

## IMPORTANT NOTICE

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached preliminary prospectus (the "**Preliminary Prospectus**") and you are therefore advised to read it carefully before reading, accessing or making any other use of the Preliminary Prospectus. In reading or accessing the Preliminary Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access and you acknowledge that UBS Group AG (the "**Issuer**" and, together with its subsidiaries, "**UBS**") and its affiliates and others will rely upon the truth and accuracy of the following representations, acknowledgements and agreements. **IF YOU DO NOT AGREE TO THE TERMS DESCRIBED IN THIS DISCLAIMER, YOU MAY NOT OPEN OR READ THE PRELIMINARY PROSPECTUS.**

NOTHING IN THIS ELECTRONIC TRANSMISSION, THE PRELIMINARY PROSPECTUS AND/OR ANY RELATED TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO MAKE SUCH AN OFFER.

**The securities described in the Preliminary Prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act"), or any state securities law, and are being offered and sold outside the United States to non-US persons (as defined in Regulation S under the US Securities Act ("Regulation S")) only in reliance on Regulation S, as further described in the section "*Selling Restrictions*" in the Preliminary Prospectus. If you are in the United States or are a US person (as such term is defined in Regulation S), you should not open the Preliminary Prospectus.**

The Preliminary Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither UBS nor any person who controls it or any director, officer, employee or agent of it, nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Prospectus distributed to you in electronic format and any hard copy version available to you on request from the Issuer as described therein.

The Preliminary Prospectus remains subject to completion and amendment.

### RESTRICTIONS

The Preliminary Prospectus is being furnished to you solely for your information and may not be forwarded, reproduced, redistributed or passed on in whole or in part, directly or indirectly, to any other person. The distribution of the Preliminary Prospectus in certain jurisdictions may be restricted by law and persons into whose possession the Preliminary Prospectus comes should inform themselves about, and observe any such restrictions. Failure to comply with this notice may result in a violation of the US Securities Act or the applicable laws of other jurisdictions.

**Confirmation of Your Representation:** You have been sent the Preliminary Prospectus on the basis that you have confirmed to UBS, UBS AG Singapore Branch (the "**Sole Global Coordinator**") and the other Joint Lead Managers named in the Preliminary Prospectus (together with the Sole Global Coordinator, the "**Joint Lead Managers**") that: (i) the electronic (or e-mail) address to which it has been delivered is not located in the United States or its territories and possessions (including any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, Wake Island and the Northern Mariana Islands), (ii) if you are in any member state of the European Economic Area (the "**EEA**"), you are a Qualified Investor (as defined below) and/or a Qualified Investor acting on behalf of Qualified Investors or Relevant Persons (as defined below), to the extent that you are acting on behalf of persons or entities in the EEA, (iii) if you are a person in the United Kingdom (the "**UK**"), you are a Relevant Person and/or a Relevant Person acting on behalf of Relevant Persons or Qualified Investors, to the extent that you are acting on behalf of persons or entities in the UK, and (iv) you consent to delivery by electronic transmission.

You are reminded that the Preliminary Prospectus has been delivered to you on the basis that you are a person into whose possession the Preliminary Prospectus may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not nor are you authorised to deliver the Preliminary Prospectus to any other person.

The distribution of the Preliminary Prospectus and the offering, sale and delivery of the notes described in the Preliminary Prospectus (the "**Notes**") in certain jurisdictions may be restricted by law. Persons into whose possession the Preliminary Prospectus comes are required by UBS and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of the Preliminary Prospectus and other offering material relating to the Notes, see the section "*Selling Restrictions*" in the Preliminary Prospectus.

Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer is prohibited. The Preliminary Prospectus may only be communicated to persons in the UK, in circumstances where section 21(1) of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") does not apply to the Issuer.

The Notes are not being offered to the public in the EEA within the meaning of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). In member states of the EEA, this electronic transmission and the Preliminary Prospectus are only addressed to and directed at persons who are qualified investors within the meaning of Article 2(e) of the EU Prospectus Regulation ("**Qualified Investors**"). This electronic transmission and the Preliminary Prospectus must not be acted on or relied on in any member state of the EEA by persons who are not Qualified Investors. Any investment or investment activity to which this electronic transmission and the Preliminary Prospectus relate is available only to Qualified Investors in any member state of the EEA. See "*Prohibition of Sales to Retail Investors*" below.

The Notes are not being offered to the public in the UK within the meaning of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**"). In the UK, this electronic transmission is directed only at persons who are "qualified investors" within the meaning of the UK Prospectus Regulation. In addition, in the UK this electronic transmission and the Preliminary Prospectus are addressed to and directed only at, Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). This electronic transmission and the Preliminary Prospectus must not be acted on or relied on in the UK by persons who are not Relevant Persons. Any investment or investment activity to which this electronic transmission and the Preliminary Prospectus relate is available only to Relevant Persons in the UK. See "*Prohibition of Sales to Retail Investors*" below.

The Preliminary Prospectus and any other documents or materials prepared in relation to the issue, offering or sale of the Notes are made available to the recipients thereof solely on the basis that they are an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**") pursuant to Section 274 of the SFA or an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the Joint Lead Managers as aforesaid or for any other purpose.

The Preliminary Prospectus has not been, nor will it be, lodged with the Australian Securities and Investments Commission or any other regulatory authority in Australia and is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**"). Notes that are issued, offered for sale or transferred in, or into, Australia will only be so issued, offered or transferred in circumstances that would not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act and if the aggregate consideration payable by each offeree or transferee in Australia for such Notes is at least A\$500,000 (or its equivalent in an alternate currency, in either case disregarding monies lent by the offeror or transferor, as applicable, or its associates to the purchaser).

The Issuer is not a bank or an authorised deposit-taking institution which is authorised under the *Banking Act 1959 (Cth)* of Australia (the "**Australian Banking Act**") and it is not supervised by the Australian Prudential Regulation Authority. The Notes are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia. The depositor protection provisions in Division 2 of Part II of the Australian Banking Act do not apply to the Issuer. No Notes will be "protected accounts" or "deposit liabilities" within the meaning of the Australian Banking Act and an investment in any Notes will not be covered by either the depositor protection provisions in section 13A of the Australian Banking Act or the Australian Government's bank deposit guarantee (also commonly referred to as the Financial Claims Scheme).

## IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

In the context of the offering of the Notes, the Sole Global Coordinator and other intermediaries are "capital markets intermediaries" ("CMI") subject to Paragraph 21 of the SFC Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong (the "SFC Code").

**Associated Orders and Proprietary Orders:** Prospective investors in Notes who are the directors, employees or major shareholders of the Issuer or a CMI (including its group companies) will be considered as having an association with the Issuer, the CMI or the relevant group company. Prospective investors in Notes associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the offering. Prospective investors who do not disclose their associations are deemed not to be so associated. Where prospective investors disclose such associations but do not disclose that such order may negatively impact the price discovery process in relation to the offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the offering. If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order for Notes if it is for a fund or portfolio where the relevant Joint Lead Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the offering. Prospective investors who do not indicate this information when placing an order for Notes are hereby deemed to confirm that their order is not such a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Joint Lead Manager, such that its order for Notes may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order for Notes are hereby deemed to confirm that their order is not such a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the offering of the Notes.

**Order Book Transparency:** Prospective investors should ensure, and by placing an order for Notes, prospective investors are deemed to confirm, that orders for Notes placed with any relevant Joint Lead Manager are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). In addition, any other CMIs (including private banks) submitting orders with any relevant Joint Lead Manager should disclose the identities of all investors when submitting orders with the Joint Lead Managers. When placing an order for Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order (see further below) pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant Joint Lead Manager to apply the "proprietary orders" requirements of the SFC Code to such order and will require the relevant Joint Lead Manager to apply the "rebates" requirements of the SFC Code to such order. In the case of omnibus orders placed with the relevant Joint Lead Manager, CMIs (including private banks) should, at the same time, provide underlying investor information (name and unique identification number) in the format and to the relevant recipients indicated to you by the relevant Joint Lead Manager at the relevant time. Failure to provide such information may result in that order being rejected. In sharing such underlying investor information, which may be personal and/or confidential in nature, you should (i) take appropriate steps to safeguard the transmission of such information; (ii) are deemed to have obtained the necessary consents to disclose such information; and (iii) are deemed to have authorised the collection, disclosure, use and transfer of such information by the relevant Joint Lead Manager and/or any other third parties as may be required by the SFC Code. In addition, prospective investors in Notes should be aware that certain information may be disclosed by the CMIs which is personal and/or confidential in nature to the prospective investor. By placing an order for Notes, prospective investors are deemed to have authorised the collection, disclosure, use and transfer of such information by the relevant Joint Lead Manager to the Issuer, certain other CMIs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used in connection with the offering of the Notes.

**Rebates and Preferential Treatment:** The terms and conditions of the offering of the Notes will be set out in full in the final prospectus relating to the Notes. Prospective investors in Notes should be aware that

a rebate, including a rebate to private banks for orders they place, may be payable upon closing of the offering of the Notes based on the principal amount of the Notes distributed by such private banks. If the final prospectus relating to the Notes discloses any such rebate (including a rebate to private banks), prospective investors should contact their usual Joint Lead Manager sales contact for further details, including the details required to be provided to prospective investors pursuant to Paragraph 21.3.7(b) of the SFC Code. CMIs (including private banks) should not offer any rebates to prospective investor clients or pass on any rebates provided by the Issuer to prospective investors nor enter into any arrangements which may result in prospective investors paying different prices for the Notes.

## **PROHIBITION OF SALES TO RETAIL INVESTORS**

**EEA:** The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**UK:** The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of the manufacturers' product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the UK Financial Conduct Authority (the "**FCA**") Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**The Notes are not intended to be sold and should not be sold to retail clients in the EEA and, pursuant to COBS, the Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK.**

Prospective investors are referred to the sections "*Prohibition on Marketing and Sales to Certain Investors*" and "*Selling Restrictions*" in the Preliminary Prospectus for further information.

## PRELIMINARY PROSPECTUS DATED 18 JUNE 2024

NOT FOR DISTRIBUTION – SUBJECT TO AMENDMENT AND COMPLETION

This Prospectus has been approved by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act of 15 June 2018, as amended (the "FinSA"), on [•]\*

**The Issuer is relying on article 51(2) of the FinSA as described on page 1 of this Preliminary Prospectus in the section "Important Notices".**

This Preliminary Prospectus is subject to completion and amendment. In particular, certain information contained herein marked in red will be updated, and the terms herein marked with an asterisk (\*) will be completed, in the final prospectus relating to the Notes, which, once available, will be filed with SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the FinSA, and may be obtained in electronic or printed form, free of charge, during normal business hours from the Issuer at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland (voicemail: +41 44 239 47 03, fax: +41 44 239 69 14, email: swiss-prospectus@ubs.com), all in accordance with article 40(4) of the FinSA. Such terms will be determined based on market conditions and market demand. Capitalised terms used but not defined in this legend have the meanings assigned to such terms in this Preliminary Prospectus.

### PROSPECTUS DATED [•]\*



UBS GROUP AG

### SGD [•]\* [•]\* per cent. Tier 1 Capital Notes

This prospectus (the "Prospectus") relates to the issue of SGD [•]\* [•]\* per cent. Tier 1 Capital Notes (the "Notes") by UBS Group AG (the "Issuer", and together with its subsidiaries, the "UBS Group" or "UBS" or the "Group").

The issue price of the Notes is [•]\* per cent. of their principal amount. Subject to the right or obligation of the Issuer to cancel any payment of interest in respect of the Notes in accordance with Condition 5(i) (*Interest – Cancellation of interest; prohibited interest*) and subject to Condition 8 (*Conversion*), interest will accrue on the principal amount of the Notes (i) from (and including) [•]\* (the "Issue Date") to (but excluding) [•]\* (the "First Call Date"), at [•]\* per cent. per annum and (ii) thereafter, at the applicable Reset Interest Rate (as defined herein), in each case payable semi-annually in arrear on [•]\* and [•]\* of each year (each an "Interest Payment Date"), commencing on [•]\*.

Interest payments on the Notes will be made without withholding or deduction for or on account of taxes of Switzerland to the extent described herein under Condition 10 (*Taxation*). The Issuer may elect, in its sole discretion, to cancel in whole or in part any payment of interest in respect of the Notes (including, for the avoidance of doubt, any related Additional Amounts (as defined herein)) which is otherwise scheduled to be paid on an Interest Payment Date and payments of interest in respect of the Notes must also not be made in certain other circumstances as provided in Condition 5(i) (*Interest – Cancellation of interest; prohibited interest*). Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes, then the right of the Holders (as defined herein) to receive the relevant interest payment (or part thereof) will be extinguished (and will not accumulate) and the Issuer will have no obligation to pay such interest payment (or part thereof), whether or not future interest payments on the Notes are paid. The cancellation of interest will not constitute an event of default or entitle any action to be taken by Holders and Holders will have no right thereto, whether in a winding-up, dissolution or liquidation of the Issuer or otherwise.

The Notes are perpetual securities and have no fixed redemption date. Subject to Condition 8 (*Conversion*) and the satisfaction of certain conditions described in Condition 6 (*Redemption and Purchase*), the Issuer may, at its option, redeem the Notes, in whole but not in part, on the First Call Date or any Interest Payment Date thereafter or upon the occurrence of a Tax Event or Regulatory Event (each as defined herein) at their aggregate principal amount, together with any accrued and unpaid interest thereon to (but excluding) the relevant Redemption Date. See Condition 6 (*Redemption and Purchase*) for more details.

**Upon the occurrence of either a Trigger Event or a Viability Event (each as defined herein), the Notes will be subject to a Conversion (as defined herein). In such circumstances, the Notes will be redeemed**

and settled on the applicable Conversion Date (as defined herein) by the delivery of new fully paid Ordinary Shares (as defined herein) and the cancellation of any accrued and unpaid interest on the Notes (whether or not due and payable), as described in Condition 8 (*Conversion*). The number of Ordinary Shares to be issued and delivered in respect of a Conversion shall be determined in accordance with Condition 8(c) (*Conversion – Conversion Price and determination of number of Ordinary Shares*).

The Conversion Price per Ordinary Share on the Issue Date will be SGD [•]\*, which is equivalent to a price of CHF [•]\* per Ordinary Share translated into Singapore dollars at an exchange rate of CHF 1.00 = SGD [•]\* [(rounded to [•]\* decimal places)]\* and then rounded to two decimal places. The Conversion Price is subject to adjustment to (and including) the date of the relevant Trigger Event Notice or Viability Event Notice, as the case may be, in the circumstances described in Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*). In respect of a Conversion as a result of the occurrence of a Trigger Event only, such Ordinary Shares may, if the Issuer elects to appoint a Settlement Shares Offer Agent (as defined herein) to act on behalf, and for the accounts, of the Holders, be offered for sale in a Settlement Shares Offer (as defined herein) as described in subclause (ii) of Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*). In such case, Holders may receive cash or a combination of cash and Ordinary Shares instead of the number of Ordinary Shares to which the Holders would otherwise be entitled upon Conversion. See "*Risk Factors – Risks relating to the Notes*". Each Holder and beneficial owner of a Note acknowledges and agrees, by accepting a direct or beneficial interest in such Note, to be bound by and consents to the application of the Conversion.

The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves, as more particularly described in Condition 4 (*Status and Subordination*).

The Notes [have been]/[will be]\* assigned a rating of [•]\* by Fitch Ratings Ireland Limited ("**Fitch**") and [•]\* by Moody's Investors Service Ltd ("**Moody's**").

***A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.***

The Notes will be issued in minimum denominations of SGD 250,000 and integral multiples of SGD 250,000 in excess thereof. The Notes may be held and transferred, and may be offered and sold, only in minimum denominations of SGD 250,000 and integral multiples of SGD 250,000 in excess thereof. The Notes will be issued in uncertificated form as uncertificated securities (*einfache Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations of 30 March 1911, as amended from time to time (the "**Swiss Code**") and will be governed by Swiss law. It is expected that delivery of the Notes will be made through the systems operated by SIX SIS Ltd ("**SIX SIS**") on [•]\*. See Condition 2 (*Amount and Denomination; Form and Transfer*) for more details.

The Notes are expected to be provisionally admitted to trading on the SIX Swiss Exchange from [•]\*. The last day of trading in the Notes on the SIX Swiss Exchange is expected to be the second trading day prior to the date on which the Notes are fully redeemed in accordance with the Terms and Conditions of the Notes (the "**Terms and Conditions**"). Application will be made for the Notes to be definitively admitted to trading and listed on the SIX Swiss Exchange.

**The Notes are complex and high risk financial instruments. There are risks inherent in the holding of the Notes, including the risks in relation to their subordination, the circumstances in which Holders may suffer loss as a result of holding the Notes and the risk that the Notes will be converted into Ordinary Shares in certain circumstances. Prospective investors should have regard to, and carefully consider, the factors described in the section "*Risk Factors*" in this Prospectus for a discussion of certain considerations to be taken into account in connection with an investment in the Notes. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Prospectus and the merits and risks of investing in the Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in the Notes. Investors should not purchase the Notes unless they understand and are able to bear the risks associated with the Notes.**

**The Notes are not intended to be sold and should not be sold to retail clients in the European Economic Area ("EEA") and, pursuant to the United Kingdom (the "UK") Financial Conduct Authority (the "FCA") Handbook Conduct of Business Sourcebook ("COBS") the Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK. Prospective investors are referred to the section "*Prohibition on Marketing and Sales to Certain Investors*" in this Prospectus for further information.**

**The Notes are not bank deposits:** An investment in the Notes carries risks which are very different from the risk profile of a bank deposit placed with UBS or its affiliates. The Notes have different yield, liquidity and risk profiles and would not benefit from any protection provided to deposits.

**The Notes and any Ordinary Shares that may be delivered upon Conversion have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or any state securities law. The Notes are being offered and sold outside the United States to non-US persons (as defined in Regulation S under the US Securities Act ("Regulation S")) only in reliance on Regulation S, as further described, together with other restrictions on offers, sales and deliveries of Notes, in the section "*Selling Restrictions*" in this Prospectus.**

*SOLE GLOBAL COORDINATOR*

**UBS**

*JOINT LEAD MANAGERS*

**DBS Bank Ltd.**

**HSBC**

**OCBC**

**Standard Chartered  
Bank**

**United Overseas Bank**

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## IMPORTANT NOTICES

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the FinSA because the Notes have a minimum denomination of at least CHF 100,000 (or equivalent in another currency). Consequently, for purposes of the offering of the Notes, this Prospectus does not constitute a prospectus as such term is understood pursuant to article 35 of the FinSA. Notwithstanding the foregoing, for purposes of application for admission to trading of the Notes on the SIX Swiss Exchange only, the Issuer is relying on article 51(2) of the FinSA. Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Notes are hereby notified that this Prospectus has not been reviewed or approved by a competent review body pursuant to article 52 of the FinSA. The Notes, if issued, will be issued on the basis of the final prospectus relating to the Notes (the "Final Prospectus"), which will be submitted to SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the FinSA (in such capacity, the "Swiss Review Body") for review only after completion of the offering of the Notes and after application has been made for provisional admission to trading of the Notes on the SIX Swiss Exchange. Potential investors should be aware that the Terms and Conditions set out in this Prospectus are incomplete and subject to amendment and completion in the Final Prospectus. Accordingly, the rights of Holders under the Notes will be determined exclusively by the Terms and Conditions set out in the Final Prospectus.

This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Swiss Review Body. Consequently, neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes nor the admission to trading of the Notes on the SIX Swiss Exchange shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Notes is correct as of any time subsequent the date indicated in the document containing the same.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes and for the admission to trading and listing of the Notes on the SIX Swiss Exchange. The Issuer has not authorised the use of this Prospectus for any other purpose.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the joint lead managers named in the section "*Subscription and Sale*" (the "**Joint Lead Managers**") to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Selling Restrictions*".

This Prospectus and any other documents or materials prepared in relation to the issue, offering or sale of the Notes are made available to the recipients thereof solely on the basis that they are an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**")) pursuant to Section 274 of the SFA or an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the Joint Lead Managers as aforesaid or for any other purpose.

### **Prohibition on Marketing and Sales to Certain Investors**

1. The Notes are complex financial instruments. They are not a suitable or appropriate investment for all investors (see "*Risk Factors – Risks relating to the Notes*"). In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).
2. In the UK, the COBS requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.
3. Certain of the Joint Lead Managers are required to comply with COBS.

4. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:
  - (a) it is not a retail client in the UK; and
  - (b) it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.
5. In selling or offering the Notes or making or approving communications relating to the Notes you may not rely on the limited exemptions set out in COBS.
6. The obligations in paragraphs 2 to 5 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under Directive 2014/65/EU (as amended, "**MiFID II**") or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

**Prohibition on Sales to EEA Retail Investors:** The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document (KID) required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**Prohibition on Sales to UK Retail Investors:** The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). Consequently no key information document (KID) required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in COBS, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA

Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]<sup>1</sup>

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or any Joint Lead Manager, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

### **Important Notice to Prospective Investors**

In the context of the offering of the Notes, the Sole Global Coordinator and other intermediaries are "capital markets intermediaries" ("CMI") subject to Paragraph 21 of the SFC Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong (the "**SFC Code**").

**Associated Orders and Proprietary Orders:** Prospective investors in Notes who are the directors, employees or major shareholders of the Issuer or a CMI (including its group companies) will be considered as having an association with the Issuer, the CMI or the relevant group company. Prospective investors in Notes associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the offering. Prospective investors who do not disclose their associations are deemed not to be so associated. Where prospective investors disclose such associations but do not disclose that such order may negatively impact the price discovery process in relation to the offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the offering. If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order for Notes if it is for a fund or portfolio where the relevant Joint Lead Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the offering. Prospective investors who do not indicate this information when placing an order for Notes are hereby deemed to confirm that their order is not such a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Joint Lead Manager, such that its order for Notes may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order for Notes are hereby deemed to confirm that their order is not such a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the offering of the Notes.

**Order Book Transparency:** Prospective investors should ensure, and by placing an order for Notes, prospective investors are deemed to confirm, that orders for Notes placed with any relevant Joint Lead Manager are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). In addition, any other CMIs (including private banks) submitting orders with any relevant Joint Lead Manager should disclose the identities of all investors when submitting orders with the Joint Lead Managers. When placing an order for Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order (see further below) pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant Joint Lead Manager to apply the "proprietary orders" requirements of the SFC Code to such order and will require the relevant Joint Lead Manager to apply the "rebates" requirements of the SFC Code to such order. In the case of omnibus orders placed with the relevant Joint Lead Manager, CMIs (including private banks) should, at the same time, provide underlying investor information (name and unique identification number) in the format and to the relevant recipients indicated to the potential investor by the relevant Joint Lead Manager at the relevant time. Failure to provide such information may result in that order being rejected. In sharing such underlying investor information, which may be personal and/or confidential in nature, potential

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<sup>1</sup> To be confirmed if EU MiFID legend will be needed once dealer panel is confirmed.

investors should (i) take appropriate steps to safeguard the transmission of such information; (ii) are deemed to have obtained the necessary consents to disclose such information; and (iii) are deemed to have authorised the collection, disclosure, use and transfer of such information by the relevant Joint Lead Manager and/or any other third parties as may be required by the SFC Code. In addition, prospective investors in Notes should be aware that certain information may be disclosed by the CMI which is personal and/or confidential in nature to the prospective investor. By placing an order for Notes, prospective investors are deemed to have authorised the collection, disclosure, use and transfer of such information by the relevant Joint Lead Manager to the Issuer, certain other CMIs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used in connection with the offering of the Notes.

