



## High-trigger loss-absorbing additional tier 1 capital instrument

<b>Issuer</b>	UBS AG
<b>ISIN</b>	- <sup>1</sup>
<b>Issue Date</b>	12.02.2024
<b>Currency</b>	USD
<b>Nominal (million)</b>	1,000
<b>Interest Rate</b>	7.750% <sup>2</sup> , plus 0.2151%
<b>Maturity Date</b>	perpetual
<b>First Call Date</b>	12.04.2031

<sup>1</sup> UBS Group internal capital loan.

<sup>2</sup> Rate subject to change after first call date.

## UBS Group internal loan relating to USD 1,000,000,000 7.750 per cent. Tier 1 Capital Notes (the "Tier 1 Capital Notes")

Summary description of the terms and conditions

Type of instrument	Loan from UBS Group AG (as Lender) to UBS AG (as Borrower), hereinafter referred to as "Loan"
Terms of the loans	<p>(a) The terms of the Loan (including, without limitation, in relation to principal amount, currency, subordination, interest, redemption, contingent write-down and conversion) shall, <i>mutatis mutandis</i> and subject to this section, mirror the terms and conditions of the Tier 1 Capital Notes attached hereto as Annex A (as such terms and conditions may be amended, supplemented or otherwise modified from time to time, the "Conditions"); whereby</p> <ul style="list-style-type: none"> <li>(i) the terms "Fixed Interest Rate" and "Reset Interest Rate" in the Conditions shall, for purposes of the Loan, be deemed to refer to such term (as defined in the Conditions) plus 0.2151 per cent. per annum;</li> <li>(ii) the terms "Group Holding Company", "UBS Group AG" and "Issuer" in the Conditions shall, for purposes of the Loan, be deemed to refer to the Borrower, except that             <ul style="list-style-type: none"> <li>(1) the reference to "Group Holding Company" and "UBS Group AG" in Condition 7(c)(ii) shall continue to refer to UBS Group AG (or, if different, the top Swiss holding company at such time of the financial group to which UBS Group AG belongs for purposes of preparing consolidated capital adequacy reports pursuant to National Regulations);</li> <li>(2) any reference to UBS Group AG being a bank holding company shall continue to refer to UBS Group AG; and</li> <li>(3) any reference to "UBS Group AG" or "Group Holding Company" in the defined terms "Auditor", "BIS Risk Weighted Assets", "CET1 Capital", "CET1 Ratio", "Higher-Trigger Amount", "Public Sector" and "Quarterly Financial Accounts" shall continue to refer to UBS Group AG (or, if different, the top Swiss holding company at such time of the financial group to which UBS Group AG belongs for purposes of</li> </ul> </li> </ul>

preparing consolidated capital adequacy reports pursuant to National Regulations);

- (iii) the term "Group" in the Conditions shall, for purposes of the Loan, be deemed to refer to UBS Group AG (or, if different, the top Swiss holding company at such time of the financial group to which UBS Group AG belongs for purposes of preparing consolidated capital adequacy reports pursuant to National Regulations) and all its subsidiaries and other entities that are included in the consolidated capital adequacy reports of UBS Group AG (or, if different, the top Swiss holding company at such time of the financial group to which UBS Group AG belongs for purposes of preparing consolidated capital adequacy reports pursuant to National Regulations) prepared pursuant to National Regulations;
  - (iv) the term "Holder" in the Conditions shall, for purposes of the Loan, be deemed to refer to the Lender;
  - (v) the term "Notes" in the Conditions shall, for purposes of the Loan, be deemed to refer to the Loan;
  - (vi) the reference to "a par value of USD 0.10 each" in the term "Ordinary Shares" shall, for purposes of the Loan, be deemed to refer to the par value of the registered ordinary shares of the Borrower on the Issue Date; and
  - (vii) all other terms defined in the Conditions shall, for purposes of the Loan, be construed accordingly.
- (b) Certain Conditions shall, for purposes of the Loan, be amended or superseded, as applicable, inter alia as follows:
- (i) Any reference in Condition 2(a) to the denomination shall not apply to the Loan, it being understood that the Loan is not fractional.
  - (ii) Conditions 2(b), 2(c), 3, 5(f), 6(f), 6(g) and 20 shall not apply to the Loan, it being understood that there will be no securities issued under the Loan.

	<p>(iii) Any reference in the Conditions to the listing of the Tier 1 Capital Notes shall not apply to the Loan, it being understood that the Loan will not be listed on any exchange.</p> <p>(iv) Reference to the Conversion Price shall, for purposes of the Loan, be deemed to refer to the Conversion Price (as such term is defined in the Conditions) as it may be adjusted from time to time in accordance with the Conditions.</p>
<b>Governing Law</b>	Swiss law

**ANNEX A**  
**TERMS AND CONDITIONS OF THE NOTES**

[This page has been intentionally left blank]

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Tier 1 Capital Notes issued by UBS Group AG are as follows:

### 1. DEFINITIONS

"**Acquiror**" has the meaning assigned to such term in subclause (e)(iv) of Condition 9 (*Conversion*).

"**Additional Amounts**" has the meaning assigned to such term in clause (b) of Condition 11 (*Taxation*).

"**Additional Tier 1 Capital**" means, at any time, any item that qualifies as additional tier 1 capital (*zusätzliches Kernkapital*) under National Regulations at such time.

"**Adjustment Spread**" means, with respect to any Alternative Benchmark Rate determined in accordance with the provisions of clause (c) of Condition 5 (*Interest*), a spread (which may be positive or negative), or a formula or methodology for calculating such a spread, applied to such Alternative Benchmark Rate in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Existing Benchmark Rate with such Alternative Benchmark Rate.

"**Affected Reset Interest Period**" has the meaning assigned to such term in subclause (c)(i) of Condition 5 (*Interest*).

"**Agent Insolvency Event**" has the meaning assigned to such term in subclause (c)(ii) of Condition 10 (*Payments; Agents*).

"**Agents**" means the Fiscal Agent, the Registrar, the Calculation Agent, the Swiss Paying Agent and any other agent from time to time appointed pursuant to the terms of the Fiscal Agency Agreement and the Settlement Agent.

"**Alternative Benchmark Rate**" has the meaning assigned to such term in subclause (c)(i) of Condition 5 (*Interest*).

"**Alternative Loss Absorption Date**" has the meaning assigned to such term in clause (e) of Condition 7 (*Trigger Event and Viability Event*).

"**Alternative MMSR Page**" has the meaning assigned to such term in subclause (c)(v)(A) of Condition 5 (*Interest*).

"**Alternative Relevant Time**" has the meaning assigned to such term in subclause (c)(v)(A) of Condition 5 (*Interest*).

"**Approved Entity**" has the meaning assigned to such term in subclause (e)(v) of Condition 9 (*Conversion*).

"**Articles of Association**" has the meaning given to it in clause (f) of Condition 7 (*Trigger Event and Viability Event*).

"**Auditor**" means the accounting firm (i) appointed by the Board of Directors of the Group Holding Company or the shareholders of the Group Holding Company, as the case may be, to provide, among other things, audit and/or review opinions on the Group Holding Company's financial statements, and (ii) approved by FINMA in accordance with the Financial Market Supervisory Act (*Finanzmarktaufsichtsgesetz*) of 22 June 2007, as amended from time to time.

"**Authorised Signatories**" means any two authorised officers of the Issuer signing jointly.

"**Balance Sheet Date**" means (i) with respect to any Ordinary Publication Date, the cut-off date for the measurement of the CET1 Ratio in the Quarterly Financial Accounts published on such Ordinary Publication Date, and (ii) with respect to any Extraordinary Publication Date, the cut-off date for the Reviewed Interim Measurement published upon the instruction of FINMA on such Extraordinary Publication Date.

**"Bankruptcy Event"** means any of the following events with respect to the Issuer: (i) the adjudication of bankruptcy (*Konkurseröffnung*) pursuant to articles 171, 189, 190, 191 or 192 of the DEBA, (ii) the opening of restructuring proceedings (*Sanierungsverfahren*) pursuant to articles 28 to 32 of the FBA or pursuant to any successor or analogous Swiss law or regulation applicable to bank holding companies in Switzerland such as UBS Group AG (any such proceedings, **"Restructuring Proceedings"**), and/or (iii) the ordering of liquidation proceedings (*Liquidation*) pursuant to articles 33 to 37g of the FBA or pursuant to any successor or analogous Swiss law or regulation applicable to bank holding companies in Switzerland such as UBS Group AG; *provided, however*, that none of the following will constitute a Bankruptcy Event: (x) mere debt collection proceedings (*Betriebsverfahren*) pursuant to article 38 *et seq.* of the DEBA, (y) proceedings in connection with a freezing order (*Arrestverfahren*) pursuant to article 271 *et seq.* of the DEBA, and/or (z) the ordering of protective measures (*Schutzmassnahmen*) pursuant to article 26 of the FBA or pursuant to any successor or analogous Swiss law or regulation applicable to bank holding companies in Switzerland such as UBS Group AG (any such measures, **"Protective Measures"**), including, in the case of each of subclauses (x), (y) and (z), any steps (other than any steps described in clauses (i) through (iii) of this definition) taken under or in connection therewith.

**"BIS Regulations"** means, at any time, the capital adequacy standards and guidelines promulgated by the Basel Committee on Banking Supervision, as implemented by FINMA in Switzerland at such time.

**"BIS Risk Weighted Assets"** means, as of any Balance Sheet Date, the aggregate amount, in the Presentation Currency, of risk-weighted assets of the Group as of such Balance Sheet Date, as determined by the Group Holding Company pursuant to the BIS Regulations applicable to the Group Holding Company as of such Balance Sheet Date, and as (i) disclosed in the Quarterly Financial Accounts published on the relevant Ordinary Publication Date or (ii) may be disclosed as a component of the Reviewed Interim Measurement published upon the instruction of FINMA on the relevant Extraordinary Publication Date, as applicable. For the avoidance of doubt, the term **"risk-weighted assets"** as used in this definition has the meaning assigned to such term in the BIS Regulations in effect as of the relevant Balance Sheet Date.

**"Business Day"** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including, without limitation, dealing in foreign exchange and foreign currency deposits) in (i) for purposes of the definitions of the terms "Extraordinary Publication Date", "Higher-Trigger Amount" and "Ordinary Publication Date", Zurich, and (ii) otherwise, New York City and Zurich.

**"Calculation Agent"** means UBS AG, in its capacity as calculation agent for the Notes, and includes any successor calculation agent for the Notes appointed in accordance with the terms of the Fiscal Agency Agreement.

**"Calculation Amount"** means USD 1,000.

**"Capital Adequacy Ordinance"** means the Swiss Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Firms of 1 June 2012, as amended from time to time, or any successor Swiss law or regulation.

**"Cash Distribution"** means any dividend or distribution in respect of the Ordinary Shares that is to be paid or made to Shareholders as a class in cash (in whatever currency) and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including any cash distribution or payment to Shareholders upon or in connection with a reduction of capital. For the avoidance of doubt, the term "Cash Distribution" does not include consideration paid or any other payments made by UBS Group AG or any of its affiliates in connection with the repurchase of Ordinary Shares in connection with any share buyback programme.

**"Certificate"** means a Global Certificate and/or a Definitive Certificate, as the case may be.

**"CET1 Capital"** means, as of any Balance Sheet Date, the aggregate amount, in the Presentation Currency, of items that constitute common equity tier 1 capital of the Group as of such Balance

Sheet Date, less any deductions from common equity tier 1 capital required to be made, in each case as determined by the Group Holding Company pursuant to the BIS Regulations applicable to the Group Holding Company as of such Balance Sheet Date, and as (i) disclosed in the Quarterly Financial Accounts published on the relevant Ordinary Publication Date or (ii) may be disclosed as a component of the Reviewed Interim Measurement published upon the instruction of FINMA on the relevant Extraordinary Publication Date, as applicable. For the avoidance of doubt, the term "**common equity tier 1 capital**" as used in this definition has the meaning assigned to such term in the BIS Regulations in effect as of the relevant Balance Sheet Date.

"**CET1 Ratio**" means, as of any Balance Sheet Date, the CET1 Capital as of such Balance Sheet Date, divided by the BIS Risk Weighted Assets as of such Balance Sheet Date, expressed as a percentage, such ratio (or the components thereof) as determined by the Group Holding Company, and (i) as disclosed in the Quarterly Financial Accounts published on the relevant Ordinary Publication Date or (ii) constituting (or as disclosed in) the Reviewed Interim Measurement published upon the instruction of FINMA on the relevant Extraordinary Publication Date, as applicable.

"**Clearstream, Luxembourg**" means Clearstream Banking S.A.

"**Code**" has the meaning assigned to such term in clause (c) of Condition 11 (*Taxation*).

"**Compliant Securities**" means securities issued by UBS Group AG or any of its subsidiaries that have economic terms not materially less favourable to a Holder than these Terms and Conditions (as reasonably determined by the Issuer), *provided* that:

- (a) such securities (A) include terms that provide for the same interest rate and principal from time to time applying to the Notes, (B) rank *pari passu* with the Notes and (C) preserve any existing rights under these Terms and Conditions to any accrued and unpaid interest that has not been satisfied;
- (b) where such securities are issued by a subsidiary of UBS Group AG, UBS Group AG has irrevocably and unconditionally guaranteed to the holders of such securities, on a subordinated basis corresponding *mutatis mutandis* to Condition 4 (*Status and Subordination*), the due and punctual payment of all amounts due and payable by such subsidiary under, or in respect of, such securities pursuant to article 111 of the Swiss Code;
- (c) where the Notes that have been substituted or amended were listed immediately prior to their substitution or amendment, such securities are listed on (A) the SIX Swiss Exchange or (B) such other internationally recognised stock exchange selected by the Issuer; and
- (d) where the Notes that have been substituted or amended were rated by a rating agency immediately prior to such substitution or amendment, each such rating agency has ascribed, or announced its intention to ascribe and publish, an equal or higher rating to such securities.

"**Contingent Write-down**" means the events described in clauses (a) through (c) of Condition 8 (*Contingent Write-down*).

"**Conversion**" has the meaning given to it in clause (a) of Condition 9 (*Conversion*), and "convert" and "converted" shall be construed accordingly.

"**Conversion Capital**" means conversion capital (*Wandlungskapital*) within the meaning of the FBA.

"**Conversion Capital Availability Event**" has the meaning given to it in clause (f) of Condition 7 (*Trigger Event and Viability Event*).

"**Conversion Date**" means, with respect to any Conversion, the Trigger Event Conversion Date or the Viability Event Conversion Date, as applicable.



**"Conversion Event"** means a Trigger Event in respect of which the relevant Trigger Event Notice is a Trigger Event Conversion Notice or a Viability Event that occurs on or after a Conversion Capital Availability Event.

**"Conversion Price"** means USD 24.60, subject to any adjustment in accordance with clause (d) of Condition 9 (*Conversion*).

**"Current Market Price"** means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days (or, for the purposes of subclause (d)(i)(D) of Condition 9 (*Conversion*), 10 consecutive dealing days) ending on the dealing day immediately preceding such date (such period, the **"Reference Period"**), *provided* that, if at any time during the Reference Period the Volume Weighted Average Price shall have been based on a price ex-dividend (or ex-any other entitlement) and during some other part of the Reference Period the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement), then:

- (a) if the Ordinary Shares to be issued and delivered do not rank for the dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares were based on a price cum-dividend (or cum- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; or
- (b) if the Ordinary Shares to be issued and delivered do rank for the dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares were based on a price ex-dividend (or ex- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

and *provided, further* that, if on each of the five dealing days (or, for the purposes of subclause (d)(i)(D) of Condition 9 (*Conversion*), the 10 dealing days) in the Reference Period the Volume Weighted Average Price was based on a price cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) that has been declared or announced but the Ordinary Shares to be issued and delivered do not rank for that dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

and *provided, further* that, if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the five dealing days (or, for the purposes of subclause (d)(i)(D) of Condition 9 (*Conversion*), the 10 dealing days) in the Reference Period (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices that are available in the Reference Period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the Reference Period, the Current Market Price shall be determined by an Independent Adviser.

**"Day Count Fraction"** means, in respect of any period (the **"Calculation Period"**), the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

"**dealing day**" means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares or other securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time).

"**DEBA**" means the Swiss Federal Debt Enforcement and Bankruptcy Act of 11 April 1889, as amended from time to time.

"**Definitive Certificate**" has the meaning assigned to such term in subclause (c)(i) of Condition 2 (*Amount, Denomination and Form*).

"**Depository**" means DTC or any other Relevant Clearing System outside of Switzerland designated as Depository by the Issuer; *provided, however*, that, irrespective of the number of Regulation S Global Certificates and/or Rule 144A Global Certificates, as the case may be, outstanding, there will be no more than one Depository for the Notes at any time.

"**Distributable Items**" means, in respect of any Interest Payment Date, the aggregate of (i) net profits carried forward and (ii) freely distributable reserves, in each case, less any amounts that must be contributed to legal reserves under applicable law, all in UBS Group AG's reporting currency and as appearing in the Relevant Accounts.

"**Distribution Compliance Period**" means the 40-day period commencing on (and including) the later of (i) the day on which the Notes are first offered to Persons other than distributors (as defined in Regulation S under the US Securities Act), and (ii) the day on which the closing of the offering of the Notes occurs.

"**DTC**" means The Depository Trust Company.

"**EEA Regulated Market**" means a market as defined by Article 4.1(21) of Directive 2014/65/EU of the European Parliament and of the Council on markets on financial instruments.

"**Euroclear**" means Euroclear Bank SA/NV.

"**Event of Default**" has the meaning assigned to such term in clause (a) of Condition 13 (*Events of Default*).

"**Exempt Reorganisation**" means a Reorganisation where, immediately after completion of the relevant proceedings, the ordinary shares or units or equivalent of Newco (or depository or other

receipts or certificates representing ordinary shares or units or equivalent of Newco) are (i) admitted to trading on the Relevant Stock Exchange or (ii) admitted to listing on such other Recognised Stock Exchange as UBS Group AG or Newco may determine.

"**Existing Benchmark Rate**" has the meaning assigned to such term in clause (c) of Condition 5 (*Interest*).

"**Existing Shareholders**" has the meaning assigned to such term in the definition of the term "Reorganisation".

"**Extraordinary Distribution**" means any Cash Distribution (i) that is expressly declared by UBS Group AG to be an extraordinary or special dividend or an extraordinary or special distribution to Shareholders as a class or any analogous or similar term, and (ii) the amount of which exceeds the arithmetic average of the ordinary dividend per Ordinary Share paid by UBS Group AG in the three most recently preceding calendar years (each such ordinary dividend translated, if necessary, into the currency in which the applicable Cash Distribution is expressed at the Prevailing Rate on the date on which such ordinary dividend was paid) by more than 25 per cent.

"**Extraordinary Publication Date**" means the Business Day on which a Reviewed Interim Measurement is published upon the instruction of FINMA, after FINMA has determined that the conditions for issuing a Trigger Event Notice in accordance with Condition 7 (*Trigger Event and Viability Event*) have been met.

"**Extraordinary Trigger Event Notice Date**" has the meaning assigned to such term in subclause (b)(i) of Condition 7 (*Trigger Event and Viability Event*).

"**Fair Market Value**" means, with respect to any property on any date (the "**Relevant Valuation Date**"), the fair market value of that property as determined by an Independent Adviser, *provided* that:

- (a) the Fair Market Value of a cash amount shall be the amount of such cash;
- (b) where securities, options, warrants or other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by an Independent Adviser), the Fair Market Value (i) of such securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such securities and (ii) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of each of subclauses (i) and (ii), during the period of five dealing days on the relevant stock exchange or securities market commencing on the later of (x) the applicable Relevant Valuation Date and (y) the first dealing day on which such securities, options, warrants or other rights are publicly traded, or such shorter period as such securities, options, warrants or other rights are publicly traded; and
- (c) where securities, options, warrants or other rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such securities, options, warrants or other rights shall be determined by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof.

