

Articles of Association*

Banque Cantonale de Genève

13 December 2005

** This English version of the Articles of Association is a free translation of the French official version*

Chapter I – General Provisions

Article 1 / Legal Form, Registered Name and Registered Office

The Banque Cantonale de Genève is a public limited liability company established under public law according to Article 763 of the Swiss Code of Obligations. The Bank has the status of a cantonal bank within the meaning of the Swiss Federal Banking Act and it carries out its activities under the name of "Banque Cantonale de Genève".

The provisions under Section 26 of the Swiss Code of Obligations shall apply except where otherwise specified in the Cantonal Law on the Banque Cantonale de Genève, these Articles of Association, federal legislation on banks and federal legislation on stock exchanges and trading in securities.

The Bank's registered office and management are in Geneva. It has subsidiaries and branches.

Article 2 / Purpose and Duration

The Bank's principal purpose is to contribute to the economic development of the Canton and the region.

As a universal bank, it carries out all operations covered by the Swiss Federal Banking Act and trades in transferable securities. In particular, it performs the following transactions:

- 1 Acceptance of all types of funds for deposit, particularly savings deposits, including acting as a public consignment office;
- 2 Discounting and cashing bills of exchange;
- 3 Granting secured and unsecured credits;
- 4 Granting mortgage loans;
- 5 Purchase, sale and general trading of any transferable securities;
- 6 Purchase, sale and trading of foreign currencies, foreign exchange and precious metals;
- 7 Granting documentary credits, payment and collection of letters of credit;
- 8 Granting bank guarantees;
- 9 Safekeeping and administration of securities and valuables; management of assets and pension funds; lease of safe deposit boxes;
- 10 The firm underwriting of loans, participating in bond issues and financial transactions for Corporations established under public law, private companies and persons on an individual basis or as a member of an investment syndicate;
- 11 Taking permanent or temporary share-holdings in commercial, industrial and financial companies and financial institutions and, if applicable, actively participating in the management of such businesses;
- 12 Assuming management functions as well as acting as the custodian bank for investment funds and acting as a subscription office;
- 13 Purchase and sale, for its own account, of real property or of share capital of real estate companies.

The Bank is entitled to carry out its activity in all financial and stock markets in Switzerland and abroad.

The Bank is managed according to proven principles of economy and banking ethics.

It is established for an unlimited period.

Article 3 / Guarantee of the Canton of Geneva

Pursuant to the Law on Banque Cantonale de Genève, the Canton of Geneva guarantees savings and pension deposits, excluding any other liabilities.

The limit of the maximum guarantee by depositor category is set out in a regulation of the Geneva State Council.

Chapter II – Authorised Capital

Article 4 / Share Capital

The Bank's share capital amounts to 360 million Swiss Francs.

It is divided into 2,651,032 registered 'A' shares with a nominal value of CHF 50 each; 1,590,620 registered 'B' shares with a nominal value of CHF 50 each; and 1,479,174 bearer shares with a nominal value of CHF 100 each; all being fully paid-up.

New bearer shares may be represented by a durable global share certificate.

Share certificates carry the signature of the Bank's Chairman of the Board of Directors and of the Chief Executive Officer.

The registered 'A' and 'B' shares are held by the Canton and Municipalities of Geneva. Each Municipality is required to hold at least 2,010 registered 'A' shares with a nominal value of CHF 50.

The total of the registered 'A' and 'B' shares must represent, at least, the majority of the votes.

The Bank maintains a register of registered shares at its registered office. This share register distinguishes between 'A' and 'B' shares.

Each share entitles its holder to receive a proportionate part of the Bank's net profits and liquidation proceeds. The registered 'B' shares confer on their owners the same rights of ownership as those associated with the bearer shares.

With the exception of the guarantee provided by the Canton of Geneva under Article 3, shareholders are only bound by the statutory provisions. They are not personally responsible for the corporate debt.

Article 5 / Other Equity Capital

- 1 The Bank may raise additional capital, in particular through the issue of any recognised instrument on the financial markets.
- 2 The Bank may issue securities that include rights of participation in profits or in liquidation proceeds.