### **United States**

The Notes and any Ordinary Shares that may be delivered upon Conversion have not been, and 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. Accordingly, the Notes and any Ordinary Shares that may be delivered upon conversion may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

### **Singapore Securities and Futures Act Product Classification**

Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

### **Australian Banking Act**

This Prospectus has not been, nor will it be, lodged with the Australian Securities and Investments Commission or any other regulatory authority in Australia and is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**"). Notes that are issued, offered for sale or transferred in, or into, Australia will only be so issued, offered or transferred in circumstances that would not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act and if the aggregate consideration payable by each offeree or transferee in Australia for such Notes is at least A\$500,000 (or its equivalent in an alternate currency, in either case disregarding monies lent by the offeror or transferor, as applicable, or its associates to the purchaser).

The Issuer is not a bank or an authorised deposit-taking institution which is authorised under the Banking Act 1959 (Cth) of Australia (the "**Australian Banking Act**") and it is not supervised by the Australian Prudential Regulation Authority. The Notes are not obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia. The depositor protection provisions in Division 2 of Part II of the Australian Banking Act do not apply to the Issuer. No Notes will be "protected accounts" or "deposit liabilities" within the meaning of the Australian Banking Act and an investment in any Notes will not be covered by either the depositor protection provisions in section 13A of the Australian Banking Act or the Australian Government's bank deposit guarantee (also commonly referred to as the Financial Claims Scheme).

### **General**

The Notes may not be suitable investments for all investors. An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result therefrom. The Notes may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risk of investing in the Notes and the information contained or incorporated by reference in this Prospectus;

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (d) understand thoroughly the terms of the Notes, such as the provisions governing a Conversion (including, in particular, calculation of the CET1 Ratio and Trigger CET1 Ratio, as well as under what circumstances a Trigger Event or a Viability Event will or may be deemed to occur), and be familiar with the behaviour of any relevant financial markets and their potential impact on the likelihood of certain events under the Notes occurring; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment, the occurrence of a Conversion, the scope of FINMA's Swiss Resolution Powers and ability to order Protective Measures, and situations in which FINMA may exercise its Swiss Resolution Powers and/or order Protective Measures, in respect of the Issuer and/or the Notes and the effect that any such exercise may have on the Issuer and/or the Notes, and its ability to bear the applicable risks.

Prospective investors should satisfy themselves that they understand all of the risks associated with making investments in the Notes. If a prospective investor is in any doubt whatsoever as to the risks involved in investing in the Notes, it should consult its professional advisers.

Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their residence and domicile for the acquisition, holding or disposal of Notes and any foreign exchange restrictions that might be relevant to them and must obtain any consent, approval or permission required by it for the acquisition, holding or disposal of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such acquisition, holding or disposal, and none of the Issuer and the Joint Lead Managers shall have any responsibility therefor.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus, to the best of its knowledge, is correct and no material facts or circumstances have been omitted herefrom.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus.

To the fullest extent permitted by law, the Joint Lead Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Joint Lead Managers or on their behalf in connection with the Issuer or the issue and offering of the Notes. The Joint Lead Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Prospectus or any such statement.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Joint Lead Managers to subscribe for or purchase any of the Notes.

## **STABILISATION**

In connection with the issue of the Notes, UBS AG Singapore Branch (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any

time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

## DEFINITIONS

In this Prospectus, unless otherwise specified, references to "**US**" and "**United States**" are to the United States of America, references to "**EU**" are to the European Union, references to "**USD**" or "**US dollars**" are to United States dollars, references to "**Singapore dollars**" and "**SGD**" are to the lawful currency of Singapore, references to "**CHF**" are to Swiss francs, and references to "**EUR**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended, and references to "**A\$**" are to the currency of Australia.

References herein to (i) the "**Credit Suisse Group**" are to Credit Suisse Group AG together with its direct and indirect subsidiaries prior to UBS's acquisition of Credit Suisse Group AG, (ii) "**Credit Suisse**" are to the former direct and indirect consolidated subsidiaries of Credit Suisse Group AG now held directly or indirectly by UBS Group AG, and (iii) the "**combined Group**" are to the Group following UBS's acquisition of Credit Suisse Group AG.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains or incorporates by reference statements that constitute "forward-looking statements", including but not limited to management's outlook for UBS's financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS's judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. In particular, terrorist activity and conflicts in the Middle East, as well as the continuing Russia–Ukraine war, may have significant impacts on global markets, exacerbate global inflationary pressures, and slow global growth. In addition, the ongoing conflicts may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to the armed conflicts, including, with respect to the Russia–Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. UBS's acquisition of the Credit Suisse Group has materially changed UBS's outlook and strategic direction and introduced new operational challenges. The integration of the Credit Suisse entities into the UBS structure is expected to take between three and five years and presents significant risks, including the risks that UBS Group AG may be unable to achieve the cost reductions and other benefits contemplated by the transaction. This creates significantly greater uncertainty about forward-looking statements.

Other factors that may affect UBS's performance and ability to achieve its plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets ("**RWA**") and leverage ratio denominator ("**LRD**"), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility and the size of the combined Group; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions, including as a result of the acquisition of the Credit Suisse Group; (iii) increased inflation and interest rate volatility in major markets; (iv) developments in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, currency exchange rates, deterioration or slow recovery in residential and commercial real estate markets, the effects of economic conditions, including increasing inflationary pressures, market developments, increasing geopolitical tensions, and changes to national trade policies on the financial position or creditworthiness of UBS's clients and counterparties, as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any adverse changes in UBS's credit spreads and credit ratings of UBS, Credit Suisse, sovereign issuers, structured credit products or credit-related exposures, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity ("**TLAC**"), in particular in light of the acquisition of the Credit Suisse Group; (vi) changes in central bank policies or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the EU and other financial centres that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS's business activities; (vii) UBS's ability to successfully implement resolvability and related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS in response to legal and regulatory requirements and any additional requirements due to its acquisition of the Credit Suisse Group, or other developments; (viii) UBS's ability to maintain and improve its systems and controls for complying with sanctions in a timely manner and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS's competitive position, including whether differences in regulatory capital and other requirements among the major financial centres adversely affect UBS's ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to UBS's businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii)

the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of UBS's RWA, including as a result of its acquisition of the Credit Suisse Group, as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS's business, in particular cross-border banking, of sanctions, tax or regulatory developments and of possible changes in UBS's policies and practices; (xiv) UBS's ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xvi) UBS's ability to implement new technologies and business methods, including digital services and technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvii) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modelling, and of financial models generally; (xviii) the occurrence of operational failures, such as fraud, misconduct, unauthorised trading, financial crime, cyberattacks, data leakage and systems failures, the risk of which is increased with cyberattack threats from both nation states and non-nation-state actors targeting financial institutions; (xix) restrictions on the ability of UBS Group AG and UBS AG to make payments or distributions, including due to restrictions on the ability of their subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS's operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS's ability to maintain its stated capital return objective; (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others for UBS to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and the possibility of conflict between different governmental standards and regulatory regimes; (xxii) the ability of UBS to access capital markets; (xxiii) the ability of UBS to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, conflict (e.g., the Russia-Ukraine war), pandemic, security breach, cyberattack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the COVID-19 (coronavirus) pandemic; (xxiv) the level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, and in the execution of the planned strategy regarding cost reduction and divestment of any non-core assets, the existing assets and liabilities of Credit Suisse, the level of resulting impairments and write-downs, the effect of the consummation of the integration on the operational results, share price and credit rating of UBS – delays, difficulties, or failure in closing the transaction may cause market disruption and challenges for UBS to maintain business, contractual and operational relationships; and (xxv) the effect that these or other factors or unanticipated events, including media reports and speculations, may have on UBS's reputation and the additional consequences that this may have on UBS's business and performance.

The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. UBS's business and financial performance could be affected by other factors identified in its past and future filings and reports, including those filed with the US Securities and Exchange Commission (the "SEC"). More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including the Annual Report 2023 (as defined herein). UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.



## ABOUT THIS PROSPECTUS

### Documents

#### Incorporated by Reference

The following documents, which have previously been published or are published simultaneously with this Prospectus, are incorporated in, and form a part of, this Prospectus:

- (a) UBS Group AG's annual report for the year ended 31 December 2023, which the Issuer filed on Form 20-F with the SEC on 28 March 2024 (the "**Annual Report 2023**") (accessible at the date of this Prospectus at: [- \(b\) UBS Group AG's audited standalone financial statements for the year ended 31 December 2023, which the Issuer furnished on Form 6-K to the SEC on 28 March 2024 \(the "\*\*Standalone Financial Statements 2023\*\*"\) \(accessible at the date of this Prospectus at: \[- \\(c\\) UBS Group AG's unaudited pro forma condensed combined financial information for the year ended 31 December 2023, prepared to reflect the combination of the Issuer with Credit Suisse Group AG, filed as an exhibit to the Form 6-K which the Issuer furnished to the SEC on 28 March 2024 \\(accessible at the date of this Prospectus at: \\[- \\\(d\\\) UBS Group AG capitalisation table for the fourth quarter 2023, which the Issuer filed with the SEC on Form 6-K on 28 March 2024 \\\(accessible at the date of this Prospectus at: \\\[- \\\\(e\\\\) UBS Group AG's first quarter 2024 financial report \\\\(the "\\\\*\\\\*First Quarter 2024 Report\\\\*\\\\*"\\\\), which the Issuer filed with the SEC on Form 6-K on 7 May 2024 \\\\(accessible at the date of this Prospectus at:\\\]\\\(https://www.ubs.com/global/en/investor-relations/financial-information/sec-filings/archive-sec/\\\_jcr\\\_content/mainpar/toplevelgrid/col1/accordionbox/accordionsplit\\\_42737\\\_393541922/linklistreimagined\\\_c\\\_449865744/link\\\_copy\\\_copy\\\_copy\\\_\\\_1199560933.1766994757.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2MvaW52ZXN0b3ItcmVsYXRpb25zL3F1YXJ0ZXJsaWVzLzIwMjMvNHEyMy9zZWtZmlsaW5ncy82ay11YnMtZ3JvdXAtYWctc3RhbmRhbG9uZS0zMS0xMi0yMy5wZGY=/zEtMTItMjMucGRm/6k-capitalization-ubs-group-ag-31-12-23.pdf\\\)\\]\\(https://www.ubs.com/global/en/investor-relations/financial-information/sec-filings/archive-sec/\\_jcr\\_content/mainpar/toplevelgrid/col1/accordionbox/accordionsplit\\_42737\\_393541922/linklistreimagined\\_c\\_449865744/link\\_copy\\_copy\\_copy\\_\\_1954759768.1092592708.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2MvaW52ZXN0b3ItcmVsYXRpb25zL3F1YXJ0ZXJsaWVzLzIwMjMvNHEyMy9zZWtZmlsaW5ncy91YnNncm91cGFuLXBvbi1hLTIwMjMvNHEyMy9zZWtZmlsaW5ncy82ay11YnMtZ3JvdXAtYWctc3RhbmRhbG9uZS0zMS0xMi0yMy5wZGY=/gucGRm/ubsgroupag-proforma-2024-03-28.pdf\\)\]\(https://www.ubs.com/global/en/investor-relations/financial-information/sec-filings/archive-sec/\_jcr\_content/mainpar/toplevelgrid/col1/accordionbox/accordionsplit\_42737\_393541922/linklistreimagined\_c\_449865744/link\_copy\_copy\_copy.0869947965.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2MvaW52ZXN0b3ItcmVsYXRpb25zL3F1YXJ0ZXJsaWVzLzIwMjMvNHEyMy9zZWtZmlsaW5ncy82ay11YnMtZ3JvdXAtYWctc3RhbmRhbG9uZS0zMS0xMi0yMy5wZGY=/6k-ubs-group-ag-standalone-31-12-23.pdf\)](https://www.ubs.com/global/en/investor-relations/financial-information/sec-filings/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/tabteasersplit_2037369950/innergrid_2025441247/xcol1/linklist/link_667226045_copy.1332933720.file/PS9jb250ZW50L2RhbS9hc3NldHMvY2MvaW52ZXN0b3ItcmVsYXRpb25zL3F1YXJ0ZXJsaWVzLzIwMjMvNHEyMy9zZWtZmlsaW5ncy8yMGYtZnVsbC1yZXBvcnQtdWJzLWdyb3VwLWFnLWNvbnNvbGlkYXZlZC0yMDIzLnBkZg==/20f-full-report-ubs-group-ag-consolidated-2023.pdf)

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XEyNC5wZGY=/6k-full-report-ubs-group-ag-consolidated-1q24.pdf); and

- (f) the articles of association of UBS Group AG dated as of 24 April 2024 (accessible at the date of this Prospectus at: <http://www.ubs.com/governance>).

#### **Availability of Documents**

Copies of this Prospectus (including the documents incorporated by reference herein) can be obtained in electronic or printed form, free of charge, during normal business hours from the Issuer at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland (voicemail: +41 44 239 47 03, fax: +41 44 239 69 14, email: [swiss-prospectus@ubs.com](mailto:swiss-prospectus@ubs.com)).

In addition, the annual and quarterly reports and the results materials of the Issuer are published on UBS's website, at [www.ubs.com/investors](http://www.ubs.com/investors). UBS's financial result-related submissions and filings with the SEC are available at <https://www.ubs.com/sec-filings>. The information contained on these websites or other securities filings do not form part of this Prospectus unless otherwise specifically incorporated by reference herein.

The Issuer is subject to the informational requirements of the US Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"), and, in accordance therewith, files reports and other information with the SEC. Such reports and other information filed with the SEC can be accessed at <http://www.sec.gov> via the internet. The information contained on this website does not form part of this Prospectus unless otherwise specifically incorporated by reference herein.

## SUMMARY

*This summary should be read as an introduction to this Prospectus and, for purposes of the FinSA, constitutes a summary within the meaning of articles 40(3) and 43 thereof. Any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference herein, and not on this summary. This summary is therefore qualified in its entirety by, and should be read in conjunction with, the remainder of this Prospectus.*

*Potential investors in the Notes should be aware that liability under article 69 of the FinSA for any false or misleading information contained in this summary is limited to any such information that is false or misleading when read together with, or that is inconsistent with, the other parts of this Prospectus.*

***The terms in this summary marked with an asterisk (\*) will be completed and published in the Final Prospectus, which, once available, will be filed with the Swiss Review Body and may be obtained in electronic or printed form, free of charge, during normal business hours from the Issuer at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland (voicemail: +41 44 239 47 03, fax: +41 44 239 69 14, or email: swiss-prospectus@ubs.com), all in accordance with article 40(4) of the FinSA. Such terms will be determined based on market conditions and market demand.***

*Capitalised terms used in this summary but not defined herein have the meanings assigned to them in the Terms and Conditions or elsewhere in this Prospectus.*

The Issuer:	UBS Group AG (the "Issuer").  The Issuer was incorporated under Swiss law as a corporation ( <i>Aktiengesellschaft</i> ) with unlimited duration under the name "UBS Group AG" on 10 June 2014, in Zurich, Switzerland, and was registered with the Commercial Register of the Canton of Zurich under the number CHE-395.345.924. The Issuer's registered office is located at Bahnhofstrasse 45, 8001 Zurich, Switzerland; its telephone number is +41 44 234 11 11.
The Notes:	SGD [•]* [•]* per cent. Tier 1 Capital Notes.
Risk Factors:	There are a number of factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Certain of these factors are set out in the section " <i>Risk Factors</i> " in this Prospectus and include, among others, risks relating to regulatory and legislative changes, reputation, market, liquidity and legal risks and the general economic situation. In addition, there are certain factors that are material for the purposes of assessing the risks associated with the Notes. These include the fact that the Notes may not be a suitable investment for all investors and certain risks relating to the structure of the Notes, including that they are subject to Conversion upon the occurrence of a Trigger Event or a Viability Event, which would result in an enhanced risk that Holders will lose some or all of their investment in the Notes.
Sole Global Coordinator:	UBS AG Singapore Branch
Joint Lead Managers:	DBS Bank Ltd. Oversea-Chinese Banking Corporation Limited Standard Chartered Bank The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch United Overseas Bank Limited
Issue Price:	[•]* per cent. of the principal amount of the Notes.
Form of the Notes:	The Notes will be issued in uncertificated form as uncertificated securities ( <i>einfache Wertrechte</i> ) in accordance with article 973c of

the Swiss Code, and will be entered into the main register (*Hauptregister*) of SIX SIS or any other intermediary (*Verwahrungsstelle*) in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd. Neither the Issuer nor any Holder nor any other Person will at any time have the right to effect or demand the conversion of any Note into, or the delivery of, a global note (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).

Status of the Notes:

The Notes will 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 below.

In the event of a Bankruptcy Event or an order being made, or an effective resolution being passed, for the liquidation or winding-up of the Issuer (except, under certain circumstances, in the case of a solvent liquidation or winding-up):

- (i) if such event occurs prior to the occurrence of a Trigger Event or a Viability 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 Trigger Event or a Viability 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 8 (*Conversion*) will rank as set forth in subclause (ii) below; or
- (ii) if such event occurs on or after the occurrence of a Trigger Event or a Viability Event, the rights and claims of the Holders against the Issuer in respect of the delivery of Ordinary Shares in accordance with Condition 8 (*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.

See Condition 4(b) (*Status and Subordination – Subordination*).

Principal Paying Agent,  
Calculation Agent and Settlement  
Agent:

UBS AG will initially fulfil the function of principal paying agent, calculation agent and settlement agent for the Notes.

Listing Agent:

UBS AG

Issue Date:

[•]\*

Currency:

Singapore dollars ("SGD")

Denomination/Trading Lot:	<p>The Notes will be issued to Holders in minimum denominations of SGD 250,000 and integral multiples of SGD 250,000 in excess thereof.</p>
Maturity:	<p>The Notes may be held and transferred only in minimum denominations of SGD 250,000 and integral multiples of SGD 250,000 in excess thereof.</p> <p>The Notes will be perpetual securities and have no fixed redemption date. Unless previously redeemed (including by way of Conversion pursuant to Condition 8 (<i>Conversion</i>)) or purchased and cancelled in accordance with Condition 6 (<i>Redemption and Purchase</i>) and subject to Condition 8 (<i>Conversion</i>), the Notes may only be redeemed or purchased as described under "Optional Redemption" and "Purchases" below.</p>
Interest:	<p>Subject to Condition 8 (<i>Conversion</i>) and Condition 5(h) (<i>Interest – Accrual of interest in the case of redemption or a Trigger Event or a Viability Event</i>), the Notes will bear interest on their principal amount (i) from (and including) the Issue Date to (but excluding) the First Call Date at [•]* per cent. per annum and (ii) thereafter, at the applicable Reset Interest Rate.</p>
Interest Payment Dates:	<p>Subject to Condition 8 (<i>Conversion</i>) and Condition 5(i) (<i>Interest – Cancellation of interest; prohibited interest</i>), interest on the Notes will be payable semi-annually in arrear on [•]* and [•]* of each year, commencing on [•]*.</p>
Discretionary and Prohibited Interest Payments:	<p>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. In addition, the Issuer will be prohibited from making payments of interest on the Notes (including, for the avoidance of doubt, any related Additional Amounts) on an Interest Payment Date in the circumstances described in subclause (ii) of Condition 5(i) (<i>Interest – Cancellation of interest; prohibited interest</i>).</p> <p>Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes by virtue of Condition 5(i) (<i>Interest – Cancellation of interest; prohibited interest</i>), then the right of the Holders to receive the relevant interest payment (or part thereof) will be extinguished (and shall not accumulate) and the Issuer will have no obligation to pay such interest payment (or part thereof), whether or not future interest payments on the Notes are paid. The cancellation or non-payment of any interest amount will not constitute a default for any purpose (including, without limitation, Condition 12 (<i>Events of Default</i>)) on the part of the Issuer or entitle any action to be taken by Holders and Holders shall have no right thereto, whether in a winding-up, dissolution or liquidation of the Issuer or otherwise.</p>
Restrictions following failure to pay Interest:	<p>If on any Interest Payment Date any scheduled payment of interest is not made in full pursuant to subclause (i) or (ii) of Condition 5(i) (<i>Interest – Cancellation of interest; prohibited interest</i>), the Issuer 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</p>

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 the Terms and Conditions.

Optional Redemption:

Subject to Condition 8 (*Conversion*), the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, in the following circumstances:

- (i) 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; or
- (ii) upon the occurrence of a Tax Event at any time after the Issue Date, at their aggregate principal amount, together with any accrued and unpaid interest thereon to (but excluding) the relevant Redemption Date; or
- (iii) upon the occurrence of a Regulatory Event at any time after the Issue Date, at their aggregate principal amount, together with any accrued and unpaid interest thereon to (but excluding) the relevant Redemption Date,

***provided that*** (x) in the case of any redemption described in clauses (i) or (ii) above only, FINMA has approved such redemption in writing (if such approval is then required), (y) neither a Trigger Event nor a Viability Event has occurred prior to the relevant Redemption Date, and (z) the Issuer has complied with the other conditions for redemption described in Condition 6(e) (*Redemption and Purchase – Conditions for redemption*).

Purchases:

Subject to Condition 8 (*Conversion*), 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) on or prior to the date of such purchase, and (iii) no Trigger Event or Viability Event has occurred on or prior to the date of such purchase. Any Notes so purchased may, at the option of the Issuer, be held, reissued, resold or cancelled. See Condition 6(f) (*Redemption and Purchase – Purchases*).

Conversion:

**Following the occurrence of a Trigger Event or a Viability Event, a Conversion will occur and each Note will be redeemed on the applicable Conversion Date by the delivery of new fully paid Ordinary Shares to the Settlement Share Depository on behalf of the Holders and the cancellation of any accrued and unpaid interest on the Notes (whether or not due and payable), as more particularly described in Condition 8 (*Conversion*).**

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 obligations in respect of the Notes. The number of Ordinary Shares to be issued and delivered in respect of a Conversion shall be determined in accordance with Condition 8(c) (*Conversion – Conversion Price and determination of number of Ordinary Shares*).

In respect of a Conversion as a result of the occurrence of a Trigger Event only, such Ordinary Shares may, if the Issuer elects to appoint a Settlement Shares Offer Agent to act on behalf, and for the accounts, of the Holders, be offered for sale in a Settlement Shares Offer as described in subclause (ii) of Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*). In such case, Holders may receive cash or a combination of cash and Ordinary Shares instead of the number of Ordinary Shares to which the Holders would otherwise be entitled upon Conversion.

The Notes are not convertible into Ordinary Shares at the option of the Holders at any time. Additionally, 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.

**Each Holder and beneficial owner of a Note acknowledges and agrees, by accepting a direct or beneficial interest in such Note, to be bound by and consents to the application of the Conversion, as described in Conditions 7 (*Trigger Event and Viability Event*) and 8 (*Conversion*).**

Trigger Event:

A "**Trigger Event**" will occur if the Issuer gives the Holders a Trigger Event Notice in accordance with Condition 7(b) (*Trigger Event and Viability Event – Trigger Event Notice*).

A Trigger Event Notice is required to be given to Holders (within the required notice period) if the Trigger CET1 Ratio as of the relevant Publication Date is less than the Threshold Ratio (i.e., 7.00 per cent.).