Any amounts determined pursuant to the above shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on the Relevant Valuation Date. In addition, in the case of clause (a) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

"**FBA**" means the Swiss Federal Act on Banks and Savings Institutions of 8 November 1934, as amended from time to time.

**"Final Cancellation Date"** means the date specified in the Trigger Event Conversion Notice or a Viability Event Conversion Notice, as applicable, as being the date on which any Notes in relation to which no valid Settlement Shares Settlement Notice has been received by the Settlement Share Depository (or its designated agent(s)) on or before the Settlement Notice Cut-off Date shall be cancelled, which date is expected to be no more than 12 Business Days following the Settlement Notice Cut-off Date.

**"FINMA"** means the Swiss Financial Market Supervisory Authority FINMA and any successor thereto.

**"First Call Date"** means 12 April 2031.

**"Fiscal Agency Agreement"** means the fiscal agency agreement dated as of 10 February 2021, among the Issuer, the Fiscal Agent, the Registrar, the Calculation Agent, the Swiss Paying Agent and the other Agents from time to time party thereto, as may be amended, supplemented or otherwise modified from time to time.

**"Fiscal Agent"** means Deutsche Bank Trust Company Americas, in its capacity as fiscal agent for the Notes, and includes any successor fiscal agent for the Notes appointed in accordance with the terms of the Fiscal Agency Agreement.

**"Fixed Interest Rate"** means 7.750 per cent. per annum.

**"Former Residence"** has the meaning assigned to such term in subclause (a)(v) of Condition 16 (*Issuer Substitution*).

**"Global Certificate"** means a Regulation S Global Certificate and/or Rule 144A Global Certificate, as the case may be.

**"Going-Concern LR Requirement"** means a requirement under National Regulations for systemically relevant banks (*systemrelevante Banken*) to hold a minimum amount of going-concern capital (*Eigenmittel zur ordentlichen Weiterführung der Bank*), which amount is set by reference to the leverage ratio (*Höchstverschuldungsquote*) of such bank.

**"Going-Concern RWA Requirement"** means a requirement under National Regulations for systemically relevant banks (*systemrelevante Banken*) to hold a minimum amount of going-concern capital (*Eigenmittel zur ordentlichen Weiterführung der Bank*), which amount is set by reference to the risk weighted assets (*risikogewichtete Positionen*) of such bank.

**"Group"** means, at any time, the Group Holding Company and all its subsidiaries and other entities that are included in the Group Holding Company's consolidated capital adequacy reports prepared pursuant to National Regulations.

**"Group Holding Company"** means, at any time, the top Swiss holding company at such time of the financial group to which UBS Group AG belongs for purposes of preparing consolidated capital adequacy reports pursuant to National Regulations. As at the Issue Date, the Group Holding Company is UBS Group AG.

**"Higher-Trigger Amount"** means, as of any Publication Date, the sum of (i) the maximum portion of the aggregate principal amount, in the Presentation Currency of the Quarterly Financial Accounts or Reviewed Interim Measurement, as the case may be, to which such Publication Date relates, of all Higher-Trigger Contingent Capital, if any, outstanding on the relevant Balance Sheet Date that could be converted into equity and/or fully or partially written down, or otherwise operate to increase the CET1 Capital, if a Higher-Trigger Write-down/Conversion Notice were delivered in accordance with the terms thereof, and (ii) the maximum portion of the aggregate principal amount, in the Presentation Currency of the Quarterly Financial Accounts or Reviewed Interim Measurement, as the case may be, to which such Publication Date relates, of all Higher-Trigger Contingent Capital, if any, issued after the relevant Balance Sheet Date, but prior to such Publication Date, that could be converted into equity and/or fully or partially written down, or otherwise operate to increase the CET1 Capital, if a Higher-Trigger Write-down/Conversion Notice were delivered in accordance with the terms thereof, in the case of each of clauses (i) and (ii), as determined by UBS Group AG. For purposes of clause (ii) of this definition and, in the case

of an Extraordinary Publication Date, clause (i) of this definition, the aggregate principal amount of any Higher-Trigger Contingent Capital that is not denominated in the Presentation Currency will be converted into the Presentation Currency at the applicable prevailing exchange rate on the last Business Day preceding the relevant Publication Date, as determined by UBS Group AG. In the case of an Ordinary Publication Date, for purposes of clause (i) of this definition, the aggregate principal amount of any Higher-Trigger Contingent Capital that is not denominated in the Presentation Currency will be converted into the Presentation Currency at the applicable exchange rate used for such purposes in the relevant Quarterly Financial Accounts.

**"Higher-Trigger Contingent Capital"** means any instrument issued by, or any other obligation of, any member of the Group that (i) is issued or owed to holders that are not members of the Group and (ii) is required pursuant to its terms to be converted into equity and/or fully or partially written down, or otherwise operating to increase the CET1 Capital, when the CET1 Ratio (or equivalent capital measure of the Group described in the terms and conditions thereof) falls below a threshold that is higher than the Threshold Ratio (with respect to the relevant Higher-Trigger Contingent Capital, its **"Higher-Trigger Threshold Ratio"**).

**"Higher-Trigger Threshold Ratio"** has the meaning assigned to such term in the definition of the term "Higher-Trigger Contingent Capital".

**"Higher-Trigger Write-down/Conversion Date"** has the meaning assigned to such term in the definition of the term "Higher-Trigger Write-down/Conversion Notice".

**"Higher-Trigger Write-down/Conversion Notice"** means a notice delivered pursuant to the terms of any Higher-Trigger Contingent Capital that notifies the holders thereof that the CET1 Ratio (or similar measure or other event described in the terms and conditions of such Higher-Trigger Contingent Capital) has fallen below its Higher-Trigger Threshold Ratio and, consequently, that such Higher-Trigger Contingent Capital will be converted into equity and/or fully or partially written down, or otherwise operate to increase the CET1 Capital, as applicable, as of a particular date (such date, the **"Higher-Trigger Write-down/Conversion Date"**). For the avoidance of doubt, if the terms and conditions of such Higher-Trigger Contingent Capital permit FINMA to waive the conversion into equity and/or write-down of such Higher-Trigger Contingent Capital notwithstanding the fact that the CET1 Ratio (or similar measure or other event described in the terms and conditions of such Higher-Trigger Contingent Capital) has fallen below its Higher-Trigger Threshold Ratio, the non-issuance of such a waiver by FINMA between the relevant Publication Date and the Trigger Event Notice Date will be deemed equivalent to the delivery of a Higher-Trigger Write-down/Conversion Notice for purposes of subclause (b)(ii) of Condition 7 (*Trigger Event and Viability Event*).

**"Holder"** means, with respect to any Note, the Person in whose name the Certificate representing such Note is registered in the Register. For the avoidance of doubt, with respect to Notes represented by a Global Certificate, no Indirect Holder or other Person will be a Holder for purposes of these Terms and Conditions or such Notes or have any rights, or be owed any obligations by the Issuer, under such Notes.

**"IBA"** means ICE Benchmark Administration® Limited (or any successor administrator of the USD SOFR ICE Swap Rate® (or any successor label)).

**"Independent Adviser"** means an independent financial institution of international repute or an independent adviser of recognised standing and expertise, in either case, appointed by the Issuer at its own expense to make any determination that is required to be made, or may be made, by an Independent Adviser under these Terms and Conditions.

**"Independent Adviser Determination Cut-off Date"** has the meaning assigned to such term in subclause (c)(i) of Condition 5 (*Interest*).

**"Indirect Holder"** means, with respect to any Note represented by a Global Certificate, any Person (other than the Holder) that owns a beneficial interest in such Notes through a bank, broker or other financial institution that (i) participates in the book-entry system of DTC, Euroclear, Clearstream, Luxembourg and/or any other clearing system (each, a **"Relevant Clearing System"**), or (ii) holds an interest in such Note through a participant in the book-entry system of any Relevant Clearing

System. No Indirect Holder will have any rights, or be owed any obligations by the Issuer, under the Notes.

**"Interest Payment Date"** has the meaning assigned to such term in subclause (a)(ii) of Condition 5 (*Interest*).

**"Interest Period"** means each period beginning on (and including) an Interest Payment Date (or, in the case of the first Interest Period, the Issue Date) and ending on (but excluding) the next Interest Payment Date.

**"Interest Rate"** means the Fixed Interest Rate and/or Reset Interest Rate, as the case may be.

**"Issue Date"** means 12 February 2024.

**"Issuer"** means UBS Group AG in its capacity as issuer of the Notes.

**"Junior Obligations"** means (i) all classes of share capital and participation securities (if any) of the Issuer and (ii) all other obligations of the Issuer that rank, or are expressed to rank, junior to claims in respect of the Notes and/or any Parity Obligation.

**"Margin"** means 4.160 per cent. per annum.

**"Mid Market Swap Rate"** means, in relation to any Reset Interest Period:

- (a) the USD SOFR ICE Swap Rate on the Reset Determination Date in relation to such Reset Interest Period as it appears on the MMSR Page on such Reset Determination Date; or
- (b) if such USD SOFR ICE Swap Rate does not appear on the MMSR Page on such Reset Determination Date, the Reset Reference Bank Rate in relation to such Reset Interest Period.

**"Mid Market Swap Rate Quotation"** means, in relation to any Reset Interest Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on an Actual/360 day count basis) of a fixed-for-floating USD interest rate swap transaction that:

- (a) has a term of five years commencing on the Reset Date on which such Reset Interest Period commences; and
- (b) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (c) has a floating leg based on SOFR compounded in arrear for 12 months (calculated on an Actual/360 day count basis).

**"Minimum Conversion Capital Availability Amount"** has the meaning given to it in clause (f) of Condition 7 (*Trigger Event and Viability Event*).

**"MMSR Page"** means Bloomberg page USISSO05 Index (or (i) such other page as may replace that page on Bloomberg (or on any successor to Bloomberg), or (ii) if there is no such replacement page on Bloomberg (or on any successor to Bloomberg), such other page on such other information service, in the case of each of clauses (i) and (ii), on which the USD SOFR ICE Swap Rate is displayed and as selected by the Issuer after consultation with the Calculation Agent).

**"National Regulations"** means, at any time, (i) the Swiss national banking and capital adequacy laws, and (ii) the capital adequacy regulations promulgated by the Swiss Federal Council (*Bundesrat*) or FINMA and the interpretation thereof by FINMA or any other competent Swiss authority, in the case of each of clauses (i) and (ii), directly applicable to UBS Group AG (and/or, if different, the Group Holding Company) and/or the Group at such time.

**"New Conversion Condition"** has the meaning assigned to such term in subclause (e)(v) of Condition 9 (*Conversion*).

"**New Conversion Condition Effective Date**" has the meaning assigned to such term in subclause (e)(v) of Condition 9 (*Conversion*).

"**New Conversion Price**" has the meaning assigned to such term in subclause (e)(v) of Condition 9 (*Conversion*).

"**New Residence**" has the meaning assigned to such term in subclause (a)(v) of Condition 16 (*Issuer Substitution*).

"**New York Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in New York City.

"**Newco**" has the meaning assigned to such term in the definition of the term "Reorganisation".

"**Non-Qualifying Relevant Event**" has the meaning assigned to such term in subclause (e)(v) of Condition 9 (*Conversion*).

"**Notes**" means the USD 1,000,000,000 7.750 per cent. Tier 1 Capital Notes issued by the Issuer on the Issue Date.

"**OECD**" means the Organisation for Economic Co-operation and Development.

"**Offer Settlement Period**" has the meaning given to it in clause (h) of Condition 9 (*Conversion*).

"**Ordinary Publication Date**" means each Business Day on which Quarterly Financial Accounts are published.

"**Ordinary Shares**" means the registered ordinary shares of UBS Group AG, which as of the Issue Date have a par value of USD 0.10 each. The Ordinary Shares deliverable on Conversion will be newly issued from the capital range (*Kapitalband*), conditional capital (*bedingtes Kapital*) and/or Conversion Capital of UBS Group AG, and rank *pari passu* with all other registered ordinary shares of UBS Group AG for any and all distributions payable on them on or after the relevant Share Creation Date.

"**Ordinary Trigger Event Notice Date**" has the meaning assigned to such term in subclause (b)(i) of Condition 7 (*Trigger Event and Viability Event*).

"**Other Tier 1 Contingent Convertible Capital Note**" has the meaning given to it in clause (f) of Condition 7 (*Trigger Event and Viability Event*).

"**Parity Obligations**" means (i) all obligations of the Issuer in respect of Tier 1 Instruments (excluding any such obligations that rank, or are expressed to rank, junior to claims in respect of the Notes), and (ii) any other securities or obligations (including, without limitation, any guarantee, credit support agreement or similar undertaking) of the Issuer that rank, or are expressed to rank, *pari passu* with claims in respect of the Notes and/or any Parity Obligation.

"**Paying Agent**" has the meaning assigned to such term in subclause (c)(i) of Condition 10 (*Payments; Agents*).

"**Payment Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including, without limitation, dealing in foreign exchange and foreign currency deposits) in New York City.

"**Permitted Transactions**" means:

- (a) repurchases, redemptions or other acquisitions of any Ordinary Shares in connection with (x) any employment contract, benefit plan or similar arrangement with, or for the benefit of, any employees, officers, directors or consultants of any member of the Group, (y) a dividend reinvestment or shareholder share purchase plan or (z) the issuance of any Ordinary Shares (or securities convertible into, or exercisable for, Ordinary Shares) as consideration for an acquisition consummated by any member of the Group;

- (b) market-making in Ordinary Shares as part of the securities business of any member of the Group;
- (c) purchases of fractional interests in any Ordinary Shares pursuant to the conversion or exchange provisions of (x) such Ordinary Shares or (y) any security convertible into, or exercisable for, Ordinary Shares;
- (d) redemptions or repurchases of Ordinary Shares pursuant to any shareholders' rights plan; and
- (e) distributions in cash or in kind on, or repurchases, redemptions or other acquisitions of, any Ordinary Shares as a part of any solvent reorganisation, reconstruction, amalgamation or merger of any member of the Group, so long as such member (or the successor entity resulting from such reorganisation, reconstruction, amalgamation or merger) continues to be a member of the Group.

**"Person"** means any individual, corporation, bank, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

**"Presentation Currency"** means (i) with respect to any Quarterly Financial Accounts, the presentation currency of such Quarterly Financial Accounts, and (ii) with respect to any Reviewed Interim Measurement, the Presentation Currency of the Quarterly Financial Accounts that will be prepared for the relevant financial quarterly or annual period in which the relevant Extraordinary Publication Date falls.

**"Prevailing Rate"** means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (New York City time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (New York City time) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the Relevant Page, the rate determined in such other manner as an Independent Adviser determines to be appropriate.

**"Protective Measures"** has the meaning assigned to such term in the definition of the term "Bankruptcy Event".

**"Public Sector"** means the government of, or a governmental agency or the central bank in, the country of incorporation of the Group Holding Company.

**"Publication Date"** means an Ordinary Publication Date or an Extraordinary Publication Date, as the case may be.

**"Qualifying Relevant Event"** has the meaning assigned to such term in subclause (e)(v) of Condition 9 (*Conversion*).

**"Quarterly Financial Accounts"** means (i) the financial statements of the Group (including, without limitation, the notes thereto) in respect of a financial quarter published by the Group Holding Company, which have been reviewed by the Auditor in accordance with the International Standards on Auditing; *provided, however*, that, if the financial statements of the Group in respect of the last quarter of any year are not so reviewed, the term "Quarterly Financial Accounts" in respect of such quarter will mean instead the annual financial statements of the Group (including, without limitation, the notes thereto) in respect of such year, which have been audited by the Auditor in accordance with the International Standards on Auditing and are published in the annual report of the Group Holding Company for such year, or (ii) in the event that the Group does not publish quarterly financial statements as described in clause (i) of this definition, the financial disclosures published by the Group pursuant to and in compliance with FINMA Circular 2016/01 "Capital Adequacy Disclosures Banks", as amended from time to time, or pursuant to and in compliance with any successor circular or regulation applicable to the Group Holding Company, *provided* that such financial disclosures are published for each financial quarter and the interim earnings included in such disclosures have been reviewed by the Auditor in accordance with International Standards on Auditing.



"**QIB**" has the meaning assigned to such term in subclause (b)(i) of Condition 2 (*Amount, Denomination and Form*).

"**Recognised Stock Exchange**" means an EEA Regulated Market, a regulated, regularly operating, recognised stock exchange in Switzerland or any other regulated, regularly operating, recognised stock exchange or securities market in an OECD member state.

"**Record Date**" means, with respect to any Scheduled Due Date, the last Relevant Banking Day immediately preceding such Scheduled Due Date.

"**Redemption Date**" has the meaning assigned to such term in subclause (e)(i) of Condition 6 (*Redemption and Purchase*).

"**Redemption Notice**" has the meaning assigned to such term in subclause (e)(i) of Condition 6 (*Redemption and Purchase*).

"**Reference Period**" has the meaning assigned to such term in the definition of the term "Current Market Price".

"**Register**" means the register that the Issuer will procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement.

"**Registrar**" means Deutsche Bank Trust Company Americas, in its capacity as registrar for the Notes, and includes any successor registrar for the Notes appointed in accordance with the Fiscal Agency Agreement.

"**Regulation S Global Certificate**" has the meaning assigned to such term in subclause (b)(i) of Condition 2 (*Amount, Denomination and Form*).

"**Regulatory Event**" has the meaning assigned to such term in subclause (d)(ii) of Condition 6 (*Redemption and Purchase*).

"**Relevant Accounts**" means, in respect of any Interest Payment Date, the most recently published audited unconsolidated annual financial statements of UBS Group AG prepared in accordance with the Swiss Code.

"**Relevant Banking Day**" means a day other than a Saturday or Sunday, on which banks are open for business in the place of the Specified Office of the Registrar and the Fiscal Agent.

"**Relevant Clearing System**" has the meaning assigned to such term in the definition of the term "Indirect Holder".

"**Relevant Currency**" means USD or, if at the relevant time or for the purposes of the relevant calculation or determination there is a Relevant Stock Exchange but the New York Stock Exchange is not the Relevant Stock Exchange (or is the Relevant Stock Exchange but the Ordinary Shares are not quoted or dealt in thereon in USD), the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

"**Relevant Date**" means, with respect to any payment, (i) the date on which such payment first becomes due under the Notes (the "**Scheduled Due Date**"), or (ii) if the full amount of the money payable on the Scheduled Due Date has not been received by the Fiscal Agent on or before the Scheduled Due Date, the date on which the full amount of the money due on the Scheduled Due Date has been received by the Fiscal Agent.

"**Relevant Event**" has the meaning assigned to such term in subclause (e)(v) of Condition 9 (*Conversion*).

"**Relevant Page**" means the page on Bloomberg or such other information service provider that displays the relevant information.

"**Relevant Shares**" has the meaning assigned to such term in subclause (e)(v) of Condition 9 (*Conversion*).

**"Relevant Stock Exchange"** means the New York Stock Exchange or, if at the relevant time the Ordinary Shares are not listed and admitted to trading on the New York Stock Exchange, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing (if any).

**"Relevant Time"** means 11:00 a.m. (New York City time).

**"Reorganisation"** means proceedings that effect the interposition of a corporation or other limited liability company ("**Newco**") between the Shareholders immediately prior to such proceedings (the "**Existing Shareholders**") and UBS Group AG, *provided* that (i) only ordinary shares or units or equivalent of Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are issued to Existing Shareholders, (ii) immediately after completion of such proceedings the only holders of ordinary shares, units or equivalent of Newco or the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco, as the case may be, are Existing Shareholders holding in the same proportions as immediately prior to completion of such proceedings, (iii) immediately after completion of such proceedings, Newco is (or one or more wholly-owned subsidiaries of Newco are) the only shareholder of UBS Group AG, (iv) all subsidiaries of UBS Group AG immediately prior to such proceedings (other than Newco, if Newco is then a subsidiary of UBS Group AG) are subsidiaries of UBS Group AG (or of Newco) immediately after completion of such proceedings, and (v) immediately after completion of such proceedings, UBS Group AG (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those subsidiaries as was held by UBS Group AG immediately prior to such proceedings.

