31 December 2024 Disclosure Report under Section 16 of the German Remuneration Ordinance for Institutions for Financial Year 2024

UBS Europe SE

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Compensation approach

UBS Group-wide Total Reward Principles

Our Total Reward Principles are fully aligned with our strategy and encourage employees to live our strong and inclusive culture that is grounded in our three keys to success: our Pillars, Principles and Behaviors. These guiding principles underpin our approach to compensation and define our compensation framework. Therefore, our compensation approach supports our capital strength and risk management and provides for simplification and efficiency. It encourages employees to focus on client centricity, connectivity and sustainable impact in everything we do. Moreover, we reward behaviors and conduct that help build and protect the firm's reputation, including Accountability with integrity, Collaboration and Innovation. Compensation for each employee is based on individual, team, business division and Group performance, within the context of the markets in which we operate.

Remuneration Policy of UBS Europe SE

In addition to the Total Reward Principles, UBS Europe SE has a dedicated Remuneration Policy that applies to all branches divisions and subsidiaries[1] of the UBS Europe SE group. The Remuneration Policy aims to provide sound procedures promoting remuneration practices and policies compatible with appropriate and effective risk management, in accordance with the Total Reward Principles of UBS Group, the German Remuneration Ordinance, its interpretation guidance, the German Banking Act, the EBA Guidelines on Sound Remuneration Policies as well as any additional local regulatory requirements.

UBS Europe SE's compensation structure is aligned with the strategic priorities of the entity. The entity operates a compensation framework that applies equally to all employees. Our compensation approach supports our capital strength and risk management, and provides for simplification and efficiency. It encourages employees to focus on client centricity, connectivity and sustainable impact in everything we do. Moreover, we reward behaviors that help build and protect the firm's reputation, specifically accountability with integrity, collaboration and innovation. Additionally, the remuneration policy of UBS Europe SE is gender neutral, which means a remuneration policy based on equal pay for equal work or work of equal value.

Performance Management

UBS Europe SE applies a holistic approach to compensation. Our Total Reward approach consists of fixed compensation (e.g., base salary, benefits), reflecting employees' level of skill, role and experience, as well as local market practice, and variable compensation, where applicable, whose level generally depends on the firm's overall performance, the employee's business division, team and individual performance and behavior, reflecting the employees' overall contribution to the firm's results. In addition to the firm's Pillars and Principles, Behaviors related to accountability with integrity, collaboration and innovation are part of the performance management approach. Therefore, when assessing performance, UBS Europe SE takes into account not only what was achieved, but also how those results were achieved. Variable remuneration is awarded in line with applicable local employment conditions and at the discretion of the firm.

Ratio between variable and fixed compensation

Based on applicable regulatory requirements, variable compensation is limited to 100% of fixed compensation. However, this limit was increased to 200% of fixed compensation at the 2020 General Meeting of UBS Europe SE Shareholders (Hauptversammlung), and approved for the Management Board and for all employees, with the exception of employees in control functions, who, pursuant to the German Remuneration Ordinance, are subject to a 50% limit.

Remuneration of employees in Control Functions

Special consideration is given to individuals in Control Functions[2], whose compensation is determined independently from the revenue producers they oversee, supervise and monitor. Their performance award is based on the performance of the firm as a whole, how effectively the function has performed and our market position.

Employees subject to country specific labor agreements

Where collective labor agreements are in place, the compensation for affected employees is governed by such agreements and details around the way in which the provisions of these collective labor agreements affect the compensation structure are outlined in specific company agreements and policies.

[1] Subsidiaries regulated under the UCITS/AIFMD regulations and having implemented their own remuneration policy, do not fall under the scope of this policy.

[2] As per the German Remuneration Ordinance, the Control Functions include Risk, Compliance and Internal Audit.

Deferral Policy and Vesting Criteria

Our mandatory deferral approach applies to all employees with regulatory-driven deferral requirements or total compensation greater than USD / CHF 300,000 (or EUR equivalent).

A substantial portion of performance awards is deferred and vests over a five-year period. Deferred compensation is delivered through a combination of an equity-based plan and a contingent capital plan. The equity based plans are: (i) the Long-Term Incentive Plan (the LTIP), which is restricted to Managing Directors (MDs) reporting to the Group Executive Board and their direct reports at MD level, support delivering on our ambitious integration goals and business / financial targets; and (ii) the Equity Ownership Plan (the EOP[3]) which creates a direct link with shareholder returns (as a notional equity award and have no upward leverage) and promotes growth and sustainable performance. Our contingent capital plan (the Deferred Contingent Capital Plan, or DCCP) is a key component of our compensation framework and supports alignment of the interests of our senior employees with those of our stakeholders

The LTIP vests in year 3 after grant[4] for most employees, EOP vests in equal instalments in years 2 and 3 after grant year. DCCP awards vest in full after five years subject to a write-down if a viability event occurs or the CET1 capital ratio falls below 7% (i.e., a trigger event).