Notwithstanding the above, if a Trigger Event Notice is required to be given in relation to an Ordinary Publication Date, if FINMA, upon the request of the Issuer and prior to the earlier of the Ordinary Trigger Event Notice Date and the Trigger Breach Determination Date (i.e., the fifth Business Day after such Ordinary Publication Date), has agreed in writing that a Conversion 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 such Ordinary Publication Date, after giving *pro forma* effect to such actions, circumstances or events, to a level above the Threshold Ratio that FINMA and the Issuer deem, in their sole discretion, to be adequate at such time, the Issuer shall not give such Trigger Event Notice and the Issuer shall give notice to the Holders on or prior to the Trigger Breach Determination Date that no Conversion will occur with respect to such Ordinary Publication Date.

Furthermore, if a Trigger Event Notice is required to be given and any Higher-Trigger Contingent Capital is outstanding on the relevant Publication Date, the delivery of such Trigger Event Notice and/or the Trigger Event Conversion Date, as applicable,

may be postponed, as more particularly described in subclause (ii) of Condition 7(b) (*Trigger Event and Viability Event – Trigger Event Notice*).

Viability Event:

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

- (i) FINMA has notified the Issuer 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
- (ii) 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.

Upon the occurrence of a Viability Event, the Issuer is required to give notice to the Holders within three days of the date on which such Viability Event occurred, which notice will state, among other things, that a Viability Event has occurred and a Conversion will take place on the Conversion Date specified therein.

The provisions of Condition 7(c) (*Trigger Event and Viability Event – Viability Event*) may cease to apply to the Notes 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 Condition 7(c) (*Trigger Event and Viability Event – Viability Event*) could cease to apply to the Notes without giving rise to a Regulatory Event, as described in Condition 7(e) (*Trigger Event and Viability Event – Alternative loss absorption*).

Conversion Price:

Upon the occurrence of a Trigger Event or a Viability Event, as at the date on which the relevant Trigger Event Notice or Viability Event Notice is published, each Holder shall be deemed to have accepted, and hereby accepts and agrees, to the conversion of its holding of Notes into Ordinary Shares at the Conversion Price in effect on the date of such Trigger Event Notice or Viability Event Notice, as the case may be, as described in Condition 8(c)



(*Conversion – Conversion Price and determination of number of Ordinary Shares*).

The Conversion Price per Ordinary Share on the Issue Date will be SGD [•]\*, which is equivalent to a price of CHF [•]\* per Ordinary Share translated into Singapore dollars at an exchange rate of CHF 1.00 = SGD [•]\* [(rounded to [•]\* decimal places)]\* and then rounded to two decimal places.

The Conversion Price is subject to adjustment to (and including) the date of the relevant Trigger Event Notice or Viability Event Notice, as the case may be, in the circumstances described in Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*).

Settlement Share Depository:

SIX SIS; *provided, however, that* if on or prior to any date when a function ascribed to the Settlement Share Depository in the Terms and Conditions is required to be performed the Issuer appoints another reputable independent financial institution, clearing institution, trust company or similar entity 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 the Terms and Conditions, then "Settlement Share Depository" will mean such entity so appointed.

Settlement Shares Offer:

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, 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**") to some or all of Shareholders, as more particularly described in subclause (iii) of Condition 8(h) (*Conversion – Procedures for delivery in respect of Conversion*). In such case, Holders may receive cash or a combination of cash and Ordinary Shares instead of the number of Ordinary Shares to which the Holders would otherwise be entitled upon Conversion.

Ordinary Shares to be issued and delivered upon Conversion:

The Ordinary Shares deliverable on Conversion will be newly issued from the capital range (*Kapitalband*), conditional capital (*bedingtes Kapital*) and/or conversion capital (*Wandlungskapital*) 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.

Fractions of Ordinary Shares will not be issued or delivered pursuant to the 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 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.

Receipt by the Settlement Share Depository of the above-described Ordinary Shares will be a good and complete discharge of the Issuer's obligations in respect of the Notes.

	<p>Such Ordinary Shares will be delivered to Holders in uncertificated form through SIX SIS or any other appropriate settlement organisations. Where such Ordinary Shares are to be delivered through SIX SIS or any other appropriate intermediary (<i>Verwahrungsstelle</i>) in Switzerland, the Settlement Agent shall request that the Settlement Share Depository deliver such Ordinary Shares to the account(s) in which the relevant Note(s) is/are held, on the applicable Conversion Date or such other date as is specified for the delivery.</p>
<p>Taxation:</p>	<p>The Issuer will pay such Additional Amounts as will result in the Holders receiving, after withholding or deduction for, or on account of, any Taxes imposed, levied, collected, withheld or assessed by or on behalf of Switzerland (or any political subdivision thereof or authority thereof or therein having the power to impose, levy, collect, withhold or assess Taxes) upon payments made by or on behalf of the Issuer under the Notes (including, for the avoidance of doubt, payments by a Paying Agent), an amount equal to the amount that the Holders would have received under the Notes in the absence of such withholding or deduction, except in certain limited circumstances, as more particularly described in Condition 10 (<i>Taxation</i>).</p>
<p>Events of Default:</p>	<p>It will be an Event of Default if:</p> <ul style="list-style-type: none"> <li>(i) the Issuer fails to pay the principal amount of any Note if and when the same becomes due and payable under the Terms and Conditions, and such failure continues unremedied for a period of 30 days; or</li> <li>(ii) the Issuer fails to pay any interest on the Notes if and when the same becomes due and payable under the Terms and Conditions, and such failure continues unremedied for a period of 30 days; or</li> <li>(iii) the Issuer fails to observe or perform any other covenant, condition, or agreement contained in the 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</li> <li>(iv) a Bankruptcy Event occurs;</li> </ul> <p><b><i>provided, however, that</i></b>, notwithstanding (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.</p> <p>Upon the occurrence of an Event of Default, Holders will have limited enforcement remedies, as more particularly described in Condition 12 (<i>Events of Default</i>). See also "<i>Risk Factors – There are limited remedies available under the Notes</i>".</p>
<p>Substitution and Amendment:</p>	<p>If a Tax Event or a Regulatory Event has occurred, the Issuer may, subject to certain conditions as described in clause (b) of Condition 13 (<i>Meetings of Holders; Substitution and Amendment</i>), without the consent of the Holders, either substitute all, but not some only,</p>

	of the Notes for, or amend the Terms and Conditions so that they remain or become, Compliant Securities, as more particularly described in clause (b) of Condition 13 ( <i>Meetings of Holders; Substitution and Amendment</i> ).
Issuer Substitution:	The Issuer may at any time, subject to certain conditions as described in Condition 16 ( <i>Issuer Substitution</i> ), without the consent of the Holders, substitute any entity (whether or not such entity is organised under the laws of Switzerland) for itself as principal debtor under the Notes, as more particularly described in Condition 15 ( <i>Issuer Substitution</i> ).
Governing Law:	The Notes and all non-contractual obligations arising out of or in connection with the Notes will be governed by Swiss law.
Jurisdiction:	The courts of the Canton of Zurich, Switzerland (venue being the City of Zurich), will 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.
Use of Proceeds:	The net proceeds of the issue of the Notes, expected to amount to SGD [•]* after deduction of the commission incurred in connection with the issue of the Notes, will be used by the Issuer to augment the regulatory capital base of the UBS Group.
Rating:	The Notes [have been]/[will be]* assigned a rating of [•]* by Fitch and [•]* by Moody's.
Admission to Trading and Listing:	The Notes are expected to be provisionally admitted to trading on the SIX Swiss Exchange from [•]*. The last day of trading in the Notes on the SIX Swiss Exchange is expected to be the second trading day prior to the date on which the Notes are fully redeemed in accordance with the Terms and Conditions. Application will be made for the Notes to be definitively admitted to trading and listed on the SIX Swiss Exchange.
Swiss Review Body:	SIX Exchange Regulation Ltd, Hardturmstrasse 201, 8005 Zurich, Switzerland, in its capacity as review body pursuant to article 52 of the FinSA (in such capacity, the " <b>Swiss Review Body</b> ").
<i>Submission of Prospectus to Swiss Review Body:</i>	<i>The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the FinSA because the Notes have a minimum denomination of at least CHF 100,000 (or equivalent in another currency). Consequently, for purposes of the offering of the Notes, this Prospectus does not constitute a prospectus as such term is understood pursuant to article 35 of the FinSA. Notwithstanding the foregoing, for purposes of application for admission to trading of the Notes on the SIX Swiss Exchange only, the Issuer is relying on article 51(2) of the FinSA. Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Notes are hereby notified that this Prospectus has not been reviewed or approved by a competent review body pursuant to article 52 of the FinSA. The Notes, if issued, will be issued on the basis of the Final Prospectus, which will be submitted to the Swiss Review Body for review only after completion of the offering of the Notes and after application has been made for provisional admission to trading of the Notes on the SIX Swiss Exchange.</i>

*Potential investors should be aware that the Terms and Conditions set out in this Prospectus are incomplete and subject to amendment and completion in the Final Prospectus. Accordingly, the rights of Holders under the Notes will be determined exclusively by the Terms and Conditions set out in the Final Prospectus.*

Date and Approval by Swiss Review Body of Prospectus:

This Prospectus is dated [•]\*, and has been approved by the Swiss Review Body on [•]\*.

This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Swiss Review Body.

Selling Restrictions:

See "*Selling Restrictions*".

United States Selling Restrictions:

Regulation S, Category 2.

Clearing System:

SIX SIS

Security Codes:

ISIN: [•]\*

Common Code: [•]\*

Swiss Security Number: [•]\*

## RISK FACTORS

*Investing in the Notes involves risk, including the risk of loss of a Holder's entire investment in the Notes. Prospective investors should reach their own investment decision with regard to the Notes only after consultation with their own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances. Additional risks not currently known to the Issuer or that it now deems immaterial may also adversely affect the Issuer or affect an investment in the Notes or the likelihood of the occurrence of a Conversion under the Terms and Conditions or of the exercise of Swiss Resolution Powers and/or ordering of Protective Measures in respect of the Issuer and/or the Notes by FINMA.*

*Prospective investors in the Notes should read the entire Prospectus. Words and expressions defined in the Terms and Conditions or elsewhere in this Prospectus have the same meanings in this section.*

*The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences. Prospective investors in the Notes should consider, among other things, the following:*

### RISKS RELATING TO THE NOTES

***The Notes are novel and complex financial instruments and may not be a suitable investment for all investors***

The Notes are novel and complex financial instruments. As a result, an investment in the Notes will involve certain increased risks. Each potential investor in the Notes must determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes, such as the provisions governing a Conversion (including, in particular, calculation of the CET1 Ratio and Trigger CET1 Ratio, as well as under what circumstances a Trigger Event or a Viability Event will or may be deemed to occur), and be familiar with the behaviour of any relevant financial markets and their potential impact on the likelihood of certain events under the Notes occurring; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment, the occurrence of a Conversion, the scope of FINMA's Swiss Resolution Powers and ability to order Protective Measures, and the situations in which FINMA may exercise its Swiss Resolution Powers and/or order Protective Measures, in respect of the Issuer and/or the Notes and the effect that any such exercise may have on the Issuer and/or the Notes, and its ability to bear the applicable risks.

Sophisticated institutional investors generally do not purchase complex financial instruments (such as the Notes) as stand-alone investments. They purchase complex financial instruments as a way to enhance yield or hedge risk with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions and their resulting effects on the likelihood of a Conversion and the market value of the Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

***Upon the occurrence of a Trigger Event or a Viability Event, the Notes will be subject to a Conversion***

As set out under the Terms and Conditions, if either a Trigger Event or a Viability Event occurs, the Notes will be subject to a Conversion. This means that the Notes will be mandatorily converted, in whole and not in part, into Ordinary Shares as described in Condition 8 (*Conversion*). As a result, each Holder will be effectively further subordinated as from the Share Creation Date when it ceases as a matter of Swiss law to be treated for all purposes under Swiss law as the holder of the relevant Note and is instead as of such date treated for all purposes under Swiss law as a Shareholder. Furthermore, in accordance with Condition 4(b) (*Status and Subordination – Subordination*), if a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, on or after the occurrence of a Trigger Event or a Viability Event (or, if a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, prior to the occurrence of a Trigger Event or a Viability Event, but a Trigger Event or a Viability Event subsequently occurs while such Bankruptcy Event or liquidation or winding-up is continuing), the rights and claims of the Holders in respect of the delivery of Ordinary Shares in accordance with Condition 8 (*Conversion*) will rank *pari passu* with the rights and claims of the Shareholders, even if the applicable Share Creation Date has not occurred (see also "*The Issuer's obligations under the Notes are subordinated*" below). On the applicable Conversion Date, (i) each Note shall, subject to and as provided in Condition 8 (*Conversion*), be redeemed and settled by the delivery of new fully paid Ordinary Shares to the Settlement Share Depository on behalf of the Holders on the applicable Conversion Date, and (ii) any accrued and unpaid interest on the Notes (whether or not due and payable) will be cancelled. 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 obligations in respect of the Notes (see also "*Receipt by the Settlement Share Depository of the Ordinary Shares shall be a good and complete discharge of the Issuer's obligations in respect of the Notes*" below).

As a result, in the case of a Conversion, the Holders could lose all or part of the value of their investment in the Notes, as they will receive only (i) the relevant number of Ordinary Shares (in the case of a Viability Event or, in the case of a Trigger Event, if the Issuer does not elect that a Settlement Shares Offer be made), or (ii) if, in the case of a Trigger Event, the Issuer elects that a Settlement Shares Offer be made, the cash amounts and/or relevant number of Ordinary Shares to which the Holders are entitled under subclause (iii) of Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*) depending on the results of the Settlement Shares Offer, and the market value of such Ordinary Shares, if any, so received by a Holder may be significantly below the principal amount and/or market value of the Notes held by such Holder prior to Conversion.

Furthermore, in the case of a Conversion, Holders would receive Ordinary Shares at a time when the market price of the Ordinary Shares is likely to be diminished. In addition, there may be a delay in a Holder receiving its Ordinary Shares following the Trigger Event or the Viability Event, as the case may be, during which time the market price of the Ordinary Shares may further decline. As a result, the realisable value of the Ordinary Shares delivered to Holders upon Conversion may be below the Conversion Price (see also "*As the Conversion Price is fixed at the time of issue of the Notes, Holders will bear the risk of fluctuation in the market value of the Ordinary Shares*" below). Furthermore, upon the occurrence of a Conversion, Holders will no longer have a debt claim in relation to principal and any accrued but unpaid interest on the Notes (whether or not due and payable) will be cancelled.

Any Conversion will be irrevocable and the Holders will, upon the occurrence of a Conversion, not be entitled to any compensation in the event of a potential recovery of the Issuer or any other member of the UBS Group or any subsequent change in the CET1 Ratio or Higher-Trigger Amount or financial condition of such entity. In addition, on or after the occurrence of a Trigger Event or a Viability Event, if the Issuer does not issue and deliver the relevant Ordinary Shares to the Settlement Share Depository in accordance with Condition 8 (*Conversion*), the only claims Holders will have against the Issuer will be for specific performance to have such Ordinary Shares issued and delivered to the Settlement Share Depository. Furthermore, in accordance with Condition 4(b) (*Status and Subordination – Subordination*), if a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, on or after the occurrence of a Trigger Event or Viability Event (or, if a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, prior to the occurrence of a Trigger Event or a Viability Event, but a Trigger Event or a Viability Event subsequently occurs while such Bankruptcy Event or liquidation or winding-up is continuing), the rights and claims of the Holders in respect of the delivery of Ordinary Shares in accordance with Condition 8 (*Conversion*) will rank *pari passu* with the rights and claims of the

Shareholders, even if the applicable Share Creation Date has not occurred (see also "*The Issuer's obligations under the Notes are subordinated*" below). After the Issuer has issued and delivered the relevant Ordinary Shares to the Settlement Share Depository in accordance with Condition 8 (*Conversion*), Holders shall have recourse only to the Settlement Share Depository (or any relevant intermediary) for the delivery to them of such Ordinary Shares or if, in the case of a Trigger Event, the Issuer elects that a Settlement Shares Offer be made, any cash amounts to which the Holders are entitled under subclause (iii) of Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*) depending on the results of the Settlement Shares Offer.

A Conversion may occur even if existing Ordinary Shares remain outstanding. Furthermore, any current or future outstanding securities issued (or guaranteed) by the Issuer that rank *pari passu* with or junior to the Notes might not include conversion or similar features with triggers comparable to those of the Notes. As a result, it is possible that the Notes will be subject to a Conversion, while such other securities remain outstanding and continue to receive payments.

Investors should be aware that the provisions of the Terms and Conditions relating to Conversion will apply for so long as the Notes are outstanding, even if the Notes, for any reason, are no longer eligible (in full or in part) to be treated as Additional Tier 1 Capital.

See also "*The Issuer is subject to the resolution regime under Swiss banking laws and regulations*", "*FINMA's exercise of its broad statutory powers may negatively impact the Notes and Holders rights thereunder or their investment therein*" and "*If a Relevant Event occurs, the Notes may be convertible into shares of an entity other than UBS Group AG or may be converted into unlisted Ordinary Shares*" below.

***The circumstances surrounding or triggering a Conversion are unpredictable***

The occurrence of a Trigger Event or a Viability Event is inherently unpredictable and depends on a number of factors, any of which may be outside of the control of the Issuer.

The occurrence of a Trigger Event under the Terms and Conditions depends, in part, on the calculation of the Trigger CET1 Ratio. This calculation could be affected by, among other things, the growth of UBS's business and its future earnings, future dividend payments by the Issuer, regulatory changes (including changes to definitions and calculations of RWA and regulatory capital) and UBS's ability to mitigate RWA in accordance with its plans. This calculation may also be affected by changes in applicable accounting rules or by changes to regulatory adjustments modifying the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules or the related changes to regulatory adjustments are not applicable as of the relevant calculation date, FINMA could require the Issuer to reflect such changes in any particular calculation of the CET1 Ratio. Those accounting changes may have a material adverse impact on the calculation of the CET1 Capital and BIS Risk Weighted Assets used to calculate the CET1 Ratio. Furthermore, although the Issuer reports the CET1 Ratio only as of each quarterly period end, FINMA as part of its supervisory activity may instruct the Issuer to calculate the CET1 Ratio as of any date during such periods. The CET1 Ratio and other capital metrics fluctuate during any reporting period in the ordinary course of business. In addition, the occurrence of a Trigger Event depends on the Higher-Trigger Amount. The Higher-Trigger Amount will fluctuate with any future issuance, redemption, maturity of or other reduction in Higher-Trigger Contingent Capital, although the terms and conditions of the relevant Higher-Trigger Contingent Capital may permit FINMA to waive the conversion into equity or write-down of the relevant Higher-Trigger Contingent Capital. Furthermore, changes that may occur to National Regulations and/or the BIS Regulations subsequent to the date of this Prospectus, and changes to the basis of the Issuer's calculation of the CET1 Ratio resulting therefrom, may individually or in the aggregate negatively affect the CET1 Ratio, including the Trigger CET1 Ratio, and thus increase the risk of a Conversion. Refer to "*Regulatory and legal developments*" in the "*Our strategy, business model and environment*" section of the Annual Report 2023 for more information on the finalisation of the Basel III capital framework and related developments in Switzerland, as well as to "*Recent developments*" in the First Quarter 2024 Report.

There are two different types of events that may constitute a Viability Event under the Terms and Conditions, each of which is dependent upon, among other things, the subjective determination of FINMA regarding the viability of the Issuer. First, a Viability Event will have occurred if FINMA notifies UBS Group AG that it has determined that a conversion or a 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. In this case, it is up to FINMA to determine whether such conversion or write-down, as applicable, is, because customary measures to improve the Issuer's capital adequacy are inadequate or infeasible, an essential requirement to prevent the Issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business.

Second, a Viability Event will have occurred if, 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 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. While FINMA has considerable discretion to determine what forms of commitment of direct or indirect support from the Public Sector are considered to constitute "extraordinary support" that is "beyond customary transactions and arrangements in the ordinary course", the current prevailing view of the Swiss regulatory powers in existence as of the date of this Prospectus is that (i) the emergency liquidity assistance that the Swiss National Bank (the "SNB") may grant to Swiss banks providing sufficient eligible collateral in accordance with the Swiss Federal Act on the Swiss National Bank of 3 October 2003, as amended, and the Guidelines of the Swiss National Bank on monetary policy instruments of 25 March 2004, as amended, or any other liquidity support from the Public Sector that is granted against eligible collateral, does generally not constitute "extraordinary support" that is "beyond customary transactions and arrangements in the ordinary course", and (ii) the public liquidity backstop for systemically important banks as is proposed to be introduced by way of the draft legislation on the introduction of a public liquidity backstop for systemically important banks, which the Swiss Federal Council submitted to the Swiss Parliament on 6 September 2023 (the "**PLB Amendment**") (see also "*Risks relating to the Markets Generally – Changes of law may adversely affect the rights of Holders under the Notes*" below) would constitute "extraordinary support" that is "beyond customary transactions and arrangements in the ordinary course". Also, it is up to FINMA to determine whether (i) any such extraordinary support has or imminently will have, directly or indirectly (including, without limitation, by means of granting any member of the Group extraordinary liquidity support to preserve the going concern of the Group), the effect of improving the Group Holding Company's capital adequacy, and (ii) 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 without such extraordinary support, and FINMA has considerable discretion in making such determinations.

As a result of the above-described discretion, FINMA may require, or the Swiss federal government or other member of the Public Sector may take actions contributing to the occurrence of, a Conversion in circumstances that are beyond the control of the Issuer and with which the Issuer may not agree and/or to which the Issuer may object.

Due to the inherent uncertainty regarding the determination as to whether a Trigger Event or a Viability Event has occurred, it will be difficult to predict when, if at all, a Conversion will occur. Accordingly, the trading behaviour of the Notes is not necessarily expected to follow the trading behaviour of other types of subordinated securities. Any indication that the condition of UBS is heading towards a condition that could result in the occurrence of a Trigger Event or a Viability Event can be expected to have an adverse effect on the market price of the Notes, and could even make the occurrence of a Trigger Event or a Viability Event more likely.

#### ***The Issuer is subject to the resolution regime under Swiss banking laws and regulations***

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to the Issuer as a Swiss parent company of a financial group. These powers include ordering Protective Measures, opening Restructuring Proceedings (and exercising any Swiss Resolution Powers in connection therewith), and instituting liquidation proceedings, if FINMA concludes that there is justified concern that the Issuer is over-indebted, has serious liquidity problems or, after the expiry of a deadline, no longer fulfils the applicable capital adequacy requirements (whether on a standalone or consolidated basis, if applicable).



