

Organisational Regulations for the Group and Parent Company

Of 15. December 2022 (Version of 14. December 2023)

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The Board of Directors of Zürcher Kantonalbank hereby issues –

based on Section 3 (3) of the Federal Act on Banks and Savings Banks of 8 November 1943 as well as Section 10, Section 15 (4) (6) and Section 23 of the Law on Zürcher Kantonalbank of 28 September 1997 – the following Regulations on the Organisation of the Zürcher Kantonalbank Group (Organisational Regulations for the Group and Parent Company):

(Any references denoting gender in these Regulations apply to all gender forms.)

PART A GENERAL REQUIREMENTS

Chapter 1 Fundamental information

§ 1 These Regulations supplement the Law on Zürcher Kantonalbank of 28 September 1997, regulate the business activities and organisation, and specify the implementation of the provisions of banking law, in particular also the requirements for consolidated group supervision.

Purpose and content

The Regulations additionally set out the principles for group-wide management, cooperation and organisation for the Board of Directors, the Chairperson's Committee, the Executive Board and Audit. They regulate the business activities, relationships, duties, powers and responsibilities

in the group, within and between the group companies, as well as between the executive, management and monitoring bodies.

Mandatory statutory or regulatory provisions take precedence over these Regulations.

Public service mandate § 2 The implementation and control of the public service mandate are regulated in the Guidelines for the Fulfilment of Zürcher Kantonalbank's Public Service Mandate of 24 February 2005 (version of 19 December 2013).

Code of Conduct § 3 The Code of Conduct of the group and parent company applies directly to all group companies and serves to promote a uniform and effective corporate and compliance culture within the group.

Sustainability § 4 The bank aims to contribute to solving the canton's economic, social and environmental tasks and therefore supports sustainable development.

Zürcher Kantonalbank's sustainability ambition is formulated in the strategic principles of the group strategy.

Chapter 2 Definitions

Definitions § 5 **Audit:** Internal audit (Inspectorate) pursuant to Section 19 of the Law on Zürcher Kantonalbank of 28 September 1997

CEO: Chief Executive Officer

CFO: Chief Financial Officer, i.e. Head of the Finance Business Unit

CRO: Chief Risk Officer, i.e. Head of the Risk Business Unit

Issuance: Promulgation of general-abstract provisions, guidelines or other regulations

Determination: Requirements of a concrete-individual nature

BU: Business unit

Approval: Consent or rejection of a proposal, whereby the decision-maker may not change the content of the proposal but may grant approval subject to conditions

Offices: Includes branches, sales outlets, regional offices and branch offices

Group: Zürcher Kantonalbank with all its subsidiaries and sub-subsidiaries

Group companies: All subsidiaries and sub-subsidiaries combined under the uniform economic management of the parent company in accordance with the ownership relationships and the legal, statutory and contractual framework conditions

Group management: This includes for the management of group companies all rules dealing with the basic corporate policy concepts for the group as a whole and with the implementation of the possibilities to influence the group companies

Head of Audit: Head of Internal Audit (Chief Inspector) pursuant to Section 19 (2) of the Law on Zürcher Kantonalbank of 28 September 1997

Minority participation: Equity interest in a legally independent company in which Zürcher Kantonalbank

directly or indirectly holds less than half of the voting rights. Minority participations as defined in these Regulations do not include ownership interests in the equity of third party companies held for trading purposes or as financial investments, as well as participations held in trust

Related foundation and institution: Is a) dependent on the parent company or was b) founded or co-founded by it and the parent company is represented in a management or governing body

Related supervisory board member: Member of the supervisory board of group companies who is also a member of the governing bodies of the parent company or is otherwise dependent on the parent company

OU: Organisational unit

Parent company: The company (legal entity) Zürcher Kantonalbank without subsidiaries and sub-subsidiaries

Sub-subsidiary: Participation in a legally independent company in which the parent company indirectly holds more than half of the votes (indirect participation)

Subsidiary: Participation in a legally independent company in which the parent company directly holds more than half of the voting rights (direct participation)

Other participation: Other participation refers to a minority participation that does not qualify as a significant participation

Significant participation: a) Minority participation with a book value of CHF 50 million or higher, or b) participation held in the national economic interest or for social purposes (public service mandate)

Chapter 3 Interpretation and language versions

- § 6 These Regulations may be interpreted – to the extent reasonable for an institution under public law – based on the doctrine and practice of Swiss company law. Interpretation
- § 7 These Regulations are issued in German and are also available in an official English translation, whereby the German version shall prevail for the interpretation of the individual provisions. Language versions

Chapter 4 Scope

- § 8 The governing bodies of the parent company ensure that the group companies apply the regulations and directives issued for the group, including the provisions of these Organisational Regulations, and implement the decisions made for the group. Group-wide application

When doing so, the formal requirements for the adoption of resolutions applicable to the individual group companies as well as mandatory law have to be observed.

In the event of contradictions between the rules and directives of a group company on the one hand, and these Organisational Regulations or the regulations and directives issued for the group on the other hand, the latter shall take precedence to the extent legally permitted.

The Board of Directors may authorize the Executive Board in individual cases, involving

- (i) subsidiaries governed by foreign law or
- (ii) subsidiaries in Switzerland that are not active in the financial sector, to issue regulations that will take precedence over these Organisational Regulations or the regulations and directives applicable to the group for

such individual cases. Once a decision in principle has been taken in this regard, the Executive Board is responsible for drafting and implementing the corresponding regulations and directives.

Chapter 5 Business activity

Location	<p>§ 9 The bank conducts its business primarily in the Greater Zurich Area.</p> <p>The parent company and its group companies may also conduct business and offer services in the rest of Switzerland and abroad.</p> <p>All parent company business units with international activities must have their own business framework for international activities with regard to countries, clients and products/services, taking into account the group strategy, risk policy guidelines and risk management.</p>
Business areas	<p>§ 10 The parent company and the group companies conduct the business of a universal bank. They focus in particular on providing products and services regarding</p> <ul style="list-style-type: none">– payment transactions,– deposit business,– investments & pensions as well as the digital asset business in the form of payment tokens¹,– financing, and– various advisory services related to the banking business, to the following client segments:

¹ The Bank's digital asset business comprises the trading and management of payment tokens; excluded are (i) the delivery or redemption of payment tokens and (ii) staking.

- retail clients,
- high-net-worth individuals,
- private banking,
- key clients,
- private clients abroad,
- external asset managers,
- commercial clients,
- business clients,
- corporate clients,
- large companies,
- pension funds,
- financial institutions in Switzerland, and
- international financial institutions.

In addition, the parent company and the group companies offer products and services in the areas of

- asset management,
- trading & capital markets,
- research,
- custody,
- investment solutions, and
- fund management.

These business activities are supported and monitored by other functions, in particular

- Settlement,
- IT,
- Finance,
- Risk,
- Legal & Compliance,
- HR,
- Marketing, and
- Communication.

Procurement and outsourcing § 11 The framework conditions for procurement in Switzerland and abroad as well as for outsourcing are regulated separately in directives to be issued by the Executive Board.

Chapter 6 Principles of group management and supervision in Switzerland and abroad

Influence within the group § 12 The parent company applies its influence on the decision-making of its group companies in order to ensure a uniform management within the group. Statutory provisions and requirements, in particular from joint venture and shareholders' agreements, remain reserved.

Statutory and regulatory framework § 13 When managing group companies, it is mandatory to comply with the relevant Swiss and foreign statutory and regulatory frameworks. If local regulations prevent compliance with the fundamental principles of Swiss supervisory law, the chair of the supervisory board of the group company concerned shall immediately inform the CEO and the Head of Audit of the parent company. The CEO shall promptly inform the Chairperson's Committee and the Swiss Financial Market Supervisory Authority (FINMA).

Purpose of group companies § 14 The restriction or withdrawal of the independent profit orientation of group companies is permitted, if either a direct or indirect 100% participation of the parent company exists, all shareholders agree or the service to the group has been made the primary purpose of these group companies.

Arm's length principle § 15 Intra-group transactions must be conducted based on the arm's length principle.

Incompatibilities § 16 The members of all governing bodies of the parent company and the group companies shall abstain from deliberating on and adopting resolutions on matters which affect their own interests or the interests of related parties.

The members of the governing bodies of the parent company must also abstain from deliberating on and adopting resolutions on those transactions in which they are also involved as members of the governing bodies of a group company, the pension fund or related foundations and institutions.

- § 17 Transactions are additionally discussed and decided separately by the members who are independent of the group whenever such transactions are undertaken at group companies with a significant proportion of non-group shareholders and the members of the supervisory board of these group companies who are related to the parent company have a conflict of interest with any other group companies and/or with the parent company, i.e. specifically contracts and other transactions with other group companies and/or with the parent company. Depending on the subject matter of the decision, the competent governing body must also obtain an independent expert opinion from a qualified external body.
- Adoption of resolutions by group companies
- § 18 The tasks and duties of the members of the group company's supervisory board, who are related to Zürcher Kantonalbank are described in detail in mandate agreements; these regulate in particular the type and scope of internal directives, the modalities of appointment and resignation as well as the compensation, liability and discharge of the members of the supervisory board by the parent company. The mandate agreement ensures, within the framework of statutory requirements, that the group's interests are adequately safeguarded.
- Mandate agreements
- § 19 The parent company performs consolidated group supervision in order to ensure that throughout the group:
1. statutory duties and supervisory provisions are fulfilled;
 2. strategic goals are achieved;
 3. performance and results are measured; and
- Consolidated supervision

4. risk management, monitoring and reporting are conducted.