**"Reset Date"** means the First Call Date and each day that falls on the fifth anniversary of the immediately preceding Reset Date.

**"Reset Determination Date"** means, in relation to any Reset Interest Period, the day falling two Business Days prior to the Reset Date on which such Reset Interest Period commences.

**"Reset Interest Amount"** has the meaning assigned to such term in clause (b) of Condition 5 (*Interest*).

**"Reset Interest Period"** means each period from (and including) any Reset Date and ending on (but excluding) the next Reset Date.

**"Reset Interest Rate"** means, in relation to any Reset Interest Period, the sum of the Margin and the Mid Market Swap Rate in relation to such Reset Interest Period.

**"Reset Reference Bank Rate"** means, in relation to any Reset Interest Period, the percentage rate (rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent as follows:

- (a) the Calculation Agent will request each Reset Reference Bank to provide it with such Reset Reference Bank's Mid Market Swap Rate Quotation in relation to such Reset Interest Period as at the Relevant Time on the Reset Determination Date in relation to such Reset Interest Period; and
- (b) if at least three such Mid Market Swap Rate Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the Mid Market Swap Rate Quotations provided, eliminating the highest Mid Market Swap Rate Quotation (or, in the event of equality, one of the highest) and the lowest Mid Market Swap Rate Quotation (or, in the event of equality, one of the lowest); or
- (c) if only two such Mid Market Swap Rate Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the Mid Market Swap Rate Quotations provided; or
- (d) if only one such Mid Market Swap Rate Quotation is provided, the Reset Reference Bank Rate will be the Mid Market Swap Rate Quotation provided; or

- (e) if no such Mid Market Swap Rate Quotations are provided, the Reset Reference Bank Rate will be (i) if such Reset Determination Date is in relation to any Reset Interest Period other than the Reset Interest Period commencing on the First Call Date, the Mid Market Swap Rate in respect of the immediately preceding Reset Interest Period, or (ii) if such Reset Determination Date is in relation to the Reset Interest Period commencing on the First Call Date, 3.590 per cent. per annum.

**"Reset Reference Banks"** means five major banks in the swap, money, securities or other market most closely connected with the Mid Market Swap Rate, as selected by the Issuer after consultation with the Calculation Agent.

**"Restructuring Proceedings"** has the meaning assigned to such term in the definition of the term "Bankruptcy Event".

**"Reviewed Interim Measurement"** means an interim measurement of the CET1 Ratio, with respect to which the Auditor has performed procedures in accordance with the International Standard on Related Services (and relevant Swiss standards and practices) applicable to agreed-upon procedures engagements.

**"Rule 144A"** has the meaning assigned to such term in subclause (b)(i) of Condition 2 (*Amount, Denomination and Form*).

**"Rule 144A Global Certificate"** has the meaning assigned to such term in subclause (b)(i) of Condition 2 (*Amount, Denomination and Form*).

**"Scheduled Due Date"** has the meaning assigned to such term in the definition of the term "Relevant Date".

**"Securities"** means any shares in the capital of UBS Group AG, or any options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of UBS Group AG, excluding all Other Tier 1 Contingent Convertible Capital Notes (and each a "Security").

**"Senior Obligations"** means all obligations of the Issuer that are unsubordinated or that are subordinated and do not constitute either Junior Obligations or Parity Obligations.

**"Settlement Agency Agreement"** means the Settlement Agency Agreement dated as of the Issue Date, between the Issuer and the Settlement Agent, as amended, supplemented or otherwise modified from time to time.

**"Settlement Agent"** means UBS AG, in its capacity as settlement agent for the Notes, and includes any successor settlement agent for the Notes appointed in accordance with these Terms and Conditions.

**"Settlement Date"** means:

- (a) with respect to any Note in relation to which a valid Settlement Shares Settlement Notice is received by the Settlement Share Depository (or any of its agents designated for such purpose in the Trigger Event Conversion Notice or Viability Event Conversion Notice, as applicable) on or before the Settlement Notice Cut-off Date,
- (i) if the Trigger Event Conversion Notice specified that the Issuer will not appoint a Settlement Shares Offer Agent to conduct a Settlement Shares Offer or if the Issuer gave a Viability Event Conversion Notice, the date that is two Business Days after the date on which the relevant Settlement Shares Settlement Notice has been so received by the Settlement Share Depository (or such agent); or
- (ii) if the Trigger Event Conversion Notice specified that the Issuer will appoint a Settlement Shares Offer Agent to conduct a Settlement Shares Offer, the date that is two Business Days after the later of (x) the date on which the Offer Settlement Period expires or is terminated and (y) the date on which the relevant Settlement Shares Settlement Notice has been so received by the Settlement Share Depository (or such agent); and

- (b) with respect to any Note in relation to which a valid Settlement Shares Settlement Notice is not received by the Settlement Share Depository (or any of its agents designated for such purpose in the Trigger Event Conversion Notice or Viability Event Conversion Notice, as applicable) on or before the Settlement Notice Cut-off Date, the date on which the Settlement Share Depository delivers the relevant Ordinary Shares and/or cash proceeds of the Settlement Shares Offer, as applicable, to which the Holder of such Note is entitled pursuant to Condition 9 (*Conversion*) to such Holder.

**"Settlement Notice Cut-off Date"** means the date specified as such in the Trigger Event Conversion Notice or the Viability Event Conversion Notice, as applicable, which date shall be at least 20 Business Days following the applicable Suspension Date.

**"Settlement Share Depository"** means a reputable independent financial institution, clearing institution, trust company or similar entity, to be appointed by the Issuer on or prior to any date when a function ascribed to the Settlement Share Depository in these Terms and Conditions is required to be performed to perform such functions, who will hold Ordinary Shares in a designated trust account for the benefit of the Holders and otherwise on terms consistent with these Terms and Conditions.

**"Settlement Shares Offer"** has the meaning given to it in clause (h) of Condition 9 (*Conversion*).

**"Settlement Shares Offer Agent"** has the meaning given to it in clause (h) of Condition 9 (*Conversion*).

**"Settlement Shares Settlement Notice"** has the meaning given to it in clause (j) of Condition 9 (*Conversion*).

**"Share Creation Date"** means, in relation to Ordinary Shares to be issued and delivered on Conversion, the date falling after the relevant Trigger Event Conversion Notice or Viability Event Conversion Notice, as the case may be, and on or prior to the applicable Conversion Date on which as a matter of Swiss law the relevant Ordinary Shares are paid up.

**"Shareholders"** means the holders of Ordinary Shares.

**"SOFR"** means the daily Secured Overnight Financing Rate provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate).

**"Specified Office"** means (i) in the case of Deutsche Bank Trust Company Americas, as Fiscal Agent, Paying Agent and Registrar, Trust and Agency Services, 1 Columbus Circle, 17th Floor, Mail Stop: NYC01-1710, New York, NY 10019, USA, Attn: Corporates Team, UBS Group AG, (ii) in the case of UBS AG, as Swiss Paying Agent, Calculation Agent and Settlement Agent, Bahnhofstrasse 45, 8001 Zurich, Switzerland, (iii) in the case of any other Agent, such office as is notified by the Issuer to the Holders in accordance with Condition 15 (*Notices*) as soon as practicable after the appointment of such Agent, and (iv) in the case of the Settlement Share Depository, the office designated as such in the applicable Trigger Event Conversion Notice or Viability Event Conversion Notice, as the case may be, or, in the case of each of clauses (i), (ii), (iii) and (iv), such other office as the relevant Agent or Settlement Share Depository may designate from time to time by providing notice to the Issuer and the Holders in accordance with Condition 15 (*Notices*).

**"Substitute Issuer"** has the meaning assigned to such term in clause (a) of Condition 16 (*Issuer Substitution*).

**"Substitution Documents"** has the meaning assigned to such term in subclause (a)(iv) of Condition 16 (*Issuer Substitution*).

**"Substitution or Amendment Effective Date"** has the meaning assigned to such term in subclause (b)(iii) of Condition 14 (*Meeting of Holders; Substitution and Amendment*).

**"Suspension Date"** means the date specified in the Trigger Event Conversion Notice or the Viability Event Conversion Notice, as applicable, as the date on which the Depository is expected to suspend all clearance and settlement of transactions in the Notes in accordance with its rules and

procedures, which date is expected to be, if such Trigger Event Conversion Notice specifies that the Issuer will appoint a Settlement Shares Offer Agent to conduct a Settlement Shares Offer, as proximate to the expiration or termination of the Offer Settlement Period as is reasonably practicable in accordance with the rules and procedures of the Depository; *provided, however*, that, for purposes of clause (j) of Condition 9 (*Conversion*) only, if the date on which the Depository actually suspends such clearance and settlement is different from the date specified in the Trigger Event Conversion Notice or the Viability Event Conversion Notice, as applicable, then "Suspension Date" will mean the date on which the Depository actually suspends such clearance and settlement.

"**Swiss Code**" means the Swiss Code of Obligations of 30 March 1911, as amended from time to time.

"**Swiss Paying Agent**" has the meaning assigned to such term in subclause (c)(i) of Condition 10 (*Payments; Agents*).

"**Swiss Resolution Power**" means any statutory power of FINMA that it may exercise during Restructuring Proceedings as set forth in article 28 et seq. of the FBA or in any implementing ordinance or successor Swiss law or regulation or analogous Swiss law or regulation applicable to bank holding companies incorporated under the laws of Switzerland such as UBS Group AG, including, without limitation, the power to (i) transfer the assets of the entity subject to such Restructuring Proceedings, or portions thereof, together with such entity's debt, other liabilities and contracts, or portions thereof, to another entity, (ii) stay (for a maximum of two business days) the termination of, or the exercise of (w) rights to terminate, (x) netting rights, (y) rights to enforce or dispose of certain types of collateral or (z) rights to transfer claims, liabilities or certain collateral under, contracts to which the entity subject to such Restructuring Proceedings is a party, (iii) partially or fully convert the debt of the entity subject to such Restructuring Proceedings into equity, and/or (iv) partially or fully write-down the obligations of the entity subject to such Restructuring Proceedings.

"**Tax Event**" has the meaning assigned to such term in subclause (c)(ii) of Condition 6 (*Redemption and Purchase*).

"**Tax Jurisdiction**" means Switzerland.

"**Taxes**" has the meaning assigned to such term in clause (a) of Condition 11 (*Taxation*).

"**Threshold Ratio**" means 7 per cent.

"**Tier 1 Capital**" means Additional Tier 1 Capital or any item that qualifies as common equity tier 1 capital pursuant to National Regulations.

"**Tier 1 Instruments**" means any and all (i) securities or other obligations (other than Tier 1 Shares) issued by UBS Group AG or (ii) shares, securities, participation securities or other obligations (other than Tier 1 Shares) issued by a subsidiary of UBS Group AG and having the benefit of a guarantee, credit support agreement or similar undertaking of UBS Group AG, each of which shares, securities, participation securities or other obligations described in clauses (i) and (ii) of this definition qualify, or are issued in respect of a security that qualifies, as Tier 1 Capital of the Group and/or UBS Group AG (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis.

"**Tier 1 Shares**" means all classes of share capital and participation certificates (if any) of UBS Group AG or any subsidiary of UBS Group AG that qualify as common equity tier 1 capital of the Group and/or UBS Group AG under National Regulations on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis.

"**Trigger Breach Determination Date**" has the meaning assigned to such term in subclause (b)(i) of Condition 7 (*Trigger Event and Viability Event*).

"**Trigger CET1 Ratio**" means, as of any Publication Date, (i) the sum of (x) the CET1 Capital as of the relevant Balance Sheet Date and (y) the Higher-Trigger Amount as of such Publication Date,

divided by (ii) the BIS Risk Weighted Assets as of the relevant Balance Sheet Date, expressed as a percentage.

**"Trigger Event"** has the meaning assigned to such term in subclause (a)(ii) of Condition 7 (*Trigger Event and Viability Event*).

**"Trigger Event Conversion Date"** has the meaning assigned to such term in subclause (b)(i) of Condition 7 (*Trigger Event and Viability Event*).

**"Trigger Event Conversion Notice"** means a Trigger Event Notice given on or after the occurrence of a Conversion Capital Availability Event.

**"Trigger Event Notice"** has the meaning assigned to such term in subclause (b)(i) of Condition 7 (*Trigger Event and Viability Event*).

**"Trigger Event Notice Date"** means an Ordinary Trigger Event Notice Date or an Extraordinary Trigger Event Notice Date, as the case may be.

**"Trigger Event Write-down Date"** has the meaning assigned to such term in subclause (b)(i) of Condition 7 (*Trigger Event and Viability Event*).

**"Trigger Event Write-down Notice"** means a Trigger Event Notice given prior to the occurrence of a Conversion Capital Availability Event.

**"US"** or **"United States"** means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

**"US Exchange Act"** means the US Securities Exchange Act of 1934, as amended from time to time.

**"US Investment Company Act"** means the US Investment Company Act of 1940, as amended from time to time.

**"US Securities Act"** means the US Securities Act of 1933, as amended from time to time.

**"US Transfer Agent"** means Computershare Trust Company, N.A., in its capacity as US transfer agent for the Ordinary Shares, and includes any successor US transfer agent for the Ordinary Shares that may be appointed by UBS Group AG from time to time.

**"USD"** means United States dollars.

**"USD SOFR ICE Swap Rate"** means, on any Reset Determination Date, the USD SOFR ICE Swap Rate® (or any successor label for such rate applied by IBA) published by IBA that represents the annual mid rate as of the Relevant Time on such Reset Determination Date for USD swap transactions with a term of five years and a floating leg based on SOFR compounded in arrear for 12 months.

**"Viability Event"** has the meaning assigned to such term in subclause (c)(ii) of Condition 7 (*Trigger Event and Viability Event*).

**"Viability Event Conversion Date"** has the meaning assigned to such term in subclause (c)(i) of Condition 7 (*Trigger Event and Viability Event*).

**"Viability Event Conversion Notice"** means a Viability Event Notice in respect of which the Viability Event has occurred on or after the occurrence of a Conversion Capital Availability Event.

**"Viability Event Notice"** has the meaning assigned to such term in subclause (c)(i) of Condition 7 (*Trigger Event and Viability Event*).

**"Viability Event Write-down Date"** has the meaning assigned to such term in subclause (c)(i) of Condition 7 (*Trigger Event and Viability Event*).

**"Viability Event Write-down Notice"** means a Viability Event Notice in respect of which the Viability Event has occurred prior to the occurrence of a Conversion Capital Availability Event.

**"Volume Weighted Average Price"** means, in respect of an Ordinary Share or other Security on any dealing day, the order book volume-weighted average price (rounded to the same number of decimal places as the initial Conversion Price) of an Ordinary Share or such other Security, as the case may be, published on or by or derived from (i) in the case of an Ordinary Share, the relevant Bloomberg page, or (ii) in the case of a Security other than Ordinary Shares, the principal stock exchange or securities market on which such Security is then listed or quoted or dealt in, if any, or, in the case of each of clauses (i) and (ii), such other source as an Independent Adviser determines to be appropriate, on such dealing day, *provided* that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share or such other Security, as the case may be, in respect of such dealing day shall be (i) the Volume Weighted Average Price, determined as provided above, on the most recently preceding dealing day on which the same can be so determined, or (ii) determined in such other manner as an Independent Adviser determines to be appropriate.

**"Write-down Date"** means, with respect to any Contingent Write-down, the Trigger Event Write-down Date or Viability Event Write-down Date, as applicable.

## 2. AMOUNT, DENOMINATION AND FORM

### (a) *Amount and denomination*

The initial aggregate principal amount of the Notes will be USD 1,000,000,000. The Notes will be issued to Holders in minimum denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof. The principal amount of the Notes may be written down in the circumstances and in the manner described in Condition 8 (*Contingent Write-down*). The Notes may be held and transferred only in minimum denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof.

### (b) *Global Certificates*

(i) Notes that are initially sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A under the US Securities Act ("**Rule 144A**") are initially represented by one or more permanent registered global certificates (each, a "**Rule 144A Global Certificate**"), without interest coupons, deposited with the Fiscal Agent as custodian for, and registered in the name of Cede & Co. as nominee for, DTC. Notes that are initially sold in an "offshore transaction" within the meaning of Regulation S of the US Securities Act are initially represented by one or more permanent registered global certificates (each, a "**Regulation S Global Certificate**"), without interest coupons, deposited with the Fiscal Agent as custodian for, and registered in the name of Cede & Co. as nominee for, DTC, *provided* that upon such Regulation S Global Certificate's deposit, all beneficial interests in the Notes represented thereby are maintained at or through Euroclear and/or Clearstream, Luxembourg until expiration of the Distribution Compliance Period. The form of Regulation S Global Certificate and the form of Rule 144A Global Certificate are set out in the Fiscal Agency Agreement, which will be made available by the Registrar to any Holder or Indirect Holder upon written request.

(ii) The aggregate principal amount of the Notes represented by each of the Global Certificates may from time to time be increased or decreased by adjustments made on the records of the Registrar. Each Global Certificate shall have affixed a schedule for the purpose of recording adjustments in the aggregate principal amount thereof; *provided, however*, that, in the event of a discrepancy between the principal amounts recorded on such schedule and the amounts listed on the records of the Registrar, the principal amounts listed on the records of the Registrar will control. Any beneficial interest of an Indirect Holder in any Note represented by one of the Global Certificates that is transferred to a Person who takes delivery in the form of a beneficial interest in such Note represented by

another Global Certificate will, upon transfer, cease to be a beneficial interest in such first Global Certificate and become a beneficial interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Certificate for as long as it retains such an interest.

- (iii) So long as the Notes are represented by one or more Global Certificates deposited with, or with a custodian for, the Depository, the Holder of a Global Certificate may grant proxies and otherwise authorise any Person, including, without limitation, participants of a Relevant Clearing System and Persons that may hold interests through such participants, to take any action that the Holder is entitled to take under these Terms and Conditions or the Notes (including, without limitation, delivery of a Settlement Shares Settlement Notice following a Conversion Event in accordance with clause (j) of Condition 9 (*Conversion*)), and nothing in these Terms and Conditions will prevent the Issuer or the Agents or the Settlement Share Depository (if any) or any of their respective agents from giving effect to any such proxies or other authorisations furnished by the Holder of a Global Certificate for purposes of this subclause (b)(iii). Although the Holders are the only Persons entitled to participate in, and vote at, any meeting of Holders, so long as the Notes are represented by one or more Global Certificates deposited with, or with a custodian for, the Depository, the Holder of a Global Certificate shall (A) obtain instructions from the relevant Indirect Holders in respect of any meeting of Holders, (B) vote at such meeting in respect of each Note represented by such Global Certificate in accordance with the instructions received from the relevant Indirect Holder and (C) abstain from representing any Note represented by such Global Certificate at a meeting of Holders for which it has not received an instruction from the relevant Indirect Holder. Only the Notes represented by such Global Certificate for which the Holder received an instruction by the relevant Indirect Holder to take part at a meeting of Holders will be deemed to be present or represented at such meeting.

(c) *Definitive Certificates*

- (i) Definitive Notes in registered form (each, a "**Definitive Certificate**") shall be issued, and a Global Certificate will be exchanged, in whole, but not in part, for Definitive Certificates, if (and only if):
  - (A) the Depository notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to some or all of the Global Certificates, or ceases to be a "clearing agency" registered under the US Exchange Act; or
  - (B) at any time the Depository is no longer eligible to act as such, or the Notes cease for any reason to be eligible for clearing through the Depository, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility of the Depository or of the Notes, as the case may be, from or on behalf of the Depository; or
  - (C) issuance of the Definitive Certificates is required by Swiss or other applicable laws or regulations in connection with the enforcement of rights under the Notes; or
  - (D) the Issuer provides its consent.
- (ii) If a Global Certificate is to be exchanged for Definitive Certificates pursuant to subclause (i) of this clause (c), the Issuer will procure the prompt delivery (free of charge) of Definitive Certificates to the Fiscal Agent, duly executed without interest coupons, registered in the names of the relevant Indirect Holders, addresses and denominations provided in a written notice to be given by the Depository or the Issuer to the Fiscal Agent (which notice shall be given subject to the Depository's procedures and also specify the taxpayer identification number,



if any, of each Person in whose name such Definitive Certificates are to be registered). Upon written direction of the Issuer, the Fiscal Agent will deliver such Definitive Certificates to the Holders thereof no later than five Business Days after receipt by the Fiscal Agent of the written notice provided by the Depository (or the Issuer, as applicable) referred to above (and any other necessary information as the Fiscal Agent may reasonably request from the Issuer at such time). The Fiscal Agent shall promptly cancel and deliver to the Issuer the surrendered Global Certificates. The form of Definitive Certificate that will be issued in exchange for a beneficial interest in a Note represented by a Rule 144A Global Certificate and the form of Definitive Certificate that will be issued in exchange for a beneficial interest in a Note represented by a Regulation S Global Certificate are set out in the Fiscal Agency Agreement, which will be made available by the Registrar to any Holder or Indirect Holder upon written request.

