary general meeting of 14 December 2007.

They replace and supersede those dated 6 May 1997.

Articles of Incorporation amended (Article 15(1)) by the extraordinary general meeting held in Lugano on 12 March 2012.

These Articles of Incorporation were amended by the extraordinary general meeting held in Lugano on 17 April 2015.

These Articles of Incorporation were amended by the extraordinary general meeting held in Lugano on 12 December 2017.