The performance metrics of the share-based LTIP awards are average return on CET1 capital (RoCET1) and relative total shareholder return (rTSR) over a three-year performance period starting on 1 January in the year of grant. The final number of notional shares vesting will vary based on the achievement versus the performance metrics with linear payout between threshold and maximum performance. Achievement levels are a percentage of the maximum opportunity of the LTIP and cannot exceed 100%, with full forfeiture for performance below the predefined threshold levels.

DCCP awards are forfeited if a viability event occurs, i.e., if FINMA notifies the firm that the DCCP awards must be written down to prevent an insolvency, bankruptcy or failure of UBS Group, or if the firm receives a commitment of extraordinary support from the public sector that is necessary to prevent such an event. DCCP awards are also written down if the Group's CET1 capital ratio falls below 7%.

This deferral approach aligns the interests of our employees and shareholders and appropriately links compensation to longer-term sustainable performance. To further promote sustainable performance, all of our deferred compensation plans include employment conditions and malus conditions. These enable the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions. In addition, forfeiture is triggered in cases where employment has been terminated for cause.

Guaranteed variable compensation and severance awards

On a limited basis, guarantees may be required to attract individuals with certain skills and experience – these awards are fixed incentives subject to our standard deferral rules and limited to the first 12 months of employment.

Employees who are made redundant may receive severance payments. UBS Europe SE's severance terms comply with the applicable local laws (legally obligated severance). In certain locations, we may provide severance packages that are negotiated with our local social partners and may go beyond the applicable minimum legal requirements (standard severance). Such payments are governed by a location-specific severance framework.

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[3] In place of EOP, employees in investment areas within Asset Management receive some or all of their EOP in the form of notional funds (the Fund Ownership Plan (the FOP)) to align their compensation more closely with industry standards.

[4] A longer vesting schedule applies to LTIP recipients who are identified as Material Risk Takers.

Performance award pool funding and risk adjustments
The performance award pool funding framework is based on Group and business division performance, including achievement against defined performance measures. UBS Europe SE also considers performance relative to industry peers, market competitiveness of our results and pay position as well as progress against our strategic and integration objectives, against our strategic and integration objectives, including returns, risk-weighted assets and cost efficiency. Furthermore, UBS Europe SE ensures that requirements of section 7 of the Remuneration Ordinance are met. Further information is provided in the illustrative overview below and in the compensation report of UBS Group AG.

Performance award funding process – illustrative overview

1	**Business division financial performance**	The starting point for the funding process is the business division financial performance, which may be adjusted for items that are not reflective of the underlying business division performance.
2	**Risk-adjusted business division performance award pool**	Predetermined business division-specific funding rates are applied to risk-adjusted performance, which excludes items that are not reflective of the underlying business performance.
3	**Strategic / integration / business division measures**	Each division is assessed based on specific measures (e.g. net new fee generating assets, return on attributed equity). In the short-to-medium term, to support the economic and cultural integration of Credit Suisse and the creation of long-term value of the combined firm for our shareholders, our decision making also reflects the progress on and the complexity of the transaction, including the need to retain key talent, support pay fairness across the entire organization, and stabilize the franchise during the integration period.
	Qualitative, risk and regulatory assessment	Decision-making considers the firm's risk profile and the extent to which operational risks and audit issues have been identified and resolved, as well as other items such as the impact of litigation and regulatory costs. The Risk and Compliance functions support our holistic reflection and consideration of the financial and non-financial impact (including reputation) of risk matters.
	Relative performance versus peers	Performance is assessed relative to our peers, including financial performance, returns and relative total shareholder return.
	Market position and trends	Market intelligence, based on external advisors, helps assess the competitiveness of our pay levels and compensation structure. It also provides a prospective view of market trends in terms of absolute compensation levels, compensation framework and industry practice.
4	**Recommended business division performance award pools**	The business division performance award pool determination process, based on quantitative and qualitative assessments, results in a proposal from the Group CEO (after consultation with the GEB) to the Compensation Committee for consideration.
5	**Final Group performance award pool**	The Compensation Committee considers the proposal in the context of the factors outlined above and verifies that it is in line with our strategy and our Total Reward Principles to create sustainable shareholder value and support our growth ambitions. The Committee may alter the proposal of the Group CEO (upward or downward, including proposing a zero award) before making its final proposal to the BoD.