The Swiss Banking Act permits FINMA to order Protective Measures with respect to the Issuer (i) outside and independent of any Restructuring Proceedings in respect of the Issuer or (ii) upon the opening of or during any such Restructuring Proceedings and, in any case, FINMA has the power to and may order any such Protective Measures before a Trigger Event or a Viability Event has occurred, as well as at the same time or thereafter. Such Protective Measures may include (i) giving instructions to the governing bodies of the Issuer, including instructions to write-down or convert into equity, as the case may be, financial instruments of the Issuer qualifying as AT1 Capital (as defined below) pursuant to their terms (see also "*Risks relating to the Markets Generally - Changes of law may adversely affect the rights of Holders under the Notes*" below), (ii) appointing an investigating agent, (iii) stripping governing bodies of the Issuer of their power to legally represent such entity or remove them from office, (iv) removing the regulatory or company-law audit firm from office, (v) limiting the business activities of the Issuer, (vi) forbidding the Issuer to make or accept payments or undertake security trades, (vii) closing down the Issuer, or (viii) except for mortgage-secured receivables of central mortgage bond institutions, ordering a moratorium or deferral of payments. The Issuer will have limited ability to challenge any such Protective Measures. Additionally, Holders would have limited ability under Swiss law or in Swiss courts to reject, seek the suspension of, or to challenge the imposition of any such Protective Measures.

If FINMA opens Restructuring Proceedings with respect to the Issuer, FINMA will have the discretion to exercise its Swiss Resolution Powers, which include the power to (i) transfer the Issuer's assets, or portions thereof, together with debt and other liabilities, or portions thereof, and contracts, to another entity, (ii) stay (for a maximum of two business days) the termination of contracts to which the Issuer is a party, and/or the exercise of rights to terminate, netting rights, rights to enforce or dispose of certain types of collateral or rights to transfer claims, liabilities or certain collateral under contracts to which the Issuer is a party, and/or (iii) partially or fully convert the debt of the Issuer into equity of the Issuer and/or partially or fully write-down the obligations of the Issuer, including, if the Notes have not already been converted pursuant to their terms, the Notes. Holders and other creditors will have no right to vote on or reject, or to seek the suspension of, any restructuring plan approved by FINMA pursuant to which it exercises such Swiss Resolution Powers in connection with Restructuring Proceedings with respect to the Issuer. Holders will have only limited rights to challenge any decision by FINMA to exercise its Swiss Resolution Powers with respect to the Issuer or to have that decision reviewed by a judicial or administrative process or otherwise.

FINMA may open Restructuring Proceedings or institute liquidation proceedings in respect of the Issuer independent of the occurrence of a Trigger Event or a Viability Event under the Terms and Conditions, which ordering or institution could be before, at the same time or after any such occurrence. See also "*FINMA's exercise of its broad statutory powers may negatively impact the Notes and Holders rights thereunder or their investment therein*" below.

While the Terms and Conditions provide for a contractual conversion of the Notes if a Trigger Event or a Viability Event occurs, there can be no assurance that the rights and claims of Holders, the market price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes would not be adversely affected as well or instead by FINMA's exercise of any of Swiss Resolution Powers with respect to the Issuer under the resolution regime described above. Moreover, FINMA may decide that a Viability Event has occurred and require the Notes to be fully converted based on the relevant provisions contained in the Terms and Conditions regardless of whether or not the above-mentioned conditions for exercising its statutory powers are met and/or without respecting the principles and safeguards that apply to measures taken by FINMA in Restructuring Proceedings or liquidation proceedings.

Also, while the Terms and Conditions provide for conversion of the full principal amount of the Notes into Ordinary Shares upon the occurrence of a Trigger Event or a Viability Event, there can be no assurance that the taking of any actions by FINMA or any other competent authority in connection with Restructuring Proceedings or liquidation proceedings, or potentially also the ordering of Protective Measures outside Restructuring Proceedings, with respect to the Issuer would not adversely affect the right of the Holders to receive Ordinary Shares in circumstances where the Terms and Conditions provide for a Conversion and/or any other rights of Holders, the market price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes. See also "*The Issuer's obligations under the Notes are subordinated*" and "*Risks relating to the Markets Generally – Changes of law may adversely affect the rights of Holders under the Notes*" below.

***FINMA's exercise of its broad statutory powers may negatively impact the Notes and Holders rights thereunder or their investment therein***

Investors in the Notes should be aware that FINMA may order Protective Measures, open Restructuring Proceedings or institute liquidation proceedings in respect of the Issuer independent of the occurrence of a Trigger Event or a Viability Event under the Terms and Conditions, which ordering or institution could be before, at the same time or after any such occurrence.

While the Terms and Conditions provide for a contractual conversion of the Notes if a Trigger Event or a Viability Event occurs, there can be no assurance that the rights and claims of Holders, the market price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes would not be adversely affected as well or instead by the exercise of any of FINMA's statutory powers with respect to the Issuer under the resolution regime described under "*The Issuer is subject to the resolution regime under Swiss banking laws and regulations*" above.

In particular, FINMA has broad powers and significant discretion in the exercise of its Swiss Resolution Powers in connection with Restructuring Proceedings. Certain categories of debt obligations, such as certain types of deposits, are protected under Swiss law. However, given the broad discretion granted to FINMA, any restructuring plan approved by FINMA in connection with Restructuring Proceedings with respect to the Issuer could provide that the claims under or in connection with the Notes (including, without limitation, any unsatisfied claim for the delivery of Ordinary Shares and/or cash following a Trigger Event or a Viability Event) will be written down, while preserving other obligations of the Issuer that rank *pari passu* with the Issuer's obligations under the Notes. In the event of a write-down of the claims under or in connection with the Notes in Restructuring Proceedings with respect to the Issuer, the Holders will not (i) receive any Ordinary Shares or other participation rights of the Issuer or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Issuer or any other member of UBS, or (ii) be entitled to any subsequent write-up or any other compensation in the event of a potential recovery of the Issuer, while Shareholders of the Issuer may be entitled to compensation in accordance with the Swiss Banking Act.

Furthermore, FINMA may decide that a Viability Event has occurred and require the Notes to be fully converted based on the relevant provisions contained in the Terms and Conditions regardless of whether or not the conditions for exercising its statutory powers are met and/or without respecting the principles and safeguards that apply to measures taken by FINMA in Restructuring Proceedings or liquidation proceedings, including the order of priority set out under Swiss banking laws.

Finally, while the Terms and Conditions provide for conversion of the full principal amount of the Notes into Ordinary Shares upon the occurrence of a Trigger Event or a Viability Event, there can be no assurance that the taking of any actions by FINMA or any other competent authority in connection with Restructuring Proceedings or liquidation proceedings, or potentially also the ordering of Protective Measures outside Restructuring Proceedings, with respect to the Issuer would not adversely affect the right of the Holders to receive Ordinary Shares in circumstances where the Terms and Conditions provide for a Conversion and/or any other rights of Holders, any Ordinary Shares (whether generally or in respect of those issued and delivered upon Conversion), the market price or value of an investment in the Notes, the market price or value of the Ordinary Shares and/or the Issuer's ability to satisfy its obligations under the Notes.

***Holders will bear the risk of fluctuations in the CET1 Ratio and/or Trigger CET1 Ratio***

The market price of the Notes is expected to be affected by fluctuations in the CET1 Ratio since the amount of CET1 Capital may vary, as may the amount of the BIS Risk Weighted Assets. Moreover, the market price of the Notes may be affected by fluctuations of the Trigger CET1 Ratio since the applicable Higher-Trigger Amount may vary with the future issuance, redemption, maturity of or other reduction in Higher-Trigger Contingent Capital (see "*The circumstances surrounding or triggering a Conversion are unpredictable*" above). Any indication that the CET1 Ratio and/or Trigger CET1 Ratio, as the case may be, is trending towards a Trigger Event may have an adverse effect on the market price of the Notes. The level of the CET1 Ratio and/or Trigger CET1 Ratio, as the case may be, may significantly affect the trading price of the Notes.

For the purpose of the calculation of the CET1 Ratio and/or Trigger CET1 Ratio, as the case may be, which is relevant for the determination of a potential Trigger Event resulting in a Conversion, the CET1 Capital and the BIS Risk Weighted Assets are determined in accordance with the relevant Swiss regulations as

applied by FINMA. In respect of systemically relevant bank ("SRB") groups (such as UBS), the Swiss regulations differ from the capital adequacy standards and guidelines promulgated by the Basel Committee on Banking Supervision (the "BCBS").

***Interest payments on the Notes may be cancelled by the Issuer (in whole or in part) at any time and, in certain circumstances, the Issuer will be required to cancel such interest payments***

The Issuer may elect, in its sole discretion, to cancel in whole or in part any payment of interest in respect of the Notes (including, for the avoidance of doubt, any related Additional Amounts) that is otherwise scheduled to be paid on an Interest Payment Date.

Furthermore, 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 the amount of Distributable Items as at such Interest Payment Date is less than the sum of (x) the amount of such interest payment, plus (y) 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 (z) 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 clauses (x), (y) and (z), excluding any portion of such payments already accounted for in determining the amount of such Distributable Items. The Distributable Items in respect of each Interest Payment Date will be calculated based on the most recently published non-consolidated audited annual financial statements of UBS Group AG prepared in accordance with the Swiss Code. In addition, the Issuer will also be prohibited from making any such payments if (i) 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 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 (ii) FINMA has required the Issuer not to make such interest payment (for further details, see Condition 5(i) (*Interest – Cancellation of interest; prohibited interest*)). Potential investors in the Notes should be aware that FINMA has broad discretion to prevent the Issuer from making interest payments on the Notes, including in situations where the Issuer is not, or will immediately after the relevant payment of interest not be, in compliance with all applicable capital buffer requirements (*Eigenmittelpuffer*) or requirements to hold additional loss absorbing capacity (*zusätzliche verlustabsorbierende Mittel*) or any similar requirements under National Regulations on a consolidated (*Finanzgruppe*) basis.

Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes then the right of the Holders to receive the relevant interest payment (or part thereof) will be extinguished (and shall not accumulate) and the Issuer will have no obligation to pay such interest payment (or part thereof), irrespective of whether or not future interest payments on the Notes are paid. The cancellation of interest will not constitute a default or an Event of Default or entitle any action to be taken by Holders and Holders shall not have any right to such cancelled interest, whether in a winding-up, dissolution or liquidation of the Issuer or otherwise.

***The interest rate on the Notes will reset on the First Call Date and each Reset Date thereafter, which may affect the market value of the Notes***

The Notes will initially bear interest at the fixed rate of [ $\bullet$ ]\* per cent. per annum until (but excluding) the First Call Date. However, on the First Call Date and each Reset Date thereafter, the interest rate will be reset to the Reset Interest Rate in relation to the relevant Reset Interest Period, which will be equal to the sum of the Reference Rate on the applicable Reset Determination Date (as calculated by the Calculation Agent in accordance with the definition thereof in Condition 1 (*Definitions*)) and [ $\bullet$ ]\* per cent. (as described under Condition 5 (*Interest*)). The Reset Interest Rate for any Reset Interest Period may be less than the initial interest rate and/or the Reset Interest Rate that applied in respect of the preceding Reset Interest Period, which could affect the amount of any interest payments under the Notes and, consequently, the market value of the Notes.

***Risks related to the method pursuant to which the Reference Rate is determined may adversely affect the value of and return on the Notes***

Pursuant to the Terms and Conditions, if in relation to a Reset Interest Period, the Reference Rate cannot be determined pursuant to clause (a) of the definition thereof because the 5-Year SORA OIS Rate as at the Relevant Time on the Reset Determination Date in relation to such Reset Interest Period does not appear on the Reference Rate Page on such Reset Determination Date, a fallback mechanism provides that the Reference Rate applicable to such Reset Interest Period will be determined by the Calculation Agent by averaging quotes obtained by the Calculation Agent from reference banks, if available, or, if no such quotes are provided to the Calculation Agent, will be equal to (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 Reference 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, [ $\bullet$ ]\* per cent. per annum (see the definition of the term "Reset Reference Bank Rate" in Condition 1 (*Definitions*) for more detail).

Additionally, 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 "Reference 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 any component thereof) or the regulatory supervisor for the administrator of the Existing Benchmark Rate (or any component thereof) announcing that the Existing Benchmark Rate (or such component) is no longer representative, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser to (or, failing which, the Issuer (in consultation with the Calculation Agent) may) determine an alternative rate to the Existing Benchmark Rate (the "**Alternative Benchmark Rate**"). In such case, 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 it determines in its reasonable discretion that no such rate has replaced the Existing Benchmark Rate, such other rate that it determines in its reasonable discretion is most comparable to the Existing Benchmark Rate.

If an Alternative Benchmark Rate has been so determined, the Independent Adviser (in the case of (ii) below, in consultation with the Issuer) or the Issuer (following consultation with the Calculation Agent), as applicable, shall also determine (i) the method for obtaining such Alternative Benchmark Rate, (ii) whether to apply an adjustment spread (which may be positive or negative), or a formula or methodology for calculating such a spread, 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, as further described in and pursuant to Condition 5(c) (*Interest – Benchmark replacement*) (an "**Adjustment Spread**"), and (iii) any alternative method for determining the Reference Rate if such Alternative Benchmark Rate is unavailable on the relevant Reset Determination Date (which method shall be consistent with any Alternative Benchmark Rate that has broad market support). Any such determination may also result in changes to, among other things, the definitions of the terms "Business Day", "Day Count Fraction", "Payment Business Day" and/or "Reset Determination Date".

If it has been determined that the Existing Benchmark Rate has been discontinued or there has been a public statement or publication of information by the administrator of the Existing Benchmark Rate (or any component thereof) or the regulatory supervisor for the administrator of the Existing Benchmark Rate (or any component thereof) announcing that the Existing Benchmark Rate (or such component) is no longer representative, but (i) the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser appointed by the Issuer fails to determine an Alternative Benchmark Rate, and (ii) the Issuer is unable or unwilling to determine the Alternative Benchmark Rate, the Reference Rate in respect of the Affected Reset Interest Period (and, potentially, all succeeding Affected Reset Interest Periods) will be equal to the Reference 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).

The use of an Alternative Benchmark Rate (including the determination to use (or not use) an Adjustment Spread, if applicable) may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Notes if the Existing Benchmark Rate remained available in its current form. Furthermore, if the Issuer is unable to appoint an

Independent Adviser or if the Independent Adviser appointed by the Issuer fails to determine an Alternative Benchmark Rate, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or Adjustment Spread, if applicable, in a situation in which it is presented with a conflict of interest.

Any such consequences could have an adverse effect on the value and marketability of, and return on, the Notes.

***The Notes are perpetual securities***

The Notes are perpetual securities, which means they have no scheduled repayment date. The Issuer is under no obligation to redeem the Notes in cash at any time before the date on which voluntary or involuntary liquidation proceedings are instituted in respect of the Issuer (should such proceedings ever be instituted), and even if the Issuer would otherwise elect to redeem the Notes, any redemption of the Notes on the First Call Date or any Interest Payment Date thereafter, or following the occurrence of a Tax Event, will be subject to the consent of FINMA. Holders will have no right to call for redemption of the Notes. See also, "*The Issuer may, in its sole discretion, elect to redeem the Notes on the First Call Date or any Interest Payment Date thereafter or upon the occurrence of certain events*" below.

***The Issuer may, in its sole discretion, elect to redeem the Notes on the First Call Date or any Interest Payment Date thereafter or upon the occurrence of certain events***

The Terms and Conditions provide that the Notes are redeemable at the Issuer's option on the First Call Date or any Interest Payment Date thereafter, or in certain circumstances such as a Tax Event or a Regulatory Event occurring at any time after the Issue Date, and accordingly the Issuer may choose to redeem the Notes at times when its cost of alternative borrowing is lower than the interest rate on the Notes (see also "*Risks relating to the Markets Generally – Changes of law may adversely affect the rights of Holders under the Notes*" below). In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Potential investors should consider whether and how to reinvest the proceeds of such redemption in light of other investments available at that time. There can be no assurance that Holders will be able to reinvest the redemption proceeds at a rate that will provide the same rate of return as their investment in the Notes.

In addition, the optional redemption feature of the Notes is likely to limit their market value. During any period when the Issuer has the right to elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. There is no requirement to redeem the Notes or any other capital instruments of UBS on a *pro rata* basis or otherwise upon the occurrence of any event giving the Issuer the right to redeem the Notes. Also, upon the occurrence of any event giving the Issuer the right to redeem the Notes, the Issuer or any other member of UBS, as applicable, may, instead of redeeming the Notes, choose to redeem other outstanding capital instruments if the terms of those capital instruments so provide, leaving the Holders subject to the risk of a Conversion, while other investors are redeemed at par or other advantageous prices. Furthermore, the redemption by the Issuer of any of its other capital instruments (including those that qualify as Additional Tier 1 Capital) on the applicable first call date (or any other date) is no indication that the Issuer will elect to, or be able to, redeem the Notes on the First Call Date or on any other date.

Any redemption of the Notes on the First Call Date or any Interest Payment Date thereafter, or following the occurrence of a Tax Event at any time after the Issue Date, will be subject to the consent of FINMA, which pursuant to applicable Swiss regulations requires, among other things, that at the time of the redemption the Issuer (i) in the case of a replacement of capital, issues (or guarantees) at least equivalent capital in the same amount and/or on comparably favourable economic conditions, or (ii) without a replacement of capital, has capital in an amount that is materially above the applicable capital requirements. This requirement may result in the Issuer not being able to redeem the Notes even when it would appear likely to do so, which would leave the Holders at risk of a Conversion notwithstanding the occurrence of an event that would otherwise give rise to redemption at par.

***The Issuer's obligations under the Notes are subordinated***

If a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, in each case, prior to the occurrence of a Trigger Event or a Viability Event, the rights and claims of the Holders against the Issuer in respect of or arising under (including any damages

awarded for breach of any obligation under) the Notes will rank (i) junior to the rights and claims of all holders of Senior Obligations, (ii) *pari passu* with the rights and claims of holders of Parity Obligations and (iii) senior to the rights and claims of holders of Junior Obligations. Therefore, if the Issuer were wound up, liquidated or dissolved in such a situation, the Issuer's liquidator would first apply assets of the Issuer to satisfy all rights and claims of holders of Senior Obligations. If the Issuer does not have sufficient assets to settle claims of holders of Senior Obligations in full, the claims of the Holders under the Notes will not be settled and, as a result, the Holders will lose the entire amount of their investment in the Notes (including any accrued and unpaid interest). The Notes will share equally in payment with the Parity Obligations if the Issuer does not have sufficient funds to make full payments on all of them. In such a situation, Holders could lose all or part of their investment. In addition, if a Trigger Event or a Viability Event subsequently occurs while such Bankruptcy Event, liquidation or winding-up is continuing, the rights and claims of the Holders against the Issuer in respect of the delivery of Ordinary Shares in accordance with Condition 8 (*Conversion*) will rank as described in the immediately succeeding paragraph.

If a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, in each case, on or after the occurrence of a Trigger Event or a Viability Event (or, if a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, prior to the occurrence of a Trigger Event or a Viability Event, but a Trigger Event or a Viability Event subsequently occurs while such Bankruptcy Event or liquidation or winding-up is continuing), the rights and claims of the Holders against the Issuer in respect of the delivery of Ordinary Shares in accordance with Condition 8 (*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, even if the applicable Share Creation Date has not occurred.

Additionally, under certain circumstances, FINMA has the power to open Restructuring Proceedings with respect to the Issuer and exercise its Swiss Resolution Powers to convert the Notes into Ordinary Shares or write down the Notes and/or any claims in connection with the Notes (including, without limitation, any unsatisfied claim for the delivery of Ordinary Shares and/or cash following a Trigger Event or a Viability Event), in each case, in whole or in part (see "*The Issuer is subject to the resolution regime under Swiss banking laws and regulations*" and "*FINMA's exercise of its broad statutory powers may negatively impact the Notes and Holders rights thereunder or their investment therein*" above). These powers are independent of the occurrence of a Trigger Event or a Viability Event under the Terms and Conditions. Holders should be aware that, if FINMA opens Restructuring Proceedings with respect to the Issuer and exercises its Swiss Resolution Powers to convert the Notes into Ordinary Shares or to write down the Notes, FINMA would follow the order of priority set out under Swiss banking laws, which means, among other things, that (i) the Notes would have to be written-down or converted prior to the write-down or conversion of any subordinated debt of the Issuer that ranks senior to the Notes, including instruments that do not qualify as regulatory capital, and (ii) following the occurrence of a Trigger Event or a Viability Event, the Notes and any claims in connection with the Notes (including, without limitation, any unsatisfied claim for the delivery of Ordinary Shares and/or cash following a Trigger Event or a Viability Event) would have to be written-down concurrently with the cancellation of the Ordinary Shares into which such Notes should have been converted. However, given the broad discretion granted to FINMA, any restructuring plan approved by FINMA in connection with Restructuring Proceedings with respect to the Issuer could provide that the claims under or in connection with the Notes will be written down or converted into equity, while preserving other obligations of the Issuer that rank *pari passu* with to the Issuer's obligations under the Notes.

Following the occurrence of a Trigger Event or a Viability Event, if the Issuer does not issue and deliver the relevant Ordinary Shares to the Settlement Share Depository in accordance with Condition 8 (*Conversion*), the only claims Holders will have against the Issuer will be for specific performance to have such Ordinary Shares issued and delivered to the Settlement Share Depository. Furthermore, in accordance with Condition 4(b) (*Status and Subordination – Subordination*), if a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, on or after the occurrence of a Trigger Event or a Viability Event (or, if a Bankruptcy Event occurs, or an order is made, or an effective resolution is passed, for the liquidation or winding-up of the Issuer, prior to the occurrence of a Trigger Event or a Viability Event, but a Trigger Event or a Viability Event subsequently occurs while such Bankruptcy Event or liquidation or winding-up is continuing), the rights and claims of the Holders in respect of the delivery of Ordinary Shares in accordance with Condition 8 (*Conversion*) will rank *pari passu* with the rights and claims of the Shareholders even if the applicable Share Creation Date has not occurred. Consequently, there is a risk that Holders will lose the entire amount of their investment in the Notes irrespective of whether the Issuer has sufficient assets available to settle what would have been the claims

of the Holders under the Notes if the Trigger Event or the Viability Event, as the case may be, had never occurred, or has sufficient assets available to settle claims of holders of securities subordinated to the same or greater extent as the Notes, in bankruptcy, liquidation, dissolution or winding-up proceedings or otherwise.

***There are limited remedies available under the Notes***

In accordance with the Basel III requirements for additional tier 1 instruments, and as more particularly described under Condition 12 (*Events of Default*), Holders have only limited enforcement remedies upon an Event of Default. These are limited, in the case of enforcing payment of sums due under the Notes, to instituting proceedings against the Issuer in accordance with Swiss insolvency laws and, in the case of any other Event of Default, to seeking specific performance or damages in accordance with the Swiss Code. A Holder may accelerate its Notes only upon the occurrence of a Bankruptcy Event, unless such Bankruptcy Event constitutes the opening of Restructuring Proceedings in respect of the Issuer. Prior to the occurrence of such a Bankruptcy Event, the Notes will remain subject to a Conversion upon a Trigger Event or a Viability Event and neither the opening of any Restructuring Proceedings with respect to the Issuer, nor the exercise by any Swiss Resolution Power with respect to the Issuer during any such Restructuring Proceedings, nor 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 under the Terms and Conditions.

***In certain instances the Issuer could vary the Terms and Conditions and Holders may be bound by certain other amendments to the Notes to which they did not consent***

If at any time a Regulatory Event or a Tax Event occurs and is continuing, in addition to its option to redeem the Notes, the Issuer has the option, without the consent of the Holders, to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Compliant Securities, as described under Condition 13 (*Meeting of Holders; Substitution and Amendment*) (see also "*Risks relating to the Markets Generally – Changes of law may adversely affect the rights of Holders under the Notes*" below). While the Issuer cannot so substitute the Notes for securities that have, or so vary the terms of the Notes so that they have, economic terms materially less favourable to a Holder than the terms of the Notes, no assurance can be given as to whether such substitution or variation will negatively affect any particular Holder. In addition, the tax and stamp duty consequences of holding such substituted or amended Notes could be different for some categories of Holders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution or amendment.