Chapter III – Bank Organisation

Article 6 / Governing Bodies

The Bank's governing bodies are:

- a) The General Meeting of Shareholders (General Meeting);
- b) The Board of Directors;
- c) The Executive Board;
- d) The Statutory Auditors;
- e) The Control Committee.

a) General Meeting of Shareholders

Article 7 / Authority

The Bank's highest Authority is the General Meeting of Shareholders

It has the following powers:

- 1 To adopt and modify the articles of association on the basis of proposals made by the Board of Directors and the Geneva State Council. Any modifications of the Articles of Association require ratification by the Geneva Grand Council before they come into force;
- 2 To appoint the Directors representing the holders of bearer shares, the number of which shall be three. Only holders of bearer shares shall participate in this vote;
- 3 To appoint the Statutory Auditors, as defined by the Swiss Code of Obligations, from among audit companies specialised in auditing the banking industry. The General Meeting may, on a proposal from the Board of Directors, appoint an *ad hoc* supervisory committee;
- 4 To approve the profit and loss account and balance sheet after having examined the management report and audit report;
- 5 To determine the allocation of net profits and the amount of dividends to be paid;
- 6 To grant discharge to the Board of Directors;
- 7 To give its opinion on the questions of merger, takeover and winding up of the Bank;
- 8 To take all necessary decisions within the limits defined by law and the Articles of Association;
- 9 To approve the Bank's charter of ethics subject to ratification by the Geneva Grand Council.

Article 8 / Organisation

The General Meeting is chaired by the Chairman of the Board; if he is unavailable by the Deputy Chairman or, failing him, by another Director.

The General Meeting shall, on a proposal from the Chairman, appoint the scrutinizers from among shareholders present.

Minutes are drawn up for every General Meeting. They mention resolutions and elections as well as statements which the shareholders require to be recorded.

The minutes and extracts thereof are signed by the Chairman and the Secretary of the General Meeting.

Article 9 / Invitations

The Ordinary General Meeting is held every year within six months of the end of the financial year.

Extraordinary General Meetings may be called whenever necessary.

One or more shareholders representing at least one tenth of the registered capital may also request, in writing, and indicating its purpose, that an Extraordinary General Meeting be called.

If necessary, the Company's Statutory Auditors may also call an Extraordinary General Meeting.

Article 10 / Method of calling the Meeting and Agenda

The Board of Directors shall convene the General Meeting, at least twenty days before the meeting, by means of a notification published in the "*Feuille d'avis officielle de la République et du Canton de Genève*" and in the "*Feuille officielle suisse du commerce*".

Agenda items will be stated in the notification. The usual documents will be made available to the shareholders at the Bank's registered office. The notification will include information to this effect.

The Board of Directors must include in the agenda any individual proposals subject to a vote provided they have been submitted in writing at least twenty days before the General Meeting.

No decision may be taken on matters that have not been included in the agenda, with the exception of the convening of an Extraordinary General Meeting.

Article 11 / Appointment of Directors

Suggestions for candidates proposed for appointment as Directors representing the holders of bearer shares must reach the Bank's registered office no later than March 31st preceding the Ordinary General Meeting or one month before an Extraordinary General Meeting in which such appointment is to be made.

The Directors who represent the holders of registered shares must be nominated by March 31st preceding the Ordinary General Meeting or one month before the Extraordinary General Meeting in which the mandates for members representing the holders of bearer shares are renewed.

Article 12 / Voting Rights

Persons wishing to attend a General Meeting must prove their status as shareholders or provide appropriate powers of representation.

Shareholders exercise their voting rights proportionately to the number of shares held irrespective of their nominal value, each share conferring upon the holder the right to one vote.

Article 13 / Resolutions

The General Meeting is validly constituted irrespective of the number of shares represented.

Decisions and elections shall be subject to the absolute majority of the votes allocated to the shares represented, unless otherwise provided by law or in these Articles of Association.