Governance structures

The corporate governance structure of the UBS Group ensures that the group's overall global compensation framework is governed appropriately at all levels. This is achieved through the following bodies: Group Executive Board, UBS Group AG Board of Directors Compensation Committee ("BoD CompCo"), UBS Group AG Board of Directors Risk Committee, and the overall UBS Group AG Board of Directors.

In addition to the above, and, specifically, to ensure compliance with the provisions of the German Remuneration Ordinance, the responsibility of the design, implementation and supervision of UBS Europe SE's remuneration system is split as follows:

- Management Board, with overall responsibility for ensuring the appropriate design of the remuneration systems for UBS Europe SE staff and that the annual cycle for compensation and promotion decisions adheres to the compensation principles and framework. As of 31 December 2024, the Management Board has 6 members;
- Supervisory Board, that advises and supervises the Management Board and is responsible for the design of the remuneration systems for Management Board members as well as the monitoring of the appropriate structuring of the compensation framework for the employees. As of 31 December 2024, the Supervisory Board had 9 members, including 3 independent members and 3 employee representatives;
- Remuneration Committee, that supports the Supervisory Board in the design and monitoring of the remuneration system for Management Board members, and in monitoring the appropriate structuring of the compensation framework for employees. As of 31 December 2024, the Remuneration Committee consists of 3 members of the Supervisory Board and includes both employer and employee representatives. In the financial year 2024, a total of 5 meetings of the Remuneration Committee were held;
- Remuneration Officer, who supports the Supervisory Board and the Remuneration Committee in their supervision and monitoring of the remuneration systems for all employees. In the 2024 performance year the Remuneration Officer was involved in the ongoing monitoring of the application and appropriateness of the compensation framework, as well as in the design or review of compensation-related processes or policies;
- Human Resources, who are responsible for the design, implementation and monitoring of the compensation framework in compliance with UBS's Total Reward Principles as well as applicable regulatory requirements. The Human Resources function is also responsible for the regular review of the compensation framework and the related Remuneration Policy;
- Control Functions, which are appropriately involved in reviewing the compensation framework and the Remuneration Policy, including through the relevant expert committees. Other group functions (e.g., Finance and Legal) are also involved in these reviews as appropriate.
- The Incidents, Negative Performance and Consequences Forum is responsible for ensuring that any inappropriate conduct, behavior and instances of negative performance are identified, monitored and appropriately taken into account (where relevant) when making both performance and reward decisions. In addition, the Forum is responsible for producing an independent control report on the remuneration system in compliance with section 12 of the German Remuneration Ordinance.

Compensation of Risk Takers

Pursuant to section 25a paragraph 5b of the Banking Act, UBS Europe SE conducted a risk assessment to identify categories of staff whose professional activities have a material impact on UBS Europe SE's risk profile, based on the qualitative and quantitative criteria contained in the Commission Delegated Regulation No 2021/923. Under the 2024 Risk Assessment, a total of 141 individuals were identified as Risk Takers (including 9 members of the Supervisory Board), of which 126 were directly employed by or assigned to UBS Europe SE out of a total UBS Europe SE employee base of 2,804 individuals as of 31 December 2024, including all subsidiaries.

Pursuant to section 20 of the German Remuneration Ordinance, at least 60% of the variable compensation awarded to members of the Management Board, their direct reports or to Risk Takers with variable compensation awards of a particularly high amount is deferred over 5 years. For all other Risk Takers, variable compensation awards are deferred at a rate of 40% over the same time period.

In line with the derogation detailed in article 94.3 point b of the Capital Requirement Directive, UBS Europe SE waives the minimum deferral and retention period requirements for individual Material Risk Takers who meet certain compensation conditions (so called, de minimis MRTs). In order to qualify as de minimis, Material Risk Takers must have variable compensation up to EUR 50,000 and accounting for less than 1/3 of their total compensation. In 2024, 25 Material Risk Takers benefited from the derogation; their total remuneration amounted to EUR 4.9m (EUR 4.0m in fixed remuneration and EUR 0.9m in variable remuneration).

For Risk Takers, at least 50% of any upfront portion of the annual variable compensation award is paid in the form of UBS shares, while their deferred awards are delivered entirely in instruments via the LTIP/EOP (as applicable) and the DCCP awards. All awards made in instruments are subject to an appropriate post-vest retention policy and no dividends nor interests in relation to outstanding remuneration are paid during the deferral period.