In addition, except as otherwise specified in Condition 13 (*Meeting of Holders; Substitution and Amendment*), the Notes are subject to statutory provisions of Swiss law allowing for the calling of meetings of Holders to consider matters affecting their interests. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Pursuant to the relevant statutory provisions of Swiss law as in effect as of the date of this Prospectus, (i) the Issuer will be required to provide Holders with at least 10 days' notice of any meeting of Holders, (ii) the Issuer will be required to call a meeting of Holders within 20 days if it is requested to do so by Holders holding an aggregate principal amount of Notes that represents at least one-twentieth of the outstanding aggregate principal amount of the Notes, and (iii) only Holders or their proxies will be entitled to attend or vote at a meeting of Holders. For more information on such provisions of Swiss law in effect as of the date of this Prospectus, including the applicable Holder approval requirements for amendments to the terms of the Notes, see "*Meetings of Holders and Amendment under Swiss Law*".

Further, under the Terms and Conditions, the Issuer may also, without the consent or approval of the Holders, make such amendments thereto as it considers necessary or desirable to give effect to certain provisions of the Terms and Conditions and such other changes that in its opinion are formal, minor or technical in nature or necessary to correct a manifest error, or not materially prejudicial to the interests of the Holders.

***The Issuer may, without consent of the Holders, substitute a controlled subsidiary as the Issuer under the Notes***

Under the Terms and Conditions, the Issuer may, without the consent of the Holders and subject to certain conditions, substitute for itself any direct or indirect controlled subsidiary of the Issuer as issuer under the

Notes. So long as the conditions described in Condition 15 (*Issuer Substitution*) of the Terms and Conditions are satisfied, such subsidiary may be an entity incorporated in a jurisdiction other than Switzerland or having a different form from the Issuer. In such a case, the rights of Holders under the laws of the jurisdiction of such subsidiary may differ from the rights of Holders against the Issuer under the laws of Switzerland. For example, other types of entities or entities formed in other jurisdictions may be subject to different insolvency regimes or may not be subject to suit in the same manner. As a result, Holders may be required to comply with legal procedures for making a claim or enforcing an action against the Substitute Issuer specific to the jurisdiction or form of incorporation of the Substitute Issuer that differ from the legal procedures required for making a claim or enforcing an action against the Issuer under the laws of Switzerland.

***Receipt by the Principal Paying Agent of due and punctual payment of funds due under any Notes from the Issuer will release the Issuer from its obligations under such Notes to the extent of such payment, even if such payment is not ultimately received by the Holders***

The Issuer will discharge its payment obligations under the Notes by making payments to the Principal Paying Agent, which then makes payments to SIX SIS for distribution to the account(s) in which the relevant Notes are held. The receipt by the Principal Paying Agent of due and punctual payment of funds due under the Notes from the Issuer will release the Issuer from such payment obligations under the Notes to the extent of such payment, even if such payment is not ultimately received by the Holders. The Holders must rely on the Principal Paying Agent and the procedures of SIX SIS to receive payments under the Notes, and are, therefore, subject to the credit risk of the Principal Paying Agent.

***As the Conversion Price is fixed at the time of issue of the Notes, Holders will bear the risk of fluctuation in the market value of the Ordinary Shares and the risk of depreciation of the US dollar against the Singapore dollar***

Upon the occurrence of a Trigger Event or a Viability Event, the Notes will be mandatorily converted into Ordinary Shares. Because a Trigger Event will occur when UBS Group AG's capital ratios will have deteriorated significantly and a Viability Event will occur when UBS Group AG's chances of continuing as a going concern will have deteriorated significantly, a Trigger Event or a Viability Event will likely be accompanied by a prior deterioration in the market price of the Ordinary Shares, which may be expected to continue after occurrence of the Trigger Event or Viability Event, as the case may be. Therefore, if a Trigger Event or a Viability Event were to occur, Holders would receive Ordinary Shares at a time when the market price of the Ordinary Shares is likely to be diminished.

Moreover, as the Ordinary Shares are denominated and trade in US dollars, the Singapore dollar value of the Ordinary Shares may fluctuate depending on the exchange rate between the US dollar and the Singapore dollar. For example, if the US dollar depreciates relative to the Singapore dollar, the Singapore dollar value of the Ordinary Shares will decrease. Because the Conversion Price is denominated in Singapore dollars, depreciation of the US dollar against the Singapore dollar may result in the Singapore dollar value of any Ordinary Shares received by a Holder upon Conversion being significantly less than the price implied by the Conversion Price. In addition, if a Settlement Shares Offer is made, it will be made in the currency of the Issuer's choosing and at a cash price per Ordinary Share (such price translated, if necessary, into Singapore dollars at the prevailing exchange rate on the date of the Trigger Event Notice as determined by the Issuer) equal to the Conversion Price in effect on the date of the Trigger Event Notice. If any Ordinary Shares are sold in the Settlement Shares Offer, in order to determine each Holder's pro rata share of the aggregate cash proceeds received for such Ordinary Shares, such cash proceeds (which could be denominated in US dollars, Swiss francs or such other currency of the Issuer's choosing) will be translated, if necessary, into Singapore dollars at a prevailing exchange rate on the fifth Business Day after the end of the Offer Settlement Period as determined by the Settlement Shares Offer Agent (less any foreign exchange transaction costs). Accordingly, a decline in the value of the currency in which any such Settlement Shares Offer is made relative to the Singapore dollar between the date of the Trigger Event Notice and the fifth Business Day after the end of the Offer Settlement Period will also result in the cash proceeds received by the Holders per Ordinary Share sold in such Settlement Shares Offer being less than the Conversion Price in effect on the date of the Trigger Event Notice.

Furthermore, there may be a delay in a Holder receiving its Ordinary Shares following a Trigger Event or a Viability Event, during which time the market price of the Ordinary Shares may further decline or the exchange rate of the US dollar against the Singapore dollar may decline (or further decline). As a result, the realisable value in Singapore dollars of the Ordinary Shares delivered to Holders upon Conversion may



be below the Conversion Price. The Conversion Price was fixed on [•]\* at SGD [•]\* (per Ordinary Share), and is subject to limited anti-dilution adjustments (see Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*) for details). At the time the Ordinary Shares are delivered, the Conversion Price may not reflect the market price of the Ordinary Shares, which could be significantly lower than the Conversion Price.

***Holders have limited anti-dilution protection***

Following a Trigger Event or a Viability Event, the number of Ordinary Shares in respect of each Holder to be issued and delivered by the Issuer to the Settlement Share Depository on the applicable Conversion Date will be 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, and specified in, the relevant Trigger Event Notice or Viability Event Notice, as the case may be (rounded down, if necessary, to the nearest whole number of Ordinary Shares).

The Conversion Price was fixed as described under "*As the Conversion Price is fixed at the time of issue of the Notes, Holders will bear the risk of fluctuation in the market value of the Ordinary Shares*" above. However, the Conversion Price will be adjusted if there is a consolidation, reclassification, redesignation or subdivision of the Ordinary Shares, an issuance of Ordinary Shares to Shareholders in certain circumstances by way of capitalisation of profits or reserves, an Extraordinary Distribution or an issue of Ordinary Shares or other Securities (or certain other securities that by their terms carry rights of conversion into, or exchange or subscription for Ordinary Shares) to Shareholders as a class by way of rights, but only in the situations and to the extent provided in Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*). Whether such an adjustment is made, and the calculation of any such adjustment, may depend on a determination to be made by an Independent Adviser. In such case, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser appointed by the Issuer fails to make the relevant determination, the Issuer will make such determination and, in such case, may have to exercise its discretion to make such determination in a situation in which it is presented with a conflict of interest. Any New Conversion Price following a Qualifying Relevant Event will be similarly adjusted, subject to any amendments as an Independent Adviser shall determine to be appropriate (or the Issuer, as the case may be). There is no requirement that there should be an adjustment for every corporate or other event that may affect the market value of the Ordinary Shares or that, if a Holder of a Note were to have held the Ordinary Shares at the time of such adjustment, such Holder would not have benefited to a greater extent.

In particular, there will be no adjustment to the Conversion Price if a Non-Qualifying Relevant Event occurs such as an acquisition of UBS Group AG by an entity that is not an Approved Entity or if the New Conversion Condition is not satisfied. In addition, there will be no adjustment to the Conversion Price if and when the Issuer issues Other Tier 1 Contingent Convertible Capital Notes, even if they are issued or granted to Shareholders as a class. Furthermore, the adjustment events that are included in the Terms and Conditions of the Notes may be less extensive than those included in the terms of other convertible securities. The Conversion Price and any adjustments to the Conversion Price pursuant to the Terms and Conditions may be less favourable than those included in other convertible securities issued by UBS Group AG, including other regulatory capital instruments.

Accordingly, events in respect of which no adjustment to the Conversion Price is made may adversely affect the market value of the Notes.

***Since Holders will receive Ordinary Shares if a Trigger Event or a Viability Event occurs they are particularly exposed to changes in the market price of the Ordinary Shares***

Many investors in convertible or exchangeable securities seek to hedge their exposure in the underlying equity securities at the time of acquisition of the convertible or exchangeable securities, often through short selling of the underlying equity securities or through similar transactions. Prospective investors in the Notes may look to sell Ordinary Shares in anticipation of taking a position in, or during the term of, the Notes. This could cause downward pressure on the price of the Ordinary Shares. Since the Notes will mandatorily convert into a variable number of Ordinary Shares upon the occurrence of a Trigger Event or a Viability Event, the price of the Ordinary Shares may be more volatile as the likelihood of a Trigger Event and/or a Viability Event occurring increases.

***Holders will not be entitled to any rights with respect to the Ordinary Shares, but will be subject to all changes made with respect to the Ordinary Shares***

Prior to the applicable Share Creation Date in relation to a Conversion (if any), an investor in the Notes will not be a holder of Ordinary Shares. No Holder (in its capacity as such) will have any right to participate in Shareholders' meetings or have any voting rights, rights to receive dividends or other distributions or any other rights with respect to the Ordinary Shares until such time, if any, when a Trigger Event or a Viability Event and the applicable Share Creation Date in relation thereto occurs and such Holder becomes a Shareholder. In addition, the exercise of voting rights and rights related thereto with respect to the Ordinary Shares into which the Notes are to be converted is only possible after the registration of the relevant recipient of the Ordinary Shares in UBS Group AG's share register as a Shareholder with voting rights in accordance with the provisions of, and subject to the limitations provided in, the articles of association (*Statuten*) of UBS Group AG (the "**Articles of Association**"). Any pecuniary rights, in particular the entitlement to dividends and the ability to sell the Ordinary Shares in the open market, exist without any such registration in the share register.

***Holders may be subject to disclosure obligations and/or may need approval by UBS's regulators***

As the Notes are mandatorily convertible into Ordinary Shares following a Trigger Event or a Viability Event, an investment in the Notes may result in Holders having to comply with certain disclosure, notification and/or approval requirements pursuant to the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015, as amended (the "**FMIA**"), the Swiss Banking Act and the US Exchange Act, with regard to their acquisition of a beneficial interest in the Ordinary Shares. In addition, investors need to consider carefully similar laws and regulations of the jurisdiction in which they are organised. Non-compliance with such disclosure, notification and/or approval requirements may lead to sanctions, including, among other things, the incurrance by Shareholders of substantial fines and/or suspension of voting rights associated with the Ordinary Shares. For information on the requirements pursuant to the FMIA and the Swiss Banking Act, see "*Description of the Ordinary Shares – Notification and Disclosure of Major Shareholders*".

***UBS Group AG does not have unlimited authority to issue the Ordinary Shares to be delivered following a Trigger Event or a Viability Event***

The Ordinary Shares to be delivered by the Issuer in the case of a Trigger Event or a Viability Event will consist of new Ordinary Shares issued by UBS Group AG, which Ordinary Shares may be issued out of its capital range (*Kapitalband*), conditional capital (*bedingtes Kapital*) or Conversion Capital or a combination thereof.

As of the date of this Prospectus, UBS Group AG has Conversion Capital in the amount of USD 70,000,000 for the issuance of a maximum of 700,000,000 Ordinary Shares through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features issued by UBS Group AG, such as the Notes (see article 4b of the Articles of Association for more information). Consequently, as of the date of this Prospectus and assuming that the issuance of the Notes is completed on the Issue Date as described herein, UBS Group AG has sufficient available Conversion Capital out of which to issue the number of Ordinary Shares that would be required to be issued and delivered if (i) the Notes were to be converted at the Conversion Price in effect on the Issue Date, and (ii) if the Other Tier 1 Contingent Convertible Capital Notes that are outstanding on the date hereof were to be converted at the conversion price that is in effect as of the date of this Prospectus.

Notwithstanding the above, Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*) provides for the adjustment of the Conversion Price upon the occurrence of various events, and the same adjustment mechanism is provided for in the terms and conditions of each series of outstanding Other Tier 1 Contingent Convertible Capital Notes with respect to the conversion price of the relevant series. The terms and conditions of any future Other Tier 1 Contingent Convertible Capital Notes are expected to provide for the same. Accordingly, depending on the aggregate amount of Other Tier 1 Contingent Convertible Capital Notes outstanding from time to time, if any adjustment in the applicable conversion price for the Notes and such Other Tier 1 Contingent Convertible Capital Notes were to occur and, as a result, a higher number of Ordinary Shares would be required to be issued and delivered upon conversion of the Notes and the Other Tier 1 Contingent Convertible Capital Notes than the aggregate number of Ordinary Shares that may be issued out of available Conversion Capital (or available capital range (*Kapitalband*) and/or conditional capital (*bedingtes Kapital*), if applicable), the ability of UBS Group AG

to issue and deliver the additional Ordinary Shares required to be issued and delivered as a result of such adjustment may be subject to further approval by the shareholders of UBS Group AG.

Furthermore, the amendments to the Articles of Association relating to the Conversion Capital of UBS Group AG that are reflected in article 4b of the Articles of Association dated 24 April 2024 were approved by a resolution of UBS Group AG's shareholders at the annual general meeting of shareholders held on 24 April 2024. Notwithstanding the registration of such amendments in the Commercial Register of the Canton of Zurich, as with all shareholders' resolutions of Swiss corporations, the resolution of UBS Group AG's shareholders approving such amendments may be challenged by dissenting shareholders of UBS Group AG at any time within two months after such resolution was approved and such two month-period has not yet expired.

***If a Relevant Event occurs, the Notes may be convertible into shares of an entity other than UBS Group AG or may be converted into unlisted Ordinary Shares***

If a Relevant Event that is a Qualifying Relevant Event occurs, then following a Trigger Event or a Viability Event, the Notes will be convertible or exchangeable into the share capital of the Acquiror as set forth in Condition 8(e) (*Conversion – Qualifying Relevant Event*) at the New Conversion Price. There can be no assurance as to the nature of any such Acquiror, or of the risks associated with becoming an actual or potential shareholder in such Acquiror and accordingly a Qualifying Relevant Event may have an adverse effect on the market value of the Notes. In addition, the tax and stamp duty consequences of holding Notes that are convertible or exchangeable into the share capital of the Acquiror following a Trigger Event or a Viability Event could be different for some categories of Holders from the tax and stamp duty consequences for them of holding Notes that are convertible in Ordinary Shares following a Trigger Event or a Viability Event.

In addition, UBS Group AG and the Acquiror have certain discretion in determining whether a Qualifying Relevant Event has occurred, and a Qualifying Relevant Event requires the New Conversion Condition to be satisfied. For the New Conversion Condition to be satisfied, UBS Group AG and the Acquiror must, no later than seven calendar days following the occurrence of the applicable Relevant Event, enter into arrangements to the satisfaction of UBS Group AG for delivery of the Relevant Shares on a Conversion, and the Issuer must have entered into such agreements and arrangements, and made such amendments to the Terms and Conditions, as may be required to ensure that, with effect from the New Conversion Effective Date, the Notes shall, following the occurrence of a Trigger Event or a Viability Event, be convertible into, or exchange for, Relevant Shares of the Acquiror. If UBS Group AG and the Acquiror are unable to enter into such arrangements within this timeframe, the New Conversion Condition would not be satisfied, and the applicable Relevant Event would be a Non-Qualifying Relevant Event. The non-satisfaction of the New Conversion Condition will not constitute a default or an Event of Default under the Terms and Conditions.

If a Relevant Event that is a Non-Qualifying Relevant Event occurs, there will be no automatic adjustment to the Terms and Conditions and the Notes will remain convertible into unlisted Ordinary Shares following a Trigger Event or a Viability Event. Unlisted Ordinary Shares may be more illiquid than listed Ordinary Shares and may have little or no resale value. Accordingly, a Relevant Event that is not a Qualifying Relevant Event is likely to have an adverse effect on the market value of the Notes.

***Receipt by the Settlement Share Depository of the Ordinary Shares shall be a good and complete discharge of the Issuer's obligations in respect of the Notes***

Following a Trigger Event or a Viability Event, the relevant Ordinary Shares will be delivered by the Issuer to the Settlement Share Depository on or prior to the applicable Conversion Date. Receipt by the Settlement Share Depository of such Ordinary Shares will be a good and complete discharge of the Issuer's obligations in respect of the Notes and a Holder shall have recourse only to (i) the Settlement Share Depository (or any relevant intermediary) for the delivery to it of the relevant Ordinary Shares or (ii) in the circumstances described in Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*), the Settlement Shares Offer Agent (or any relevant intermediary) for the delivery to it of any cash amounts to which such Holders are entitled under Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*). The Issuer shall not have any liability for the performance of the obligations of the Settlement Share Depository. 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 in the Terms and Conditions for the reconversion of such Ordinary Shares into Notes.

***If the Issuer elects that a Settlement Shares Offer be made, Holders may receive cash instead of some or all of the Ordinary Shares they would have otherwise received upon a Trigger Event***

Holders may not ultimately receive Ordinary Shares upon a Trigger Event because the Issuer may elect, in its sole discretion, to appoint a Settlement Shares Offer Agent to conduct a Settlement Shares Offer.

If the Issuer so elects and the Settlement Shares Offer is fully subscribed by or before the end of the Offer Settlement Period, Holders will not be entitled to receive any Ordinary Shares from the Settlement Shares Offer Agent upon Conversion, and, instead, will be entitled to receive from the Settlement Shares Offer Agent on the fifth Business Day after the end of the Offer Settlement Period, in respect of each Ordinary Share to which they were otherwise entitled, an amount of cash proceeds as determined in accordance with subclause (iii) of Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*). If the Settlement Shares Offer is only partially subscribed by the end of the Offer Settlement Period, instead of being entitled to receive the relevant number of Ordinary Shares from the Settlement Shares Offer Agent upon Conversion, Holders will be entitled to receive from the Settlement Shares Offer Agent a combination of Ordinary Shares and cash proceeds upon Conversion, with the number of Ordinary Shares and amount of cash proceeds to be determined in accordance with subclause (iii) of Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*). In such case, such cash proceeds will be delivered by the Settlement Shares Offer Agent on the fifth Business Day after the end of the Offer Settlement Period, and such Ordinary Shares will be delivered by the Settlement Shares Offer Agent within five Business Days after the end of the Offer Settlement Period. If the Issuer elects that a Settlement Shares Offer be conducted, Holders will not know the amount of cash proceeds and the number of Ordinary Shares to which they may be entitled until the end of the Settlement Shares Offer Period.

***Ordinary Shares to be delivered to Holders upon Conversion are expected to be delivered through SIX SIS***

Ordinary Shares to be delivered upon Conversion are expected to be delivered in uncertificated form through SIX SIS (or such other appropriate intermediary (*Verwahrungsstelle*) in Switzerland), unless at the relevant time the Ordinary Shares are not a participating security in SIX SIS (or such other intermediary), in which case such Ordinary Shares will be delivered in certificated form. Accordingly, in the event of a Conversion where the relevant Ordinary Shares will be delivered in uncertificated form, Holders will need to have direct or indirect access to SIX SIS (or such other intermediary) in order to receive their Ordinary Shares.

***Holders are solely responsible for any taxes, including any applicable stamp duties, in connection with the conversion of the Notes into Ordinary Shares***

In accordance with Condition 8(i) (*Conversion – Taxes and duties*), none of the Issuer, any other member of the Group, any Agent and the Settlement Share Depository 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 to any Holder. 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 to such Holder, 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.

***A Holder may be obliged to make a takeover offer in case of a Trigger Event or a Viability Event if it receives Ordinary Shares***

Pursuant to the FMIA, any person that acquires shares of a Swiss company with at least one class of securities listed on a Swiss stock exchange (such as UBS Group AG), whether directly or indirectly or acting in concert with third parties, which shares, when taken together with any other shares of such company held by such person (or such third parties), exceed the threshold of 33⅓ per cent. of the voting rights (whether exercisable or not) of such company, must submit a takeover offer to acquire all other listed equity securities of such company. Pursuant to the practice of the Swiss Takeover Board, certain derivatives also need to be taken into account when calculating whether the 33⅓ per cent. threshold has been exceeded.

Accordingly, following a Conversion, a Holder receiving Ordinary Shares may have to make such a takeover offer if it exceeds the threshold of 33⅓ per cent. of the voting rights (whether exercisable or not) of UBS Group AG, as determined as described above.

***Tax treatment of the Notes under Singapore law is unclear***

It is not clear whether the Notes will be regarded as "debt securities" under the Income Tax Act 1947 of Singapore (the "**Singapore Income Tax Act**") and the tax treatment to holders of the Notes under Singapore law may differ depending on the characterisation and treatment of the Notes by the Inland Revenue Authority of Singapore ("**IRAS**"). In addition, the Notes are not intended to be "qualifying debt securities" for the purposes of the Singapore Income Tax Act and holders of the Notes will not be eligible for the tax exemption or concessionary tax rates under the qualifying debt securities scheme. Prospective holders and holders of the Notes should consult their own accounting and tax advisers regarding the Singapore tax consequences of their acquisition, holding or disposal of the Notes.

***Credit ratings may not reflect all risks and any changes to the credit ratings could affect the market value of the Notes***

The Notes [have been]/[will be]\* assigned a rating of [•]\* by Fitch and [•]\* by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The ratings of UBS Group AG should be evaluated independently from similar ratings of other entities and from the rating of the Notes. A security rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

Additionally, in general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") unless (i) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the EEA that is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**") unless (i) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the UK that is certified under the UK CRA Regulation.

***A downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Notes could cause the liquidity or market value of the Notes to decline***

Upon issuance, the Notes will be rated by nationally recognised statistical ratings organisations and may in the future be rated by additional rating agencies. Any rating initially assigned to the Notes may not be consistent with the ratings set out elsewhere in this Prospectus or may be lowered, suspended or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to UBS's business, so warrant. Any lowering, suspension or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the Notes.

Unsolicited ratings, which may differ from the ratings to be assigned to the Notes by Fitch and Moody's, may also be assigned to the Notes by other credit rating agencies. Issuance of an unsolicited credit rating that is lower than the ratings assigned to the Notes by Fitch and/or Moody's may adversely affect the market value and/or liquidity of the Notes.