- (iii) If Definitive Certificates have been issued pursuant to this Condition 2(c), any Definitive Certificate that is lost, stolen, mutilated, defaced or destroyed may be replaced, subject to applicable laws and regulations, at the Specified Office of the Fiscal Agent upon payment by the claimant of the fees, costs and expenses incurred by the Fiscal Agent and the Issuer in connection therewith and on such terms as to evidence, security and indemnity (which may provide, among other things, that if the Definitive Certificate allegedly or actually lost, stole or destroyed is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Certificate subsequently presented) as the Issuer may require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

### 3. TRANSFER

#### (a) *General*

- (i) Subject to Conditions 3(b) and 3(c), title to Notes will pass on transfer by assignment (*Zession*) and due registration in the Register. All transfers of Notes and entries on the Register will be made subject to the provisions concerning transfers of Notes set forth in the Fiscal Agency Agreement, which will be made available by the Registrar to any Holder or Indirect Holder upon written request.
- (ii) Transfers of Notes, or of beneficial interests in Notes represented by Global Certificates, may be made only in accordance with the legend set forth upon the face of the applicable Global Certificate or Definitive Certificate, and the Registrar will not be required to accept for registration of transfer any Note or beneficial interests in Notes except upon presentation of evidence satisfactory to the Fiscal Agent and the Registrar that such transfer is being made in compliance with such legend.
- (iii) Transfers of Notes and the issue of new Global Certificates or Definitive Certificates, as the case may be, on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to the transfer (or the giving of such indemnity as the Fiscal Agent or the Registrar may require) by the Holder.
- (iv) No Holder may require the transfer of a Note to be registered (x) if the Notes are to be redeemed pursuant to Condition 6 (*Redemption and Purchase*), during the period of 15 days ending on (and including) the relevant Redemption Date, or (y) during the period of 15 days ending on (and including) the Record Date for any Interest Payment Date.
- (v) No Person (including any Indirect Holder) other than the Holder(s) will have any rights, or be owed any obligations by the Issuer, under the Notes. Payments of principal, interest or any other amount in respect of Notes will be made only to

the Person shown on the Register as the registered holder of such Note (i.e., the Holder) at close of business on the relevant Record Date.

(b) *Transfer of Notes represented by a Global Certificate*

- (i) Global Certificates may be transferred only in whole, but not in part, and only to a Relevant Clearing System or any of their respective successors or nominees, in each case located outside of Switzerland, except as provided below. Beneficial interests of Indirect Holders in Notes represented by Global Certificates may be transferred only in accordance with the rules and procedures of such Relevant Clearing System, the provisions of the Fiscal Agency Agreement and this Condition 3(b).
- (ii) A beneficial interest in a Note represented by a Regulation S Global Certificate may be transferred to a Person who takes delivery in the form of a beneficial interest in a Note represented by a Rule 144A Global Certificate during the Distribution Compliance Period, only if such exchange occurs in connection with a transfer of beneficial interests in the Notes pursuant to Rule 144A and the transferor first delivers to the Fiscal Agent and the Registrar a written certificate substantially in the form of a certificate available on request from the Registrar to the effect that the beneficial interests in the Notes are being transferred to a Person who the transferor reasonably believes is a QIB within the meaning of Rule 144A under the US Securities Act, purchasing the beneficial interests in the Notes for its own account or the account of a QIB in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.
- (iii) A beneficial interest in a Note represented by a Rule 144A Global Certificate may be transferred to a Person who takes delivery in the form of a beneficial interest in a Note represented by a Regulation S Global Certificate, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Fiscal Agent and the Registrar a written certificate substantially in the form of a certificate available on request from the Registrar to the effect that the transfer is being conducted in compliance with Rule 903 or Rule 904 of Regulation S under the US Securities Act.
- (iv) Until the termination of the Distribution Compliance Period, beneficial interests in any Regulation S Global Certificate may be held only through participants acting for and on behalf of Euroclear and/or Clearstream, Luxembourg, *provided* that this subclause (iv) shall not prohibit any transfer in accordance with subclause (ii) of this Condition 3(b).

(c) *Transfer of Notes represented by a Definitive Certificate*

- (i) If and when Definitive Certificates have been issued pursuant to Condition 2(c), one or more Notes may be transferred only in accordance with the legends set forth upon the face of the relevant Definitive Certificate and only upon the surrender (at the Specified Office of the Registrar) of the Definitive Certificate representing such Notes to be transferred, together with the form of transfer attached to such Definitive Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Fiscal Agent and the Registrar may reasonably require. A new Definitive Certificate shall be issued to the transferee in respect of the Notes that are the subject of the relevant transfer and, in the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate in respect of the balance of the Notes not transferred shall be issued to the transferor. In the case of a transfer of Notes to a Person who is already a Holder, a new Definitive Certificate representing the enlarged holding may be issued but only against surrender of the Definitive Certificate representing the existing holding of such Person.

- (ii) Each new Definitive Certificate to be issued pursuant to Condition 2(c) shall be available for delivery within three Relevant Banking Days of receipt of the form of transfer and surrender of the relevant Definitive Certificate. Delivery of new Definitive Certificate(s) will be made at the Specified Office of the Fiscal Agent to which delivery and surrender of such form of transfer and Definitive Certificate or, as the case may be, surrender of such Definitive Certificate, will have been made or, at the option of the relevant Holder and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Definitive Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Fiscal Agent the costs of such other method of delivery and/or such insurance as it may specify.

(d) *Rule 144A*

Each Note that is initially sold in the United States to a QIB will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be sold, pledged or otherwise transferred, except (i) in accordance with Rule 144A to a Person that the Holder and any Person acting on its behalf reasonably believe is a QIB that is acquiring the Notes for its own account or for the account of one or more QIBs, (ii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the US Securities Act, (iii) pursuant to an exemption from registration under Rule 144 under the US Securities Act, or in accordance with another exemption from, or in a transaction not subject to, registration under the US Securities Act, if available, or (iv) pursuant to an effective registration statement under the US Securities Act, in each case, in accordance with any applicable securities laws of any state of the United States.

4. **STATUS AND SUBORDINATION**

(a) *Status*

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders against the Issuer under the Notes are subordinated as described in clause (b) of this Condition 4.

(b) *Subordination*

In the event of (i) a Bankruptcy Event or (ii) an order being made, or an effective resolution being passed, for the liquidation or winding-up of the Issuer (except, in any such case, a solvent liquidation or winding-up of the Issuer solely for purposes of a reorganisation, reconstruction or amalgamation of the Issuer or the substitution in place of the Issuer of a successor in business to the Issuer, the terms of which reorganisation, reconstruction, amalgamation or substitution (x) have previously been approved by a valid resolution of the Holders and (y) do not provide that the Notes shall become redeemable in accordance with these Terms and Conditions),

- (i) if such event occurs (x) prior to the occurrence of a Conversion Capital Availability Event, or (y) on or after the occurrence of a Conversion Capital Availability Event but prior to the occurrence of a Conversion Event, the rights and claims of the Holders against the Issuer in respect of or arising under (including, without limitation, any damages awarded for breach of any obligation under) the Notes will, subject to any obligations that are mandatorily preferred by law, rank (A) junior to the rights and claims of all holders of Senior Obligations, (B) *pari passu* with the rights and claims of holders of Parity Obligations, and (C) senior to the rights and claims of holders of Junior Obligations; *provided, however*, that, if a Conversion Event subsequently occurs while such Bankruptcy Event or liquidation or winding-up, as the case may be, is continuing, the rights and claims of the Holders against the Issuer in respect of the delivery of Ordinary

Shares in accordance with Condition 9 (*Conversion*) will rank as set forth in subclause (ii) below; or

- (ii) if such event occurs on or after the occurrence of a Conversion Event, the rights and claims of the Holders against the Issuer in respect of the delivery of Ordinary Shares in accordance with Condition 9 (*Conversion*) will rank (A) junior to the rights and claims of all holders of Senior Obligations, (B) junior to the rights and claims of holders of Parity Obligations, and (C) *pari passu* with the rights and claims of holders of Junior Obligations.

- (c) *Claims subject to a Contingent Write-down or a Conversion*

Any claim of any Holder in respect of or arising under the Notes (including, without limitation, any claim in relation to any unsatisfied payment obligation of the Issuer subject to enforcement by any Holder pursuant to Condition 13 (*Events of Default*) or in relation to the occurrence of any other Event of Default) will be subject to, and superseded by, Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*), as applicable, irrespective of whether the relevant Trigger Event or Viability Event, as applicable, has occurred, or, in the case of a Viability Event, the relevant Viability Event Notice has been given, prior to or after the occurrence of an Event of Default or any other event.

## 5. INTEREST

- (a) *Interest Payment Dates*

- (i) Subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*) and clause (h) of this Condition 5, the Notes will bear interest on their principal amount (A) from (and including) the Issue Date to (but excluding) the First Call Date, at the Fixed Interest Rate, and (B) thereafter, at the applicable Reset Interest Rate.
- (ii) Subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*) and clause (i) of this Condition 5, interest on the Notes will be payable semi-annually in arrear on 12 April and 12 October of each year (each, an "**Interest Payment Date**"), commencing on 12 April 2024.

- (b) *Determination of the Mid Market Swap Rate, the Reset Interest Rate and the Reset Interest Amount in relation to each Reset Interest Period*

With respect to each Reset Interest Period and subject to clause (c) of this Condition 5, the Calculation Agent will, as soon as practicable after the Relevant Time on the Reset Determination Date in relation to such Reset Interest Period, determine the Mid Market Swap Rate and the Reset Interest Rate for such Reset Interest Period and calculate the amount of interest payable per Calculation Amount on the Interest Payment Date in relation to each Interest Period falling in such Reset Interest Period (each, a "**Reset Interest Amount**").

- (c) *Benchmark replacement*

If the Issuer (in consultation with the Calculation Agent) determines prior to any Reset Determination Date that (x) the rate referred to in clause (a) of the definition of the term "Mid Market Swap Rate" (the "**Existing Benchmark Rate**") has been discontinued or (y) there has been a public statement or publication of information by the administrator of the Existing Benchmark Rate or the regulatory supervisor for the administrator of the Existing Benchmark Rate announcing that the Existing Benchmark Rate is no longer representative, then the following provisions shall apply (subject to the subsequent operation of this clause (c)):

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine in the Independent Adviser's discretion, in accordance with subclause (iv) below, an alternative rate to the Existing Benchmark Rate (the "**Alternative Benchmark Rate**") no later than three Business Days prior to the

Reset Determination Date relating to the next succeeding Reset Interest Period (such Business Day, the "**Independent Adviser Determination Cut-off Date**", and such next succeeding Reset Interest Period, the "**Affected Reset Interest Period**") for purposes of determining the Mid Market Swap Rate in respect of the Affected Reset Interest Period and all Reset Interest Periods thereafter;

- (ii) if prior to the Independent Adviser Determination Cut-off Date the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by the Issuer fails to determine an Alternative Benchmark Rate in accordance with subclause (iv) below, then the Issuer (in consultation with the Calculation Agent) may determine in its discretion, in accordance with subclause (iv) below, the Alternative Benchmark Rate for purposes of determining the Mid Market Swap Rate in respect of the Affected Reset Interest Period and all Reset Interest Periods thereafter;
- (iii) if subclause (ii) above applies and the Issuer is unable or unwilling to determine the Alternative Benchmark Rate prior to the Reset Determination Date relating to the Affected Reset Interest Period in accordance with subclause (iv) below, the Mid Market Swap Rate in respect of the Affected Reset Interest Period will be equal to the Mid Market Swap Rate in respect of the immediately preceding Reset Interest Period (or, if there is no preceding Reset Interest Period, the Reset Interest Rate applicable to the Affected Reset Interest Period will be equal to the Fixed Interest Rate); *provided, however*, that, if this subclause (iii) applies to the Affected Reset Interest Period, the Reset Interest Rate for all succeeding Reset Interest Periods will be the Reset Interest Rate applicable to the Affected Reset Interest Period as determined in accordance with this subclause (iii) unless (A) the Issuer, in its sole discretion, elects to determine an Alternative Benchmark Rate in respect of any such succeeding Reset Interest Period and all Reset Interest Periods thereafter in accordance with the processes set out in this clause (c), and (B) an Alternative Benchmark Rate is so determined;
- (iv) in the case of any determination of an Alternative Benchmark Rate pursuant to subclause (i) or (ii) above, such Alternative Benchmark Rate will be such rate as the Independent Adviser or the Issuer (in consultation with the Calculation Agent), as applicable, determines in its reasonable discretion has replaced the Existing Benchmark Rate in customary market usage, or, if the Independent Adviser or the Issuer, as applicable, determines in its reasonable discretion that there is no such rate, such other rate as the Independent Adviser or the Issuer (in consultation with the Calculation Agent) determines in its reasonable discretion is most comparable to the Existing Benchmark Rate; and
- (v) if the Independent Adviser or the Issuer determines an Alternative Benchmark Rate in accordance with the above provisions of this clause (c),
  - (A) the Independent Adviser (in the case of subclause (2) below, in consultation with the Issuer) or, following consultation with the Calculation Agent, the Issuer (as the case may be) shall also determine in its reasonable discretion (1) the method for obtaining such Alternative Benchmark Rate, including the page on or source from which such Alternative Benchmark Rate appears or is obtained (the "**Alternative MMSR Page**"), and the time at which such Alternative Benchmark Rate appears on, or is obtained from, the Alternative MMSR Page (the "**Alternative Relevant Time**"), (2) whether to apply an Adjustment Spread to such Alternative Benchmark Rate and, if so, the Adjustment Spread, which Adjustment Spread must be recognised or acknowledged as being in customary market usage in international debt capital markets transactions that reference the Existing Benchmark Rate, where such rate has been replaced by such Alternative Benchmark Rate, and (3) any alternative method for determining the Mid Market Swap Rate if such Alternative Benchmark Rate is unavailable on the relevant Reset

Determination Date, which alternative method shall be consistent with any Alternative Benchmark Rate that has broad market support;

- (B) for the Affected Reset Interest Period and all Reset Interest Periods thereafter, (1) clause (a) of the definition of the term "Mid Market Swap Rate" shall be amended pursuant to clause (c) of Condition 14 (*Meetings of Holders; Substitution and Amendment*) to give effect to the determination described in subclause (A)(1) above and any Adjustment Spread determined pursuant to subclause (A)(2) above, and (2) clause (b) of the definition of the term "Mid Market Swap Rate" shall be amended pursuant to clause (c) of Condition 14 (*Meetings of Holders; Substitution and Amendment*) to give effect to the determination described in subclause (A)(3) above;
- (C) references to the MMSR Page and the Relevant Time in these Terms and Conditions will be deemed to be references to the Alternative MMSR Page and the Alternative Relevant Time, respectively;
- (D) if any changes to the definitions of the terms "Business Day", "Day Count Fraction", "Payment Business Day" and/or "Reset Determination Date" are necessary in order to implement the amendments described in subclause (B) above, such definitions shall be amended pursuant to clause (c) of Condition 14 (*Meetings of Holders; Substitution and Amendment*) to reflect such changes; and
- (E) the Issuer shall promptly give notice to the Holders in accordance with Condition 15 (*Notices*) specifying such Alternative Benchmark Rate (including any Adjustment Spread determined pursuant to subclause (A)(2) above and any alternative method for determining the Mid Market Swap Rate described in subclause (A)(3) above), the Alternative MMSR Page, the Alternative Relevant Time, and any amendments implemented pursuant to clause (c) of Condition 14 (*Meetings of Holders; Substitution and Amendment*) as described in subclauses (B) and (D) above.

Any determination that is made by an Independent Adviser or by the Issuer for purposes of this clause (c) will be made in good faith and in a commercially reasonable manner.

(d) *Publication of Reset Interest Rate and interest amount payable upon redemption*

With respect to each Reset Interest Period, as soon as practicable after such determination but in any event no later than the relevant Reset Date, the Calculation Agent will cause (i) the relevant Reset Interest Rate and the relevant Reset Interest Amount determined by it, together with the Interest Payment Date in relation to each Interest Period falling in such Reset Interest Period, to be notified to the Issuer and the Paying Agents and (ii) the relevant Reset Interest Rate determined by it to be notified to any stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Condition 15 (*Notices*).

The Calculation Agent shall calculate any interest amount payable on any Redemption Date (if the Notes are to be redeemed pursuant to Condition 6 (*Redemption and Purchase*)) and cause such interest amount to be notified to Issuer and the Paying Agents and to any stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Condition 15 (*Notices*) no later than two Business Days prior to such Redemption Date.

(e) *Calculation of amount of interest payable per Calculation Amount*

Subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*) and clause (i) of this Condition 5:

- (i) the amount of interest payable per Calculation Amount on each Interest Payment Date to (and including) the First Call Date in respect of the Notes will be (A) in the case of the first Interest Payment Date, USD 12.917, and (B) otherwise, USD 38.75; and
- (ii) if interest is required to be paid in respect of a Note on any other date (including, for the avoidance of doubt, the Reset Interest Amount), the amount of interest payable per Calculation Amount on such date will be calculated by:
  - (A) applying the applicable Interest Rate to the Calculation Amount;
  - (B) multiplying the product thereof by the Day Count Fraction; and
  - (C) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(f) *Calculation of amount of interest payable per Note*

Subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*) and clause (i) of this Condition 5, the amount of interest payable in respect of a Note will be the product of:

- (i) the amount of interest per Calculation Amount; and
- (ii) the number by which the Calculation Amount is required to be multiplied to equal the denomination of such Note.

(g) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for purposes of this Condition 5, whether by the Reset Reference Banks (or any of them) or the Calculation Agent or the Independent Adviser, will (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Agents and the Holders and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders will attach to the Reset Reference Banks (or any of them), the Calculation Agent or the Independent Adviser in connection with the exercise or non-exercise by the Calculation Agent or the Independent Adviser of its powers, duties and discretions under this Condition 5.

(h) *Accrual of interest in the case of redemption or a Trigger Event or a Viability Event*

- (i) Subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*), if the Notes are to be redeemed pursuant to clause (b), (c) or (d) of Condition 6 (*Redemption and Purchase*), interest on the Notes will accrue to (but excluding) the relevant Redemption Date, and will cease to accrue on such Redemption Date; *provided, however*, that if the payment with respect to any Note is improperly withheld or refused on such Redemption Date, interest will continue to accrue on the principal amount of such Note (both before and after judgment) at the relevant Interest Rate to the Relevant Date.
- (ii) Upon the occurrence of a Trigger Event or a Viability Event, interest on the Notes will cease to accrue from (and including) the date on which such Trigger Event or Viability Event occurs.

(i) *Cancellation of interest; prohibited interest*

- (i) The Issuer may, in its sole discretion, elect to cancel all or part of any payment of interest on the Notes (including, for the avoidance of doubt, any related Additional Amounts) that is otherwise scheduled to be paid on an Interest Payment Date. This subclause (i)(i) is without prejudice to the provisions of subclause (i)(ii) of this Condition 5. Non-payment of any amount of interest by the Issuer to the Fiscal Agent will constitute evidence of cancellation of the

relevant payment, whether or not notice of cancellation has been given by the Issuer.