Principles
of group
management

§ 20 As the group's strategic management body, the Board of Directors defines the principles of the group-wide control and supervision. These principles relate specifically to strategic control, financial reporting, risk management and control, compliance risk management and control, and controls realised by Audit and the external audit firm.

The Board of Directors aims in this regard to centralise control and monitoring as far as possible within the framework of consolidated group supervision, to establish uniform methods and, where legally permitted, to enable "simplified controls".

Group specialist
functions

§ 21 The five group functions Strategic Control, Finance, Risk, Audit and Compliance advise, support and monitor the specialist functions of the group companies based on specifically issued requirements. If necessary, they may also issue requirements and directives.

Strategic
Control

§ 22 Group-wide Strategic Control aims to identify and assess deviations from the strategic goals at an early stage and includes all measures for monitoring the relevant environmental changes as well as all strategic group goals.

Strategic Control performs its duties explicitly at the level of the group company; an implicit control is performed within the framework of the strategic controls of the group strategy.

Management
control within
the group

§ 23 Monitoring and control tasks are primarily the responsibility of the operational group management and the management in the group companies.

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|------|---|-----------------------|
| § 24 | The external statutory auditors of the parent company are also the external supervisory auditors of the group companies, if they are subject to the Financial Market Supervision Act. | External auditors |
| § 25 | Group representatives are appointed from among the members of the Executive Board. | Group representatives |

They join the supervisory board of the subsidiaries, attend the annual general meetings of the sub-subsidiaries and represent the interests of the parent company on the basis of a mandate agreement and the instructions of the responsible business unit head. In all cases, however, regulatory or statutory requirements, in particular those of collective investment law, remain reserved.

The group representatives are primarily responsible for:

1. monitoring compliance with strategic requirements, i.e. requirements regarding the mission statement, the goals, the strategy, the structure and the organisation of the group company within the framework of the group requirements;
2. elaborating and implementing business policy requirements in the supervisory board of the subsidiaries and sub-subsidiaries in accordance with the requirements laid out by the group's Board of Directors;
3. implementing the control of relevant group requirements, in particular the geographical area and the area of business activity;
4. performing the duties assigned to them in these Regulations; and
5. making proposals to the subsidiary's supervisory board for the instruction and monitoring of proxies for the annual general meeting of sub-subsidiaries controlled by this subsidiary.

In addition, the group representatives perform all duties assigned to them by law, these Regulations and the articles of association.

Participation
manager

§ 26 Participation managers represent the interests of the parent company in minority participations on the basis of a mandate agreement and the instructions of the responsible business unit head. Start-up financing without a strategic interest for the bank is excluded.

The participation managers report in their function directly to the respective head of the business unit responsible for the participation.

The participation managers are the direct link between the parent company and the minority participation.

§§ 16 et seq. of these Regulations apply analogously to participation managers. This applies in particular to companies in which the participation manager holds a seat on the board of directors and thereby represents the group's interests within the framework of legal requirements. In the event of conflicts of interest, they shall report this to the head of the responsible business unit and shall abstain in the event of incompatibilities in accordance with § 31 of these Regulations.

Proxies

§ 27 The competent authority appoints a proxy to exercise the owner's rights at the participations' annual general meetings. The proxies must exercise their votes on behalf of the bank in accordance with the instructions of the competent authority.

If the competent authority or one of its members is also a member of the board of directors or the corresponding governing body of the company participation concerned,

appropriate measures must be taken to avoid conflicts of interest (in particular recusal from decision-making or delegation to a superior body). An independent proxy (pursuant to Art. 689 c of the Swiss Code of Obligations) may also be authorised to cast votes. Members of the company's governing bodies may not represent any voting rights at the annual general meeting of the company concerned.

Chapter 7 Risk management principles

- § 28 The same principles for identifying, assessing, controlling, managing, monitoring and reporting on risks shall apply in all geographical business areas as in the Greater Zurich Area.

Risk
management
principles

The accepted scope of risk in the individual geographical business areas is based on the requirements set out in Section 8 (2) of the Law on Zürcher Kantonalbank of 28 September 1997.

Chapter 8 Internal reporting

- § 29 Internal reporting must be carried out in a timely and appropriate manner, so that governing bodies and other recipients have the factual knowledge needed to fulfil the tasks and duties assigned to them and to duly exercise their powers.

Internal
reporting

In particular, the Executive Board must regularly inform the Board of Directors and the Chairperson's Committee about current business developments and important business matters, including all topics that fall within the scope of duties and responsibilities of the Board of Directors and the Chairperson's Committee. Such reports must include:

1. key performance indicators and other relevant financial data of the group;
2. existing and emerging risks;
3. up-to-date information on developments in key markets and on competitors; and
4. information on all matters that may affect the supervisory or control functions of the Board of Directors or the Chairperson's Committee.

Chapter 9 Conflicts of interest

Management
of conflicts of
interest

- § 30 The members of the governing bodies and employees shall arrange their personal and business relationships in such a way that conflicts of interest with Zürcher Kantonalbank are avoided. They shall abstain from deliberating on and adopting resolutions on business matters, in which they are personally or otherwise involved.

Existing or former vested interests must be disclosed. If a conflict of interest cannot be avoided, the governing body concerned must respond appropriately so that it is mitigated effectively or eliminated.

External
functions
and part-time
activities

- § 31 The acceptance of external functions and part-time activities is governed by the principles issued by the Chairperson's Committee, subject to the cases specified in § 35 (g) (9) of these Regulations.

Independence

- § 32 At least one third of the members of the Board of Directors must be independent.

The independent members of the Board of Directors may not have been employed in any other capacity within the group during the last two years.

§ 33 Further measures to mitigate and eliminate conflicts of interest for the non-executive members of the Board of Directors, in particular with regard to dealing with proprietary transactions, insider information and ad hoc reporting, are regulated in the guidelines on proprietary transaction provisions, dealing with insider information, ad hoc reporting and dealing with conflicts of interest for non-executive members of Zürcher Kantonalbank's Board of Directors. The executive members of the Board of Directors must comply with the regulations issued for the bank's employees with regard to the handling of proprietary transactions, insider information and ad hoc reporting. The guideline on the handling of incompliant acts by members of the Board of Directors or the Chairperson's Committee also applies.

Additional provisions

B GOVERNING BODIES AND AUDIT

Chapter 1 Board of Directors

Section 1 Duties and powers

- § 34 The Board of Directors is responsible for
1. the overall management of the bank, in particular establishing the corporate policy principles, consisting of the mission, group strategy and the bank's organisation; and
 2. the overall supervision and control of the persons entrusted with the management of the bank, specifically with regard to compliance with legislation and regulations.

Duties and powers in general

- § 35 The Board of Directors is responsible for the following in particular:

Duties and powers in particular

Lit. a Strategy, supervision and organisation

1. Definition of the group mission statement (incl. vision)
2. Determination of the group strategy (incl. group targets)
3. Determination of the group structure and organisation:
 - formation, change of purpose, change of capital, change of corporate form as well as liquidation of subsidiaries and sub-subsidiaries and significant participations
 - approval of the group's mergers and acquisitions activities, if the activity involves the acquisition or disposal of shares in (i) a future subsidiary or sub-subsidiary or (ii) a future significant participation
4. Approval of the report on the fulfilment of the public service mandate for the attention of the Cantonal Parliament's commission
5. Approval of strategically important projects
6. Responsibility for an appropriate risk and control environment within the institution and ensuring an effective internal control system (ICS), acknowledgement of the annual reporting on the ICS and appraisal of its adequacy and effectiveness
7. Annual, written documented assessment of its own goal achievement and working methods
8. Establishment and closure of branch offices as well as the determination of the number of market areas

9. Submission of a proposal to the Cantonal Parliament regarding the election of the auditors
10. Issuance of regulations provided for by law or statutory rules
11. Approval of special regulations governing the operational business, in particular
 - a special regulation on capital
 - a special regulation on the lending business
 - a special regulation on the investment business
 - a special regulation on the derivatives business
 - a special regulation on the capital market business
 - a special regulation on the lending business with other banks
 - a special regulation on the management of country risk
 - a special regulation on Zürcher Kantonalbank's pawnbroking agency
 - a special regulation on the handling of art at Zürcher Kantonalbank (art concept)
12. The Board of Directors may also adopt resolutions on all matters that are not assigned to another governing body by law or by the Regulations.