Decisions concerning the adoption and modification of these Articles of Association, as well as the notice of a merger, the takeover or winding up of the Bank require a two-thirds majority of the share capital.

If a second round of voting is necessary in elections, a simple majority will suffice.

In the event of a tie, the Chairman of the General Meeting has the casting vote.

The elections are by secret ballot. At the request of 30% of the votes represented, other decisions will also be made by secret ballot.

b) Board of Directors**Article 14 / Composition**

The Board of Directors will include members with specific skills in banking, economics and law. Its composition must as far as possible reflect the various aspects of the economic and social life of the Canton of Geneva.

The Bank is administered by a Board of 11 members, the composition of which is determined by law.

The Geneva State Council appoints the Chairman of the Board from among the Directors.

The members of the Board of Directors, including the Chairman of the Board, must exercise their mandate as a member independently and must be free from conflicts of interests when acting as members of the Board.

The members of the Board of Directors may not hold any full time appointment in any cantonal or municipal executive body; they may not be a member of the Board of Directors, the Executive Board, the operational management or the statutory auditors of any other bank.

Article 15 / Professional Duties

The Directors may not exercise other activities within the Bank.

They shall strictly respect the banking and professional secrecy requirements.

Article 16 / Powers

The Board of Directors forms the body in charge of the highest level of management of the Bank in accordance with Article 3, Paragraph 2, Letter (a) of the Swiss Federal Banking Act.

The Board of Directors establishes the Bank's general policies and decides on the nature of its activities in line with the objectives defined by law while it ensures compliance with the statutory purpose described in Article 2.

It is responsible for the high level management as well as the overall supervision of the Bank. It will in particular monitor the activities of the Executive Board in order to ascertain that the latter's actions comply with federal and cantonal law, the Articles of Association as well as internal rules and procedures.

The Board of Directors appoints permanent or *ad hoc* committees that are to examine the Bank's various activities and to report to the Board of Directors on these activities. The terms and conditions of these committees shall be appended to the Bank's standing instructions for the Bank's management and organisation.

The Board of Directors has the following powers and duties:

- 1 to elect the Deputy Chairman and the Secretary;
- 2 to appoint the members of the Executive Board and the Management;
- 3 to appoint the Head of Internal Audit and his/her staff based on a recommendation from the Control Committee;
- 4 to designate as the independent auditors required by the Swiss Federal Banking Act the audit company elected by the General Meeting of Shareholders. The Auditors must be chosen from organisations outside the Bank and from auditors and fiduciary companies recognised as bank auditors;
- 5 to appoint employer representatives to the board of the Bank's pension and retirement fund;
- 6 to prepare drafts for the amendment of the Articles of Association for approval by the General Meeting;
- 7 to monitor the proper implementation of the Articles of Association as well as the execution of decisions made by the General Meeting;
- 8 to prepare the management report for the past financial year and to present to the General Meeting the yearly balance sheet and profit and loss accounts as well as its proposals for the allocation of net profits;
- 9 to examine the Statutory Auditors' annual report and other reports intended for the General Meeting;
- 10 to prepare all the proposals to be submitted to the General Meeting, together with a recommendation, as and when required;
- 11 to adopt the internal regulations as well as the directives related to the Bank's activities
- 12 to establish the principles relating to internal controls and risk management;
- 13 to examine the Executive Board's periodical reports relating to the Bank's current business;
- 14 to examine internal audit reports and the reports of the Statutory Auditors;
- 15 to decide on the establishment and closure of subsidiaries and branches;
- 16 to adopt the prevailing standards relating to the granting of credits, to monitor their application and to approve decisions on major risks within the meaning of Article 21, Paragraph 1 of the Implementing Ordinance of the Swiss Banking Act of May 17th, 1972 (hereinafter referred to as "OB"); to approve decisions on business which is outside the norms which it has established;
- 17 to exercise internal control and, on the basis of quarterly statements compiled by the Executive Board, to monitor changes to major risks within the meaning of Article 21, Paragraph 1 OB;
- 18 to approve any investment or acquisition of a permanent nature in accordance with Article 27 of the Articles of Association; to take decisions on the acquisition or disposal of real property and capital equipment for the Bank's own use, subject to the powers of the Executive Board;
- 19 to maintain a register of the A and B registered shares;
- 20 to appoint two members of the Control Committee from amongst its own members;
- 21 to periodically assess the Bank's information systems, their contents and their adequacy with the Bank's needs;