If practicable, the Issuer shall provide notice of any cancellation of interest (in whole or in part) pursuant to this subclause (i)(i) to the Holders on or prior to the relevant Interest Payment Date. If practicable, the Issuer shall endeavour to provide such notice at least five Business Days prior to the relevant Interest Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give Holders any rights as a result of such failure.

(ii) The Issuer will be prohibited from making, in whole or in part, any payment of interest on the Notes (including, for the avoidance of doubt, any related Additional Amounts) on the relevant Interest Payment Date if and to the extent that:

(A) the amount of Distributable Items as at such Interest Payment Date is less than the sum of (1) the amount of such interest payment, plus (2) all other payments (other than redemption payments) made by UBS Group AG on or in respect of the Notes or any Parity Obligations or Junior Obligations since the balance sheet date of the Relevant Accounts and prior to such Interest Payment Date, plus (3) all payments (other than redemption payments) payable by UBS Group AG on such Interest Payment Date on or in respect of any Parity Obligations or Junior Obligations, in the case of each of subclauses (1), (2) and (3), excluding any portion of such payments already accounted for in determining the amount of such Distributable Items; and/or

(B) UBS Group AG is not, or will not immediately after the relevant payment of interest be, in compliance with all applicable minimum capital adequacy requirements of the National Regulations on a consolidated (*Finanzgruppe*) basis (for the avoidance of doubt, it being understood that such minimum requirements will reflect any reduction in such requirements granted by FINMA to the Group pursuant to the Capital Adequacy Ordinance); and/or

(C) FINMA has required the Issuer not to make such interest payment.

The Issuer shall deliver a certificate signed by the Authorised Signatories to the Fiscal Agent and shall give notice in accordance with Condition 15 (*Notices*) to the Holders, in each case as soon as practicable following any determination that interest is required to be cancelled pursuant to this subclause (i)(ii) or, where no such prior determination is made, promptly following any Interest Payment Date on which interest was scheduled to be paid if such interest is being cancelled in accordance with this subclause (i)(ii), to such effect setting out brief details as to the amount of interest being cancelled and the reason therefor. Failure to provide such certificate and notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or give any Holder any rights as a result of such failure.

(iii) If, on any Interest Payment Date, any payment of interest scheduled to be made on such date is not made in full pursuant to subclause (i)(i) or subclause (i)(ii) of this Condition 5, UBS Group AG shall not, directly or indirectly,

(A) recommend to Shareholders that any dividend or other distribution in cash or in kind (other than in the form of Ordinary Shares) be paid or made on any Ordinary Shares; or

(B) redeem, purchase or otherwise acquire any Ordinary Shares other than as a Permitted Transaction,



in each case unless and until (x) the interest payment due and payable on the Notes on any subsequent Interest Payment Date has been paid in full (or an amount equal to the same has been paid in full to a designated third party trust account for the benefit of the Holders prior to payment by the trustee thereof to the Holders on such subsequent Interest Payment Date) or, if earlier, (y) all outstanding Notes have been cancelled in accordance with these Terms and Conditions.

- (iv) Payments of interest on the Notes are not cumulative. Notwithstanding any other provision in these Terms and Conditions, the cancellation or non-payment of any interest amount by virtue of this Condition 5(i) will not constitute a default for any purpose (including, without limitation, Condition 13 (*Events of Default*)) on the part of the Issuer. Any interest payment not paid by virtue of this Condition 5(i) will not accumulate or be payable at any time thereafter, and Holders will have no right thereto.
- (v) If UBS Group AG determines, after consultation with FINMA, that the Notes do not, or will cease to, fully qualify as Additional Tier 1 Capital, (A) the Issuer shall not, to the extent permitted under National Regulations, exercise its discretion pursuant to subclause (i)(i) of this Condition 5 to cancel any interest payments due on the Notes on any Interest Payment Date following the occurrence of such determination, and (B) the Issuer shall give notice to the Holders in accordance with Condition 15 (*Notices*) as soon as practicable after such determination stating that the Issuer may no longer exercise its discretion pursuant to subclause (i)(i) of this Condition 5 to cancel any interest payments as from the date of such notice.

## 6. REDEMPTION AND PURCHASE

### (a) *No fixed redemption date*

The Notes are perpetual securities in respect of which there is no fixed redemption date. Unless previously redeemed (including by way of Conversion pursuant to Condition 9 (*Conversion*)) or purchased and cancelled in accordance with this Condition 6 and subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*), the Notes are perpetual and may only be redeemed or purchased in accordance with this Condition 6.

### (b) *Redemption at the option of the Issuer*

Subject to clause (e) of this Condition 6, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on the First Call Date or any Interest Payment Date thereafter at their aggregate principal amount, together with any accrued and unpaid interest thereon to (but excluding) the relevant Redemption Date.

### (c) *Redemption due to a Tax Event*

(i) Subject to clause (e) of this Condition 6, upon the occurrence of a Tax Event at any time after the Issue Date, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on the relevant Redemption Date at their aggregate principal amount, together with any accrued and unpaid interest thereon to (but excluding) such Redemption Date.

(ii) A "**Tax Event**" will have occurred if the Issuer in making any payments on the Notes (A) has paid, or will or would on the next payment date be required to pay, Additional Amounts, or (B) has paid, or will or would be required to pay, any additional Tax in respect of the Notes, in the case of each of subclauses (A) and (B), under the laws or regulations of a Tax Jurisdiction or any political subdivision thereof or any authority of or in a Tax Jurisdiction or any political subdivision thereof having the power to impose, levy, collect, withhold or assess Taxes, including, without limitation, any treaty to which a Tax Jurisdiction is a party, or any generally published application or interpretation of such laws (including, without limitation, a decision of any court or tribunal, any generally published

application or interpretation of such laws by any relevant tax authority or any generally published pronouncement by any relevant tax authority), and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

(d) *Redemption due to a Regulatory Event*

- (i) Subject to clause (e) of this Condition 6, upon the occurrence of a Regulatory Event at any time after the Issue Date, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on the relevant Redemption Date at their aggregate principal amount, together with any accrued and unpaid interest thereon to (but excluding) such Redemption Date.
- (ii) A "**Regulatory Event**" will have occurred if any of the Notes ceases to be eligible in full to be (A) treated as Additional Tier 1 Capital, and/or (B) counted towards either the Going-Concern LR Requirement or the Going-Concern RWA Requirement (or both).

(e) *Conditions for redemption*

- (i) If the Issuer elects to redeem the Notes pursuant to clause (b), (c) or (d) of this Condition 6, then the Issuer shall give the Holders not less than 15 and not more than 60 days' prior notice in accordance with Condition 15 (*Notices*) (a "**Redemption Notice**"), which notice shall, subject to subclauses (ii) and (iii) of this clause (e), be irrevocable and specify (x) the clause of this Condition 6 pursuant to which the redemption is to be made, (y) if any Definitive Certificates have been issued, the method by which Notes to be redeemed will be tendered, and (z) the date (which date, in the case of a redemption pursuant to clause (c) or (d) of this Condition 6, shall be a Payment Business Day) on which the Issuer will redeem the Notes pursuant to such clause of this Condition 6 (such specified date, the "**Redemption Date**").
- (ii) The Issuer may only redeem the Notes pursuant to clause (b) or (c) of this Condition 6 on the relevant Redemption Date if FINMA has approved such redemption on or prior to such Redemption Date, if such approval is then required under applicable Swiss laws and regulations.
- (iii) The Issuer may only redeem the Notes pursuant to any clause of this Condition 6 on the relevant Redemption Date if no Trigger Event or Viability Event has occurred prior to such Redemption Date.
- (iv) If the Issuer elects to redeem the Notes pursuant to clause (c) or (d) of this Condition 6, then prior to the publication of the Redemption Notice pursuant to subclause (e)(i) of this Condition 6, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by the Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem under clause (c) or (d), as applicable, of this Condition 6 is satisfied and the reasons therefor and such certificate will be conclusive and binding on the Holders, and (B) in the case of a redemption pursuant to clause (c) of this Condition 6 only, an opinion of independent legal advisers of recognised standing to the effect that circumstances entitling the Issuer to exercise its right of redemption under clause (c) of this Condition 6 have arisen.

(f) *Purchases*

The Issuer or any other member of the Group or any of their respective affiliates may at any time purchase Notes at any price in the open market or otherwise, *provided* that (i) such purchase complies with any limits or conditions to which any member of the Group is subject under applicable banking laws and regulations at the time of such purchase, (ii) other than in the case of purchases made in connection with stabilisation measures in compliance with applicable law or in connection with any market making in the Notes, FINMA has approved such purchase (if such approval is then required under

applicable Swiss laws and regulations) on or prior to the date of such purchase, and (iii) no Trigger Event or Viability Event has occurred prior to the date of such purchase. Any Notes so purchased may, at the option of the Issuer, be held, reissued, resold or cancelled.

(g) *Cancellation*

All Notes redeemed in accordance with this Condition 6 or by way of Conversion pursuant to Condition 9 (*Conversion*) will be cancelled and may not be reissued or resold; *provided, however*, that, in the case of Notes redeemed by way of Conversion, the Issuer will not take any action to cause such Notes to be removed from the Relevant Clearing System prior to the later of (i) the applicable Settlement Date and (ii) the Final Cancellation Date. Following the issuance and delivery of the relevant Ordinary Shares to the Settlement Share Depository on the Conversion Date and until the later of (i) the applicable Settlement Date and (ii) the Final Cancellation Date, the Notes will evidence solely the Holder's right to receive Ordinary Shares and/or cash proceeds, as the case may be, from the Settlement Share Depository or the Settlement Shares Offer Agent (or such other relevant recipient).

(h) *Redemption of other instruments*

For the avoidance of doubt, it is understood that, if, upon the occurrence of a Tax Event or a Regulatory Event, the Issuer does not elect to redeem the Notes pursuant to this Condition 6, nothing in this Condition 6 or any other provision of these Terms and Conditions will prohibit the Issuer from redeeming (whether early, at maturity or otherwise) any other instruments issued by any member of the Group pursuant to the terms thereof.

## 7. TRIGGER EVENT AND VIABILITY EVENT

(a) *Trigger Event*

(i) Upon the occurrence of a Trigger Event:

(A) if such Trigger Event occurs prior to the occurrence of a Conversion Capital Availability Event, a Contingent Write-down will occur on the applicable Trigger Event Write-down Date in accordance with Condition 8 (*Contingent Write-down*); or

(B) if such Trigger Event occurs on or after the occurrence of a Conversion Capital Availability Event, a Conversion will occur on the applicable Trigger Event Conversion Date in accordance with Condition 9 (*Conversion*).

(ii) A "**Trigger Event**" will have occurred if the Issuer gives the Holders a Trigger Event Notice in accordance with clause (b) of this Condition 7.

(b) *Trigger Event Notice*

(i) If, with respect to any Publication Date, the Trigger CET1 Ratio as of such Publication Date is less than the Threshold Ratio, the Issuer shall, subject to subclauses (ii) and (iii) of this Condition 7(b), give a notice (a "**Trigger Event Notice**") to the Holders in accordance with Condition 15 (*Notices*) (x) if such Publication Date is an Ordinary Publication Date, within five Business Days of such Ordinary Publication Date (such fifth Business Day, the "**Trigger Breach Determination Date**", and the date of such notice, the "**Ordinary Trigger Event Notice Date**"), and (y) if such Publication Date is an Extraordinary Publication Date, on such Extraordinary Publication Date (the "**Extraordinary Trigger Event Notice Date**"), which notice shall:

(A) if such Trigger Event Notice is given prior to the occurrence of a Conversion Capital Availability Event (1) state that the Trigger CET1 Ratio as of such Publication Date is less than the Threshold Ratio,

and a Contingent Write-down will take place, and (2) specify the date on which the Contingent Write-down will take place, which date shall, subject to postponement pursuant to subclause (ii) of this Condition 7(b), be no later than 10 Business Days after the date of such notice (the "**Trigger Event Write-down Date**"); or

- (B) if such Trigger Event Notice is given on or after the occurrence of a Conversion Capital Availability Event, (1) state that the Trigger CET1 Ratio as of such Publication Date is less than the Threshold Ratio, and a Conversion will take place, (2) specify the date on which the Conversion will take place, which date shall, subject to postponement pursuant to subclause (ii) of this Condition 7(b), be no more than 20 Business Days after the date of such notice (the "**Trigger Event Conversion Date**"), (3) specify the Conversion Price in effect on the date of such Trigger Event Notice, and (4) specify the details of the arrangement for the settlement of the Conversion (including whether or not the Issuer will appoint a Settlement Shares Offer Agent to conduct a Settlement Shares Offer, the Suspension Date, the details of the Settlement Share Depository (including its Specified Office) or, if the Issuer is unable to appoint a Settlement Share Depository prior to giving of such notice, the other arrangements it has made in accordance with subclause (h)(i) of Condition 9 (*Conversion*) for the issuance and delivery of the Ordinary Shares to be issued and delivered upon Conversion to the Holders, the procedures Holders must follow to obtain delivery of the Ordinary Shares from the Settlement Share Depository, the Settlement Notice Cut-Off Date and the Final Cancellation Date).
- (ii) If a Trigger Event Notice is required to be given pursuant to subclause (i) of this Condition 7(b), and on the relevant Publication Date any Higher-Trigger Contingent Capital is outstanding with respect to which either (x) no Higher-Trigger Write-down/Conversion Notice has been given prior to the Trigger Event Notice Date or (y) a Higher-Trigger Write-down/Conversion Notice has been given prior to the Trigger Event Notice Date, but the Trigger Event Write-down Date or the Trigger Event Conversion Date, as applicable, is scheduled to occur prior to the relevant Higher-Trigger Write-down/Conversion Date,
  - (A) in the case of subclause (x) above, the giving of such Trigger Event Notice will be postponed until the date on which a Higher-Trigger Write-down/Conversion Notice has been given with respect to all such outstanding Higher-Trigger Contingent Capital and such date will be deemed to be the Trigger Event Notice Date; and
  - (B) in the case of subclauses (x) and (y) above, if the Trigger Event Write-down Date or the Trigger Event Conversion Date, as applicable, is scheduled to occur prior to the Higher-Trigger Write-down/Conversion Date (or, in the case of more than one Higher-Trigger Write-down/Conversion Date, the latest Higher-Trigger Write-down/Conversion Date), the Trigger Event Write-down Date or the Trigger Event Conversion Date, as applicable, will be postponed to the Higher-Trigger Write-down/Conversion Date (or the latest Higher-Trigger Write-down/Conversion Date, as applicable) and such postponement shall be specified in such Trigger Event Notice.
- (iii) If (A) a Trigger Event Notice is required to be given pursuant to subclause (i) of this Condition 7(b) in relation to an Ordinary Publication Date, and (B) prior to the earlier of the Ordinary Trigger Event Notice Date and the Trigger Breach Determination Date, FINMA, upon the request of UBS Group AG, has agreed in writing that a Contingent Write-down or a Conversion, as applicable, is not required as a result of actions taken by the Group or circumstances or events, in each case, that have had, or imminently will have, the effect of restoring the CET1 Ratio as of the Balance Sheet Date relating to the relevant Ordinary

Publication Date, after giving pro forma effect to such actions, circumstances or events, to a level above the Threshold Ratio that FINMA and UBS Group AG deem, in their sole discretion, to be adequate at such time, (x) the Issuer shall not give such Trigger Event Notice pursuant to subclause (i) of this Condition 7(b) in relation to the relevant Ordinary Publication Date, and (y) the Issuer shall give notice to the Holders on or prior to the Trigger Breach Determination Date in accordance with Condition 15 (*Notices*), which notice shall state that no Contingent Write-down or Conversion, as applicable, will occur in relation to the relevant Ordinary Publication Date.

(c) *Viability Event*

(i) Subject to clause (e) of this Condition 7, upon the occurrence of a Viability Event:

(A) the Issuer shall give notice (a "**Viability Event Notice**") to the Holders in accordance with Condition 15 (*Notices*) within three days of the date on which such Viability Event occurred, which notice shall:

(1) if such Viability Event occurs prior to the occurrence of a Conversion Capital Availability Event, (x) state that a Viability Event has occurred and a Contingent Write-down will take place and (y) specify the date on which the Contingent Write-down will take place, which date shall be no later than 10 Business Days after the date of such notice (such specified date, the "**Viability Event Write-down Date**"); or

(2) if such Viability Event occurs on or after the occurrence of a Conversion Capital Availability Event, (w) state that a Viability Event has occurred and a Conversion will take place, (x) specify the date on which the Conversion will take place, which date shall be no more than 20 Business Days following the occurrence of the Viability Event (the "**Viability Event Conversion Date**"), (y) specify the Conversion Price in effect on the date of such Viability Event Notice, and (z) specify the details of the arrangements for the settlement of the Conversion (including the Suspension Date, the details of the Settlement Share Depository (including its Specified Office) or, if the Issuer is unable to appoint a Settlement Share Depository prior to giving of such notice, the other arrangements it has made in accordance with subclause (h)(i) of Condition 9 (*Conversion*) for the issuance and delivery of the Ordinary Shares to be issued and delivered upon Conversion to the Holders, the procedures Holders must follow to obtain delivery of the Ordinary Shares from the Settlement Share Depository, the Settlement Notice Cut-Off Date and the Final Cancellation Date); and

(B) if such Viability Event occurs prior to the occurrence of a Conversion Capital Availability Event, a Contingent Write-down will occur on the applicable Viability Event Write-down Date in accordance Condition 8 (*Contingent Write-down*); or

(C) if such Viability Event occurs on or after the occurrence of a Conversion Capital Availability Event, a Conversion will occur on the applicable Viability Event Conversion Date in accordance with Condition 9 (*Conversion*).

(ii) A "**Viability Event**" will have occurred if prior to an Alternative Loss Absorption Date (if any):

(A) FINMA has notified UBS Group AG in writing that it has determined a conversion or write-down, as applicable, of holders' claims in respect of

the Notes and all other capital instruments issued by, or other capital obligations (whether qualifying fully or partially for capital treatment) of, any member of the Group that, pursuant to their terms or by operation of law, are capable of being converted into equity or written down at that time, is, because customary measures to improve the Group Holding Company's capital adequacy are at the time inadequate or infeasible, an essential requirement to prevent the Group Holding Company from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business; or

- (B) customary measures to improve the Group Holding Company's capital adequacy being at the time inadequate or infeasible, the Group Holding Company has received an irrevocable commitment of direct or indirect extraordinary support from the Public Sector (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving the Group Holding Company's capital adequacy and without which, in the determination of (and as notified in writing by) FINMA, the Group Holding Company would have become insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business.

For the avoidance of doubt, it is understood that a Viability Event may occur irrespective of whether or not a Trigger Event has occurred or whether any of the conditions to the issuance of a Trigger Event Notice have been met.

(d) *Determination of CET1 Ratio and Trigger CET1 Ratio*

With respect to any Publication Date, (i) the CET1 Ratio as of the relevant Balance Sheet Date, (ii) the Trigger CET1 Ratio as of such Publication Date and (iii) the components of both of the foregoing, in each case, as published on such Publication Date, will be final for purposes of this Condition 7, and any revisions, restatements or adjustments to any of the calculations described in subclauses (i) through (iii) of this clause (d) subsequently published will have no effect for purposes of this Condition 7.

(e) *Alternative loss absorption*

In the event of the implementation of any new, or amendment to or change in the interpretation of any existing, laws or components of National Regulations, in each case occurring after the Issue Date, that alone or together with any other law(s) or regulation(s) has, in the joint determination of UBS Group AG and FINMA, the effect that clause (c) of this Condition 7 could cease to apply to the Notes without giving rise to a Regulatory Event, then the Issuer shall give notice to the Holders in accordance with Condition 15 (*Notices*) no later than five Business Days after such joint determination stating that such provisions will cease to apply from the date of such notice (the "**Alternative Loss Absorption Date**"), and from the date of such notice, such provisions will cease to apply to the Notes.

