

Code of Conduct and Ethics of Zuger Kantonalbank

1 Purpose, objectives and scope

This Code of Conduct and Ethics sets out the binding values, principles and rules of conduct of Zuger Kantonalbank (hereinafter referred to as "ZugerKB" or the "Bank"). It serves as a framework for acting with responsibility, sustainability and integrity, as well as compliance with the law, in all business activities.

The Code applies to the Bank Council, Executive Board, all employees (irrespective of function or employment status) as well as external contractors, advisors and relevant business partners, insofar as legally and contractually possible. It serves as a guide for internal rules, directives, policies and processes. In the case of any conflict, the stricter rules shall apply.

2 Fundamental values and ethical stance

To preserve and protect trust in ZugerKB and its excellent reputation, we uphold high ethical values and professional standards. These values and standards define ZugerKB's corporate culture and constitute the benchmark for our decisions and actions.

2.1 Core ethical values

Integrity is a fundamental element of our corporate culture. We act with honesty, transparency and responsibility; we respect the interests of our clients and all other stakeholders. We seek to identify and avoid conflicts of interest at an early stage.

We reject all forms of bribery, corruption or dishonest practice. Our conduct is geared towards protecting the good reputation of ZugerKB.

Respect defines how we deal with one another and with third parties. We treat all people with fairness, respect and honesty. Equal opportunities and equal treatment are the norm for us. Discrimination, harassment or bullying are not tolerated in any form.

We work together on the basis of trust, openness and mutual respect. We encourage a culture in which responsibility is accepted, participation is facilitated and performance is recognised.

Our working environment fosters motivation, identification and dependability – both internally and externally.

We regard sustainability as long-term responsibility towards the Bank, society and the environment. We prioritise ZugerKB's sustainable development over short-term profit-seeking and gear our actions towards stable, long-term value creation.

2.2 Professional standards

ZugerKB acts in accordance with the legal, regulatory and internal requirements in force at all times. Compliance is an integral component of our day-to-day business and a prerequisite for acting with integrity and credibility.

Responsible corporate governance ensures that competencies and responsibilities are subject to binding rules, and that the separation of powers (checks and balances) is maintained. Transparent decision-making processes and responsibilities are crucial in this respect.

Our clients are at the heart of everything we do. We see ourselves as a reliable, trustworthy partner that is focused on the long term. Agreements, commitments and promises shall be honoured.

We act in an entrepreneurial manner, think in the interests of our shareholders, and promote innovation and continuous improvement. At the same time, we maintain a disciplined, responsible approach and take decisions based on transparency and prudence.

Our professionalism is reflected in the quality of our work, ongoing development of our expertise as well as in our objective, considered and timely decisions.

The responsible handling of data is crucially important to us. We protect the privacy rights and personal integrity of all concerned and ensure a high level of protection for information and data through appropriate organisational and technical measures.

3 Legal, compliance and business integrity

3.1 Compliance with laws and regulatory requirements

ZugerKB is committed to complying with all applicable laws, ordinances, supervisory requirements and internal rules. These include in particular:

- Fundamental principles such as the law and ZugerKB's articles of association
- Provisions of banking and financial market law
- Provisions of company and other private law
- FINMA requirements
- Provisions of employment law
- Laws on data protection and information security
- Provisions of criminal law
- Various internal directives and implementation provisions

All employees are required to attend training programmes relevant to their area of responsibility as well as keep abreast of the corresponding rules and comply with them.

3.2 Compliance unit and responsibilities

ZugerKB is organised in accordance with the three-line model to ensure effective implementation of legal and regulatory requirements:

- First line (operating units): Responsible for implementing Compliance requirements in day-to-day operations, raising employee awareness and preventive identification of risks.
- Second line (Compliance): Responsible for methodological specifications and the internal control system, monitors compliance with laws, regulations and internal directives, prepares policies, conducts risk analyses, processes escalated cases and notifies the authorities as required. It supports the Executive Board and the Bank Council with the management of compliance risks.
- Third line (Internal Audit): Checks the effectiveness of the compliance measures and issues recommendations for optimisation to the Executive Board and the Bank Council.

The Bank undertakes measures including risk analyses, the issuing of directives, training, controls and the use of suitable monitoring tools. Breaches or potential breaches of legal or internal requirements must be reported immediately.