- 22 to approve, jointly with the Control Committee, a three year programme of tasks to be completed by the Internal Audit Department in order to cover the full range of the controls deemed to be necessary;
- 23 to set up an information system between the Bank's governing bodies;
- 24 to inform, on a regular basis, the Geneva State Council of the state of the Bank's business within the limits set by law, and particularly by banking and stock-market legislation and the Swiss Code of Obligations, where necessary with the assistance of the Executive Board;
- 25 to answer to requests for information from the Geneva State Council as required by law and within the limits set by law, and particularly by banking and stock-market legislation and the Swiss Code of Obligations, where necessary with the assistance of the Executive Board;
- 26 to update the register of interests of the members of the Board of Directors, the Executive Board and members of the Bank's Control Committee;
- 27 To approve credits granted to members of the Board of Directors, the Executive Board and Control Committee as well as to their spouse and relatives in direct line, in accordance with Article 28 of the Articles of Association.

Article 17 / Information

At every meeting of the Board of Directors, the Executive Board shall inform the Board of Directors of the Bank's business situation and report on any matters that need to be reported.

The Chairman of the Board of Directors, the Executive Board, the Control Committee, the Internal Audit Department and the statutory auditors must inform the Board of Directors of any information necessary for the latter to exercise its overall supervision, particularly in respect of the business situation and the activities of the various sectors including subsidiaries.

Article 18 / Organisation and Operation

The Board of Directors shall meet at least 15 times per year. Its members must be able to examine files relating to agenda items, within a time period determined by the Regulations of that Board but latest 24 hours before the beginning of the Board Meeting.

The Board of Directors is chaired by the Chairman or, in his absence, by the Deputy Chairman or the Secretary.

The Board may hold extraordinary meetings whenever required by the Bank's business or at the request of four board members or at the request of the Statutory Auditors.

The Board of Directors may only make decisions if the majority of its members are present.

Board decisions are made by a simple majority of members present, the Chairman having the casting vote in the case of a tie.

Minutes shall be taken at every meeting and shall be signed by the Chairman of the meeting and the Secretary. The minutes must be approved at the next meeting.

Article 19 / The Chairman of the Board of Directors

The Chairman of the Board of Directors shall exercise the duties and prerogatives set out in the Bank's Articles of Association and its regulations; his terms and conditions shall be established by the Bank's organisation and management regulations.

He shall be informed, on a regular basis, by the Chief Executive Officer of the Bank's business situation and state of affairs. Any special event outside the ordinary course of business must be communicated to him without delay.

c) The Executive Board

Article 20 / Composition

The Executive Board is composed of the Chief Executive Officer and the members of the Executive Board.

The Board of Directors also appoints the Deputy Chairman of the Executive Board from amongst its own members.

The Executive Board shall be appointed for an unlimited period of time. However, members must resign at the latest at the end of the calendar year in which they reach the age of sixty-five.

Article 21 / Professional Duties

Members of the Executive Board must work on a full time basis for the Bank.

However, they may accept external responsibilities or functions with the express consent of the Board of Directors and when the Bank's interests justify such exception.

Articles 22 / Powers

The Executive Board carries out the management of the Bank.