Lit. b Finance

1. Approval of the budget and the annual planning
2. Design of the accounting system and financial control
3. Determination of the metrics for the public service mandate

4. Adoption of the annual report and the annual financial statements of the parent company and the group (financial report of the group, financial statements of the parent company, statement of changes in equity) for the attention of the Cantonal Parliament
5. Approval of the semi-annual financial statements of the parent company and the group
6. Approval of the stabilisation and emergency plan
7. Approval of the capital planning
8. Determination of the profit allocation in accordance with Sections 26 and 26a of the Law on Zürcher Kantonalbank of 28 September 1997

Lit. c Audit

1. Handling and acknowledgement of reports issued by Audit and the external auditors required by banking law, whereby it may delegate this to the Audit Committee
2. Order and approval of special audits by Audit
3. Determination of Audit's annual objectives at the request of the Audit Committee

Lit. d Risk management

1. Issuance of regulations on risk management
2. Approval of the framework concept for group-wide risk management

3. Determination of the risk policy requirements
4. Approval of the strategic situation assessment
incl. assessment of strategic risks

Lit. e Compliance and litigation

1. Issuance of a regulation on the Legal & Compliance function

Lit. f International or cross-border business

1. Annual confirmation of § 9 (3) of these Regulations and acknowledgement of the
 - business framework for international activities approved by the Executive Board in accordance with § 78 (f) (1) of these Regulations, as well as the
 - exceptions to the aforementioned business framework for international activities approved by the Executive Board in accordance with § 78 (f) (2) of these Regulations

Lit. g Personnel

1. Issuance of regulations on staff and remuneration
2. Issuance of the Code of Conduct
3. Election of the Chair of the Board of Directors, Deputy Chair and two designated proxies for the Chairperson's Committee and the Secretary of the Board of Directors
4. Appointment and dismissal of the members of the Executive Board and their deputies, the Head of Audit and their deputy, and the General Secretary

5. Approval of the selection of senior-level branch managers
6. Determination of the requirement profiles for
 - the members of the Board of Directors
 - the members of the Chairperson’s Committee
 - the members of the committees of the Board of Directors
 - the members of the Executive Board
 - the Head of Audit
7. Approval of the bonuses of the members of the Executive Board at the request of the Chairperson’s Committee
8. Approval of variable remuneration Trading,
9. Approval of part-time activities of members of the Chairperson’s Committee, members of the Executive Board and the Head of Audit
10. Determination of the employers’ representatives for the management commissions of Zürcher Kantonalbank’s pension fund and of the Marienburg Foundation of Zürcher Kantonalbank
11. Election of the managing director of the pawnbroking agency

Section 2 Organisation

Constitution & election of the Chair of the Board of Directors

§ 36 The longest-serving non-executive member of the Board of Directors shall preside over the constituent meeting of the Board of Directors, at which the Chair of the Board of Directors is elected. This Chair of the Board of Directors then presides over the meeting to elect the Deputy Chair

as well as the members and chairs of the committees and the Secretary of the Board of Directors.

- § 37 The Board of Directors meets at the invitation of the Chair as often as business requires, or at the request of two members of the Board of Directors or at the request of the Executive Board, but at least six times a year.

Meetings & invitation to meetings

The invitation to the meeting contains the agenda items to be discussed at the meeting and must be sent, as a rule, to the members of the Board of Directors together with the necessary documents at least five calendar days before the corresponding meeting.

- § 38 The Chair presides over Board of Directors meetings; the Deputy Chair will perform this role in the Chair's absence, and in the absence of the Deputy Chair the other Deputy Chair will preside over the meeting. If all members of the Chairperson's Committee are absent, the Chair of the Audit Committee shall chair the Board of Directors meeting.

Chair

- § 39 The General Secretary and the Secretary of the Board of Directors participate in the meetings of the Board of Directors in an advisory capacity and without voting rights.

Participation of additional persons

The Chair of the Board of Directors shall decide on the participation of the members of the Executive Board as well as on the participation of additional persons in an advisory capacity and without voting rights.

- § 40 The meetings are generally held in the personal presence of the members of the Board of Directors. In justified cases, the Chair of the Board of Directors may order that they be conducted via audio, video or an equivalent means of communication, or that individual members may

Meeting format

participate in the meeting via audio, video or an equivalent means of communication.

Minutes
and record
retention

§ 41 The Board of Directors' proceedings shall be documented in minutes, in order to reflect the formation of opinions. In justified cases, a member of the Board of Directors may request on an exceptional basis, that the minutes be recorded verbatim. The Secretary of the Board of Directors shall take the minutes, unless the Board of Directors entrusts this responsibility to another person, who need not be a member of the Board of Directors.

An extract from the minutes of the Board of Directors meeting, covering the portion of the meeting attended by the members of the Executive Board and the Head of Audit will be sent to them.

The Chair of the Board of Directors shall decide whether other persons may inspect the minutes of the Board of Directors meetings or extracts thereof.

The minutes of the meetings are to be archived and physically stored for an indefinite time.

The documentation prepared, consulted and evaluated by the Board of Directors, must be kept separately as documentation of the Board of Directors, whereby storage in digital form is also permitted.

Quorum and
adoption of
resolutions

§ 42 The Board of Directors has a quorum, if at least seven members are present. In justified cases, the Chair of the Board of Directors may authorise on an exceptional basis, that members may participate and adopt resolutions via audio, video or an equivalent means of communication. Resolutions may be adopted by circular letter in urgent

cases, unless a member of the Board of Directors requests oral deliberation.

Resolutions of the Board of Directors are adopted by an absolute majority of the votes present. Abstentions are counted as no-votes. In the event of a tie, the Chair's vote counts double.

Resolutions are generally adopted through a majority vote by show of hands, unless a member of the Board of Directors requests a secret ballot. Secret ballots are conducted for elections, appointments and dismissals of members of governing bodies pursuant to § 14 (1) (a to c) of the Law on Zürcher Kantonalbank, as well as for the Head of Audit and their deputy.

- § 43 Members of the Board of Directors have the right to inspect the minutes of all Board of Directors meetings, Chairperson's Committee meetings and committee meetings.

Information
rights

Members of the Board of Directors are entitled to request information on all matters concerning the group that are necessary for the performance of their duties as members of the Board of Directors. Outside Board of Directors meetings, such requests are to be addressed to the Chair of the Board of Directors or, in their absence, to one of the Deputy Chairs. The Chair of the Board of Directors or Deputy Chairs shall ensure that the members of the Board of Directors are treated equally.

If, outside the committee meetings, a committee chair requests information or would like to inspect documents on matters relating to the responsibilities of their committee, the chair may address this request directly to the permanent guests of the respective committee, a member of the Executive Board, the General Counsel or, in consultation

with the Chair of the Board of Directors, to any employee of the bank; the Chair of the Audit Committee may also address this request to the external auditors.

Self-assessment § 44 The Board of Directors, the Chairperson's Committee and the individual committees must perform a self-assessment of their own performance at least once a year. The purpose of this assessment is to determine whether the Board of Directors, the Chairperson's Committee and the committees are functioning effectively and efficiently and achieving their objectives.

An external expert must conduct this assessment at least every four years.

Section 3 Board of Director committees

Subsection 1: General stipulations

Committees of the Board of Directors § 45 The Board of Directors appoints the following committees:

- a) Audit Committee
- b) Compensation and Personnel Committee
- c) Risk Committee of the Board of Directors
- d) IT Committee of the Board of Directors

The Board of Directors may establish other standing committees or ad hoc committees for special tasks, as required.

Composition and independence § 46 Each committee consists of at least three and at most five members of the Board of Directors.

The Board of Directors shall ensure sufficient variation in personnel between the various committees, as well as the necessary independence of the members. In particular, no member of the Chairperson's Committee may be a member of the Audit Committee.

§ 47 The committees are entitled to call in outside experts for advice, whereby the Chairperson's Committee decides on the financial resources required for this. If the Chairperson's Committee refuses to allocate the necessary funds for this purpose, the committee may submit its request to the Board of Directors for a decision. The Chair of the Audit Committee may involve experts without the approval of the Chairperson's Committee of the necessary resources for this purpose, if the Chairperson's Committee is biased or if the Chair of the Audit Committee is entrusted with investigations against members of the Chairperson's Committee.

Involvement of external experts

§ 48 The standing committees analyse subject and personnel areas, prepare the basis for the meetings of the Board of Directors and its decisions in their respective areas of responsibility, and thus support the Board of Directors in a preliminary advisory capacity in connection with its supervisory and control function. The Board of Directors determines the tasks of the ad hoc committees when they are formed.

Duties and powers in general

The committee chairs must ensure the day-to-day coordination between the individual committees when they are performing their duties. Fundamental voting issues between the committees, as well as the Board of Directors and the Chairperson's Committee, are to be decided at the coordination meeting in accordance with § 59 of these Regulations.