3.3 Avoiding conflicts of interest

Conflicts of interest between private interests and the interests of ZugerKB or its clients shall be avoided. Typical conflict situations arise due to private financial interests, secondary employment, mandates or participations as well as personal relationships with clients or business partners. Employees must disclose potential conflicts of interest at an early stage. Furthermore, ZugerKB's remuneration system is designed to avoid incentives that could lead to a conflict of interests.

Business and private mandates must be disclosed and approved in the event of potential conflicts of interest. Organisational measures, rules of conduct and rules on dealing with conflicts of interest are defined in internal directives. ZugerKB's Conflicts of Interest Committee must be consulted in the event of unavoidable conflicts of interest.

3.4 Tackling bribery and corruption

ZugerKB does not tolerate bribery or corruption in any form whatsoever. The offering, promising, granting or acceptance of undue advantage is prohibited.

Gifts and invitations may only be accepted or granted within the legally and internally defined framework. In accordance with the personnel regulations, gifts and invitations with a value of CHF 50 to 250 must be reported to the line manager; in the case of higher amounts, Compliance decides whether they can be accepted.

3.5 Money laundering, financing of terrorism and financial criminality

The implementation of legal and regulatory requirements on the prevention of money laundering, financing of terrorism or other forms of financial criminality is accorded top priority. Any non-conformance will not be tolerated.

This encompasses in particular:

- Identifying and checking clients (KYC)
- Determining beneficial owners
- Continuously monitoring business relationships and conspicuous transactions
- In the event of suspicion or doubt, submitting a money laundering report to the responsible reporting office (MROS)

The internal directive contains prohibitions on the acceptance of assets of criminal origin, on the establishment of business relationships with criminal or terrorist persons or groups, and on active assistance with capital flight or tax evasion.

Business relationships with increased risks, also including those with “politically exposed persons”, must be checked and approved annually. All client transactions go through a compliance filter.

3.6 Insider information and market behaviour

The misuse of insider information is prohibited. Confidential information must not be used for private purposes or for the purpose of influencing market decisions. Through internal measures and controls, ZugerKB ensures that insider information remains protected.

Insider trading and market manipulation are governed by a binding directive, adherence to which is checked by Compliance. The directive contains holding and waiting periods, for example, and limits the number of transactions within a time period. Furthermore, insider information must be treated confidentially and reported to Compliance via a defined process. Compliance imposes blocking periods and maintains a Watch List and a Restricted List. For management transactions too, the bank uses a process to ensure the stock exchange is properly notified.

3.7 Fair competition and market behaviour

ZugerKB is committed to fair competition and rejects unlawful business practices. Any behaviour that violates antitrust law is prohibited.

4 Responsibility towards clients

ZugerKB puts the interests of its clients at the forefront of its actions. Advice and services are provided in a transparent, comprehensible and needs-appropriate manner.

4.1 Client advice and product distribution

ZugerKB advises its clients in an expert, comprehensible and fair manner. Advice is geared towards the client’s individual requirements, financial situation, knowledge as well as their risk capacity and risk appetite. Products and services are explained in a transparent manner, including opportunities, risks, costs and any conflicts of interest. ZugerKB is committed to giving all clients access to financial services without discrimination. The Bank ensures that products are developed, offered and distributed in a responsible manner. Systematic incentives, which could lead to errors in the advisory process, are viewed as inappropriate and are avoided. Where relevant, sustainability aspects are incorporated into the advice and product selection. To the greatest extent possible, employees act in the best interests of clients and avoid misleading statements.

4.2 Data protection and bank client confidentiality

The protection of personal data, banking secrecy and security of IT systems are accorded top priority. All employees are required to adhere to the data protection legislation, internal rules and security requirements in force.

We follow international standards and have a multi-level threat management concept. Checks are carried out via systematic and continuous monitoring, supplemented with regular external security checks such as security audits and penetration tests. The central pillars of the cyber security strategy are general awareness of threats and ongoing training of employees. External providers to whom IT services are outsourced must meet the high information security and data protection requirements stipulated in the contract. As part of the due diligence checks, the Bank ensures that all major outsourcing partners have at least ISO 27001 certification. It also has the quality of the processes checked annually by an external auditing company and documented in an ISAE report.