Throughout the vesting period, deferred awards are subject to malus provisions, which foresee the forfeiture of all, or part of, unvested awards in certain circumstances. In addition, the total amount of variable compensation awarded to Risk Takers is subject to clawback, thus giving UBS Europe SE the ability to recover any variable compensation which is already paid in certain cases of negative performance, as detailed in section 20 of the German Remuneration Ordinance and related guidance.

Significant changes of the remuneration system

Over 2024, the compensation framework was reviewed to identify opportunities for simplification and harmonization. No significant changes were introduced in the remuneration system in 2024.

Compensation data disclosure under Section 16 of the Remuneration Ordinance for Institutions

The tables below provide quantitative data regarding remuneration in relation to the financial year 2024, broken down by Supervisory Board, Management Board and Business areas. The tables include data in relation to individuals employed by UBS Europe SE and its subsidiaries.

Firm-wide remuneration data (EURm).

31.12.24	Management body remuneration			Business areas					
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other
Number of members	9	6	15						
Number of staff in FTE				359.1	1,585.5	6.6	479.7	239.4	
Total remuneration	1.0	10.3	11.3	138.6	201.3	1.2	58.9	30.7	
Of which: variable remuneration		6.2	6.2	58.2	38.5	0.3	7.7	4.6	
Of which: fixed remuneration	1.0	4.1	5.1	80.4	162.8	0.9	51.2	26.1	
Personnel with variable remunration		6	6	340	1,474	7	482	234	

Information regarding the remuneration of Risk Takers directly employed by or assigned to UBS Europe SE or its subsidiary (EURm unless otherwise specified).

EU REM1 - Remuneration awarded for the financial year

31.12.24

EUR m		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	9	6	43.8	76.0
	Total fixed remuneration	1.0	4.1	17.1	32.3
	Of which: cash-based	1.0	3.9	15.6	30.1
	(Not applicable in the EU)				
	Of which: shares or equivalent ownership interests				
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: other instruments				
	(Not applicable in the EU)				
	Of which: other forms		0.2	1,5	2.2
	(Not applicable in the EU)				
Variable remuneration	Number of identified staff		6	43.8	74.0
	Total variable remuneration		6.2	14.4	28.3
	Of which: cash-based		1.0	3.9	9.2
	Of which: deferred				
	Of which: shares or equivalent ownership interests		3.5	7.2	13.3
	Of which: deferred		2.6	5.0	8.7
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: deferred				
	Of which: other instruments		1.7	3.3	5.8
	Of which: deferred		1.7	3.3	5.8
	Of which: other forms				
	Of which: deferred				
Total remuneration		1.0	10.3	31.5	60.6

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

31.12.24

EUR m	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff				
Guaranteed variable remuneration awards -Total amount				
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff			2	3
Severance payments awarded during the financial year - Total amount			1.5	4.0
Of which paid during the financial year			1.5	4.0
Of which deferred				
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap			1.5	4.0
Of which highest payment that has been awarded to a single person			1.1	2.5

EU REM3 - Deferred remuneration

31.12.24	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function								
Cash-based								
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
MB Management function								
Cash-based								
Shares or equivalent ownership interests	13.6	3.2	10.4			1.4	3.2	3.2
Share-linked instruments or equivalent non-cash instruments								
Other instruments	8.8	1.0	7.7				1.0	0.1
Other forms								
Other senior management								
Cash-based								
Shares or equivalent ownership interests	21.0	6.8	14.2			1.9	6.8	5.0
Share-linked instruments or equivalent non-cash instruments								
Other instruments	17.0	3.2	13.8				2.0	1.3
Other forms								
Other identified staff								
Cash-based								
Shares or equivalent ownership interests	35.4	12.8	22.6			2.9	12.6	0.7
Share-linked instruments or equivalent non-cash instruments								
Other instruments	27.3	4.0	23.3				1.9	2.1
Other forms								
Total amount	123.1	31.0	92.0			6.2	27.5	12.4

EU REM4 - Remuneration of 1 million EUR or more per year

31.12.24	Identified staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	21
1 500 000 to below 2 000 000	9
2 000 000 to below 2 500 000	4
Above 2 500 000 [1]	3

[1] The Company is unable to make a more detailed disclosure for confidentiality reasons.

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

31.12.24	Management body remuneration			Business areas						
EUR m	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										134.8
Of which: members of the MB	9	6	15							
Of which: other senior management				8.0	21.0		3.8	11.0		
Of which: other identified staff				36.0	18.0		4.0	18.0		
Total remuneration of identified staff	1.0	10.3	11.3	58.9	21.3		4.0	8.0		
Of which: variable remuneration		6.2	6.2	30.1	9.2		1.4	2.1		
Of which: fixed remuneration	1.0	4.1	5.1	28.8	12.1		2.6	5.9		

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