Subsection 2: Audit Committee

§ 49 The Audit Committee, as defined in FINMA circulars, supports the Board of Directors for the group and the parent company in monitoring the internal audit function and the external auditors, the internal control system and in reviewing the annual financial statements; it also prepares

General mandate

the Board's decisions. To that end, it assesses the effectiveness of the internal and external auditors and their collaboration. It additionally evaluates the functionality of the internal control system. It evaluates the annual financial statements (including the interim financial statements) and decides whether the parent company's and consolidated financial statements can be recommended to the Board of Directors for submission to the Cantonal Parliament. It also assesses the performance and fees of the external auditors and ensures their independence. It examines the compatibility of the audit activity with any advisory mandates for the bank.

Duties and powers

- § 50 The Audit Committee has the following specific duties and powers:
1. assessment of the appropriateness and effectiveness of the accounting policies and internal accounting and financial control mechanisms and their adequacy vis-à-vis the bank's current risk profile for the attention of the Board of Directors,
 2. analysis of the parent company's and consolidated financial statements and published interim financial statements, as well as the CFO quarterly report, including the evaluation and disclosure of individual material financial statement items
 3. analysis of the audit reports on the company accounts as well as the supervisory audit by the external auditors
 4. discussion of the matters listed under Items 1 to 3 (above), both alone and together with the CFO, the Head of Audit and the lead auditors of the external audit firm
 5. issuance of a recommendation for the attention of the Board of Directors on the adoption of the interim financial statements and the annual financial statements, as well as regarding the reports on the audit of the accounts and the supervisory audit of the external auditors

6. analysis and discussion of the budgeting, both alone and with the CFO. Submission of a recommendation to the Board of Directors on the adoption of the
7. assessment of the stabilisation and emergency plan,
8. assessment of capital planning,
9. assessment of the functionality of the internal control system for the attention of the Board of Directors,
10. acknowledgement of the activity reports of the compliance function and risk control,
11. information on the bank's significant contacts with supervisory bodies, in particular FINMA, and on the results of these contacts,
12. performance of the process to evaluate a change of the external auditors and proposal for the election of the external auditors,
13. discussion with the representatives of the external auditors on important events, in particular their risk assessment and the risk-oriented audit plan, changes in the audit and the reporting, as well as on the nature of the cooperation with management, in particular any differences of opinion on matters that may significantly affect the financial situation or the results of the audit,
14. assessment of the measures taken by the line managers on the basis of the findings and recommendations of Audit and the external auditors, as well as acknowledgement of the implementation reports (audit tracking),
15.
 - a. appraisal of Audit's reporting and the external auditors' reporting; the Audit Committee may obtain in advance opinions on the audit reports from the Chairperson's Committee and from specialised committees of the Board of Directors – in particular, the IT and Risk Committees. It must ensure that the Board of Directors is adequately informed,

- b. the Audit Committee may address lower-risk audit reports in a simplified manner, but must at least take note of them in their entirety during its meetings and may deal with a report in detail at any time,
- 16. request to the Board of Directors to order measures and special audits by Audit and/or the external auditors,
- 17. appraisal and proposal to the Board of Directors regarding the approval of Audit's annual objectives,
- 18. discussion with the Head of Audit on important events and fundamental questions and findings in connection with the performance of audit activities,
- 19. acknowledgement and assessment of Audit's annual activities as well as the achievement of Audit's objectives for the attention of the Board of Directors,
- 20. recommendation to the Board of Directors regarding any adjustments and amendments to the provisions of these Regulations as they relate to the Audit Committee and Audit,
- 21. assessment of the interaction between the external auditors and Audit for the attention of the Board of Directors,
- 22. assessment of the independence of the external auditors and the compatibility of the auditing activities with any advisory mandates for the bank, their performance and their fees for the attention of the Board of Directors,
- 23. periodic information on significant findings in internal and external audit reports on the group companies,
- 24. information on whether the independence of Audit or individual employees has been impaired personally or outside the periodic meetings,
- 25. information on the acceptance of mandates for the performance of advisory and auditing services by Audit pursuant to § 101 (6) of these Regulations,
- 26. information on adjustments to Audit's objectives during the year within the framework of the regular meetings,

27. prompt information on adjustments to the Audit manual,
28. immediate information on the identification of serious deficiencies or breaches of duty by Audit,
29. acknowledgement and appraisal of the annual reporting on whistleblowing incidents,
30. election of the Secretary of the Audit Committee at the request of the General Secretary.

The Audit Committee otherwise performs all other tasks related to its mandate pursuant to § 49 of these Regulations or assigned to it by the Board of Directors or by statutory or regulatory provisions.

Subsection 3: Risk Committee of the Board of Directors

- | | | |
|------|---|----------------------|
| § 51 | The Risk Committee of the Board of Directors assists the Board of Directors for the group and the parent company in overseeing the bank's risk management and compliance with regulatory requirements for the management of risks, in particular in reviewing procedures for the identification, assessment, management and monitoring of credit, market, liquidity, operational, compliance and reputational risks. The Risk Committee develops an understanding of the functionality of the risk management and periodically assesses the completeness of the bank's risk inventory when evaluating the framework concept for group-wide risk management. | General
mandate |
| § 52 | The Risk Committee has the following specific duties and powers: <ol style="list-style-type: none"> 1. discussion of the framework concept for group-wide risk management and recommendation for the attention of the Board of Directors, 2. annual assessment of the framework concept for group-wide risk management and initiation of the necessary adjustments, | Duties and
powers |

3. preliminary discussion of the risk policy requirements and recommendations for the attention of the Board of Directors,
4. acknowledgement and advice regarding the quarterly reporting on the development of the risk profile, aspects of the framework concept and compliance with the risk policy requirements,
5. monitoring the implementation of the risk strategies, in particular with regard to their alignment with the specified risk tolerance and risk limits in accordance with the framework concept for group-wide risk management and the risk policy requirements,
6. appraisal of the capital and liquidity planning and reporting thereon to the Board of Directors,
7. assessment of the risk management measures taken on the basis of the findings and recommendations of Audit and the external auditors,
8. election of the Secretary of the Risk Committee of the Board of Directors at the request of the General Secretary,
9. acknowledgement of the lending transactions approved by the Chairperson's Committee and reporting to the Board of Directors,

The Risk Committee otherwise performs all other tasks related to its mandate pursuant to § 51 of these Regulations or assigned to it by the Board of Directors.

Subsection 4: Compensation and Personnel Committee

General
mandate

§ 53 The Compensation and Personnel Committee supports the Board of Directors in matters related to the personnel strategy and the corresponding business policy requirements. It performs preparatory work for the Board of Directors regarding the relevant transactions for the group

and the parent company. It comments on compensation issues that fall within the remit of the Chairperson's Committee and the Board of Directors and reviews the market conformity of the compensation for the parent company. For this purpose, the Compensation and Personnel Committee monitors, among other things, developments in the market relevant to personnel and remuneration.

Furthermore, the Compensation and Personnel Committee assesses selection procedures and job profiles for the employment of members of the Executive Board, the Head of Audit and their deputies and, if applicable, other senior-level employees.

It monitors the implementation of business policy requirements as well as the systematic succession planning for the group's key positions.

§ 54 The Compensation and Personnel Committee has the following specific duties and powers:

Duties and powers

1. recommendation to the Board of Directors for the issuance of regulations on the compensation of the members of the Board of Directors for submission to the Cantonal Parliament for approval,
2. recommendations to the Board of Directors for setting and monitoring business policy requirements regarding personnel and remuneration,
3. recommendations to the Board of Directors for the adoption and revision of models for variable compensation and entitlements of employees of the parent company,
4. recommendations to the Board of Directors on respective amendments to the regulations on employees and remuneration,

5. recommendations to the Board of Directors on the strategic and personnel policy principles of the pension funds from the employer's perspective,
6. assessment of the bank's compensation system, in particular with regard to its market conformity, sustainability and the avoidance of false incentives which, among other things, could incentivise the bank's employees to take inappropriate risks,
7. recommendations to the Board of Directors for principles concerning the remuneration of the members of the Executive Board, Audit and any participation and fringe benefit programmes,
8. recommendations, together with the Chairperson's Committee, to the Board of Directors for selection procedures, job profiles and succession planning principles for members of the Executive Board, the Head of Audit and their deputies,
9. recommendations, together with the Chairperson's Committee, to the Board of Directors for the appointment and dismissal of members of the Executive Board as well as the Head of Audit and their deputy, whereby the following additional recommendations must also be obtained: from the Chair of the Audit Committee for the appointment of the Head of Audit as well as their deputy; from the Chair of the Risk Chairperson's Committee of Directors for the appointment of the Head of the Risk Business Unit as well as their deputy; and from the Chair of the IT Committee for the appointment of the Chair of the IT, Operations & Real Estate Business Unit as well as their deputies,
10. recommendation, together with the Chairperson's Committee, to the Board of Directors for the appointment and dismissal of the General Secretary,
11. election of the Secretary of the Compensation and Personnel Committee at the request of the General Secretary.

The Compensation and Personnel Committee otherwise performs all other tasks related to its mandate pursuant to § 53 of these Regulations or assigned to it by the Board of Directors.