***The Notes are not covered by any government compensation or insurance scheme and do not have the benefit of any government guarantee***

An investment in the Notes will not be covered by any compensation or insurance scheme of any government agency of Switzerland or any other jurisdiction, and the Notes do not have the benefit of any government guarantee. The Notes are the obligations of the Issuer only and Holders must solely look to the Issuer for the performance of its obligations under the Notes. In the event of a Bankruptcy Event, a Holder may lose all or some of its investment in the Notes.

***There is no restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee***

There is no restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur (by assumption or otherwise) or guarantee, as the case may be, that rank senior to, or *pari passu* with, the Notes. The issue, incurring or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by Holders under the Notes in a liquidation or winding-up of the Issuer. In addition, the Notes do not contain any restriction on the Issuer issuing, incurring or guaranteeing securities that may have preferential rights to the Notes or securities with similar, different or no Trigger Event or Viability Event provisions.

***Other regulatory capital instruments may not be subject to a write-down or a conversion***

The terms and conditions of other regulatory capital instruments already in issue or to be issued (or guaranteed) after the date of this Prospectus by the Issuer or any of its subsidiaries may vary and accordingly such instruments may not convert into Ordinary Shares or be written-down at the same time, or to the same extent, as the Notes may be converted, or at all. In particular, regulatory capital instruments issued by a member of the Group with terms that require such instruments to be converted into equity and/or written-down when a capital measure falls below a threshold that is equal to or higher than the Threshold Ratio, may not be converted or written-down in case of the occurrence of a Trigger Event if the relevant capital measure for triggering a conversion or a write-down, as the case may be, under those instruments is calculated differently from the CET1 Ratio or the Trigger CET1 Ratio. Also, regulatory capital instruments issued by any subsidiary of the Issuer that are required pursuant to their terms to be converted into equity and/or fully or partially written down when the relevant capital measure falls below the relevant threshold, or a viability event occurs, may not be converted or written-down in case of the occurrence of a Trigger Event or a Viability Event if the events triggering a conversion or a write-down, as the case may be, under the terms of those instruments are determined with respect to a group or subgroup of entities that is different from the Group.

***As the Issuer is a holding company, its ability to meet its financial obligations is dependent upon funding, dividend and other distributions received from its subsidiaries, which may be subject to restrictions***

The Issuer is a holding company and its direct and indirect subsidiaries conduct the operations of UBS as a financial services firm. The Issuer's interests in its operating subsidiaries represent substantially all of its assets and revenues. The Issuer's ability to meet its financial obligations in the future, including those under the Notes, will depend on the level of funding, dividends and other distributions, if any, received from its operating subsidiaries. The Issuer's subsidiaries are separate and distinct legal entities, and their ability to provide the Issuer with funds for its payment obligations (including those under the Notes), whether by dividends, distributions, loans or other payments, including but not limited to payments in connection with capital instruments issued by the Issuer's subsidiaries to the Issuer, may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable regulatory capital, liquidity and other restrictions. In particular, the Issuer's subsidiaries may be subject to laws that restrict dividend payments, authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to the Issuer, or limit or prohibit transactions with affiliates. Moreover, certain of the Issuer's subsidiaries are subject to, or may be subject to the exercise of statutory powers of a regulator that has powers similar to, the statutory powers of FINMA (including its Swiss Resolution Powers and ability to order Protective Measures) and/or subject to requirements with respect to loss-absorbing capacity that could impact their ability to repay any loans made to, or other investments in, such subsidiary by the Issuer or another member of UBS. Restrictions and regulatory actions of this kind could impede access to funds that the Issuer may need to meet its financial obligations. Moreover, any distribution of earnings to the Issuer from its subsidiaries, or advances or other distributions of funds by these subsidiaries to the Issuer, even if not restricted or limited as mentioned above, are contingent upon the subsidiaries' earnings, as well as approvals

by relevant regulators and are subject to various business considerations. These requirements and/or limitations could adversely affect the Issuer's ability to pay amounts due under the Notes.

Additionally, since the creditors of any of the Issuer's subsidiaries would generally have a right to receive payment that is prior to the Issuer's right to receive payment from the assets of that subsidiary, the rights of Holders against the Issuer under the Notes will be structurally subordinated to creditors of the Issuer's subsidiaries.

***The Terms and Conditions do not contain any restrictions on change of control events or on UBS's ability to restructure its business***

The Terms and Conditions contain no restrictions on change of control events or structural changes, such as consolidations or mergers or demergers of the Issuer or the sale, assignment, spin-off, contribution, distribution, transfer or other disposal of all or any portion of the Issuer's or its subsidiaries' properties or assets in connection with changes to its legal structure or otherwise and no event of default, requirement to repurchase the Notes or other event will be triggered under the Terms and Conditions as a result of such changes. There can be no assurance that such changes, should they occur, would not adversely affect the credit rating of the Issuer and/or increase the likelihood of the occurrence of (i) a Trigger Event or a Viability Event and, consequently, a Conversion, or (ii) an Event of Default. Such changes, should they occur, may adversely affect the Issuer's ability to redeem or pay interest on the Notes and/or lead to circumstances in which the Issuer may elect to cancel such interest.

**RISKS RELATING TO THE MARKETS GENERALLY**

***There is no active trading market for the Notes***

The Notes are new securities that may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, the financial condition of the Issuer and UBS and the trading price of the Ordinary Shares. This is particularly the case for the Notes as they are especially sensitive to credit risk of the Issuer and risk of occurrence of a Trigger Event or a Viability Event (and, consequently, the occurrence of a Conversion), in addition to interest rate, currency and market risks, are designed for specific objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Although application will be made to admit the Notes to trading and listing on the SIX Swiss Exchange, there is no assurance as to the development or liquidity of any trading market for the Notes. In addition, if the Notes are admitted to trading and listed on the SIX Swiss Exchange if and when a Trigger Event or a Viability Event occurs, the Issuer may request a suspension in trading of the Notes on the SIX Swiss Exchange, which suspension may last until the official last day of trading on the SIX Swiss Exchange and subsequent delisting.

In addition, Holders should be aware that, in view of the prevailing and widely reported global credit market conditions, the secondary market for Notes and instruments of this kind may be illiquid. The Issuer cannot predict whether and when these circumstances will change.

***Exchange rate risks and exchange controls***

The Issuer does not have any control over factors that generally affect exchange rate risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and such exchange rate volatility with a variety of currencies may continue in the future.

The Issuer will pay principal and any interest due on the Notes in Singapore dollars. If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Singapore dollars, it may therefore bear certain exchange rate risks. These include: (i) the risk that exchange rates may significantly change (including changes due to devaluation of the Singapore dollar or revaluation of the Investor's Currency); and (ii) the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls that could adversely affect an applicable exchange rate.

Any appreciation in the value of the Investor's Currency relative to Singapore dollars would decrease: (i) the Investor's Currency-equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payment on the Notes; and (iii) the Investor's Currency-equivalent market value of the Notes. If the Notes are denominated in a currency other than the currency of the country in which the Holder is resident, the Holder is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of principal or interest on a Note. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Holders are subject to interest rate risks***

Because the Notes bear a fixed rate of interest for the period from (and including) the Issue Date to (but excluding) the First Call Date and for each subsequent period from (and including) a Reset Date to (but excluding) the next Reset Date, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Notes during such periods. See also "*Risks relating to the Notes – The interest rate on the Notes will reset on the First Call Date and each Reset Date thereafter, which may affect the market value of the Notes*" above.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to assess the Terms and Conditions (including as to Conversion) and to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

***Changes of law may adversely affect the rights of Holders under the Notes***

The Terms and Conditions are based on Swiss law in effect as of the date of this Prospectus. No assurance can be given as to the impact of any possible Swiss judicial decision or any change to Swiss law, including by way of emergency measures, or administrative practice during the life of the Notes.

Changes in laws after the date of this Prospectus may affect the rights and effective remedies of Holders under the Notes, as well as the market value of the Notes. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on investment in the Notes.

For example, on 19 March 2023, the Swiss Federal Council enacted the Emergency Ordinance on Additional Liquidity Assistance Loans and the Granting of Federal Default Guarantees for Liquidity Assistance Loans by the Swiss National Bank to Systemically Important Banks (the "**Emergency Ordinance**"). Among other things, the Emergency Ordinance authorised FINMA, in connection with the granting of federal default guarantees for liquidity assistance loans by the SNB, to order the borrower of any such loan, and/or any other entities belonging to the same financial group as the borrower, to write down financial instruments qualifying as additional tier 1 capital (*zusätzliches Kernkapital*) within the meaning of the Capital Adequacy Ordinance ("**AT1 Capital**"). While this power granted to FINMA applied only in connection with the granting of federal default guarantees for liquidity assistance loans by the SNB under the Emergency Ordinance, which expired on 19 September 2023, it cannot be excluded that the Swiss Federal Council and/or FINMA would resort to similar measures affecting the rights of Holders if UBS experiences financial difficulties at any point in time in the future.

When FINMA exercised its powers on 19 March 2023 in respect of Credit Suisse Group AG to order the write down of notes qualifying as AT1 Capital outside of Restructuring Proceedings, it publicly stated that it relied on the terms and conditions of such notes and the Emergency Ordinance as the legal basis for the write-down. The PLB Amendment (see "*Risks relating to the Notes – The circumstances surrounding or triggering a Conversion are unpredictable*" above) also addresses, among other things, the power of FINMA to order an issuer to write down or convert, as applicable, its financial instruments qualifying as



AT1 Capital as part of Protective Measures ordered by FINMA and confirms that FINMA has the power under Swiss law to order a write-down of AT1 Capital or a conversion of AT1 Capital into equity of the relevant issuer prior to or without the commencement of Restructuring Proceedings only if it does so in accordance with the terms and conditions of such AT1 Capital. However, it is not possible to predict whether or when the PLB Amendment will be enacted, what final form it will take and how it will be interpreted and, if enacted in whatever form, what effect the PLB Amendment and the interpretation thereof could have on Holders or the Issuer generally.

On 10 April 2024, the Swiss Federal Council adopted its report on banking stability (the "**TBTF Report**") following its review of the developments leading to the acquisition of Credit Suisse Group AG by UBS. The TBTF Report outlines 22 measures to improve the supervision and resolvability of Swiss systemically important banks for implementation and seven other measures to be examined in greater depth. The measures proposed in the TBTF Report cover three main areas:

- (1) *Strengthening prevention*: This includes, among other things, a senior managers regime and measures on variable remuneration (e.g. retention periods and clawbacks), increased capital requirements as well as strengthening of early intervention and recovery powers of FINMA.
- (2) *Strengthening liquidity*: Alongside other measures that have already been implemented in legislation, or proposed in draft legislation, the potential for liquidity provision by the Swiss National Bank should be expanded.
- (3) *Expanding the crisis toolkit*: In order to strengthen resolvability, the TBTF Report requests that resolution planning should be expanded and the legal risks associated with implementation should be further reduced. The crisis organisation and the cooperation between the authorities should also be strengthened and more clearly defined where necessary.

The Swiss Federal Council has stated that it intends to implement the recommendations through amendments to existing ordinances and through new legislation, the proposals for which it intends to publish in later in 2024 or in early 2025. It is uncertain what final form the proposed revisions will take and what effect they could have on Holders or the Issuer generally. However, any (i) new or increased early intervention powers enabling FINMA to impose measures similar to Protective Measures or take any other action in relation to the Issuer or any other member of the Group or any of their respective affiliates in the recovery phase (i.e., before FINMA would be entitled to exercise any Swiss Resolution Power and/or order any Protective Measures under the existing resolution regime), (ii) changes to the Swiss resolution regime, such as, for example, any divergency from FINMA's publicly acknowledged "single-point-of-entry" resolution strategy, and/or (iii) changes to the AT1 Capital rules, such as, for example, the tightening of the requirements for redemption and/or payment of interest on notes qualifying as AT1 Capital (including the Notes), may have an effect on Holders.

More generally, any amendment or replacement of the Swiss Banking Act or any amendment, replacement or implementation of an implementing ordinance or other implementing regulation and any change in their application in respect of the applicable provisions of the Swiss Banking Act or other regulation in respect of UBS, SRBs or generally could impact the calculation of the CET1 Ratio, the CET1 Capital and the BIS Risk Weighted Assets. Furthermore, because the occurrence of a Trigger Event depends, in part, on the calculation of the CET1 Ratio, any change in Swiss law that affects the calculation of the CET1 Ratio would also affect the determination of whether a Trigger Event Notice must be given (i.e., whether a Trigger Event will occur). Any such amendment that impacts the calculation of any of the aforementioned ratios can be expected to have an adverse effect on the market value of the Notes. In addition, any changes that may occur to National Regulations subsequent to the date of this Prospectus may affect the minimum capital adequacy requirements of National Regulations applicable to the Issuer on a consolidated (*Finanzgruppe*) basis, and thus increase the risk that the Issuer may be prohibited from making interest payments on the Notes.

Furthermore, any change in National Regulations after the Issue Date that would cause the Notes to cease to be eligible in full to be (i) treated as Additional Tier 1 Capital, and/or (ii) counted towards either the Going-Concern LR Requirement or the Going-Concern RWA Requirement (or both) (including, without limitation, any such change based on the recommendations made in the TBTF Report that results in the Threshold Ratio being required to be set at a level other than 7%, or the definition of Viability Event as set out in the Terms and Conditions on the Issue Date no longer meeting the requirements, in order for the Notes to be eligible in full to be so treated and counted) would trigger a Regulatory Event. There can be no

assurance that any future amendment to the Capital Adequacy Ordinance or the manner in which is implemented would not adversely affect the rights of Holders (including by giving rise to a Regulatory Event), the market price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes. Also, any change under the laws or regulations of Switzerland that results in the Issuer paying Additional Amounts or any additional tax in respect of the Notes would trigger a Tax Event. Upon the occurrence of a Regulatory Event or a Tax Event, the Issuer would have the option, subject to certain conditions, to redeem the Notes (in whole, but not in part). In addition, upon the occurrence of a Regulatory Event or a Tax Event, the Issuer would also have the option to, without the consent of the Holders, either substitute all, but not some only, of the Notes for, or amend the Terms and Conditions so that they remain or become, Compliant Securities, as described in Condition 13 (*Meeting of Holders; Substitution and Amendment*).

Such legislative and regulatory uncertainty could affect an investor's ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes, including those described above. Any regulatory or legislative changes may also adversely affect UBS's business (see "*Risks relating to UBS – Substantial changes in regulation may adversely affect UBS's business and its ability to execute its strategic plans*").

## **RISKS RELATING TO UBS**

*Certain risks, including those described below, may affect UBS's ability to execute its strategy or its business activities, financial condition, results of operations and prospects. UBS is inherently exposed to multiple risks, many of which may become apparent only with the benefit of hindsight. As a result, risks that UBS does not consider to be material, or of which it is not currently aware, could also adversely affect UBS. Within each category, the risks that UBS considers to be most material are presented first.*

### **Strategy, management and operational risks**

***UBS's acquisition of Credit Suisse Group AG exposes UBS to heightened litigation risk and regulatory scrutiny and entails significant additional costs, liabilities and business integration risks***

UBS acquired Credit Suisse Group AG under exceptional circumstances of volatile financial markets and the continued outflows and deteriorating overall financial position of Credit Suisse, in order to avert a failure of Credit Suisse and thus damage to the Swiss financial centre and to global financial stability. The acquisition was effected through a merger of Credit Suisse Group AG with and into UBS Group AG, with UBS Group AG succeeding to all assets and all liabilities of Credit Suisse Group AG, becoming the direct or indirect shareholder of the former direct and indirect subsidiaries of Credit Suisse Group AG. Therefore, on a consolidated basis, all assets, risks and liabilities of the Credit Suisse Group became a part of UBS. This includes all ongoing and future litigation, regulatory and similar matters arising out of the business of the Credit Suisse Group, thereby materially increasing UBS's exposure to litigation and investigation risks, as described in further detail below.

UBS has incurred substantial transaction fees and costs in connection with the transaction and will continue to incur substantial integration and restructuring costs. In addition, UBS may not realise all of the expected cost reductions and other benefits of the transaction. UBS may not be able to successfully execute its strategic plans or to achieve the expected benefits of the acquisition of the Credit Suisse Group. The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on UBS's ability to successfully integrate the operations of both firms rapidly and effectively, while maintaining stability of operations and high levels of service to customers of the combined franchise.

UBS's ability to successfully integrate Credit Suisse will depend on a number of factors, some of which are outside of its control, including UBS's ability to:

- combine the operations of the two firms in a manner that preserves client service, simplifies infrastructure and results in operating cost savings;
- reverse outflows of deposits and client invested assets at Credit Suisse, particularly in its Wealth Management division and in Switzerland, and to attract additional deposits and other client assets to the combined firm;
- achieve cost reductions at the levels and in the time frame it plans;

- enhance, integrate and, where necessary, remediate risk management and financial control and other systems and frameworks, including to remediate the material weaknesses in Credit Suisse's internal controls over financial reporting;
- simplify the legal structure of the combined firm in an expedited manner, through the merger of UBS AG and Credit Suisse AG and the planned merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG, as well as the creation of a single intermediate holding company (an IHC) for the combined firm in the US, other entity mergers and consolidations and asset dispositions, including obtaining regulatory approvals and licenses required to implement such changes;
- retain staff and to reverse attrition of staff in certain of Credit Suisse's business areas;
- successfully execute the wind-down of the assets and liabilities in its Non-core and Legacy division and release capital and resources for other purposes; and
- resolve outstanding litigation, regulatory and similar matters, including matters relating to Credit Suisse, on terms that are not significantly adverse to the UBS Group, as well as to successfully remediate outstanding regulatory and supervisory matters and meet other regulatory commitments.

Further investigation and planning for integration is taking place, and risks that UBS does not currently consider to be material, or of which it is not currently aware, could also adversely affect UBS.

The level of success in the absorption of Credit Suisse, in the integration of the two groups and their businesses, particularly in the area of the Swiss domestic bank, as well as the domestic and international wealth management businesses, the execution of the planned strategy regarding cost reductions and divestment of any non-core assets, and the level of resulting impairments and write-downs, may impact the operational results, share price and the credit rating of UBS entities. The past financial performance of each of UBS Group AG and Credit Suisse may not be indicative of their future financial performance. In addition, the financial effects of management decisions and transactions will likely differ between the UBS Group and Credit Suisse as a result of the application of the acquisition method of accounting under IFRS Accounting Standards issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") by the UBS Group, including valuation adjustments recorded by the UBS Group, as well as other differences between US GAAP accounting principles applied by Credit Suisse and IFRS Accounting Standards applied by the UBS Group. The combined Group will be required to devote significant management attention and resources to integrating its business practices and support functions. The diversion of management's attention and any delays or difficulties encountered in connection with the transaction and the coordination of the two companies' operations could have an adverse effect on the business, financial results, financial condition or the share price of the combined Group following the transaction. The coordination process may also result in additional and unforeseen expenses.

***UBS's reputation is critical to its success***

UBS's reputation is critical to the success of its strategic plans, business and prospects. Reputational damage is difficult to reverse, and improvements tend to be slow and difficult to measure. In the past, UBS's reputation has been adversely affected by its losses during the 2008 financial crisis, investigations into its cross-border private banking services, criminal resolutions of London Interbank Offered Rates ("**LIBOR**")-related and foreign exchange matters, as well as other matters. UBS believes that reputational damage as a result of these events was an important factor in its loss of clients and client assets across its asset-gathering businesses. The Credit Suisse Group was more recently subject to significant litigation and regulatory matters and to financial losses that adversely affected its reputation and the confidence of clients, which played a significant role in the events leading to the acquisition of the Credit Suisse Group in March 2023. These events, or new events that cause reputational damage could have a material adverse effect on UBS's

results of operation and financial condition, as well as its ability to achieve its strategic goals and financial targets.

### ***Operational risks affect UBS's business***

UBS's businesses depend on its ability to process a large number of transactions, many of which are complex, across multiple and diverse markets in different currencies, to comply with requirements of many different legal and regulatory regimes to which it is subject and to prevent, or promptly detect and stop, unauthorised, fictitious or fraudulent transactions. UBS also relies on access to, and on the functioning of, systems maintained by third parties, including clearing systems, exchanges, information processors and central counterparties. Any failure of its or third-party systems could have an adverse effect on UBS. These risks may be greater as UBS deploys newer technologies, such as blockchain, or processes, platforms or products that rely on these technologies. UBS's operational risk management and control systems and processes are designed to help ensure that the risks associated with its activities – including those arising from process error, failed execution, misconduct, unauthorised trading, fraud, system failures, financial crime, cyberattacks, breaches of information security, inadequate or ineffective access controls and failure of security and physical protection – are appropriately controlled. If UBS's internal controls fail or prove ineffective in identifying and remedying these risks, it could suffer operational failures that might result in material losses, such as the substantial loss it incurred from the unauthorised trading incident announced in September 2011. The acquisition of the Credit Suisse Group may elevate these risks, particularly during the first phases of integration, as the firms have historically operated under different procedures, IT systems, risk policies and structures of governance.

As a significant proportion of its staff have been and will continue working from outside the office, UBS has faced, and will continue to face, new challenges and operational risks, including maintenance of supervisory and surveillance controls, as well as increased fraud and data security risks. While UBS has taken measures to manage these risks, these measures could prove not to be effective.

UBS uses automation as part of its efforts to improve efficiency, reduce the risk of error and improve client experience. UBS intends to expand the use of robotic processing, machine learning and artificial intelligence ("AI") to further these goals. Use of these tools presents their own risks, including the need for effective design and testing; the quality of the data used for development and operation of machine learning and AI tools may adversely affect their functioning and result in errors and other operational risks.

Financial services firms have increasingly been subject to breaches of security and to cyber- and other forms of attack, some of which are sophisticated and targeted attacks intended to gain access to confidential information or systems, disrupt service or steal or destroy data, which may result in business disruption or the corruption or loss of data at UBS's locations or those of third parties. Cyberattacks by hackers, terrorists, criminal organisations, nation states and extremists have also increased in frequency and sophistication. Current geopolitical tensions have also led to increased risk of cyberattack from foreign state actors. In particular, the Russia–Ukraine war and the imposition of significant sanctions on Russia by Switzerland, the US, the EU, the UK and others has resulted and may continue to result in an increase in the risk of cyberattacks. Such attacks may occur on UBS's own systems or on the systems that are operated by external service providers, may be attempted through the introduction of ransomware, viruses or malware, phishing and other forms of social engineering, distributed denial of service attacks and other means. These attempts may occur directly or using equipment or security passwords of employees, third-party service providers or other users. Cybersecurity risks also have increased due to the widespread use of digital technologies, cloud computing and mobile devices to conduct financial business and transactions, as well as due to generative AI, which increases the capabilities of adversaries to mount sophisticated phishing attacks (for example, through the use of deepfake technologies), and presents new challenges to the protection of UBS's systems and networks and the confidentiality and integrity of its data. During the first quarter of 2023, a third-party vendor, ION XTP, suffered a ransomware attack, which resulted in some disruption to UBS's exchange-traded derivatives clearing activities, although UBS restored its services within 36 hours, using an available alternative solution. In addition to external attacks, UBS has experienced loss of client data from failure by employees and others to follow internal policies and procedures and from misappropriation of UBS's data by employees and others.