It has the following powers and duties:

- 1 to implement the decisions of the Board of Directors. For this purpose, the Chairman of the Executive Board or his deputy shall attend meetings of the Board of Directors in an advisory capacity;
- 2 to establish proposals regarding business that falls within the competence of the Board of Directors;
- 3 to engage in litigation on behalf of the Bank;
- 4 to appoint executives;
- 5 to prepare quarterly statements which allow the Board of Directors to exercise internal control and monitor any changes of major risks within the meaning of Article 21, Paragraph 2 OB and to submit such statements to the Board of Directors;
- 6 to take decisions, the responsibility for which does not rest with other governing bodies according to the law, the Articles of Association or internal regulations. Its other powers and duties are also defined in the organisational regulations adopted by the Board of Directors.

d) The Statutory Auditors

Article 23 / Appointment and Powers

At the beginning of every year and in accordance with the Swiss Federal Banking Act, the Board of Directors shall designate as Statutory Bank Auditor, the audit company appointed by the General Meeting of Shareholders,

The General Meeting of Shareholders or the Board of Directors may request the Statutory Auditor to carry out additional inspections.

The reports of the External Statutory Auditors shall be presented to the Board of Directors and the Control Committee. They shall also be submitted to the Geneva State Council by the Bank, with the exception of any information subject to banking secrecy.

e) The Control Committee

Article 24 / Appointment

The Control Committee is composed of two Directors appointed by the Board of Directors and a third member appointed by the Geneva State Council.

The Control Committee member appointed by the Geneva State Council may not assume any public function. He/she is subject to banking secrecy.

Article 25 / Functions and Powers

The Control Committee will meet in principle at least every two weeks.

It has the following powers and duties:

- 1 to supervise compliance with the legal, statutory and regulatory requirements applicable to the Bank and its subsidiaries, as well as compliance with customary banking practices;
- 2 to liaise and ensure co-ordination between the Board of Directors, the Internal Audit Department and the External Statutory Auditors;
- 3 to offer an opinion to the Board of Directors on the appointment of the head of the Internal Audit Department and his/her staff, on his/her terms and conditions and work schedule, in coordination with that of the External Statutory Auditor;
- 4 to instruct the Internal Audit Department to carry out any audit tasks or to carry out audits itself of any or all of the Bank's activities, including those of its subsidiaries;
- 5 to examine internal and external audit reports;
- 6 to have access at all times to all the files of the External Statutory Auditor, including those being placed on the agenda of the Board of Directors;
- 7 to have access to notices calling meetings of the Board of Directors, to the agenda items submitted to the Board of Directors, to the minutes of Board Meetings, of the Executive Board and the audit bodies;
- 8 to make recommendations on all decisions falling within the competence of the Board of Directors on control and audit;
- 9 to make proposals to the Board of Directors;
- 10 to approve, jointly with the Board of Directors, a three year programme of tasks to be completed by the Internal Audit Department in order to cover the full range of the controls deemed to be necessary;

Article 26 / Supervision

The Bank is subject to supervision by the Swiss Federal Banking Commission according to the provisions of Swiss federal banking legislation.

The Swiss Federal Banking Commission may demand from the Bank and its statutory auditors any information and documents that are necessary for the execution of its tasks.

The supervision of the compliance with cantonal legal provisions falls within the competence of the Geneva State Council.

Chapter IV – Authority for Acquisitions and Conflicts of Interests

Article 27 / Acquisitions and Share-holdings

The Board of Directors shall decide on acquisitions or disposals of share-holdings of a permanent nature.

It shall also decide on the acquisition and sale of capital equipment and real property for the Bank's own use, subject to the power of the Executive Board.

Article 28 / Incompatibility and Conflicts of Interests

Once in office, the Directors, the members of the Executive Board and the Control Committee member appointed by the State may not benefit from any new loans granted by the Bank with the exception of Lombard credits or mortgage loans for their private housing; such loans must be approved by the Board of Directors. This limitation also applies to the spouses and the family, in direct line, of the above-mentioned persons.

The conditions of credits granted to members of the Board of Directors, the Executive Board, the member of the Control Committee appointed by the State and their spouse and family in direct line as well as to persons and organisations connected with the above, must, under no circumstances, be different from those usually granted by the Bank save for the preferential conditions set out in the Bank's personnel regulations.