Subsection 5: IT Committee

General
mandate

§ 55 The IT Committee supports the Board of Directors in defining and monitoring the IT-relevant aspects of the group strategy. It advises the Board of Directors on all issues concerning Zürcher Kantonalbank's IT and makes corresponding recommendations. To that end, the committee evaluates IT's contribution to the bank's performance. It also assesses the cost and investment frameworks for IT with a view to the potential impact on current and future courses of action and business risks. Finally, it assesses the functionality of the management of IT risks affecting the investment risks associated with IT.

§ 56 The IT Committee has the following specific duties and powers:

Duties and
powers

1. dealing with all IT-related topics of strategic importance and scope and preparing corresponding recommendations for the attention of the Board of Directors with the aim of ensuring that IT development and IT operations conform to the corporate strategy, are benefit-oriented, cost-effective and secure,
2. assessment of the functionality and effectiveness of IT management in terms of providing efficient, stable and secure IT services, as well as shaping IT's contribution to the business performance and the use of options for action,
3. assessment of the status and value-add of external sourcing,

4. ongoing monitoring of the progress of important IT projects with subsequent reporting to the Board of Directors,
5. assessment of IT risks based on IT audit reports and on discussions with the member of the Executive Board responsible for IT, in consultation with the Audit Committee and Audit,
6. appraisal of the IT budget to be approved annually by the Executive Board for the attention of the Board of Directors,
7. election of the Secretary of the IT Committee at the request of the General Secretary.

The IT Committee otherwise performs all other tasks related to its mandate pursuant to § 55 of these Regulations or assigned to it by the Board of Directors.

Subsection 6: Organisation

Constitution	§ 57 The Board of Directors shall elect the members and chairs of the committees in accordance with § 36 of these Regulations. If necessary, the Board of Directors shall hold supplementary elections. The committees will otherwise constitute themselves.
Electoral requirements	§ 58 Anyone who brings knowledge and experience in the area of responsibility of the respective committee is eligible for election to the committees, whereby the committees as a whole must have sufficient knowledge and experience in their respective area of responsibility.
Coordination of the committees	§ 59 Under the guidance of the Chair of the Board of Directors, the committee chairs coordinate meeting dates, agenda items, document circulation, the involvement of internal and external specialists, and any necessary exchange of information with the Board of Directors and among the

committees. For this purpose, the Chair of the Board of Directors shall convene a coordination meeting as often as necessary, but at least once a year, which the members of the Chairperson's Committee, the committee chairs and the General Secretary shall attend.

- § 60 The committees meet at least four times a year at the invitation of the chairs. Additional meetings may be held as necessary or at the request of a member.

Meetings

The meetings are generally held in the personal presence of the members of the respective committee. In justified cases, the committee chair may order that the meetings be conducted via audio, video or an equivalent means of communication, or that individual members may participate in the meeting via audio, video or an equivalent means of communication.

- § 61 The committees have a quorum when the majority of the committee members are present. In justified cases, the committee chair may authorise on an exceptional basis, that members may participate and adopt resolutions via audio, video or an equivalent means of communication.

Quorum and adoption of resolutions

Resolutions may be adopted by circular letter, unless a committee member requests oral deliberation.

Resolutions are adopted by a majority of the votes present. Abstentions are counted as no-votes. In the event of a tie, the committee chair has the casting vote, except when only two members are present. In this case, unanimity applies.

- § 62 The following permanent guests will usually attend committee meetings in an advisory capacity and without voting rights:

Additional meeting participants

- Audit Committee: Head of Audit, CFO (for selected agenda items) or their deputies, and Secretary of the Audit Committee;
- Risk Committee of the Board of Directors: Head of Audit, CRO or their deputies, as well as the Head of Risk Control and Secretary of the Risk Committee of the Board of Directors;
- Compensation and Personnel Committee: Head of Human Resources or their deputy, and Secretary of the Compensation Committee;
- IT Committee: Head of IT, Operations & Real Estate or their deputy, and Secretary of the IT Committee.

If necessary, the committee chair may involve other persons in an advisory capacity and without voting rights.

Minutes

§ 63 The committees' proceedings shall be documented in minutes, in order to reflect the formation of opinions. In justified cases, a committee member may request on an exceptional basis that the minutes be recorded verbatim. The respective committee secretary shall take the minutes, unless the committee entrusts this responsibility to another person, who need not be a committee member. The minutes are sent to the members of the Board of Directors, the CEO, the CRO, the Head of Audit and the permanent guests of the respective committee.

Record retention

§ 64 The files prepared, consulted and evaluated by the committees are to be retained separately as files of the committees, whereby storage in digital form is also permitted.

Chapter 2 Chairperson's Committee

Section 1 Duties and powers

- § 65 The Chairperson's Committee are responsible for
1. directly supervising the management;
 2. monitoring the implementation of Board of Directors resolutions;
 3. preparing Board of Directors business to the extent this does not fall within the remit of a Board of Directors committee;
 4. representing the Board of Directors internally and externally; and
 5. promptly informing the Board of Directors about decisions of the Chairperson's Committee as well as risks and events of strategic or reputational importance.
- § 66 The Chairperson's Committee are specifically responsible for the following:
- Lit. a Strategy, supervision and organisation
1. Regular review of the quality and efficiency of the fulfilment of the public service mandate and its effects in accordance with § 9 (1) of the Guideline for the Fulfilment of the Public Service Mandate,
 2. Advice on topics and issues related to the group strategy, communication and corporate culture,
 3. Preparation of the issuance of regulations for the attention of the Board of Directors,
 4. Approval of transactions with extraordinary business policy risks, conflicts of interest or extraordinary effects on the group's reputation,

Duties and powers in general

Duties and powers in particular

5. Submission of proposals to the Board of Directors for transactions falling within its remit,
6. Periodic meetings with the Head of Audit, the members of the Executive Board and the General Counsel,
7. Other duties and powers defined or approved by the Board of Directors in other regulations.

Lit. b Finance

1. Write-off of receivables and losses (consolidated per client) for any amount exceeding CHF 10 million.

Lit. c Audit

1. Acknowledgement of Audit's reporting and authorisation to order immediate measures to remedy deficiencies in urgent cases, while informing the Chair of the Audit Committee when doing so,
2. Commissioning Audit to perform special audits in urgent cases, whereby the Chair of the Audit Committee must be informed thereof,
3. Approval of Audit's budget,
4. Decisions on administrative matters of Audit's day-to-day business at the request of the Head of Audit,
5. Determination of Audit's staffing level at the request of the Head of Audit,
6. Appointment and dismissal of senior-level Audit staff at the request of the Head of Audit,

7. Appraisal of Audit's annual objectives.

Lit. d Compliance and litigation

1. Initiation, withdrawal and settlement of legal disputes involving extraordinary business policy risks.

Lit. e International or cross-border business

1. Opinion on significant changes to the business framework for international activities prior to their approval, as well as timely acknowledgement of approved exceptions, each in accordance with § 35 (f) (1) of these Regulations.

Lit. f Personnel

1. Joint right of petition with the Compensation and Personnel Committee and any committee chair pursuant to § 54 (9) of these Regulations regarding the appointment of members of the Executive Board, the Head of Audit and their deputies,
2. Approval of the CEO's proposed candidate for the position of General Counsel,
3. Approval of candidates proposed by the Executive Board for the board of directors and comparable bodies of group companies (group representatives) and significant participations (participation managers) after consultation with the responsible business unit head and, if applicable, with the responsible group representative,
4. Appointment, instruction and supervision of proxies at related foundations and institutions, as well as at com-

panies in which the parent company holds a direct or indirect participation due to the public service mandate,

5. Issuance of the principles for the approval procedures for external functions and part-time activities by employees of the parent company, except for members of the Chairperson's Committee, the Executive Board and the Head of Audit.

Lit. g Miscellaneous

1. Decision on the support of economic, social and cultural institutions.

Section 2 Organisation

Meetings	§ 67	The meetings of the Chairperson's Committee, which are presided over by the Chair of the Board of Directors or, in their absence, the Deputy Chair or, in their absence, another member, will be held as often as business requires, at the invitation of the Chair, but at least once a month. It also meets at the request of a member of the Chairperson's Committee or the Executive Board.
Invitation	§ 68	The invitation must include the agenda items to be discussed at the meeting and must, as a rule, be received by the members of the Chairperson's Committee together with the necessary documentation no later than 12.00 noon on the day before the relevant meeting of the Chairperson's Committee.
Meeting format	§ 69	The meetings are generally held in the presence of the members of the Chairperson's Committee or their designated proxies. In justified cases, the Chair of the Chairperson's Committee may order that they be conducted on an exception basis via audio, video or an equivalent means of communication.

§ 70 The Chairperson's Committee has a quorum when three members or their designated proxies are present. The participation and adoption of resolutions by members or their designated proxies via audio, video or an equivalent means of communication are permitted in justified cases.

Quorum and adoption of resolutions

Resolutions may be adopted by circular letter, unless a member of the Chairperson's Committee or one of the designated proxies requests oral deliberation. Resolutions of the Chairperson's Committee are adopted by an absolute majority of the votes present. Abstentions are counted as no-votes.