UBS may not be able to anticipate, detect or recognise threats to its systems or data and its preventative measures may not be effective to prevent an attack or a security breach. In the event of a security breach, notwithstanding its preventative measures, UBS may not immediately detect a particular breach or attack. The acquisition of the Credit Suisse Group may elevate and intensify these risks, as would-be attackers

have a larger potential target in the combined bank and differences in systems, policies, and platforms could make threat detection more difficult. In addition, the implementation of the large-scale technological change programme that is necessary to integrate the combined bank's systems at pace may also result in increased risks. Once a particular attack is detected, time may be required to investigate and assess the nature and extent of the attack, and to restore and test systems and data. If a successful attack occurs at a service provider, as UBS has recently experienced, UBS may be dependent on the service provider's ability to detect the attack, investigate and assess the attack and successfully restore the relevant systems and data. A successful breach or circumvention of security of UBS's systems or data or those of a service provider could have significant negative consequences for UBS, including disruption of its operations, misappropriation of confidential information concerning UBS or its clients, damage to its systems, financial losses for UBS or its clients, violations of data privacy and similar laws, litigation exposure, and damage to its reputation. UBS may be subject to enforcement actions as regulatory focus on cybersecurity increases and regulators have announced new rules, guidance and initiatives on ransomware and other cybersecurity-related issues.

UBS is subject to complex and frequently changing laws and regulations governing the protection of client and personal data, such as the EU General Data Protection Regulation. Ensuring that UBS complies with applicable laws and regulations when it collects, uses and transfers personal information requires substantial resources and may affect the ways in which UBS conducts its business. In the event that UBS fails to comply with applicable laws, it may be exposed to regulatory fines and penalties and other sanctions. It may also incur such penalties if its vendors or other service providers or clients or counterparties fail to comply with these laws or to maintain appropriate controls over protected data. In addition, any loss or exposure of client or other data may adversely damage UBS's reputation and adversely affect its business.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. UBS is required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of its clients under the laws of many of the countries in which it operates. UBS is also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. UBS has implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Notwithstanding this, US regulators have found deficiencies in the design and operation of anti-money laundering programmes in UBS's US operations. UBS has undertaken a significant programme to address these regulatory findings with the objective of fully meeting regulatory expectations for its programmes. Failure to maintain and implement adequate programmes to combat money laundering, terrorist financing or corruption, or any failure of its programmes in these areas, could have serious consequences both from legal enforcement action and from damage to UBS's reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase UBS's cost of monitoring and complying with sanctions requirements and increase the risk that it will not identify in a timely manner client activity that is subject to a sanction.

As a result of new and changed regulatory requirements and the changes UBS has made in its legal structure, the volume, frequency and complexity of its regulatory and other reporting has remained elevated. Regulators have also significantly increased expectations regarding UBS's internal reporting and data aggregation, as well as management reporting. UBS has incurred, and continues to incur, significant costs to implement infrastructure to meet these requirements. Failure to meet external reporting requirements accurately and in a timely manner or failure to meet regulatory expectations of internal reporting, data aggregation and management reporting could result in enforcement action or other adverse consequences for UBS.

In addition, despite the contingency plans that UBS has in place, its ability to conduct business may be adversely affected by disruption in the infrastructure that supports its businesses and the communities in which it operates. This may include disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services that UBS uses or that are used by third parties with whom UBS conducts business.

***UBS depends on its risk management and control processes to avoid or limit potential losses in its businesses***

Controlled risk-taking is a major part of the business of a financial services firm. Some losses from risk-taking activities are inevitable, but, to be successful over time, UBS must balance the risks it takes against the returns generated. Therefore, UBS must diligently identify, assess, manage and control its risks, not only in normal market conditions but also as they might develop under more extreme, stressed conditions, when concentrations of exposures can lead to severe losses.

UBS has not always been able to prevent serious losses arising from risk management failures and extreme or sudden market events. It recorded substantial losses on fixed-income trading positions in the 2008 financial crisis, in the unauthorised trading incident in 2011 and, more recently, positions resulting from the default of a US prime brokerage client. In the recent past, the Credit Suisse Group has suffered very significant losses from the default of the US prime brokerage client, the losses in supply chain finance funds ("SCFF") managed by it, as well as other matters. As a result of these, Credit Suisse is subject to significant regulatory remediation obligations to address deficiencies in its risk management and control systems, that continue following the merger.

UBS regularly revises and strengthens its risk management and control frameworks to seek to address identified shortcomings. Nonetheless, it could suffer further losses in the future if, for example:

UBS does not fully identify the risks in its portfolio, in particular risk concentrations and correlated risks;

- its assessment of the risks identified, or its response to negative trends, proves to be untimely, inadequate, insufficient or incorrect;
- its risk models prove insufficient to predict the scale of financial risks the bank faces;
- markets move in ways that UBS does not expect – in terms of their speed, direction, severity or correlation – and its ability to manage risks in the resulting environment is, therefore, affected;
- third parties to whom UBS has credit exposure or whose securities UBS holds are severely affected by events and UBS suffers defaults and impairments beyond the level implied by its risk assessment; or
- collateral or other security provided by its counterparties and clients proves inadequate to cover their obligations at the time of default.

UBS also holds legacy risk positions, primarily in its Non-core and Legacy division, that, in many cases, are illiquid and may deteriorate in value. The acquisition of the Credit Suisse Group has increased, materially, the portfolio of business that is outside of UBS's risk appetite and subject to exit that will be managed in the Non-core and Legacy division.

UBS also manages risk on behalf of its clients. The performance of assets UBS holds for its clients may be adversely affected by the same aforementioned factors. If clients suffer losses or the performance of their assets held with UBS is not in line with relevant benchmarks against which clients assess investment performance, UBS may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

Investment positions, such as equity investments made as part of strategic initiatives and seed investments made at the inception of funds that UBS manages, may also be affected by market risk factors. These investments are often not liquid and generally are intended or required to be held beyond a normal trading horizon. Deteriorations in the fair value of these positions would have a negative effect on UBS's earnings.

***UBS may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees***

The financial services industry is characterised by intense competition, continuous innovation, restrictive, detailed and sometimes fragmented regulation and ongoing consolidation. UBS faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. UBS expects these trends to continue and competition to increase. UBS's competitive strength and market position could be eroded if it is unable to identify market trends and developments, does not respond to such trends and developments by devising

and implementing adequate business strategies, does not adequately develop or update its technology, including its digital channels and tools, or is unable to attract or retain the qualified people needed.

The amount and structure of UBS's employee compensation is affected not only by its business results, but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of UBS's staff with other stakeholders, UBS has increased average deferral periods for stock awards, expanded forfeiture provisions and, to a more limited extent, introduced clawback provisions for certain awards linked to business performance. UBS has also introduced individual caps on the proportion of fixed to variable pay for the members of the Group Executive Board ("**GEB**"), as well as certain other employees. UBS will also be required to introduce and enforce provisions requiring UBS to recover from GEB members and certain other executives a portion of performance-based incentive compensation in the event that the UBS Group or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

Constraints on the amount or structure of employee compensation, higher levels of deferral, performance conditions and other circumstances triggering the forfeiture of unvested awards may adversely affect UBS's ability to retain and attract key employees, particularly where UBS competes with companies that are not subject to these constraints. The loss of key staff and the inability to attract qualified replacements could seriously compromise its ability to execute its strategy and to successfully improve its operating and control environment, and could affect its business performance. This risk is intensified by elevated levels of attrition among Credit Suisse employees. Swiss law requires that shareholders approve the compensation of the Board of Directors of UBS Group AG (the "**BoD**") and the GEB each year. If UBS Group AG's shareholders fail to approve the compensation for the GEB or the BoD, this could have an adverse effect on its ability to retain experienced directors and its senior management.

***As UBS Group AG is a holding company, its operating results, financial condition and ability to pay dividends and other distributions and / or to pay its obligations in the future depend on funding, dividends and other distributions received directly or indirectly from its subsidiaries, which may be subject to restrictions***

UBS Group AG's ability to pay dividends and other distributions and to pay its obligations in the future will depend on the level of funding, dividends and other distributions, if any, received from UBS AG and other subsidiaries. The ability of such subsidiaries to make loans or distributions, directly or indirectly, to UBS Group AG may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable law and regulatory, fiscal or other restrictions. In particular, UBS Group AG's direct and indirect subsidiaries, including UBS AG, UBS Switzerland AG, Credit Suisse (Schweiz) AG, UBS Americas Holding LLC, Credit Suisse Holdings (USA) Inc., UBS Europe SE and Credit Suisse International, are subject to laws and regulations that require the entities to maintain minimum levels of capital and liquidity, that restrict dividend payments, that authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS Group AG or that could affect their ability to repay any loans made to, or other investments in, such subsidiary by UBS Group AG or another member of the Group. For example, in the early stages of the COVID-19 pandemic, the European Central Bank ordered all banks under its supervision to cease dividend distributions, and the Board of Governors of the Federal Reserve System limited capital distributions by bank holding companies and intermediate holding companies. Restrictions and regulatory actions could impede access to funds that UBS Group AG may need to meet its obligations or to pay dividends to shareholders. In addition, UBS Group AG's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganisation is subject to all prior claims of the subsidiary's creditors.

UBS's capital instruments may contractually prevent UBS Group AG from proposing the distribution of dividends to its shareholders, other than in the form of shares, and from engaging in repurchases of shares, if UBS does not pay interest on these instruments.

Furthermore, UBS Group AG may guarantee some of the payment obligations of certain of its subsidiaries from time to time. These guarantees may require UBS Group AG to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS Group AG is in need of liquidity to fund its own obligations.

The credit ratings of UBS Group AG or its subsidiaries used for funding purposes could be lower than the ratings of the Group's operating subsidiaries, which may adversely affect the market value of the securities and other obligations of UBS Group AG or those subsidiaries on a standalone basis.

### **Market, credit and macroeconomic risks**

#### ***Performance in the financial services industry is affected by market conditions and the macroeconomic climate***

UBS's businesses are materially affected by market and macroeconomic conditions. A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, such as international armed conflicts, war, or acts of terrorism, the imposition of sanctions, global trade or global supply chain disruptions, including energy shortages and food insecurity, changes in monetary or fiscal policy, changes in trade policies or international trade disputes, significant inflationary or deflationary price changes, disruptions in one or more concentrated economic sectors, natural disasters, pandemics or local and regional civil unrest. Such developments can have unpredictable and destabilising effects.

Adverse changes in interest rates, credit spreads, securities prices, market volatility and liquidity, foreign exchange rates, commodity prices, and other market fluctuations, as well as changes in investor sentiment, can affect UBS's earnings and ultimately its financial and capital positions. As financial markets are global and highly interconnected, local and regional events can have widespread effects well beyond the countries in which they occur. Any of these developments may adversely affect UBS's business or financial results.

As a result of significant volatility in the market, UBS's businesses may experience a decrease in client activity levels and market volumes, which would adversely affect its ability to generate transaction fees, commissions and margins, particularly in Global Wealth Management and the Investment Bank. A market downturn would likely reduce the volume and valuation of assets that UBS manages on behalf of clients, which would reduce recurring fee income that is charged based on invested assets, primarily in Global Wealth Management and Asset Management, and performance-based fees in Asset Management. Such a downturn could also cause a decline in the value of assets that UBS owns and accounts for as investments or trading positions. In addition, reduced market liquidity or volatility may limit trading opportunities and therefore may reduce transaction-based income and may also impede UBS's ability to manage risks.

Health emergencies, including pandemics and measures taken by governmental authorities to manage them, may have effects such as labour market displacements, supply chain disruptions, and inflationary pressures, and adversely affect global and regional economic conditions, resulting in contraction in the global economy, substantial volatility in the financial markets, crises in markets for goods and services, disruptions in real estate markets, increased unemployment, increased credit and counterparty risk, and operational challenges, as UBS saw with the COVID-19 pandemic. Such economic or market disruptions, including inflationary pressures, may lead to reduced levels of client activity and demand for its products and services, increased utilisation of lending commitments, significantly increased client defaults, continued and increasing credit and valuation losses in its loan portfolios, loan commitments and other assets, and impairments of other financial assets. A fall in equity markets and a consequent decline in invested assets would also reduce recurring fee income in UBS's Global Wealth Management and Asset Management businesses, as UBS experienced in the second quarter of 2022. These factors and other consequences of a health emergency may negatively affect UBS's financial condition, including possible constraints on capital and liquidity, as well as resulting in a higher cost of capital, and possible downgrades to its credit ratings.

Terrorist activity and escalating armed conflict in the Middle East, as well as the continuing Russia–Ukraine war, may have significant impacts on global markets, exacerbate global inflationary pressures and slow global growth. In addition, the ongoing conflicts may continue to cause significant population displacement, and lead to shortages of vital commodities, including energy shortages and food insecurity outside the areas immediately involved in armed conflict. Governmental responses to the armed conflicts, including, with respect to the Russia-Ukraine war, coordinated successive sets of sanctions on Russia and Belarus, and Russian and Belarusian entities and nationals, and the uncertainty as to whether the ongoing conflicts will widen and intensify, may continue to have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated.

If individual countries impose restrictions on cross-border payments or trade, or other exchange or capital controls, or change their currency (for example, if one or more countries should leave the Eurozone, as a result of the imposition of sanctions on individuals, entities or countries, or escalation of trade restrictions



and other actions between the US, or other countries, and China), UBS could suffer adverse effects on its business, losses from enforced default by counterparties, be unable to access its own assets or be unable to effectively manage its risks.

UBS could be materially affected if a crisis develops, regionally or globally, as a result of disruptions in markets due to macroeconomic or political developments, trade restrictions, or the failure of a major market participant. Over time, UBS's strategic plans have become more heavily dependent on its ability to generate growth and revenue in emerging markets, including China, causing UBS to be more exposed to the risks associated with such markets.

Global Wealth Management derives revenues from all the principal regions, but has a greater concentration in Asia than many peers and a substantial presence in the US, unlike many European peers. The Investment Bank's business is more heavily weighted to Europe and Asia than its peers, while its derivatives business is more heavily weighted to structured products for wealth management clients, in particular with European and Asian underlyings. UBS's performance and businesses may therefore be more affected by political, economic and market developments in these regions than some other financial service providers.

The extent to which ongoing conflicts, current inflationary pressures and related adverse economic conditions affect UBS's businesses, results of operations and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments, including the effects of the current conditions on its clients, counterparties, employees and third-party service providers.

***UBS's credit risk exposure to clients, trading counterparties and other financial institutions would increase under adverse or other economic conditions***

Credit risk is an integral part of many of UBS's activities, including lending, underwriting and derivatives activities. Adverse economic or market conditions, or the imposition of sanctions or other restrictions on clients, counterparties or financial institutions, may lead to impairments and defaults on these credit exposures. Losses may be exacerbated by declines in the value of collateral securing loans and other exposures. In UBS's prime brokerage, securities finance and Lombard lending businesses, UBS extends substantial amounts of credit against securities collateral the value or liquidity of which may decline rapidly. Market closures and the imposition of exchange controls, sanctions or other measures may limit UBS's ability to settle existing transactions or to realise on collateral, which may result in unexpected increases in exposures. UBS's Swiss mortgage and corporate lending portfolios, which have increased substantially as a result of the Credit Suisse acquisition, are a large part of UBS's overall lending. It is therefore exposed to the risk of adverse economic developments in Switzerland, including property valuations in the housing market, the strength of the Swiss franc and its effect on Swiss exports, a return to negative interest rates applied by the Swiss National Bank, economic conditions within the Eurozone or the EU, and the evolution of agreements between Switzerland and the EU or EEA, which represent Switzerland's largest export market. UBS has exposures related to real estate in various countries, including a substantial Swiss mortgage portfolio. Although it believes this portfolio is prudently managed, UBS could nevertheless be exposed to losses if a substantial deterioration in the Swiss real estate market were to occur.

As UBS experienced in 2020, under IFRS 9 expected credit loss ("ECL") regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect UBS's common equity tier 1 ("CET1") capital and regulatory capital ratios.

***Interest rate trends and changes could negatively affect UBS's financial results***

UBS's businesses are sensitive to changes in interest rate trends. A prolonged period of low or negative interest rates, particularly in Switzerland and the Eurozone, adversely affected the net interest income generated by UBS's Personal & Corporate Banking and Global Wealth Management businesses prior to 2022. Actions that UBS took to mitigate adverse effects on income, such as the introduction of selective deposit fees or minimum lending rates, contributed to outflows of customer deposits (a key source of funding for UBS), net new money outflows and a declining market share in its Swiss lending business.

During 2022, interest rates increased sharply in the US and most other markets, including a shift from negative to positive central bank policy rates in the Eurozone and Switzerland, as central banks responded to higher inflation. Higher interest rates generally benefit UBS's net interest income. However, as returns

on alternatives to deposits increase with rising interest rates, such as returns on money market funds, UBS experienced outflows from customer deposits and shifts of deposits from lower-interest account types to accounts bearing higher interest rates, such as savings and certificates of deposit, starting with effects in the US, where rates had rapidly increased. In addition, higher-for-longer interest rates, such as those experienced in 2023, have led to similar shifts in euro and Swiss franc deposits. Sustained higher interest rates also may adversely affect UBS's credit counterparties. Customer deposit outflows could require UBS to obtain alternative funding, which would likely be more costly than customer deposits.

UBS's shareholders' equity and capital are also affected by changes in interest rates.

***Currency fluctuation may have an adverse effect on UBS's profits, balance sheet and regulatory capital***

UBS is subject to currency fluctuation risks, as a substantial portion of its assets and liabilities are denominated in currencies other than its Group presentation currency, the US dollar. In order to hedge its CET1 capital ratio, UBS's CET1 capital must have foreign currency exposure, which leads to currency sensitivity. As a consequence, it is not possible to simultaneously fully hedge both CET1 capital and the CET1 ratio. Accordingly, changes in foreign exchange rates may adversely affect UBS's profits, balance sheet, and capital, leverage and liquidity coverage ratios.

**Regulatory and legal risks**

***Material legal and regulatory risks arise in the conduct of UBS's business***

As a global financial services firm operating in more than 50 countries, UBS is subject to many different legal, tax and regulatory regimes, including extensive regulatory oversight, and is exposed to significant liability risk. UBS is subject to a large number of claims, disputes, legal proceedings and government investigations, and UBS expects that its ongoing business activities will continue to give rise to such matters in the future. In addition, as noted above, UBS inherited claims against Credit Suisse entities as part of the acquisition, including matters that may be material to the operating results of the combined Group such as the ongoing SCFF matter. The extent of UBS's financial exposure to these and other matters is material and could substantially exceed the level of provisions that it has established. UBS is not able to predict the financial and non-financial consequences these matters may have when resolved.

UBS may be subject to adverse preliminary determinations or court decisions that may negatively affect public perception and its reputation, result in prudential actions from regulators, and cause UBS to record additional provisions for such matters even when it believes it has substantial defences and expects to ultimately achieve a more favourable outcome. This risk is illustrated by the award of aggregate penalties and damages of EUR 4.5 billion by the court of first instance in France. This award was reduced to an aggregate of EUR 1.8 billion by the Court of Appeal, and, in a further appeal, the French Supreme Court referred the case back to the Paris Court of Appeal to reconsider the amount after a new trial.

Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Among other things, a guilty plea to, or conviction of, a crime (including as a result of termination of the Deferred Prosecution Agreement Credit Suisse entered into with the US Department of Justice in 2021 to resolve its Mozambique matter) could have material consequences for UBS.

Resolution of regulatory proceedings has required UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorisations, and may permit financial market utilities to limit, suspend or terminate UBS's participation in them. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorisations or participations, could have material adverse consequences for UBS.

UBS's settlements with governmental authorities in connection with foreign exchange, LIBOR and other benchmark interest rates starkly illustrate the significantly increased level of financial and reputational risk now associated with regulatory matters in major jurisdictions. In connection with investigations related to LIBOR and other benchmark rates, and to foreign exchange and precious metals, very large fines and disgorgement amounts were assessed against UBS, and it was required to enter guilty pleas despite its full cooperation with the authorities in the investigations and despite its receipt of conditional leniency or conditional immunity from anti-trust authorities in a number of jurisdictions, including the US and Switzerland.

For a number of years, UBS has been, and it continues to be, subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain its strategic flexibility. UBS believes it has remediated the deficiencies that led to significant losses in the past and made substantial changes in its controls and conduct risk frameworks to address the issues highlighted by the LIBOR-related, foreign exchange and precious metals regulatory resolutions. UBS has also undertaken extensive efforts to implement new regulatory requirements and meet heightened expectations.

Credit Suisse and UBS have become the target of lawsuits, and may become the target of further litigation, in connection with the merger transaction and/or the regulatory and other actions taken in connection with the merger transaction, all of which could result in substantial costs. Since the close of the acquisition, various litigation claims have been lodged against UBS under Swiss merger law alleging that Credit Suisse Group AG shareholders received disadvantaged treatment in the acquisition. In addition, numerous cases have been lodged against FINMA in respect of the write-down of the Credit Suisse Group's bonds qualifying as AT1 Capital ordered by FINMA. UBS Group AG, as the successor to Credit Suisse Group AG, is participating in proceedings as an aggrieved party. The cumulative effects of the litigations to which UBS has succeeded and the claims related to the acquisition and the circumstances surrounding it, may have material adverse consequences for the combined Group.

UBS continues to be in active dialogue with regulators concerning the actions it is taking to improve its operational risk management, risk control, anti-money laundering, data management and other frameworks, and otherwise seeks to meet supervisory expectations, but there can be no assurance that its efforts will have the desired effects. As a result of this history, UBS's level of risk with respect to regulatory enforcement may be greater than that of some of its peers.

***Substantial changes in regulation may adversely affect UBS's businesses and its ability to execute its strategic plans***

Since the financial crisis of 2008, UBS has been subject to significant regulatory requirements, including recovery and resolution planning, changes in capital and prudential standards, changes in taxation regimes as a result of changes in governmental administrations, new and revised market standards and fiduciary duties, as well as new and developing environmental, social and governance ("ESG") standards and requirements. Notwithstanding attempts by regulators to align their efforts, the measures adopted or proposed for banking regulation differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. Regulatory reviews of the events leading to the failures of US banks and UBS Group AG's acquisition of Credit Suisse in 2023, as well as regulatory measures to complete the implementation of the Basel III standards, may increase capital, liquidity and other requirements applicable to banks, including UBS. In addition, Swiss regulatory changes with regard to such matters as capital and liquidity have often proceeded more quickly than those in other major jurisdictions, and Switzerland's requirements for major international banks are among the strictest of the major financial centres. This could put Swiss banks, such as UBS, at a disadvantage when competing with peer financial institutions subject to more lenient regulation or with unregulated non-bank competitors.

UBS's implementation of additional regulatory requirements and changes in supervisory standards, as well as its compliance with existing laws and regulations, continues to receive heightened scrutiny from supervisors. If UBS does not meet supervisory expectations in relation to these or other matters, or if additional supervisory or regulatory issues arise, it would likely be subject to further regulatory scrutiny, as well as measures that may further constrain its strategic flexibility.

*Resolvability and resolution and recovery planning:* UBS has moved significant operations into subsidiaries to improve resolvability and meet other regulatory requirements, and this has resulted in substantial implementation costs, increased its capital and funding costs and reduced operational flexibility. For example, UBS has transferred all of its US subsidiaries under a US intermediate holding company to meet US regulatory requirements and has transferred substantially all the operations of Personal & Corporate Banking and Global Wealth Management booked in Switzerland to UBS Switzerland AG to improve resolvability.