The Directors, members of the Executive Board and the Control Committee member nominated by the State shall inform the Board of Directors of any position they may hold as a body, company manager or representative of a private or public entity, of a Bank's client, or if they hold any public office or political mandate.

Bodies associated with such entities shall refrain from participating in any credit decision concerning that entity.

If they are linked with a public or private entity which is seeking finance from the Bank for a project, they will disclose any favours which they know of from these entities, prior to any decision of the Board of Directors on this matter. These disclosures shall be recorded in the credit registers and minutes of the bodies authorised to grant credits.

Chapter V – Audit

Article 29 / Internal Audit

An Internal Audit Department, independent of the Executive Board, is responsible for the Bank's financial and management audit. For this purpose it is responsible for carrying out regular audits on all the Bank's activities and has access to all files at all times.

The Internal Audit Department reports to the Board of Directors, which will approve its terms and conditions based on recommendations from the Control Committee.

The Board of Directors appoints the Head of Internal Audit and his/her staff on recommendations from the Control Committee.

Article 30 / Duties of the Internal Audit Department

The Internal Audit Department will submit its reports to the Board of Directors, the Control Committee, the Statutory Auditor and the Executive Board.

It will inform the Board of Directors of any irregularities and the measures it proposes to remedy such irregularities together with the Control Committee's recommendation.

The Internal Audit Department establishes each year a programme of work to be completed during the next financial year based on the three year programme of tasks to be completed in order to cover the full range of controls deemed to be necessary as approved by the Board of Directors and the Control Committee.

The Board of Directors, the Control Committee and, if necessary with the approval of the Board of Directors, the Executive Board, may at any time commission the Internal Audit Department with any audit tasks that they deem useful.

Chapter VI – Representations towards Third Parties

Article 31 / Signatures

The Bank shall be bound by the joint signature of two persons appointed by the Board of Directors.

Chapter VII – Annual Accounts and Allocation of Profits

Article 32 / Closing of Accounts

The Bank's accounts and balance sheet shall be closed on December 31st of every year.

The annual accounts and balance sheet as well as interim statements shall be established in accordance with principles set out in the Swiss Code of Obligations, the provisions of Swiss federal legislation on banks, stock exchanges and securities trading.

Article 33 / Review and Approval

The annual accounts and balance sheet, together with its reports, shall be reviewed by the Control Committee and then by the Board of Directors.

They will then be submitted to the General Meeting of Shareholders for approval.

Article 34 / Allocation of Profits

The General Meeting of the Bank's shareholders will, following proposals from the Board of Directors, after deduction of expenses, depreciation and necessary provisions, determine the use of the net profit in accordance with the following provisions of the Articles of Association:

- 1 the Meeting will allocate a minimum of 5% to the general reserve;
- 2 the Meeting will determine the ordinary dividend to be paid on the share capital; this dividend will not exceed 5% of the nominal value of the shares;
- 3 the Meeting will, if necessary, allocate funds to special reserves and to other various purposes;
- 4 the Meeting may decide on the payment of an additional dividend by share category;
- 5 the Meeting makes a special allotment, corresponding to 20% of the total of the ordinary and special dividends, to the State of Geneva as repayment for the loans made by the State to the *Fondation de valorisation* of the assets of Banque Cantonale de Genève; this repayment complies with the requirements of Article 11, Paragraph 2 of the law dated May 19th, 2000 setting up the *Fondation*;
- 6 the balance is to be carried forward.

Chapter VIII – Final Provisions

Article 35 / Liquidation

In the event of liquidation, the credit balance shall be distributed among the shareholders on a pro rata basis of the nominal value of their shares.

Article 36 / Validity

These Articles of Association were adopted by the General Meeting of shareholders held on September 26th, 2000. They were amended by the General Meetings of shareholders held on May 15th, 2001; May 3rd, 2005 and December 13th, 2005.

After approval by the Grand Council on March 17th, 2006, these Articles of Association came into force on their inscription in the Trade Register on June 14th, 2006.

Michel Mattacchini
Chairman of the Board of Directors

Michel Terrier
Secretary of the Board of Directors