In urgent cases, two members of the Chairperson's Committee may, on an exception basis, unanimously adopt resolutions which fall within the remit of the Chairperson's Committee, if the third member or their designated proxy is not available, provided that above-average risks are not apparent, the transactions are conducted at market conditions and the consent of the missing member can be expected. These resolutions must be subsequently brought to the attention of the third member.

Two members of the Chairperson's Committee may also adopt unanimous resolutions that fall within the remit of the Chairperson's Committee, if the third member abstains.

§ 71 The General Secretary participates in the meetings of the Chairperson's Committee in an advisory capacity and without voting rights.

Participation of additional persons

The Chair of the Chairperson's Committee shall decide on the participation of the members of the Executive Board as well as on the participation of additional persons in an advisory capacity and without voting rights.

Minutes
and record
retention

§ 72 The Chairperson's Committee's proceedings shall be documented in minutes, in order to reflect the formation of opinions. In justified cases, a member of the Chairperson's Committee may request on an exception basis that the minutes be recorded verbatim. The Chairperson's Committee shall designate the minute taker. The latter need not be a member of the Chairperson's Committee. The documents prepared, consulted and evaluated by the Chairperson's Committee are to be retained separately as documents of the Chairperson's Committee, whereby storage in digital form is also permitted.

Information
rights

§ 73 Members of the Chairperson's Committee have the right to inspect the minutes of all committee meetings at any time. They also have access to all information concerning the group's business which is necessary or helpful for the performance of their duties as members of the Chairperson's Committee. To that end, they may request information directly from members of the Executive Board, the General Counsel, the Head of Human Resources, the Head of Audit or the external auditors. In addition, the members of the Chairperson's Committee may consult directly with the experts involved from the bank's specialist areas in connection with the handling of business that falls within the remit of the Chairperson's Committee or the Board of Directors. When doing so, they shall ensure that the members of the Chairperson's Committee are treated equally.

General
Secretariat

§ 74 The General Secretariat supports the Board of Directors and the Chairperson's Committee in the fulfilment of their duties and tasks. It is under the direction of the General Secretary.

The General Secretary advises the Board of Directors and the Chairperson's Committee on the monitoring and implementation of internal and external corporate gov-

ernance requirements and attends the meetings of the Board of Directors and the Chairperson's Committee as a permanent guest in an advisory capacity.

The General Secretariat may be Secretary of the Board of Directors and of individual or several Board of Directors committees at the same time, but not of the Audit Committee. The General Secretary shall provide guidance to the secretaries of the Board of Directors committees on the formal conduct of their activities.

Chapter 3 Executive Board

Section 1 Executive Board

- § 75 The Executive Board consists of the CEO and seven other members. Composition
Each member of the Executive Board leads a business unit.
- § 76 The following business units exist, each of which performs at least the tasks listed below: Business units

General Management BU

- corporate development, Public Service Mandate unit
- legal & compliance
- brand & marketing
- corporate communications
- human resources

Private Banking BU

- serving the assigned client segments, in particular high-net-worth individuals, private banking, key clients and private clients abroad
- provision of assigned services, in particular services rendered for external asset managers (EAMs)
- provision of settlement and processing activities, unless these are provided centrally

Corporate Clients BU

- serving the assigned client segments, in particular business clients, corporate clients, large companies and pension funds
- provision of the assigned services
- provision of settlement and processing activities, unless these are provided centrally

Institutionals & Multinationals BU

- serving the assigned client segments, in particular large companies, pension funds and financial institutions
- production and provision of the assigned products and services, in particular in relation to asset management, trading, capital markets & research, and custody
- provision of settlement and processing activities, unless these are provided centrally

Products, Services & Direct Banking BU

- support of the assigned client segments, in particular retail clients and commercial clients
- provision of product management services, in particular in relation to financing, investments & pensions, deposit business and payment transactions
- provision of assigned services, in particular investment solutions
- provision of settlement and processing activities, unless these are provided decentrally

Finance BU

- controlling
- accounting
- treasury
- procurement

Risk BU

- risk control
- risk management regarding credit, market and operational risks

IT, Operations & Real Estate BU

- IT development & operations

- IT architecture
- operations
- real estate

Section 2 Duties and powers

§ 77 The Executive Board is responsible for

1. the operational management of the group; and
2. the management of the parent company.

Duties and powers in general

§ 78 The Executive Board is responsible in particular for the following:

Duties and powers in particular

Lit. a Strategy, supervision and organisation

1. The Executive Board ensures the fulfilment of the public service mandate within the scope of its responsibilities and powers, if necessary together with the Chairperson's Committee and the Board of Directors and according to their requirements.
2. Collaboration in the development and implementation of the
 - a. group mission statement incl. vision
 - b. group strategy incl. group objectives
 - c. group structure and organisation
3. Determination of the business units' strategies
4. Elaboration and implementation of the budget and annual planning
5. Approval of business policies
6. Allocation of responsibilities for client segments, products and services to the individual business units

7. Preparation of the transactions to be dealt with by the Chairperson's Committee and the Board of Directors
8. Submission of proposals to the Board of Directors for transactions falling within its remit
9. Submission of proposals to the Chairperson's Committee for the transactions falling within its remit
10. Designation of a representative to justify the Executive Board's submissions to the Board of Directors and the Chairperson's Committee, usually the head of the business unit concerned
11. Information to the Board of Directors and the Chairperson's Committee regarding the performance of the business as well as important directives and events
12. Ensuring that all relevant information about operational events is collected, distributed and processed
13. Issuance of directives to implement regulatory requirements and to secure operational business activity
14. Determination of all business terms and conditions
15. Approval of the business activities of group companies as well as their memberships in organisations based on the requirements set out by the Board of Directors
16. Issuance of requirements and framework conditions for the budgeting and annual planning of the group companies
17. Assignment of responsibility for the group companies to an appropriate member of the Executive Board

18. Determination of and adjustment of the group structure and organisation:
 - a. formation, change of purpose, change of capital, conversion of the corporate form as well as liquidation of other participations
 - b. approval of mergers & acquisitions activities of the group if the activity does not lie within the remit of the Board of Directors pursuant to § 35 (a) (3) of these Regulations or of the Chairperson's Committee pursuant to § 66 (a) (4) of these Regulations

19. Approval of transactions with special business policy risks, conflicts of interest or special effects on the group's reputation, insofar as they
 - a. involve an unsecured financial commitment of up to CHF 30 million; or
 - b. relate to a non-financial commitment that cannot be attributed to another competence holderDetails are governed in particular by the special regulations.
Irrespective of the financial commitment, the Chairperson's Committee must be immediately informed about such transactions.

20. Issuance of directives to the members of related supervisory boards of group companies and minority participations, taking into account the significant interests of the group companies and the duties of the supervisory board members as official governing bodies, as well as complying with the provisions of these Regulations; provided that such power to direct does not exist vis-à-vis members of the Board of Directors.

21. Appointment, instruction and monitoring of the proxies in the annual general meetings of group companies and minority participations from among

the senior management after consultation with the responsible business unit head;

22. Decisions on the membership and representation of the parent company in organisations, whereby the Chairperson's Committee is to be informed annually via a list of the respective decisions;
23. Approval of construction invoices for new buildings and renovations totalling CHF 30 million or more;
24. Determination of limited signature authority and approval authorisations;
25. Determination of exceptions to collective signature authority for certain business transactions that occur in large numbers.

Lit. b Finance

1. Drafting and implementation of the budget and annual planning;
2. Preparation of the annual financial statements;
3. Approval of the pledging of assets;

Lit. c Audit

1. The Executive Board and the managers of the respective organisational units are responsible for the implementation of the measures adopted based on Audit's recommendations.