In the data privacy statement, we inform clients about how we deal with their data. This statement is available on the ZugerKB website. Potential risks are minimised through encryption technologies, access controls and other protective measures. Data are stored for as long as necessary in order to meet our contractual, legal and regulatory obligations. Data processing continues beyond this period, insofar as this is required in order to comply with legal or regulatory retention periods. If the purpose of retention no longer applies, the personal data are erased, provided this is technically possible and permitted. In accordance with the applicable data protection legislation, all persons concerned have the right to information, rectification, erasure, restriction of processing, objection or withdrawal of any consent given with respect to their personal data. Furthermore, they have the right to complain to the responsible data protection authority.

5 Responsibility towards employees

ZugerKB promotes a respectful, fair and safe working environment. Employees can report any concerns or information in accordance with point 7.2 to the dedicated whistleblowing and reporting units on an anonymous basis.

5.1 Equal treatment and equal opportunity

ZugerKB does not tolerate any harassment in the workplace and believes it is important that all employees treat one another with respect. The Bank takes its duty of care seriously, informs and raises awareness among its employees. Discrimination, harassment and bullying are not tolerated. Through salary comparison analysis, we have our discrimination-free salary system confirmed on a regular basis.

5.2 Health, safety and well-being

The Bank is committed to protecting the physical and mental health of its employees. Working conditions are structured in such a way that safety, ergonomics and mutual respect are assured.

6 Responsibility towards society and environment

ZugerKB takes responsibility for sustainable development.

We think and act in a future-oriented way. We incorporate ecological and social aspects into our ambitious business objectives. In this way, we create responsible and sustainable added value for our clients, shareholders and employees, as well as for the Zug economic region and for the environment.

Through our responsible use of resources and implementation of climate-affecting measures, we aim to contribute to the achievement of Switzerland's climate targets.

Respect for human rights is a key pillar of our actions and is also taken into account in investment decisions as well as procurement.

In addition, we expect our suppliers to comply with national and international legislation. Our expectations of suppliers are set out in our general principles for sustainable procurement for suppliers.

7 Governance, controls and reporting systems

7.1 Corporate governance

The relevant requirements for corporate governance are laid down in the ZugerKB Act, in the associated articles of association and in the organisational regulations, including the competency regulations. The requirements ensure that responsibilities in terms of separation of powers (checks and balances) are clearly regulated. In doing so, the Bank Council, as the overarching management body, in particular exercises its supervision over the Executive Board.

7.2 Whistleblowing and reporting units

ZugerKB promotes an open culture in which misconduct can be reported without fear of discrimination.

If employees identify actions that are unethical or violate laws, regulations, our code of conduct and ethics or directives, they can report them to an independent unit on a 24/7 basis. The reporting process guarantees the anonymity of the reporting person. If the reporting person decides to waive their anonymity, ZugerKB takes measures to ensure that the reporting person is not disadvantaged. Serious cases are part of the regular, quarterly reporting to the Executive Board and the Bank Council.

An internal, structured complaints process is in place for external stakeholders. The process enshrined in the directives stipulates that the line manager and, if necessary, the Executive Board should be involved. Client complaints regarding ZugerKB can also be reported to the Swiss Banking Ombudsman. This is a neutral and cost-effective banking industry intermediary, which is co-financed by ZugerKB. Complaints can be submitted by telephone or in writing, by post or via an online form at any time.

8 Training

The contents of this code are communicated through regular training.

All employees receive annual ethics training on the topics of bribery and corruption, conflicts of interest, inappropriate behaviour and whistleblowing. External contractors are informed about the contents of the training programme when they begin working at the Bank.

As part of the onboarding process, all employees must complete training on data security as well as corruption and bribery.

In addition, specific groups of employees must attend annual training on data protection, money laundering, insider trading and market manipulation.

9 Sanctions and enforcement

Breaches of this code are sanctioned in accordance with the provisions of the personnel regulations. In addition, the right to other legal remedies remains reserved.

10 Entry into force and review

Following its approval by the Bank Council, this code of conduct entered into force on 27 February 2026; it is reviewed on a regular basis and adapted if necessary.