(f) *Conversion Capital Availability Event*

- (i) A "**Conversion Capital Availability Event**" will have occurred on the first date after the Issue Date on which an amendment to the Articles of Association is registered in the main register (*Hauptregister*) of the Commercial Register (*Handelsregister*) of the Canton of Zurich as a result of which the Conversion Capital provided for in the Articles of Association meets or exceeds the Minimum Conversion Capital Availability Amount. For purposes of these Terms and Conditions, a Conversion Capital Availability Event may occur only once.

For purposes of the definition of Conversion Capital Availability Event:

"**Articles of Association**" means, at any time, the articles of association (*Statuten*) of UBS Group AG in effect at such time.

**"Minimum Conversion Capital Availability Amount"** means, at any time, the amount of Conversion Capital that UBS Group AG would require in order for it to create and issue:

- (A) the number of Ordinary Shares into which the Notes outstanding at such time would be converted if they were to be converted at the Conversion Price in effect at such time and otherwise in accordance with these Terms and Conditions; and
- (B) if any Other Tier 1 Contingent Convertible Capital Notes are outstanding at such time, the number of Ordinary Shares into which such Other Tier 1 Contingent Convertible Capital Notes would be converted if they were to be converted at the conversion price then in effect pursuant to, and otherwise in accordance with, their respective terms at such time,

in each case, out of such Conversion Capital.

**"Other Tier 1 Contingent Convertible Capital Note"** means any capital instrument (other than the Notes) that:

- (A) is eligible in full to be (x) treated as Additional Tier 1 Capital and (y) counted towards either the Going-Concern LR Requirement or the Going-Concern RWA Requirement (or both); and
- (B) subject to the terms and conditions thereof, is to be:
  - (x) converted into Ordinary Shares; or
  - (y) after a Conversion Capital Availability Event (or equivalent event described in the terms and conditions thereof) occurs, converted into Ordinary Shares,

in either case, when the CET1 Ratio (or equivalent capital measure of the Group described in the terms and conditions thereof) falls below a certain threshold and/or a Viability Event (or equivalent event described in the terms and conditions thereof) occurs.

As of 7 February 2024, the outstanding Other Tier 1 Contingent Convertible Capital Notes consisted of (1) the 9.250 per cent. Tier 1 Capital Notes (ISIN: US902613BF40 (144A); USH42097ES26 (Reg S)) issued by UBS Group AG in an aggregate principal amount of USD 1,750,000,000 on 13 November 2023, and (2) the 9.250 per cent. Tier 1 Capital Notes (ISIN: US902613BE74 (144A); USH42097ER43 (Reg S)) issued by UBS Group AG in an aggregate principal amount of USD 1,750,000,000 on 13 November 2023.

- (ii) If a Conversion Capital Availability Event occurs at any time on or prior to a Trigger Event or a Viability Event, the Issuer shall as soon as practicable thereafter deliver to the Fiscal Agent and the Settlement Agent a certificate signed by the Authorised Signatories and notice to the Holders in accordance with Condition 15 (*Notices*), in each case stating that a Conversion Capital Availability Event has occurred and the date on which it occurred.

## 8. CONTINGENT WRITE-DOWN

If the Issuer has given a Trigger Event Write-down Notice or a Viability Event Write-down Notice in accordance with Condition 7 (*Trigger Event and Viability Event*), then on the relevant Write-down Date:

- (a) the full principal amount of, and any accrued and unpaid interest (whether or not due and payable) on, each Note will automatically be written down to zero, the Notes will be cancelled and all references to the principal amount of the Notes in these Terms and Conditions will be construed accordingly;

- (b) the Holders will be automatically deemed to have irrevocably waived their right to receive, and will no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of, and payment of any accrued and unpaid interest on, the Notes written down pursuant to subclause (a) of this Condition 8 (*bedingter Forderungsverzicht*); and
- (c) all rights of any Holder for payment of any amounts under or in respect of the Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) will become null and void, irrespective of whether such amounts have become due and payable prior to the date of the relevant Trigger Event Notice or Viability Event Notice, as the case may be, or the Write-down Date.

## 9. CONVERSION

### (a) *Conversion upon a Trigger Event or a Viability Event*

If the Issuer has given a Trigger Event Conversion Notice or a Viability Event Conversion Notice in accordance with Condition 7 (*Trigger Event and Viability Event*), then:

- (i) each Note shall, subject to and as provided in this Condition 9, be redeemed and settled (the "**Conversion**") on the applicable Conversion Date by (x) the delivery of new fully paid Ordinary Shares to the Settlement Share Depository on behalf of the Holders, and (y) the cancellation of any accrued and unpaid interest on the Notes (whether or not due and payable); and
- (ii) receipt by the Settlement Share Depository of such number of Ordinary Shares as is required to satisfy in full its obligation to deliver Ordinary Shares in respect of the Conversion on the applicable Conversion Date shall be a good and complete discharge of the Issuer's (and, if UBS Group AG is not the Issuer, UBS Group AG's) obligations in respect of the Notes.

In the case of the Ordinary Shares to be delivered upon Conversion, as from the applicable Share Creation Date for such Ordinary Shares, there is no provision for the reconversion of such Ordinary Shares into Notes.

### (b) *Recourse for Ordinary Shares*

Holders shall have recourse only to the Issuer for the issue and delivery of Ordinary Shares to the Settlement Share Depository pursuant to these Terms and Conditions. After such delivery to the Settlement Share Depository, Holders shall have recourse only to the Settlement Share Depository for the delivery to them of such Ordinary Shares or, in the circumstances described in clause (h) of this Condition 9, any cash amounts to which such Holders are entitled under clause (h) of this Condition 9.

### (c) *Conversion Price and determination of number of Ordinary Shares*

- (i) Upon the occurrence of a Conversion Event, as at the date on which the relevant Trigger Event Conversion Notice or Viability Event Conversion Notice is published, each Holder shall be deemed to have accepted, and hereby accepts and agrees, (A) to the conversion of its holding of Notes into Ordinary Shares at the Conversion Price provided for herein and that, where necessary under Swiss law, the Settlement Agent shall effect such conversion on such Holder's behalf, and (B) that its obligation to pay up the Ordinary Shares to be issued shall be set off against its claim for repayment of the principal amount upon redemption of the Notes, which claim shall be deemed to be due and payable immediately prior to the time on the Share Creation Date when, as a matter of Swiss law, the relevant Ordinary Shares are paid up. Such Ordinary Shares shall be paid up and issued on the Share Creation Date whereupon the Holders shall cease as a matter of Swiss law to be treated for all purposes under Swiss law as Holders and shall instead as of such date be treated for all purposes under Swiss law as Shareholders.



- (ii) Subject to clause (g) of this Condition 9, the Issuer, with the assistance of the Settlement Agent, where necessary under Swiss law, shall issue and deliver to the Settlement Share Depository on the applicable Conversion Date such number of Ordinary Shares in respect of each Holder as is determined by the Settlement Agent by dividing the aggregate principal amount of Notes held by such Holder on the applicable Conversion Date by the Conversion Price in effect on the date of relevant Trigger Event Conversion Notice or Viability Event Conversion Notice, as the case may be. The Settlement Agent shall determine such number of Ordinary Shares in accordance with this subclause (ii) as soon as practicable after publication of the relevant Trigger Event Conversion Notice or Viability Event Conversion Notice, as applicable.
- (iii) The initial Conversion Price per Ordinary Share in respect of the Notes is specified in the definition thereof. The Conversion Price is subject to adjustment to (and including) the date of the relevant Trigger Event Conversion Notice or Viability Event Conversion Notice, as the case may be, in the circumstances described in clause (d) below.

(d) *Anti-dilution adjustment of the Conversion Price*

- (i) Upon the occurrence of any of the events described below after 7 February 2024, the Conversion Price will be adjusted by the Issuer as follows:
  - (A) If there is a consolidation, reclassification, redesignation or subdivision in relation to the Ordinary Shares that alters the number of Ordinary Shares in issue, the Conversion Price will be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification, redesignation or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification, redesignation or subdivision, as the case may be; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification, redesignation or subdivision, as the case may be.

Such adjustment will become effective on the date on which the consolidation, reclassification, redesignation or subdivision, as the case may be, takes effect.

- (B) If UBS Group AG issues any Ordinary Shares to Shareholders as a class credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (x) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Cash Distribution that the Shareholders would or could otherwise have elected to receive, (y) where the Shareholders may elect to receive a Cash Distribution in lieu of such Ordinary Shares or (z) where any such Ordinary Shares are or are expressed to be issued in lieu of a dividend (whether or not a Cash Distribution equivalent or amount is announced or would otherwise be payable to the Shareholders, whether at their election or otherwise), the Conversion Price will be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such issue; and

B is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

- (C) If UBS Group AG makes or pays an Extraordinary Distribution to Shareholders, the Conversion Price will be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Effective Date (translated, if necessary, into the Relevant Currency at the Prevailing Rate on the Effective Date); and

B is the portion of the aggregate Extraordinary Distribution attributable to one Ordinary Share, with such portion being determined by dividing the aggregate Extraordinary Distribution by the number of Ordinary Shares entitled to receive the relevant Extraordinary Distribution. If the Extraordinary Distribution shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date.

Such adjustment shall become effective on the Effective Date.

For purposes of this subclause (C), "**Effective Date**" means (x) the first date on which the Ordinary Shares are traded ex-the Extraordinary Distribution on the Relevant Stock Exchange or (y) if there is no Relevant Stock Exchange, the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this subclause (C).

- (D) If UBS Group AG issues Ordinary Shares to Shareholders as a class by way of rights or UBS Group AG or any other member of the Group or (at the direction or request or pursuant to arrangements with UBS Group AG or any other member of the Group) any other Person issues or grants to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any Securities that by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share that is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date (translated, if necessary, into the Relevant Currency at the Prevailing Rate on the Effective Date), the Conversion Price will be adjusted by multiplying the

Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue on the Effective Date;
- B is the number of Ordinary Shares that the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share on the Effective Date (translated, if necessary, into the Relevant Currency at the Prevailing Rate on the Effective Date); and
- C is the number of Ordinary Shares to be issued or the maximum number of Ordinary Shares that may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate, as the case may be,

*provided* that, if on the Effective Date, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this subclause (D), "C" will be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

For purposes of this subclause (D), "**Effective Date**" means (x) the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange or (y) if there is no Relevant Stock Exchange, the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this subclause (D).

For purposes of any calculation of the consideration receivable or price pursuant to this subclause (D), the following provisions shall apply:

- (1) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (2) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities will be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights will be deemed to be that part (which may be the whole)

of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights that are attributed by UBS Group AG to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date, plus in the case of each of subclauses (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights, and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights will be the aggregate consideration or price referred to in subclause (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

- (3) if the consideration or price determined pursuant to subclause (1) or (2) above (or any component thereof) is expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date (in the case of subclause (1) above) or the relevant date of first public announcement (in the case of subclause (2) above);
- (4) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (5) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to UBS Group AG or another entity.

(E) If UBS Group AG determines, in its sole discretion, that, notwithstanding subclauses (A) to (D) of this Condition 9(d)(i), a reduction to the Conversion Price should be made as a result of one or more events or circumstances not referred to in this Condition 9(d)(i) that would require an adjustment to the Conversion Price in order to comply with Swiss mandatory law on the protection of holders of instruments that may convert into shares issued out of capital range (*Kapitalband*), conditional capital (*bedingtes Kapital*) or Conversion Capital, the Conversion Price will be reduced (either generally or for a specified period) in such manner and with effect from such date as UBS Group AG shall determine and the Issuer shall notify to the Holders in accordance with Condition 15 (*Notices*).

(ii) Notwithstanding Condition 9(d)(i):

(A) where

- (1) the events or circumstances giving rise to any adjustment to the Conversion Price have resulted or will result in an adjustment to the Conversion Price; or
- (2) more than one event that gives rise to an adjustment to the Conversion Price occurs within such a short period of time,

that, in the opinion of UBS Group AG, a modification to the operation of the adjustment provisions set forth in this Condition 9(d) is required to give the intended result, such modification will be made to the operation of the adjustment provisions set forth in this Condition 9(d) as may be determined by an Independent Adviser to be in its opinion appropriate to give the intended result, including to ensure that (x) an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once, (y) the economic effect of an Extraordinary Distribution is not taken into account more than once, and (z) to reflect a redenomination of the issued Ordinary Shares for the time being into a new currency;

- (B) any adjustment to the Conversion Price will be subject to such Conversion Price (translated, if necessary, into the currency in which the par value of an Ordinary Share is denominated at the time such adjustment becomes effective at the then-prevailing exchange rate as determined by the Issuer) not being less than the par value of an Ordinary Share at such time;
- (C) UBS Group AG shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price (translated, if necessary, into the currency in which the par value of an Ordinary Share is denominated at the time of such action at the then-prevailing exchange rate as determined by the Issuer) to below the par value of an Ordinary Share then in effect;
- (D) if any doubt arises as to whether an adjustment is to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, the Issuer may in its sole discretion appoint an Independent Adviser and, following consultation between the Issuer and such Independent Adviser, a written opinion of such Independent Adviser in respect thereof will (in the absence of wilful default, bad faith and manifest error) be conclusive and binding on the Issuer and the Holders;
- (E) no adjustment will be made to the Conversion Price where Ordinary Shares or other securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of UBS Group AG or any of its subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme; and
- (F) on any adjustment, if the resultant Conversion Price has more decimal places than the initial Conversion Price, it will be rounded to the same number of decimal places as the initial Conversion Price. No adjustment will be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, will be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment will be made on the basis that the adjustment

not required to be made had been made at the relevant time and/or that the relevant rounding down had not been made, as the case may be.

- (iii) The Issuer shall give notice of any adjustments to the Conversion Price made pursuant to this Condition 9(d) to the Holders in accordance with Condition 15 (*Notices*) promptly after the determination thereof.
- (iv) References in these Terms and Conditions to any issue or offer or grant to Shareholders "as a class" or "by way of rights" shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders, other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

(e) *Qualifying Relevant Event*

- (i) Upon the occurrence of a Relevant Event that is a Qualifying Relevant Event, then:
  - (A) upon the occurrence of a Conversion Event where the applicable Conversion Date falls on or after the New Conversion Condition Effective Date,
    - (1) the Notes shall be converted on such Conversion Date into, or be exchanged on such Conversion Date for, as the case may be, Relevant Shares of the Approved Entity, *mutatis mutandis* as provided in accordance with this Condition 9, at a Conversion Price that shall be the New Conversion Price; and
    - (2) the Issuer shall procure the issue and/or delivery of the relevant number of Relevant Shares of the Approved Entity in the manner provided in this Condition 9 (as may be amended as described in the definition of the term New Conversion Condition); and
  - (B) the New Conversion Price shall be subject to adjustment in the circumstances provided in this Condition 9 for the adjustment of the Conversion Price (if necessary with such amendments as an Independent Adviser shall determine to be appropriate) and the Issuer shall give notice in accordance with Condition 15 (*Notices*) to the Holders of the New Conversion Price and of any such amendments thereafter.
- (ii) Upon the occurrence of a Relevant Event, the Issuer shall give notice thereof to the Holders in accordance with Condition 15 (*Notices*) within 10 Business Days following the occurrence of such Relevant Event, which notice shall:
  - (A) specify the identity of the Acquiror;
  - (B) specify whether the Relevant Event is a Qualifying Relevant Event or a Non-Qualifying Relevant Event;
  - (C) in the case of a Qualifying Relevant Event, specify the New Conversion Price; and
  - (D) if applicable, specify the New Conversion Condition Effective Date.
- (iii) For the avoidance of doubt, upon the occurrence of a Relevant Event that is a Non-Qualifying Relevant Event, the provisions of this clause (e) shall (subject to the subsequent operation of this clause (e) upon the occurrence of a subsequent Relevant Event) not apply, and the Notes will continue to be convertible into Ordinary Shares pursuant to and in accordance with the other provisions of this Condition 9 (*Conversion*), if and when the Issuer gives a Trigger Event

Conversion Notice or a Viability Event Conversion Notice in accordance with Condition 7 (*Trigger Event and Viability Event*).

(iv) For purposes of these Terms and Conditions:

**"Acquiror"** means the Person (including a Governmental Entity) that, following a Relevant Event, controls UBS Group AG.

**"Approved Entity"** means an Acquiror that is body corporate that is incorporated or established under the laws of an OECD member state and that, on the occurrence of the Relevant Event, has in issue Relevant Shares.

**"Governmental Entity"** means (x) the Swiss Confederation, (y) an agency of the Swiss Confederation or (z) a person or entity (other than a body corporate) controlled by the Swiss Confederation or any such agency referred to in clause (y); *provided, however*, that, if UBS Group AG is at any time organised in a jurisdiction outside of Switzerland, references in this definition to "the Swiss Confederation" shall be read as references to the government of such other jurisdiction.

The **"New Conversion Condition"** shall be satisfied in respect of a Relevant Event if, by no later than seven days following the occurrence of such Relevant Event, (x) UBS Group AG has, to the satisfaction of UBS Group AG, entered into arrangements with the Approved Entity that provide for delivery of Relevant Shares of the Approved Entity on Conversion on terms *mutatis mutandis* as provided in the provisions of this Condition 9, and (y) the Issuer has entered into such agreements and arrangements, and made such amendments to these Terms and Conditions, as may be required to ensure that, with effect from the New Conversion Condition Effective Date, the Notes shall, following the occurrence of a Conversion Event, be convertible into, or exchangeable for, Relevant Shares of the Approved Entity, *mutatis mutandis* in accordance with, and subject to, this Condition 9 (as may be so amended) at the New Conversion Price; *provided, however*, that, any failure to enter into the arrangements and agreements and/or make the amendments described in clauses (x) and (y) shall not constitute a default or an Event of Default under these Terms and Conditions.

**"New Conversion Condition Effective Date"** means the date with effect from which the New Conversion Condition has been satisfied.

**"New Conversion Price"** means, in respect of any Conversion Date falling on or after the New Conversion Condition Effective Date, the amount determined by the Issuer in accordance with the following formula:

$$NCP = ECP \times \frac{VWAPRS}{VWAPOS}$$

where:

NCP is the New Conversion Price.

ECP is the Conversion Price in effect on the last dealing day prior to the New Conversion Condition Effective Date.

VWAPRS is the average of the Volume Weighted Average Price of the Relevant Shares of the Approved Entity (translated, if necessary, into USD at the Prevailing Rate on the relevant dealing day) on each of the five dealing days ending on the last dealing day prior to the date on which the Relevant Event occurred (and where references in the definition of "Volume Weighted

Average Price" to "Ordinary Shares" shall be construed as a reference to the Relevant Shares of the Approved Entity and in the definition of "dealing day", references to the "Relevant Stock Exchange" shall be to the primary Recognised Stock Exchange on which the Relevant Shares of the Approved Entity are then listed, admitted to trading or accepted for dealing).

VWAPOS is the average of the Volume Weighted Average Price of the Ordinary Shares (translated, if necessary, into USD at the Prevailing Rate on the relevant dealing day) on each of the five dealing days ending on the last dealing day prior to the date on which the Relevant Event occurred.

**"Non-Qualifying Relevant Event"** means a Relevant Event that is not a Qualifying Relevant Event.

**"Qualifying Relevant Event"** means a Relevant Event where:

- (A) the Acquiror is an Approved Entity; and
- (B) the New Conversion Condition is satisfied.

A **"Relevant Event"** will have occurred if, on or after the occurrence of a Conversion Capital Availability Event, any Person or Persons acting in concert acquires control of UBS Group AG (other than as a result of an Exempt Reorganisation). For the purposes of this definition "Relevant Event", **"control"** means the acquisition or holding of legal or beneficial ownership of more than 95 per cent. of the issued Ordinary Shares of UBS Group AG (whether obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise) and, as a consequence thereof, the Ordinary Shares are no longer admitted to trading on any Recognised Stock Exchange, and **"controlled"** shall be construed accordingly.

**"Relevant Shares"** means, in respect of an Acquiror, ordinary share capital of such Acquiror that constitutes equity share capital or the equivalent (or depository or other receipts representing the same) that is listed and admitted to trading on a Recognised Stock Exchange.