Lit. d Risk management

1. Issuance of requirements and authorisations for risk management;
2. Approval of the provisions for identifying, mitigating and monitoring risks;
3. Approval of the methods for the measurement of risks;
4. Implementation of crisis management measures of relevance to the bank as a whole (e.g. systemic crises, financial market crises);
5. Proposal to the Board of Directors regarding the determination of risk policy requirements and changes to the framework concept for group-wide risk management

Lit. e Compliance and litigation

1. Initiation, withdrawal and settlement of legal disputes involving special business policy risks

Lit. f International or cross-border business

1. Approval, at least annually, of the business framework for international activities pursuant to § 9 (3) of these Regulations, taking into account § 66 (e) (1) of these Regulations
2. Approval of individual transactions or individual transaction types outside the approved business frameworks for international activities in accordance with the preceding Item 1

3. Preparation of the requirements on the management of country risk within the framework of the special regulations on the management of country risk

Lit. g Personnel

1. Submission of applications to the Chairperson's Committee for the appointment and dismissal of group representatives to the supervisory board or comparable governing bodies of group companies and significant participations after consultation with the responsible business unit head and, for sub-subsidiaries, after consultation with the responsible group representative of the parent subsidiary;
2. Selection of candidates for representation on the board of directors of other participations;
3. Delegation of representatives of the parent company to organisations of which it is a member;
4. Appointment and dismissal of management's staff with the exception of those of Audit and the General Secretariat, whereby this right may be delegated to the heads of the business units

Lit. h Reporting

1. Determination of the type and scope of reporting addressed to the Executive Board in accordance with § 29 of these Regulations;

§ 79 The CEO is responsible for the following:

Duties and
powers of
the CEO

1. management of the Executive Board members, the heads of the business units and the CEO's own business unit;
2. implementation of the group mission statement;
3. implementation of the group strategy including group targets;
4. implementation of the group structure and organisation;
5. implementation of the execution of the orders given by the Board of Directors and the Chairperson's Committee;
6. coordination of the Executive Board's business activities;
7. exercise of the CEO's veto power on business policy and strategic matters vis-à-vis the Executive Board and the respective BU head;
8. exercise of the CEO's right to submit an important decision of one or more heads of a business unit to the entire Executive Board for approval;
9. representation of the Executive Board internally and externally;
10. participation in the regular process for the appointment of members of the Executive Board and recommendation to the Compensation and Personnel Committee and the Chairperson's Committee;
11. submission of proposals to the Chairperson's Committee for determining the compensation of the members of the Executive Board;
12. submission of proposals to the Board of Directors for the dismissal of members of the Executive Board and their deputies;

§ 80 The business unit heads (BU heads) are each individually responsible for the following:

1. submission of proposals to the Executive Board in the following cases:
 - approval of the business framework for international activities of their own business unit in accordance with § 9 (3) of these Regulations;
 - approval of individual transactions or individual transaction types of their own business unit outside the business framework for international activities in accordance with § 9 (3) of these Regulations;
2. Drafting of strategies for the attention of the Executive Board regarding the client segments, producers and functions of the respective BU as part of the strategy work;
3. management in their BU including assuming responsibility for the tasks assigned to them;
4. recommendation to the competent electoral bodies of the group companies for the appointment and removal of the group representatives in the group companies assigned to their BU;
5. instruction and monitoring of the group representatives from their BU in the group companies assigned to their BU;
6. monitoring of the relationship between the supervisory authorities and the group companies assigned to their BU;
7. resolution of conflicts of interest that arise in the respective BU and between the parent company and group companies assigned to their BU;
8. write-off of receivables and losses (consolidated per client) for an amount up to CHF 3 million;
9. involvement of Audit for advisory and auditing services within the group after prior consultation with the CEO, provided that the fulfilment of the ordinary auditing tasks and Audit's independence are thereby not impaired;

10. Additionally, for the Head of the IT, Operations & Real Estate BU:
issuance of requirements and technical management for the group with regard to security and business continuity management, Data management.

§ 81 The Head of the Finance BU is responsible for the following:

Duties and powers of the Head of the Finance BU

1. capital management, financial and operational accounting and reporting;
2. issuance of requirements for accounting and financial reporting for group companies in order to fulfil statutory duties, ensuring the measurement of performance and results within the group and achieving strategic goals;
3. accounting, financial planning and results controlling;
4. treasury: interest rate and liquidity management for the entire bank, long-term refinancing transactions;

§ 82 The Head of the Risk BU is responsible for the following:

Duties and powers of the Head of the Risk BU

1. risk control, in particular monitoring of the risk profile and compliance with risk policy requirements, risk reporting, development of methods and models for risk management, drafting of the framework concept for group-wide risk management, independent model validation;
2. risk management, in particular analysis and assessment of transactions prior to conclusion, business-related monitoring of the risk profile, credit policy, specialist management of financing, development and operation of systems for risk management;

3. issuance of requirements regarding the identification, assessment, control, management and reporting of risks for group companies for the purpose of fulfilling group-relevant statutory and supervisory requirements, as well as ensuring risk control, measurement and reporting at the group level. In the case of insignificant risks of group companies, requirements are waived;
4. write-off of receivables and losses (consolidated per client) for an amount from CHF 3 million to CHF 10 million;

Section 3 Organisation

Meetings	§ 83 The Executive Board meets at the invitation of the CEO, in their absence at the invitation of the Deputy CEO, as often as business requires, and at the request of a member, usually at least once a month.
Invitation	§ 84 The invitation includes the agenda items to be discussed at the meeting and must, as a rule, be received by the members of the Executive Board together with the necessary documents at least two calendar days before the relevant meeting of the Executive Board.
Chair	§ 85 Meetings of the Executive Board are chaired by the CEO and, in their absence, by the Deputy CEO. If the Deputy CEO is also absent, the most senior member of the Executive Board present shall chair the meeting.
Meeting format	§ 86 The meetings are generally held in the personal presence of the members of the Executive Board or their deputies. In justified cases, the CEO may order that they be conducted via audio, video or an equivalent means of communication, or that individual members may participate in the meeting via audio, video or an equivalent means of communication.

§ 87 The Executive Board has a quorum, if at least five members or their deputies are present. In justified cases, the CEO may authorise that members participate and adopt resolutions via audio, video or an equivalent means of communication.

Quorum and adoption of resolutions

Resolutions may be adopted by circular letter, unless a member of the Executive Board requests oral deliberation.

Resolutions of the Executive Board are adopted by an absolute majority of the votes present. In the event of a tie, the CEO's vote counts double.

In urgent cases, the individual members of the Executive Board may decide on matters of joint competence, provided they are entitled to do so. The Executive Board must be informed as soon as possible in such cases.

§ 88 The CEO shall decide on the participation of additional persons in an advisory capacity and without voting rights.

Participation of additional persons

§ 89 The Executive Board's proceedings shall be documented in minutes, in order to reflect the formation of opinions. In justified cases, a member of the Executive Board or a participating third party may request on an exceptional basis that minutes be recorded verbatim. The chief of staff of the Executive Board shall take the minutes, unless the Executive Board entrusts this responsibility to another person, who need not be a member of the Executive Board.

Minutes

The CEO or, in their absence, the Deputy CEO shall decide on whether additional persons be given access to the minutes of the Executive Board meetings or extracts thereof.

Information rights

§ 90 Each member of the Executive Board may, during but also outside meetings of the Executive Board, request information from the other members of the Executive Board on all matters of the group which are necessary or helpful for the performance of their duties as a member of the Executive Board, as long as no prevailing interests are in conflict therewith. If a member of the Executive Board refuses to provide information, the CEO or, in their absence, the Deputy CEO shall decide on the request for information.

Section 4 Committees

Committees of the Executive Board

§ 91 The Executive Board appoints the following committees:

- a) Risk Committee of the Executive Board
- b) IT Committee of the Executive Board
- c) Conflicts Committee
- d) International Committee
- e) Distribution Committee
- f) Public Service Mandate Steering Committee

The Executive Board may establish other standing committees or ad hoc committees for special tasks as required.

Chapter 4 Auditors

Auditors of the parent company and the group

§ 92 The auditors under cantonal law are obliged to maintain strict banking secrecy when performing their duties vis-à-vis the canton and its governing bodies in accordance with Section 47 of the Federal Act on Banks and Savings Banks.

As the statutory auditor under banking law (supervisory audit firm), it performs the duties prescribed to it under federal law in accordance with the Federal Act on Banks and Savings Banks.

Chapter 5 Audit

Section 1 Duties and powers

- § 93 Audit is responsible for Zürcher Kantonalbank's internal audit function in terms of applicable laws and regulatory provisions. Within the scope of its activities, Audit verifies compliance with laws, ordinances, regulations and directives.
- Internal Audit
- Subject to other provisions, the group-wide Audit function is located organisationally at the parent company and extends to all group companies. Unless otherwise specified, Audit also performs the internal audit function for all group companies. Where independent internal audit departments exist at group companies, they also report to and are functionally subordinate to the Head of Audit of the parent company/group.
- § 94 Audit supports the Board of Directors in the performance of its statutory supervisory and control duties and performs the monitoring tasks assigned to it by the Board of Directors. In particular, Audit independently and objectively assesses the adequacy and effectiveness of the internal control and risk management processes as well as the management and monitoring processes (corporate governance); it also contributes to their improvement.
- Support for the Board of Directors
- § 95 Audit conducts its auditing activities in accordance with the requirements of the applicable federal laws, FINMA circulars, the Law on Zürcher Kantonalbank, the provisions of these Regulations and the auditing guidelines of national professional associations.
- General basis
- § 96 Audit has unrestricted examination, information and access rights within the bank and all group companies.
- Right of examination and inspection

All business records (books, documents, other records as well as data carriers and systems) are available to Audit for inspection at any time. Audit must be provided with all information and details necessary for the fulfilment of Audit's duties. Audit's reporting is independent and not subject to any directives.

Audit does not have the power to direct, but has the right to make recommendations.

Independence § 97 Audit works independently of day-to-day business operations and does not perform any operational tasks or control activities. Audit performs its tasks professionally, objectively and independently in accordance with generally accepted auditing principles and professional standards.