(f) *Procedure for settlement and delivery of Ordinary Shares on Conversion*

Ordinary Shares to be issued on Conversion shall be delivered subject to and as provided below.

(g) *Fractions*

Fractions of Ordinary Shares will not be issued or delivered pursuant to these Terms and Conditions on Conversion and no cash payment will be made in lieu thereof. The number of Ordinary Shares to be issued and delivered to the Settlement Share Depository for the benefit of each Holder in respect of a Conversion shall be calculated by the Settlement Agent on the basis of the aggregate principal amount of Notes held by such Holder on the applicable Conversion Date and rounded down, if necessary, to the nearest whole number of Ordinary Shares.

(h) *Procedure for delivery in respect of a Conversion*

- (i) UBS Group AG, with the assistance of the Settlement Agent where necessary under Swiss law, shall on or prior to the applicable Conversion Date issue and deliver to the Settlement Share Depository such number of Ordinary Shares as is required to satisfy in full its obligation to deliver Ordinary Shares to the Holders in respect of the Conversion on the applicable Conversion Date. Receipt by the



Settlement Share Depository of such Ordinary Shares shall be a good and complete discharge of the Issuer's (and, if UBS Group AG is not the Issuer, UBS Group AG's) obligations in respect of the Notes. If the Issuer is unable to appoint a Settlement Share Depository on or prior to the giving of the Trigger Event Conversion Notice or Viability Event Conversion Notice, as the case may be, it shall make such other arrangements for the issuance and delivery of the Ordinary Shares to be issued and delivered upon Conversion to the Holders as it considers, in its sole discretion, to be reasonable in the circumstances, which may include issuing and delivering such Ordinary Shares to another independent nominee to be held on trust for the Holders or issuing and delivering such Ordinary Shares to the Holders directly, which issuance and delivery shall irrevocably discharge and satisfy all of the Issuer's obligations under the Notes as if the relevant Ordinary Shares had been issued and delivered to the Settlement Share Depository and, in which case, where the context so admits, references in these Terms and Conditions to the issue and delivery of Ordinary Shares to the Settlement Share Depository shall be construed accordingly and apply *mutatis mutandis*.

- (ii) Subject to the making of a Settlement Shares Offer and as otherwise provided herein, the Settlement Agent shall give instructions to the Settlement Share Depository for the relevant Ordinary Shares to be delivered by the Settlement Share Depository on the applicable Settlement Date to the Holders, and the Settlement Share Depository shall procure that the Ordinary Shares are so delivered to the Holders on the applicable Settlement Date.
- (iii) In respect of a Conversion as a result of the occurrence of a Trigger Event only, following receipt by the Settlement Share Depository of the Ordinary Shares and the resulting good and complete discharge of the Issuer's obligations in respect of the Notes as described in subclause (i) above, the Issuer may, in its sole discretion, appoint a placement agent (the "**Settlement Shares Offer Agent**") acting on behalf, and for the accounts, of the Holders to conduct an offering of the Ordinary Shares to which the Holders are otherwise entitled (a "**Settlement Shares Offer**"). In the relevant Trigger Event Conversion Notice, the Issuer shall notify the Holders whether it will appoint such Settlement Shares Offer Agent to conduct such a Settlement Shares Offer. If it does so appoint a Settlement Shares Offer Agent, it will instruct the Settlement Share Depository to deliver the relevant Ordinary Shares to or to the order of the Settlement Shares Offer Agent for this purpose prior to the end of the Offer Settlement Period. Such Settlement Shares Offer shall be made (x) in the currency of the Issuer's choosing and at a cash price per Ordinary Share (such price translated, if necessary, into USD at the prevailing exchange rate on the date of the Trigger Event Conversion Notice as determined by the Issuer) equal to the Conversion Price in effect on the date of the Trigger Event Conversion Notice, and (y) to some or, subject to applicable laws and regulations and to such an offer being practicable in the opinion of the Issuer in the Offer Settlement Period, all Shareholders on the record date of the Trigger Event Conversion Notice then eligible to participate in such offer. Any such Settlement Shares Offer shall be completed no later than 20 Business Days after the occurrence of the Trigger Event (the "**Offer Settlement Period**"). Neither the Issuer nor the Settlement Share Depository shall incur any liability whatsoever to the Holders in respect of the appointment of such Settlement Shares Offer Agent or its conduct, save for cases of gross negligence or wilful intent.

If the Settlement Shares Offer is fully subscribed by or before the end of the Offer Settlement Period, the Holders shall, pursuant to the agreement appointing the Settlement Shares Offer Agent, be entitled to receive from the Settlement Shares Offer Agent on the fifth Business Day after the end of the Offer Settlement Period, their *pro rata* share of the aggregate cash proceeds received from the Settlement Shares Offer (such aggregate cash proceeds translated, if necessary, from the currency in which they are denominated into USD at the then-prevailing exchange rate as determined by the Settlement Shares Offer Agent (less any foreign exchange transaction costs)), such amount being rounded to the nearest cent (half a cent being rounded upwards). If the Settlement Shares Offer is only partially

subscribed by the end of the Offer Settlement Period, the Holders shall (x) pursuant to the agreement appointing the Settlement Shares Offer Agent, be entitled to receive from the Settlement Shares Offer Agent on the fifth Business Day after the end of the Offer Settlement Period, their *pro rata* share of the aggregate cash proceeds received from the Settlement Shares Offer (such aggregate cash proceeds translated, if necessary, from the currency in which they are denominated into USD at the then-prevailing exchange rate as determined by the Settlement Shares Offer Agent (less any foreign exchange transaction costs)), such amount being rounded to the nearest cent (half a cent being rounded upwards), and (y) be entitled to receive their *pro rata* share of the number of Ordinary Shares not subscribed pursuant to the Settlement Shares Offer (rounded down to the nearest whole number of such Ordinary Shares) within the period specified below from the Settlement Share Depository. If no Ordinary Shares are subscribed in the Settlement Shares Offer, Holders shall be entitled to receive the relevant Ordinary Shares within the period specified below from the Settlement Share Depository. Notwithstanding Condition 10 (*Payments; Agents*), any cash proceeds that the Holders are entitled to receive pursuant to this subclause (iii) shall be delivered to the Holders in accordance with clause (j) of this Condition 9.

In relation to any Ordinary Shares not sold pursuant to a Settlement Shares Offer, the Settlement Agent shall give instructions to the Settlement Shares Offer Agent for such Ordinary Shares to be delivered by the Settlement Shares Offer Agent to the relevant Holders within five Business Days after the end of the Offer Settlement Period.

(i) *Taxes and duties*

None of the Issuer, any other member of the Group, any Agent, the Settlement Share Depository and the US Transfer Agent will pay any capital, stamp, issue, registration, transfer or other taxes or duties arising upon Conversion or that may arise or be paid as a consequence of or in connection with the issue and delivery of Ordinary Shares to the Settlement Share Depository or the delivery of any Ordinary Shares to the relevant recipient in accordance with the instructions given in the relevant Settlement Shares Settlement Notice. A Holder must pay any capital, stamp, issue, registration, transfer or other taxes or duties arising upon Conversion or that may arise or be paid as a consequence of or in connection with the issue and delivery of the Ordinary Shares to the Settlement Share Depository or the delivery of the Ordinary Shares to the relevant recipient in accordance with the instructions given in the relevant Settlement Shares Settlement Notice, and such Holder must pay all, if any, such taxes and duties arising by reference to any disposal or deemed disposal of such Holder's Notes or interest therein. Any capital, stamp, issue, registration, transfer or other taxes or duties arising on delivery or transfer of Ordinary Shares to a purchaser in any Settlement Shares Offer shall be payable by the relevant purchaser of those Ordinary Shares.

(j) *Delivery of Ordinary Shares and cash proceeds received from a Settlement Shares Offer*

UBS Group AG, with the assistance of the Settlement Agent where necessary under Swiss law, will issue and deliver the Ordinary Shares required to be issued and delivered on Conversion to the Settlement Share Depository on behalf of the Holder of the relevant Note(s). The Issuer (or another party so authorised by the Issuer) shall instruct the US Transfer Agent to credit such Ordinary Shares to a nominee account in the name of the Settlement Share Depository to be held on behalf of the Holders on the applicable Conversion Date. Receipt by the Settlement Share Depository of such Ordinary Shares on the applicable Conversion Date shall be a good and complete discharge of the Issuer's obligations in respect of the Notes as described in subclause (h)(i) of this Condition 9.

In order to obtain delivery from the Settlement Share Depository of the Ordinary Shares and/or cash proceeds received from a Settlement Shares Offer, in each case to which it is entitled pursuant to this Condition 9, a Holder will be required to deliver to the Settlement Share Depository (or any of its agent designated for such purpose in the Trigger Event Conversion Notice or Viability Event Conversion Notice, as applicable) an executed

settlement shares settlement notice substantially in the form that may be obtained from the Specified Office of the Settlement Agent (a "**Settlement Shares Settlement Notice**") and the relevant Certificate representing the relevant Note to the Settlement Share Depository (or any of its agents designated for such purpose in the Trigger Event Conversion Notice or Viability Event Conversion Notice) on or before the Settlement Notice Cut-off Date. If such Settlement Shares Settlement Notice or Certificate is delivered after the end of normal business hours at the Specified Office of the Settlement Share Depository, such delivery shall be deemed for all purposes to have been made or given on the following New York Business Day. The Settlement Shares Settlement Notice must contain certain information, including the name of the relevant recipient in which the relevant Ordinary Shares are to be registered directly on the books of the US Transfer, and Settlement Shares Settlement Notices and Certificates must be delivered to the Settlement Share Depository (or any of its agents designated for such purpose in the Trigger Event Conversion Notice or Viability Event Conversion Notice, as applicable) in accordance with the procedures described in the relevant Trigger Event Conversion Notice or Viability Event Conversion Notice, as applicable; *provided, however*, that, if the Notes are represented by one or more Global Certificates deposited with, or with a custodian for, the Depository, then the Settlement Shares Settlement Notice must be given in accordance with the standard procedures of the Depository (which may include, without limitation, delivery of the notice to the Settlement Share Depository by electronic means) and in a form acceptable to the Depository, the Settlement Agent and the Settlement Share Depository. Subject as otherwise provided herein, the relevant Ordinary Shares and/or cash proceeds of a Settlement Shares Offer will be delivered by or on behalf of the Settlement Share Depository or the Settlement Shares Offer Agent, as applicable, in accordance with the instructions given in the relevant Settlement Shares Settlement Notice; *provided, however*, that, if the Notes are represented by one or more Global Certificates deposited with, or with a custodian for, the Depository, then delivery of any such cash proceeds shall be made by the Settlement Shares Offer Agent in accordance with the Depository's practices from time to time.

If a Holder delivers a valid Settlement Shares Settlement Notice and the relevant Certificate on or before the Settlement Notice Cut-off Date, then the Ordinary Shares will be delivered in respect of the relevant Note(s) by way of registering the Ordinary Shares in the name of the relevant recipient directly on the books of the US Transfer Agent on the applicable Settlement Date or such other date as is specified for delivery. Once Ordinary Shares are registered in the name of the relevant recipient directly on the books of the US Transfer Agent, such relevant recipient, as Shareholder, is expected to receive periodic account statements from the US Transfer Agent with respect to its Ordinary Shares. At the time of delivery of any Ordinary Shares to the relevant recipient by registration of such Ordinary Shares directly on the books of the US Transfer Agent, the then-valid share registration rules of UBS Group AG will apply, and UBS Group AG does not offer any assurance or guarantee that such relevant recipient will be accepted as a Shareholder with voting rights in the share register of UBS Group AG.

If a Holder fails to deliver a Settlement Shares Settlement Notice or the relevant Certificate on or before the Settlement Notice Cut-off Date or if a Holder has delivered a Settlement Shares Settlement Notice and the relevant Certificate on or prior the Settlement Notice Cut-off Date but such Settlement Shares Settlement Notice has been determined by the Settlement Share Depository to be null and void, then the Settlement Share Depository shall continue to hold the relevant Ordinary Shares and/or, as applicable, cash proceeds received from a Settlement Shares Offer, in each case to which such Holder is entitled pursuant to this Condition 9, until a valid Settlement Shares Settlement Notice (and the Certificate representing the relevant Notes) is so delivered by such Holder. If any such Ordinary Shares or such cash proceeds received from a Settlement Shares Offer (as applicable) have not been claimed during the 10-year and 30-day period commencing on the Final Cancellation Date, the relevant claims of the applicable Holders are time-barred and the relevant Ordinary Shares and cash, as the case may be, will be transferred to the Issuer. None of the Issuer, the Settlement Share Depository and the Settlement Shares Offer Agent shall have any liability to any Holder for any loss resulting from such Holder not receiving any such Ordinary Shares and/or cash proceeds.

If not previously cancelled on the applicable Settlement Date, the relevant Notes shall be cancelled on the Final Cancellation Date and any Holder delivering a Settlement Shares Settlement Notice after the Settlement Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Ordinary Shares and/or cash proceeds from a Settlement Shares Offer, as applicable, satisfactory to the Settlement Share Depository in its sole discretion in order to receive delivery of such Ordinary Shares or such cash proceeds, as applicable. None of the Issuer, the Settlement Share Depository and the Settlement Shares Offer Agent shall have any liability to any Holder for any loss resulting from such Holder not receiving any Ordinary Shares or cash proceeds from a Settlement Shares Offer, as applicable, or from any delay in the receipt thereof, in each case as a result of such Holder failing to submit a valid Settlement Shares Settlement Notice and any relevant Certificate (if applicable), on a timely basis or at all.

Any determination as to whether any Settlement Shares Settlement Notice has been properly completed and delivered together with the relevant Certificate(s) as provided in these Terms and Conditions, or whether any evidence of entitlement to Ordinary Shares or cash proceeds received from a Settlement Shares Offer, as applicable, is satisfactory, shall be made by the Settlement Share Depository in its sole discretion and shall be conclusive and binding on the relevant Holders. In the case of Notes represented by a Global Certificate, any Settlement Shares Settlement Notice delivered prior to the day following the Suspension Date will be null and void.

(k) *Ordinary Shares*

The Ordinary Shares issued and delivered on Conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Share Creation Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that the Ordinary Shares so issued and delivered will not rank for (or, as the case may be, the relevant Holder will not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Share Creation Date.

All Ordinary Shares issued and delivered to Holders upon Conversion are expected to be "restricted securities" within the meaning of Rule 144 under the US Securities Act, and accordingly, any Holder who receives Ordinary Shares upon Conversion will be subject to restrictions under the US Securities Act on its ability to resell such Ordinary Shares. Subject to applicable law and the policies and procedures of the US Transfer Agent from time to time, through the US Transfer Agent, Holders who receive Ordinary Shares upon Conversion are expected to be able to effect transfers of such Ordinary Shares with other Shareholders holding their Ordinary Shares through the US Transfer Agent, or with Shareholders holding their Ordinary Shares via DTC through custodian banks or brokers by means of DTC's Direct Registration System.

(l) *Purchase or redemption of Ordinary Shares*

UBS Group AG or any of its subsidiaries may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares or securities of UBS Group AG (including Ordinary Shares) or any depository or other receipts or certificates representing the same without the consent of Holders.

(m) *Determinations to be made by an Independent Adviser*

In the case of any determination that is required to be made by an Independent Adviser for purposes of this Condition 9, the Issuer shall use reasonable endeavours to appoint an Independent Adviser to make such determination; *provided, however*, that, notwithstanding the other provisions of these Terms and Conditions, if the Issuer is unable to so appoint an Independent Adviser or the Independent Adviser so appointed by the Issuer fails to make such determination, the Issuer, acting in good faith and a commercially reasonable manner, will make such determination.

Any determination that is made by an Independent Adviser for purposes of this Condition 9 will be made in the sole discretion of such Independent Adviser acting in good faith and in a commercially reasonable manner.

(n) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by an Independent Adviser or the Settlement Agent for purposes of this Condition 9 will (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Agents and the Holders and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders will attach to the Independent Adviser or the Settlement Agent in connection with the exercise or non-exercise by the Independent Adviser or the Settlement Agent of its powers, duties and discretions under this Condition 9.

10. **PAYMENTS; AGENTS**

- (a) All payments required to be made under the Notes will be made available in good time in freely disposable funds in USD, which will be placed at the free disposal of the Fiscal Agent on behalf of the Holders. If the Scheduled Due Date for any payment (whether in respect of principal, interest or otherwise) in respect of the Notes is not a Payment Business Day, then the Holders will not be entitled to payment thereof until the first Payment Business Day following the Scheduled Due Date, and the Holders will not be entitled to any additional sum in relation to such payment. All payments required to be made under the Notes (including, for the avoidance of doubt, any Additional Amounts) shall be made to the Holders in USD without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Holder and without certification, affidavit or the fulfilment of any other formality; *provided, however*, that, in the case of Notes represented by Definitive Certificates, such Definitive Certificates must be presented and, in the case of redemption, surrendered at the Specified Office of the relevant Paying Agent as a condition to receipt of any such payment.
- (b) The receipt by the Fiscal Agent of the due and punctual payment of funds in USD will release the Issuer from its obligations under the Notes to the extent of such payment.
- (c) Subject to clause (d) of this Condition 10
- (i) the Issuer reserves the right to terminate the appointment of any Agent, as well as to appoint or, after any such appointment, to terminate the appointment of, one or more other paying agents to carry out any payment or other similar functions in respect of the Notes (each, a "**Paying Agent**"), *provided* that (A) so long as any Note is outstanding, there will at all times be a Fiscal Agent, a Registrar, a Calculation Agent and a Settlement Agent, (B) for so long as the Notes are listed on the SIX Swiss Exchange and if then required by the regulations of the SIX Swiss Exchange, the Issuer shall maintain a Paying Agent in Switzerland, which agent shall have an office in Switzerland and be a bank or securities dealer subject to supervision by FINMA, to perform the functions of a Swiss paying agent (the "**Swiss Paying Agent**"), and (C) any successor Calculation Agent must be a leading bank or financial institution that is experienced in the calculations and determinations to be made by the Calculation Agent; and
- (ii) if at any time the Fiscal Agent, the Registrar, the Calculation Agent, or the Swiss Paying Agent, (A) becomes incapable of acting, or (B) is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy, or makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver of all or any substantial part of its property, or admits in writing its inability to pay or meet its debts as they mature, or if an order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law, or if a receiver of it or of all or any substantial part of its property is appointed, or if any public officer takes charge or control of it or of its

property or affairs for the purpose of rehabilitation, conservation or liquidation (any such event, an "**Agent Insolvency Event**"), then the Issuer will terminate the appointment of such Agent in accordance with the Fiscal Agency Agreement and appoint a successor Agent; and

- (iii) if at any time the Calculation Agent fails to (A) determine the Mid Market Swap Rate or the Reset Interest Rate or duly calculate the Reset Interest Amount for any Reset Interest Period or the interest amount payable on the Redemption Date (if the Notes are to be redeemed pursuant to Condition 6 (*Redemption and Purchase*)) or (B) comply with any other requirement in relation to the Notes, then the Issuer will terminate the appointment of the Calculation Agent in accordance with the Fiscal Agency Agreement and appoint a successor Calculation Agent; *provided, however*, that, if the Calculation Agent duly calculates such Reset Interest Rate, Reset Interest Amount or interest amount payable on the Redemption Date, as the case may be, prior to its termination (and the appointment of its successor) taking effect in accordance with clause (d) of this Condition 10, the Issuer may elect, in its sole discretion and upon notice to the Holders in accordance with Condition 15 (*Notices*), to cancel such termination (and appointment).
- (d) Any appointment or termination of appointment of, or any resignation by, any Agent (other than the Settlement Agent) may only take effect not more than 45 and not less than 30 days after the Issuer has notified the Holders of such appointment, termination or resignation in accordance with Condition 15 (*Notices*); *provided, however*, that, in the case of the termination of an Agent with respect to which an Agent Insolvency Event has occurred, such termination may take effect prior to the expiry of such 30-day notice period, so long as a successor Agent has been appointed to the extent required by the immediately succeeding sentence. Notwithstanding the foregoing, any termination of the appointment of, or resignation by, the Fiscal Agent, the Registrar, the Swiss Paying Agent or the Calculation Agent may not take effect until the Issuer has appointed a successor Fiscal Agent, Registrar, Swiss Paying Agent or Calculation Agent, as applicable; *provided, however*, that, if no such successor has been appointed within 30 days of the scheduled effectiveness of such termination or resignation, any Holder (on behalf of itself and all others similarly situated) or, pursuant to and in accordance with the Fiscal Agency Agreement, the Fiscal Agent, the Registrar, any Paying Agent or the Calculation Agent, as the case may be, may petition any court of competent jurisdiction for the appointment of a successor, at the expense of the Issuer.
- (e) Subject to subclause (c)(i) of this Condition 10, the Issuer may appoint or terminate the appointment of a Settlement Agent, and a Settlement Agent may resign, at any time. The Issuer will notify the Holders of any such appointment, termination or resignation in accordance with Condition 15 (*Notices*).