The Head of Audit shall inform the members of the Audit Committee and the Chairperson's Committee personally and outside the periodic meetings of any impediments to the independence of Audit or individual employees.

Signature authority § 98 Audit's staff does not participate in the implementation of the bank's business and does not have signature authority on behalf of the bank.

The Head of Audit and employees specifically designated by the Head of Audit, may have signature authority limited to Audit's areas of responsibility.

Information of the Chairperson's Committee § 99 Audit shall inform the Chairperson's Committee of the following:

1. information on the assumption of advisory and auditing services within the group pursuant to § 101 (6) of these Regulations;

2. information (personally and outside the periodic meetings) on whether the independence of Audit or individual employees has been impaired;
3. information on adjustments to Audit's objectives during the year;
4. at least annual information on Audit's activities or any other significant Audit-internal matters;
5. immediate information on serious deficiencies or breaches of duty identified by Audit.

Furthermore, the Chairperson's Committee meets with the Head of Audit periodically, but at least four times a year, and is informed about the status of the implementation of the annual objectives and other important issues.

§ 100 Audit conducts special audits on behalf of the Board of Directors or, in urgent cases, on behalf of the Chairperson's Committee.

Special audits

§ 101 In addition to the duties and powers mentioned in federal banking and financial market legislation and in the Law on Zürcher Kantonalbank of 28 September 1997 and elsewhere in these Regulations, the Head of Audit has the following duties and powers:

Duties and powers of the Head of Audit

1. right of petition to the Chairperson's Committee regarding the approval of Audit's budget;
2. right of petition to the Chairperson's Committee regarding administrative matters of the day-to-day business
3. right of petition to the Chairperson's Committee regarding the determination of Audit's staffing, whereby the Head of Audit is guided in this regard by the requirements pursuant to § 107 of these Regulations;
4. appointment and dismissal of Audit's staff, with the exception of senior-level Audit staff;

5. right of petition to the Chairperson's Committee regarding the appointment and dismissal of senior-level Audit staff;
6. decision on advisory and audit services to be rendered by Audit within the group;
7. determination of guidelines for the handling of Audit's advisory and review services within the group;
8. submission of Audit's annual objectives to the Audit Committee and the Chairperson's Committee for their appraisal;
9. right of petition to the Board of Directors regarding the approval of Audit's annual objectives;
10. right to issue directives to specify Audit's objectives;
11. decision on adjustments to Audit's objectives during the year, to the extent these are indicated by changed risk assessments, special unexpected events or other compelling circumstances and do not have to be approved by the Board of Directors;
12. right of petition to the Board of Directors regarding significant changes to Audit's objectives during the year;
13. information to the Executive Board on serious deficiencies or breaches of duty identified by Audit;
14. issuance of an Audit manual that, among other things, sets out the planning, auditing, reporting and quality management processes and contains a code of ethics for audit staff that applies in addition to the bank's Code of Conduct;
15. decision regarding the involvement of external advisors or service providers to support Audit, insofar as this is required for the performance of an audit assignment or appears necessary at Audit's discretion.

Audit approach and cooperation as well as contact with supervisory authorities and external audit firms

§ 102 The Head of Audit shall ensure that the organisational units of the parent company and the group companies audited directly by Audit are audited in a risk-oriented manner. Audit conducts a risk analysis at least annually for

all subject matters areas listed in the audit inventory, taking into account strategic and business policy objectives as well as the group's annual plans and the risk analyses of the Executive Board and the Board of Directors. The audit activities are to be aligned with the results of this risk analysis. In order to avoid duplication of effort, the audit plan must be discussed with the external auditors and, if necessary, coordinated in terms of content and timing.

Audit coordinates its activities with the audit firms responsible for the supervisory or financial audit and external auditors of group companies in order to avoid any duplication of effort.

Audit maintains contacts with FINMA and, if necessary, with other Swiss and international supervisory and regulatory authorities.

§ 103 The results of every audit must be documented in an audit report. This report consists of a summary and an annex, divided into findings with significant and moderate risks. Recommendations are to be made for these findings, and measures and deadlines are to be agreed to remedy the deficiencies. If an audit identifies matters of minor importance and other potential for improvement, the Head of Audit has the discretion to communicate them outside the regular reporting.

Reporting
on audits

The audit manager must discuss the audit results with the responsible management and the materially involved parties at the latest after the completion of the audit.

The further provisions on reporting, including the reporting on advisory mandates, the use of audit workpapers as well as the content structure and the report distribution are regulated in the Audit manual.

Regular reporting § 104 The Head of Audit reports to the Audit Committee and the Chairperson's Committee for the attention of the Board of Directors at least once a year on Audit's activities as well as on other significant Audit-internal matters such as significant adjustments to the Audit manual.

Immediate reporting § 105 If Audit identifies serious deficiencies or breaches of duty, Audit must report immediately to the Audit Committee, the Chairperson's Committee, the Executive Board and the General Counsel.

The Chair of the Audit Committee shall inform the Board of Directors of this at one of the next meetings.

Implementation of measures § 106 The Executive Board and the managers of the respective OUs are responsible for the implementation of the measures adopted from Audit's recommendations. Audit reviews periodically, at least on a random basis, the correct and timely implementation of the agreed measures.

The procedure, sample and corresponding reporting are regulated in the Audit manual.

Personnel § 107 Audit's staff must meet the professional and managerial requirements of national professional bodies. In addition, the staff must be appropriate for the nature, complexity and scale of the bank's operations.

The existing hierarchy within the bank applies for the Head of Audit and Audit's staff, whereby different job titles may be used. The salary rating of the Audit staff corresponds to that of the staff employed in the active banking business with equivalent requirements in terms of education, experience and responsibility.

PART C FURTHER PROVISIONS

§ 108 The name of the company in German is “Zürcher Kantonalbank”, in French “Banque Cantonale de Zurich”, in Italian “Banca Cantonale di Zurigo” and in English “Cantonal Bank of Zurich”.

Company

§ 109 If rapid action is required in the bank’s interest and the approval of the competent organisational body can be expected and the respective transaction, project or measure does not involve any above-average risks and is in line with the market, this transaction, project or measure may be bindingly concluded or agreed by the next lower authority, unless otherwise provided for by law or other mandatory regulations. The transaction, project or measure must be brought to the attention of the formally competent authority at the next opportunity.

Urgent transactions

In the case of business that cannot be postponed and that falls within the remit of the Board of Directors, Section 16 (3) (4) of the Law on Zürcher Kantonalbank of 28 September 1997 applies.

In the case of business which cannot be postponed and that falls within the remit of the Chairperson’s Committee, § 70 (2) of these Regulations applies.

§ 110 Signature authority is exercised collectively by two authorised signatories. The signature authority must be entered in the commercial register and in Zürcher Kantonalbank’s list of authorised signatories.

Signature authority

The bank’s authorised signatories include the members of the Chairperson’s Committee, the Executive Board,

members of senior management, their deputies and the authorised members of management, as well as other signatories with special authorisation.

The persons authorised to represent the bank shall sign in such a way that they add their signature to the company name. Members of management shall precede their signature with the sign “pp”.

Periodic
review

§ 111 The Board of Directors shall arrange for the annual review of these Regulations and shall make any necessary adjustments.

Entry into force
and transitional
provisions

§ 112 These Regulations enter into force following approval by FINMA on 1 July 2023.

The implementation of the provisions of these Regulations at the directive level must take place by 30 June 2024 at the latest.

With the entry into force of these Regulations, the following regulations and guidelines are repealed: Regulations on the Organisation of the Zürcher Kantonalbank Group dated 23 June 2011, Regulations on the Executive Board of Zürcher Kantonalbank dated 23 June 2011, Guidelines on the Duties and Powers of the Audit Committee of Zürcher Kantonalbank dated 23 June 2011, Guidelines on the Duties and Powers of the Risk Committee of Zürcher Kantonalbank dated 23 June 2011, Guidelines on the Duties and Powers of the Compensation and Personnel Committee of Zürcher Kantonalbank dated 23 June 2011, Guidelines on the Duties and Powers of the IT Committee of Zürcher Kantonalbank dated 23 June 2011, and the Regulations for Audit of Zürcher Kantonalbank dated 23 June 2011.

The amended provisions (section 10, section 35 lit. g no. 8 and section 80 no. 10) in accordance with the Bank Council's amendment resolutions of 14 December 2023 will enter into force on 1 January 2024 following approval by the Swiss Financial Market Supervisory Authority FINMA.

Zurich, 15 December 2022

On behalf of the Board of Directors:

The Chair of the Board of Directors:
Dr Jörg Müller-Ganz

The recording secretary:
Pascale Guerra

The Swiss Financial Market Supervisory Authority approved these Regulations on 10 January 2023.

Approved by the Board of Directors on 14 December 2023.

The Chair of the Board of Directors:
The President:
Dr Jörg Müller-Ganz

The recording secretary:
Pascale Guerra

The amended provisions in accordance with the amendment resolution of 14 December 2023 were approved by the Swiss Financial Market Supervisory Authority FINMA on 3 January 2024.