## 11. **TAXATION**

- (a) All payments to be made by or on behalf of the Issuer in respect of the Notes (including, for the avoidance of doubt, payments by a Paying Agent) shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other government charges of any nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction or any political subdivision thereof or any authority of or in a Tax Jurisdiction or any political subdivision thereof having the power to impose, levy, collect, withhold or assess Taxes, unless withholding, deduction or accounting for such Taxes is required by law.
- (b) In the event that any payment to be made by or on behalf of the Issuer in respect of the Notes (including, for the avoidance of doubt, payments by a Paying Agent) is subject to any withholding or deduction for, or on account of, any Taxes by requirement of law in a Tax Jurisdiction (as determined by the relevant tax authority of or in such Tax Jurisdiction), the Issuer shall pay such additional amounts as will result in the Holders receiving the amounts that they would have received in respect of the Notes if no such withholding or deduction had been required ("**Additional Amounts**").

- (c) No Additional Amounts will be payable pursuant to clause (b) of this Condition 11 in relation to any Note:
- (i) if the relevant Holder is liable for such Taxes on such Note as a result of having some connection with the relevant Tax Jurisdiction other than its mere ownership or possession of such Note or the receipt of principal or interest in respect thereof; or
  - (ii) if such Taxes are a result of such Note having been presented for payment (where presentment is required) more than 30 days after the Relevant Date, except to the extent that the Holder would have been entitled to receive the Additional Amounts if it had presented such Note for payment on the last day of the 30-day period; or
  - (iii) with respect to any Tax collected pursuant to Sections 1471 through 1474 of the US Internal Revenue Code, as amended (the "**Code**"), the regulations promulgated thereunder, or applicable inter-governmental agreements or agreements with the United States Internal Revenue Service entered into in connection with the implementation of such sections of the Code, or legislation enacted by a non-United States jurisdiction in connection with the implementation of such sections of the Code (FATCA); or
  - (iv) where such withholding or deduction is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation of the Swiss Federal Council of 3 April 2020, or otherwise changing the Swiss federal withholding tax system from an issuer-based system to a paying agent-based system pursuant to which a Person other than the issuer is required to withhold tax on any interest payments; or
  - (v) to the extent any combination of subclauses (i) through (iv) of this clause (c) applies.
- (d) Any reference in these Terms and Conditions to amounts payable by the Issuer in respect of the Notes includes (i) any Additional Amount payable pursuant to this Condition 11 and (ii) any sum payable pursuant to an obligation taken in addition to or in substitution for the obligation in this Condition 11.

## 12. **STATUTE OF LIMITATIONS**

In accordance with Swiss law, (a) claims for interest payments under the Notes will become time-barred after the five-year period and (b) claims for the repayment or redemption of Notes will become time-barred after the 10-year period, in each case, commencing on the date on which such payments, repayment or redemption become due and payable.

## 13. **EVENTS OF DEFAULT**

- (a) If any of the following events occurs, such occurrence will constitute an "**Event of Default**":
- (i) the Issuer fails to pay the principal amount of any Note if and when the same becomes due and payable under these Terms and Conditions, and such failure continues unremedied for a period of 30 days; or
  - (ii) the Issuer fails to pay any interest on the Notes if and when the same becomes due and payable under these Terms and Conditions, and such failure continues unremedied for a period of 30 days; or
  - (iii) the Issuer fails to observe or perform any other covenant, condition, or agreement contained in these Terms and Conditions, and such failure continues unremedied for a period of 60 days after written notice thereof from any Holder to the Issuer; or

(iv) a Bankruptcy Event;

*provided, however*, that, notwithstanding subclauses (i) to (iv) above, neither (A) the opening of Restructuring Proceedings with respect to the Issuer nor (B) the exercise of any Swiss Resolution Power with respect to the Issuer during any such Restructuring Proceedings nor (C) the ordering of any Protective Measures with respect to the Issuer that are ordered or confirmed upon the opening of or during any such Restructuring Proceedings will constitute a default or an Event of Default.

- (b) Upon the occurrence of an Event of Default relating to any failure of the Issuer to meet any payment obligation under these Terms and Conditions and subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*), (i) such payment obligation (and such payment obligation only) will be immediately deemed a due and payable (*fällige*) payment obligation of the Issuer, and (ii) if (A) the relevant Holder has formally requested payment of such payment obligation, (B) such payment obligation has not been fulfilled within the statutory period under Swiss law commencing after the date of such formal request and (C) a writ of payment (*Zahlungsbefehl*) has been issued with respect to such payment obligation pursuant to the DEBA, the relevant Holder may institute proceedings against the Issuer in Switzerland (but not elsewhere) to enforce its rights with respect to such payment obligation under the DEBA.
- (c) If a debt collection or insolvency proceeding with respect to the Issuer is instituted in Switzerland in accordance with clause (b) of this Condition 13, the Issuer shall not (i) after having received the writ of payment (*Zahlungsbefehl*) relating to the relevant payment obligation, argue or plead that such payment obligation is not due and payable by the Issuer, or (ii) prior to the declaration of bankruptcy (or similar proceeding under Swiss insolvency laws), make any payment to the relevant Holder under or in connection with the Notes.
- (d) In the case of any Event of Default arising under subclause (a)(iii) of this Condition 13 and subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*), any Holder may seek specific performance or damages with respect to such Event of Default pursuant to the Swiss Code if so entitled thereunder. Any such damage claim of any Holder will rank junior to the rights and claims of all holders of Senior Obligations.
- (e) In the case of any Event of Default arising under subclause (a)(iv) of this Condition 13 and subject to Condition 8 (*Contingent Write-down*) and Condition 9 (*Conversion*), any Holder may, by written notice to the Issuer, declare the principal amount of any of its Notes, together with any accrued and unpaid interest thereon, immediately due and payable, without presentment, demand, protest or other notice of any kind.
- (f) No remedy against the Issuer other than those described in this Condition 13 will be available to the Holders in connection with the Issuer's obligations under these Terms and Conditions, whether for the recovery of amounts owing under these Terms and Conditions or in respect of any breach by the Issuer of any of its other obligations under these Terms and Conditions or otherwise. In particular, no Holder may declare (i) the principal amount of any Notes due and payable prior to any Redemption Date, or (ii) any interest on any Notes due and payable prior to the relevant Interest Payment Date, except, in the case of each of subclauses (i) and (ii) of this clause (f), pursuant to clause (e) of this Condition 13.

#### 14. **MEETINGS OF HOLDERS; SUBSTITUTION AND AMENDMENT**

- (a) Except as otherwise specified in this Condition 14, the provisions of bondholder meetings contained in article 1157 et seqq. of the Swiss Code apply in relation to meetings of Holders.
- (b) If a Tax Event or a Regulatory Event has occurred, the Issuer may, without the consent of the Holders, either substitute all, but not some only, of the Notes for, or amend these Terms and Conditions so that they remain or become, Compliant Securities, *provided that*:



- (i) neither a Tax Event nor a Regulatory Event arises as a result of such substitution or amendment;
- (ii) FINMA has approved such substitution or amendment (if such approval is then required under applicable Swiss laws and regulations);
- (iii) the Issuer has given the Holders not less than 30 days' notice of such substitution or amendment in accordance with Condition 15 (*Notices*), which notice will, subject to subclause (v) of this clause (b), be irrevocable, and state the date on which such substitution or amendment will be effective (the "**Substitution or Amendment Effective Date**");
- (iv) prior to the publication of any notice pursuant to subclause (iii) of this clause (b), the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by the Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to substitute or amend the terms of the Notes, as applicable, pursuant to this clause (b) is satisfied and the reasons therefor and such certificate will be conclusive and binding on the Holders, and (B) an opinion of independent legal advisers of recognised standing to the effect that circumstances entitling the Issuer to exercise its right to substitute or amend the terms of the Notes, as applicable, pursuant to this clause (b) have arisen; and
- (v) no Trigger Event or Viability Event has occurred prior to the relevant Substitution or Amendment Effective Date.

In connection with any substitution or amendment in accordance with this clause (b), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

- (c) In addition to its rights under clause (b) of this Condition 14, the Issuer may, without the consent of the Holders, make any amendment to these Terms and Conditions that it considers to be (i) necessary or desirable to give effect to (A) any Alternative Benchmark Rate determined in accordance with clause (c) of Condition 5 (*Interest*) (including any Adjustment Spread determined in accordance with subclause (v)(A)(2) thereof and any alternative method for determining the Mid Market Swap Rate if such Alternative Benchmark Rate is unavailable on the relevant Reset Determination Date determined in accordance with subclause (v)(A)(3) thereof), and any related changes to the definitions of the terms "Business Day", "Day Count Fraction", "Payment Business Day" and/or "Reset Determination Date" determined to be necessary in accordance with subclause (v)(D) thereof, or (B) the provisions of clause (a) of Condition 16 (*Issuer Substitution*) (including, without limitation, (x) if the Substitute Issuer is organised and/or resident for tax purposes in a jurisdiction other than Switzerland, any amendments to any references to the jurisdiction of "Switzerland" contained herein, including, without limitation, amendments to the definition of the term "Bankruptcy Event", the definition of the term "Business Day", the governing law of the subordination provisions set forth in Condition 4 (*Status and Subordination*) and the provisions of Condition 13 (*Events of Default*), and (y) any amendments to reflect UBS Group AG's guarantee described in subclause (a)(iii) of Condition 16 (*Issuer Substitution*)), or (C) the provisions of subclause (e)(iii) and/or subclause (e)(i)(B) of Condition 9 (*Conversion*), or (ii) formal, minor or technical in nature, or (iii) necessary to correct a manifest error, or (iv) not materially prejudicial to the interests of the Holders.
- (d) The Issuer shall notify the Holders of any amendments made pursuant to clause (c) of this Condition 14 in accordance with Condition 15 (*Notices*), which notice shall state the date on which such amendment will be effective.
- (e) Any amendment made pursuant to this Condition 14 will be binding on the Holders in accordance with its terms.

## 15. NOTICES

- (a) So long as the Notes are listed on the SIX Swiss Exchange, notices to Holders shall be given by the Issuer (i) by means of electronic publication on the internet website of SIX Exchange Regulation Ltd (<https://www.ser-ag.com>), where notices are as at the Issue Date published under the address [https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/,](https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange. Any notice will be validly given on the date of such publication or, if published more than once, on the date of the first such publication.
- (b) If the Notes are for any reason no longer listed on the SIX Swiss Exchange:
  - (i) if the Notes are represented by one or more Global Certificates deposited with a custodian for DTC, notices to Holders shall only be required to be given by the Issuer in accordance with clause (c) of this Condition 15; or
  - (ii) if the Global Certificate(s) have been exchanged for Definitive Certificates, the Issuer shall send notices to Holders by first class mail at their respective addresses as recorded in the Register, and any such notice will be validly given on the fourth Business Day after the date of such mailing.
- (c) So long as the Notes are represented by one or more Global Certificates deposited with a custodian for DTC, any notices required to be given by the Issuer to the Holders hereunder shall also be given to the Indirect Holders through the Fiscal Agent to DTC for forwarding to the Indirect Holders. Any such notice will be validly given on the date of delivery to DTC in accordance with DTC's applicable procedures.

#### 16. ISSUER SUBSTITUTION

- (a) The Issuer (for purposes of this Condition 16, the "**Current Issuer**") may, without the consent of the Holders, substitute any entity (whether or not such entity is organised under the laws of Switzerland) (such substitute entity, the "**Substitute Issuer**") for itself as principal debtor under the Notes upon giving no more than 30 and no less than 10 days' notice to the Holders in accordance with Condition 15 (*Notices*), *provided* that:
  - (i) the Substitute Issuer is UBS Group AG or, if the Substitute Issuer is not UBS Group AG, (A) an exemption exists from the requirement to register the Substitute Issuer as an investment company under the US Investment Company Act, and (B) at least 95 per cent. of the Substitute Issuer's capital and voting rights are held, directly or indirectly, by UBS Group AG;
  - (ii) the Current Issuer is not in default in respect of any amount payable under the Notes at the time of such substitution;
  - (iii) if the Substitute Issuer is not UBS Group AG, UBS Group AG has irrevocably and unconditionally guaranteed to the Holders, pursuant to article 111 of the Swiss Code and on a subordinated basis corresponding *mutatis mutandis* to Condition 4 (*Status and Subordination*), (A) the due and punctual payment of principal and interest and all other amounts due and payable by the Substitute Issuer under, or in respect of, the Notes upon receipt of the written request for payment of the relevant amount, and (B) upon the occurrence of a Conversion, the due delivery of the Ordinary Shares required to be delivered pursuant to Condition 9 (*Conversion*), and on the terms whereby subclause (iii) of Condition 5(i) (*Cancellation of interest; prohibited interest*), subclause (d)(ii)(C) of Condition 9 (*Conversion*), Condition 11 (*Taxation*), Condition 13 (*Events of Default*) and Condition 21 (*No Set-off by Holders*) apply to UBS Group AG and to its obligations under such guarantee either by making the necessary consequential amendments to such Conditions or including such Conditions applicable to UBS Group AG and to its obligations under such guarantee in such guarantee itself, as applicable;
  - (iv) the Current Issuer and the Substitute Issuer (A) have entered into such documents (the "**Substitution Documents**") as are necessary to give effect to such

substitution and pursuant to which the Substitute Issuer has (x) undertaken in favour of each Holder to be bound by these Terms and Conditions as the principal debtor (on a subordinated basis corresponding to Condition 4 (*Status and Subordination*)) under the Notes in place of the Current Issuer and (y) assumed the obligations of the Current Issuer under the Fiscal Agency Agreement, and (B) procure that all action, conditions and things required to be taken, fulfilled and done (including, without limitation, the obtaining of any necessary consents) to ensure that the Substitution Documents represent valid, legally binding and enforceable obligations of the Substitute Issuer have been taken, fulfilled and done and are in full force and effect;

- (v) if the Substitute Issuer is resident for tax purposes in a jurisdiction (the "**New Residence**") other than that in which the Current Issuer prior to such substitution was resident for tax purposes (the "**Former Residence**"), the Substitution Documents contain an undertaking by the Substitute Issuer and/or such other provisions as may be necessary to ensure that each Holder has the benefit of an undertaking in terms corresponding to the provisions of Condition 11 (*Taxation*) in relation to the payment of all amounts due and payable under, or in respect of, the Notes and in relation to the guarantee referred to in subclause (iii) above, with, in the case of the Notes but not such guarantee, the substitution of references to the Former Residence with references to the New Residence, and an undertaking by the Substitute Issuer to indemnify each Holder against any Tax that is imposed on it by (or by any authority in or of) the New Residence and, if different, the jurisdiction of the Substitute Issuer's organisation with respect to any Note and that would not have been so imposed had the substitution not been made, as well as against any Tax, and any cost or expense, relating to such substitution;
  - (vi) if the Substitute Issuer is not UBS Group AG, FINMA has approved such substitution (if such approval is then required under applicable Swiss laws and regulations), and the Current Issuer and the Substitute Issuer have obtained all other necessary governmental and other approvals and consents for such substitution and for the performance by the Substitute Issuer of its obligations under the Substitution Documents;
  - (vii) if the Substitute Issuer is not organised under the laws of Switzerland, the Substitute Issuer has appointed a process agent as its agent in Switzerland to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes; and
  - (viii) such substitution does not give rise to a Tax Event or a Regulatory Event.
- (b) Upon any substitution pursuant to clause (a) of this Condition 16, (i) the Substitute Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Current Issuer under the Notes with the same effect as if the Substitute Issuer had been named as Issuer in these Terms and Conditions, and (ii) the Current Issuer will be released from its obligations under the Notes.
- (c) After giving effect to any substitution pursuant to clause (a) of this Condition 16, (i) references to the "Issuer" in the Notes and these Terms and Conditions will be references to the Substitute Issuer, and (ii) references to the "Tax Jurisdiction" in the Notes and these Terms and Conditions will be read and construed as including the jurisdiction of establishment of the Substitute Issuer and, if different, the jurisdiction in which the Substitute Issuer is resident for tax purposes instead of or in addition to (as the case may be) references to the jurisdiction of establishment of the Issuer and Switzerland.

## 17. CONSOLIDATION, MERGER OR SALE

The Issuer will not consolidate with, merge with or into, or sell, convey, transfer or otherwise dispose of all or substantially all of its property and assets (as an entirety or substantially as an entirety in one transaction or a series of related transactions) to, any Person (other than with, into or to any Person of which at least 95 per cent. of such Person's capital and voting rights are held,

directly or indirectly, by the Issuer) or permit any Person to merge with or into the Issuer unless (a) the Issuer will be the continuing Person, or (b) the Person formed by such consolidation or into which the Issuer is merged or that acquired such property and assets of the Issuer expressly assumes in writing (or, in the case of an acquisition of property and assets, guarantees) all of the obligations of the Issuer under the Notes.

18. **FURTHER ISSUES**

The Issuer may from time to time without the consent of the Holders issue further notes and, *provided* that such notes have the same terms and conditions as the Notes in all respects (or in all respects except for the issue date and/or first date on which interest is paid), such further notes will be consolidated and form a single series with the Notes. If the Issuer issues any such further notes pursuant to this Condition 18, references in these Terms and Conditions to "Notes" include such further notes, unless the context otherwise requires.

19. **CURRENCY INDEMNITY**

Any amount received or recovered by any Holder in a currency other than USD (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) under the Notes will only constitute a discharge of the Issuer to the extent of the amount in USD that such Holder is able to purchase with the amount so received or recovered in such other currency on the date of such receipt or recovery (or, if it is not practicable to purchase USD with such amount on such date, on the first date on which it is practicable to do so). If the amount of USD that such Holder is able to purchase is less than the amount owed by the Issuer to such Holder under the Notes, the Issuer shall indemnify such Holder against any loss sustained by it as a result. In addition, the Issuer shall indemnify such Holder for the costs of making such purchase. For purposes of this Condition 19, it is sufficient for the relevant Holder to demonstrate that it would have suffered a loss had an actual purchase been made. The indemnities under this Condition 19 will (a) constitute a separate and independent obligation from the Issuer's other obligations hereunder, (b) give rise to a separate and independent cause of action, (c) apply irrespective of any indulgence granted by any Holder and (d) continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any amount due under the Notes or any other judgment or order.

20. **RULE 144A INFORMATION**

If at any time the Issuer is neither a reporting company under Section 13 or Section 15(d) of the US Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the US Exchange Act, the Issuer will comply with any applicable requirements of Rule 144A(d)(4) under the US Securities Act in relation to the Notes.

21. **NO SET-OFF BY HOLDERS**

Subject to applicable law, each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Note, agrees that it will not, and waives its right to, exercise, claim or plead any right of set-off, compensation or retention with respect to any amount owed to it by the Issuer in respect of, or arising in connection with, the Notes.

22. **GOVERNING LAW AND JURISDICTION**

- (a) The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by and construed in accordance with the laws of Switzerland.
- (b) The courts of the Canton of Zurich (venue being the City of Zurich) shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, including any non-contractual obligation arising out of or in connection with the Notes.