These changes create operational, capital, liquidity, funding and tax inefficiencies. UBS's operations in subsidiaries are subject to local capital, liquidity, stable funding, capital planning and stress testing requirements. These requirements have resulted in increased capital and liquidity requirements in affected subsidiaries, which limit UBS's operational flexibility and negatively affect its ability to benefit from synergies between business units and to distribute earnings to the Group.

Under the Swiss too-big-to-fail ("**TBTF**") framework, UBS is required to put in place viable emergency plans to preserve the operation of systemically important functions in the event of a failure. Moreover, under this framework and similar regulations in the US, the UK, the EU and other jurisdictions in which it operates, UBS is required to prepare credible recovery and resolution plans detailing the measures that would be taken to recover in a significant adverse event or in the event of winding down the Group or the operations in a host country through resolution or insolvency proceedings. If a recovery or resolution plan that UBS produces is determined by the relevant authority to be inadequate or not credible, relevant regulation may permit the authority to place limitations on the scope or size of UBS's business in that jurisdiction, or oblige UBS to hold higher amounts of capital or liquidity or to change its legal structure or business in order to remove the relevant impediments to resolution.

The authorities in Switzerland and internationally are working on lessons learned from the Credit Suisse Group and the US regional bank failures, which may result in additional requirements regarding capital, liquidity, resolution planning and early intervention tools for authorities.

*Capital and prudential standards:* As an internationally active Swiss SRB, UBS is subject to capital and TLAC requirements that are among the most stringent in the world. Moreover, many of UBS Group AG's subsidiaries must comply with minimum capital, liquidity and similar requirements and, as a result, UBS Group AG and UBS AG have contributed a significant portion of their capital and provide substantial liquidity to these subsidiaries. These funds are available to meet funding and collateral needs in the relevant entities, but are generally not readily available for use by the Group as a whole.

UBS expects its RWA to further increase as the effective date for additional capital standards promulgated by the BCBS draws nearer. In connection with the acquisition of the Credit Suisse Group, FINMA has permitted Credit Suisse entities to continue to apply certain prior interpretations and has provided supervisory rulings on the treatment of certain items for RWA or capital purposes. In general, these interpretations require that UBS phase out the treatment over the next several years. In addition, FINMA has agreed that the additional capital requirement applicable to Swiss SRBs, which is based on market share in Switzerland and LRD, will not increase as a result of the acquisition of the Credit Suisse Group before the end of 2025. The phase-out or end of these periods will likely increase UBS's overall capital requirements, and such increase may be substantial.

Increases in capital and liquidity standards could significantly curtail UBS's ability to pursue strategic opportunities or to return capital to shareholders.

*Market regulation and fiduciary standards:* UBS's wealth and asset management businesses operate in an environment of increasing regulatory scrutiny and changing standards with respect to fiduciary and other standards of care and the focus on mitigating or eliminating conflicts of interest between a manager or advisor and the client, which require effective implementation across the global systems and processes of investment managers and other industry participants. For example, UBS has made material changes to its business processes, policies and the terms on which it interacts with these clients in order to comply with SEC Regulation Best Interest, which is intended to enhance and clarify the duties of brokers and investment advisers to retail customers, and the Volcker Rule, which limits UBS's ability to engage in proprietary trading, as well as changes in European and Swiss market conduct regulation. Future changes in the regulation of its duties to customers may require UBS to make further changes to its businesses, which would result in additional expense and may adversely affect its business. UBS may also become subject to other similar regulations substantively limiting the types of activities in which it may engage or the way it conducts its operations.

In many instances, UBS provides services on a cross-border basis, and it is therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the EU to harmonise the regime for third-country firms to access the European market may have the effect of creating new barriers that adversely affect UBS's ability to conduct business in these jurisdictions from Switzerland. In addition, a number of jurisdictions are increasingly regulating cross-border activities based on determinations of equivalence of home country regulation, substituted compliance or similar principles of comity. A negative determination with respect to Swiss equivalence could limit UBS's access to the market in those jurisdictions and may negatively influence its ability to act as a global firm. For example, the EU declined to extend its equivalence determination for Swiss exchanges, which lapsed as of 30 June 2019.

UBS has experienced cross-border outflows over a number of years as a result of heightened focus by fiscal authorities on cross-border investment and fiscal amnesty programmes, in anticipation of the

implementation in Switzerland of the global automatic exchange of tax information, and as a result of the measures UBS has implemented in response to these changes. Further changes in local tax laws or regulations and their enforcement, additional cross-border tax information exchange regimes, national tax amnesty or enforcement programmes or similar actions may affect UBS's clients' ability or willingness to do business with it and could result in additional cross-border outflows.

***If UBS experiences financial difficulties, FINMA has the power to open Restructuring Proceedings or liquidation proceedings or impose Protective Measures in relation to UBS Group AG, UBS AG, UBS Switzerland AG or Credit Suisse (Schweiz) AG, and such proceedings or measures may have a material adverse effect on its shareholders and creditors***

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS Group AG, UBS AG, UBS Switzerland AG and Credit Suisse (Schweiz) AG, if there is justified concern that the relevant entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfils capital adequacy requirements. Such powers include ordering Protective Measures, instituting Restructuring Proceedings (and exercising any Swiss resolution powers in connection therewith), and instituting liquidation proceedings, all of which may have a material adverse effect on shareholders and creditors or may prevent UBS Group AG, UBS AG, UBS Switzerland AG or Credit Suisse (Schweiz) AG from paying dividends or making payments on debt obligations.

UBS would have limited ability to challenge any such Protective Measures, and creditors and shareholders would also have limited ability under Swiss law or in Swiss courts to reject them, seek their suspension, or challenge their imposition, including measures that require or result in the deferment of payments.

If Restructuring Proceedings are opened with respect to UBS Group AG, UBS AG, UBS Switzerland AG or Credit Suisse (Schweiz) AG, the resolution powers that FINMA may exercise include the power to: (i) transfer all or some of the assets, debt and other liabilities, and contracts of the entity subject to proceedings to another entity; (ii) stay for a maximum of two business days (a) the termination of, or the exercise of rights to terminate, netting rights, (b) rights to enforce or dispose of certain types of collateral or (c) rights to transfer claims, liabilities or certain collateral, under contracts to which the entity subject to proceedings is a party; and / or (iii) partially or fully write down the equity capital and regulatory capital instruments and, if such regulatory capital is fully written down, write down or convert into equity the other debt instruments of the entity subject to proceedings. Shareholders and creditors would have no right to reject, or to seek the suspension of, any restructuring plan pursuant to which such resolution powers are exercised. They would have only limited rights to challenge any decision to exercise resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Upon full or partial write-down of the equity and regulatory capital instruments of the entity subject to Restructuring Proceedings, the relevant shareholders and creditors would receive no payment in respect of the equity and debt that is written down, the write-down would be permanent, and the investors would likely not, at such time or at any time thereafter, receive any shares or other participation rights, or be entitled to any write-up or any other compensation in the event of a potential subsequent recovery of the debtor. If FINMA orders the conversion of debt of the entity subject to Restructuring Proceedings into equity, the securities received by the investors may be worth significantly less than the original debt and may have a significantly different risk profile. In addition, creditors receiving equity would be effectively subordinated to all creditors of the restructured entity in the event of a subsequent winding up, liquidation or dissolution of the restructured entity, which would increase the risk that investors would lose all or some of their investment.

FINMA has significant discretion in the exercise of its powers in connection with Restructuring Proceedings. Furthermore, certain categories of debt obligations, such as certain types of deposits, are subject to preferential treatment. As a result, holders of obligations of an entity subject to Restructuring Proceedings may have their obligations written down or converted into equity even though obligations ranking on par with such obligations are not written down or converted.

***Developments in sustainability, climate, environmental and social standards and regulations may affect UBS's business and impact its ability to fully realise its goals***

UBS has set ambitious goals for ESG matters. These goals include its ambitions for environmental sustainability in its operations, including carbon emissions, in the business it does with clients and in

products that it offers. They also include goals or aspirations for diversity in UBS's workforce and supply chain, and support for the United Nations Sustainable Development Goals. There is substantial uncertainty as to the scope of actions that may be required of UBS, governments and others to achieve the goals it has set, and many of its goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, regulatory taxonomies, and disclosure obligations addressing these matters are relatively immature and are rapidly evolving. In addition, there are significant limitations in the data available to measure UBS's climate and other goals. Although UBS has defined and disclosed its goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes under which UBS operates will not come into conflict with one another, (ii) that the current standards will not be interpreted differently than UBS's understanding or change in a manner that substantially increases the cost or effort for UBS to achieve such goals or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change UBS's calculation of its goals and ambitions. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require UBS to substantially change the stated goals and ambitions. If UBS is not able to achieve the goals it has set, or can only do so at significant expense to its business, it may fail to meet regulatory expectations, incur damage to its reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. UBS's businesses may be adversely affected if it is considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

#### ***Material weaknesses of Credit Suisse controls over financial reporting***

In March 2023, prior to the acquisition by UBS Group AG, the Credit Suisse Group and Credit Suisse AG disclosed that their management had identified material weaknesses in internal control over financial reporting as a result of which, the Credit Suisse Group and Credit Suisse AG had concluded that, as of 31 December 2022, their internal control over financial reporting were not effective, and for the same reasons, reached the same conclusion regarding 31 December 2021. A material weakness is a deficiency or a combination of deficiencies in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant's financial statements will not be prevented or detected on a timely basis. The material weaknesses result in a risk that a material error may not be detected by Credit Suisse's internal controls that could result in a material misstatement to Credit Suisse's reported financial results, which are consolidated with UBS Group AG's results.

The material weaknesses that were identified relate to the failure to design and maintain an effective risk assessment process to identify and analyse the risk of material misstatements in its financial statements and the failure to design and maintain effective monitoring activities relating to (i) providing sufficient management oversight over the internal control evaluation process to support Credit Suisse internal control objectives; (ii) involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives; and (iii) assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action. These material weaknesses contributed to an additional material weakness, as the Credit Suisse Group management did not design and maintain effective controls over the classification and presentation of the consolidated statement of cash flows under US GAAP.

Credit Suisse subsequently started a remediation programme to address the identified material weaknesses and has implemented additional controls and procedures. Based on the work completed to date, Credit Suisse management has assessed that the changes to internal control made to address the material weakness relating to the classification and presentation of the consolidated statement of cash flows are effective in design, but that additional time is required to conclude that these controls and processes are operating effectively on a sustainable basis. The remaining material weaknesses at Credit Suisse relate to the risk and severity assessment of internal controls. Credit Suisse has implemented an enhanced severity assessment framework and additional management oversight of severity assessments. UBS has determined to remediate the internal control risk identification weakness by integrating Credit Suisse into the UBS internal control risk assessment and evaluation framework in 2024. The operating effectiveness of both the risk and severity

assessment processes will be assessed based on an evaluation of the 2024 risk assessment and control testing process. In light of the above, Credit Suisse management has concluded that these material weaknesses were not fully remediated at 31 December 2023.

In addition, since the acquisition, UBS has commenced a review of the processes and systems giving rise to the material weaknesses and the remediation programme undertaken. This review is ongoing, and UBS and Credit Suisse expect to adopt and implement further controls and procedures following the completion of the review. In the course of this review, UBS and Credit Suisse may become aware of facts that cause UBS to broaden the scope of the review.

UBS Group AG management and UBS AG management have assessed that, as of 31 December 2023, UBS's internal control over financial reporting was effective. Under guidance published by the SEC, companies are permitted to exclude the processes and controls of certain acquired businesses from their assessment of internal control over financial reporting during the year of acquisition. Accordingly, UBS Group AG has excluded Credit Suisse entities from UBS Group AG and UBS AG management's assessments of internal control over financial reporting as of 31 December 2023. UBS Group will include the acquired Credit Suisse business in its assessment of internal control over financial reporting for 2024, including the effectiveness of remediation measures.

***UBS's financial results may be negatively affected by changes to assumptions and valuations, as well as changes to accounting standards***

UBS prepares its consolidated financial statements in accordance with IFRS Accounting Standards. The application of these accounting standards requires the use of judgment based on estimates and assumptions that may involve significant uncertainty at the time they are made. This is the case, for example, with respect to the measurement of fair value of financial instruments, the recognition of deferred tax assets ("**DTAs**"), the assessment of the impairment of goodwill, expected credit losses and estimation of provisions for litigation, regulatory and similar matters. Such judgments, including the underlying estimates and assumptions, which encompass historical experience, expectations of the future and other factors, are regularly evaluated to determine their continuing relevance based on current conditions. Using different assumptions could cause the reported results to differ. Changes in assumptions, or failure to make the changes necessary to reflect evolving market conditions, may have a significant effect on the financial statements in the periods when changes occur. Estimates of provisions may be subject to a wide range of potential outcomes and significant uncertainty. For example, the broad range of potential outcomes in UBS's legal proceedings in France and in a number of Credit Suisse's legal proceedings increase the uncertainty associated with assessing the appropriate provision. If the estimates and assumptions in future periods deviate from the current outlook, UBS's financial results may also be negatively affected.

Changes to IFRS Accounting Standards or interpretations thereof may cause future reported results and financial positions to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect UBS's regulatory capital and ratios. For example, the introduction of the ECL regime under IFRS 9 in 2018 fundamentally changed how credit risk arising from loans, loan commitments, guarantees and certain revocable facilities is accounted for. Under the ECL regime, credit loss expenses may increase rapidly at the onset of an economic downturn as a result of higher levels of credit impairments (stage 3), as well as higher ECL from stages 1 and 2, only gradually diminishing once the economic outlook improves. As UBS observed in 2020, this effect may be more pronounced in a deteriorating economic environment. Substantial increases in ECL could exceed expected loss for regulatory capital purposes and adversely affect UBS's CET1 capital and regulatory capital ratios.

***UBS may be unable to maintain its capital strength***

Capital strength enables UBS to grow its businesses and absorb increases in regulatory and capital requirements. UBS's ability to maintain its capital ratios is subject to numerous risks, including the financial results of its businesses, the effect of changes to capital standards, methodologies and interpretations that may adversely affect the calculation of its capital ratios, the imposition of risk add-ons or capital buffers, and the application of additional capital, liquidity and similar requirements to subsidiaries. UBS's capital and leverage ratios are driven primarily by RWA, LRD and eligible capital, all of which may fluctuate based on a number of factors, some of which are outside of UBS's control. The results of UBS's businesses may be adversely affected by events arising from other risk factors described herein. In some cases, such as litigation and regulatory risk and operational risk events, losses may be sudden and large. These risks

could reduce the amount of capital available for return to shareholders and hinder UBS's ability to achieve its capital returns target of a progressive cash dividend coupled with a share repurchase programme.

UBS's eligible capital may be reduced by losses recognised within net profit or other comprehensive income. Eligible capital may also be reduced for other reasons, including acquisitions that change the level of goodwill, changes in temporary differences related to DTAs included in capital, adverse currency movements affecting the value of equity, prudential adjustments that may be required due to the valuation uncertainty associated with certain types of positions, changes in regulatory interpretations on the inclusion or exclusion of items contributing to UBS's shareholders' equity in regulatory capital, and changes in the value of certain pension fund assets and liabilities or in the interest rate and other assumptions used to calculate the changes in UBS's net defined benefit obligation recognised in other comprehensive income.

RWA are driven by UBS's business activities, by changes in the risk profile of its exposures, by changes in its foreign currency exposures and foreign exchange rates, and by regulation. For instance, substantial market volatility, a widening of credit spreads, adverse currency movements, increased counterparty risk, deterioration in the economic environment or increased operational risk could result in an increase in RWA. Changes in the calculation of RWA, the imposition of additional supplemental RWA charges or multipliers applied to certain exposures and other methodology changes, as well as the finalisation of the Basel III framework and Fundamental Review of the Trading Book promulgated by the BCBS are expected to increase UBS's RWA.

The leverage ratio is a balance sheet-driven measure and therefore limits balance sheet-intensive activities, such as lending, more than activities that are less balance sheet intensive, and it may constrain UBS's business even if UBS satisfies other risk-based capital requirements. UBS's LRD is driven by, among other things, the level of client activity, including deposits and loans, foreign exchange rates, interest rates, other market factors and changes in required liquidity. Many of these factors are wholly or partly outside of UBS's control.

***The effect of taxes on UBS's financial results is significantly influenced by tax law changes and reassessments of its deferred tax assets and, also, operating losses of certain entities with no associated tax benefit***

UBS's effective tax rate is highly sensitive to its performance, its expectation of future profitability and any potential increases or decreases in statutory tax rates, such as any potential increase or decrease in the US federal corporate tax rate. Furthermore, based on prior years' tax losses and deductible temporary differences, UBS has recognised DTAs reflecting the probable recoverable level based on future taxable profit as informed by its business plans. If UBS's performance is expected to produce diminished taxable profit in future years, particularly in the US, UBS may be required to write down all or a portion of the currently recognised DTAs through the income statement in excess of anticipated amortisation. This would have the effect of increasing UBS's effective tax rate in the year in which any write-downs are taken. Conversely, if UBS expects the performance of entities in which it has unrecognised tax losses to improve, particularly in the US or the UK, UBS could potentially recognise additional DTAs. The effect of doing so would be to reduce its effective tax rate in years in which additional DTAs are recognised and to increase its effective tax rate in future years. UBS's effective tax rate is also sensitive to any future reductions in statutory tax rates, particularly in the US, which would cause the expected future tax benefit from items such as tax loss carry-forwards in the affected locations to diminish in value. This, in turn, would cause a write-down of the associated DTAs. Conversely, an increase in US corporate tax rates would result in an increase in the Group's DTAs.

UBS generally revalues its DTAs in the fourth quarter of the financial year based on a reassessment of future profitability taking into account its updated business plans. UBS considers the performance of its businesses and the accuracy of historical forecasts, tax rates and other factors in evaluating the recoverability of its DTAs, including the remaining tax loss carry-forward period and its assessment of expected future taxable profits over the life of DTAs. Estimating future profitability is inherently subjective and is particularly sensitive to future economic, market and other conditions, which are difficult to predict.

UBS's results in past years have demonstrated that changes in the recognition of DTAs can have a very significant effect on its reported results. Any future change in the manner in which UBS remeasures DTAs could affect UBS's effective tax rate, particularly in the year in which the change is made.



UBS's full-year effective tax rate would be impacted if aggregate tax expenses in respect of profits from branches and subsidiaries without loss coverage differ from what is expected or if certain branches and subsidiaries incur operating losses that UBS cannot benefit from through the income statement. In particular, operating losses at entities or branches that cannot offset for tax purposes taxable profits in other Group entities, and which do not result in additional DTA recognition, would increase UBS's effective tax rate. In addition, tax laws or the tax authorities in countries where UBS has undertaken legal structure changes may cause entities to be subject to taxation as permanent establishments or may prevent the transfer of tax losses incurred in one legal entity to newly organised or reorganised subsidiaries or affiliates or may impose limitations on the utilisation of tax losses that relate to businesses formerly conducted by the transferor. Were this to occur in situations where there were also limited planning opportunities to utilise the tax losses in the originating entity, the DTAs associated with such tax losses may be required to be written down through the income statement.

Changes in tax law may materially affect UBS's effective tax rate and, in some cases, may substantially affect the profitability of certain activities. In addition, statutory and regulatory changes, as well as changes to the way in which courts and tax authorities interpret tax laws, including assertions that UBS is required to pay taxes in a jurisdiction as a result of activities connected to that jurisdiction constituting a permanent establishment or similar theory, and changes in UBS's assessment of uncertain tax positions, could cause the amount of taxes it ultimately pays to materially differ from the amount accrued.

#### ***UBS Group may incur material future tax liabilities in connection with the acquisition of the Credit Suisse Group***

In the past, the Credit Suisse Group has recorded significant impairments of the tax value of its participations in subsidiaries below their tax acquisition costs. As a result of the acquisition of the Credit Suisse Group, tax acquisition costs of certain participations held by Credit Suisse Group AG and its subsidiaries have been or will be transferred to or within the UBS Group as a result of company mergers or restructurings. UBS Group AG and its subsidiaries may become subject to additional Swiss tax on future reversals of such impairments for Swiss tax purposes. Reversals of prior impairments may occur to the extent that the net asset value of the previously impaired subsidiary increases, e.g., as a result of an increase in retained earnings. Although it is difficult to quantify this additional future tax exposure, as various potential mitigants (e.g., transfers of assets and liabilities, business activities, subsidiary investments, as well as other restructuring measures within the combined Group in the course of the integration) exist, it may be material.

#### **Liquidity and funding risk**

##### ***Liquidity and funding management are critical to UBS's ongoing performance***

The viability of UBS's business depends on the availability of funding sources, and its success depends on its ability to obtain funding at times, in amounts, for tenors and at rates that enable it to efficiently support its asset base in all market conditions. UBS's funding sources have generally been stable, but could change in the future because of, among other things, general market disruptions or widening credit spreads, which could also influence the cost of funding. A substantial part of UBS's liquidity and funding requirements are met using short-term unsecured funding sources, including retail and wholesale deposits and the regular issuance of money market securities. A change in the availability of short-term funding could occur quickly.

The addition of loss-absorbing debt as a component of capital requirements, the regulatory requirements to maintain minimum TLAC at UBS's holding company and at certain of its subsidiaries, as well as the power of resolution authorities to bail in TLAC instruments and other debt obligations, and uncertainty as to how such powers will be exercised, caused and may still cause a further increase in UBS's cost of funding, and could potentially increase the total amount of funding required, in the absence of other changes in its business.

Reductions in UBS's credit ratings may adversely affect the market value of the securities and other obligations and increase its funding costs, in particular with regard to funding from wholesale unsecured sources, and could affect the availability of certain kinds of funding. In addition, as experienced in connection with Moody's downgrade of UBS AG's long-term debt rating in June 2012, rating downgrades can require UBS to post additional collateral or make additional cash payments under trading agreements. UBS's credit ratings, together with its capital strength and reputation, also contribute to maintaining client and counterparty confidence, and it is possible that rating changes could influence the performance of some

of UBS's businesses. The acquisition of the Credit Suisse Group has elevated these risks and may cause these risks to intensify. Upon the close of the acquisition in June 2023, Fitch downgraded the Long-Term Issuer Default Ratings ("**IDR**") of UBS Group AG to 'A' from 'A+' and of UBS AG to 'A+' from 'AA-'. Fitch Ratings Ltd also upgraded Credit Suisse AG's Long-Term IDR to 'A+' from 'BBB+'.

The requirement to maintain a liquidity coverage ratio of high-quality liquid assets to estimated stressed short-term net cash outflows, and other similar liquidity and funding requirements, oblige UBS to maintain high levels of overall liquidity, limit its ability to optimise interest income and expense, make certain lines of business less attractive and reduce its overall ability to generate profits. The liquidity coverage ratio and net stable funding ratio requirements are intended to ensure that UBS is not overly reliant on short-term funding and that it has sufficient long-term funding for illiquid assets. The relevant calculations make assumptions about the relative likelihood and amount of outflows of funding and available sources of additional funding in market-wide and firm-specific stress situations. In an actual stress situation, however, UBS's funding outflows could exceed the assumed amounts.

Further, UBS is subject to increased liquidity requirements related to TBTF measures under the direction of FINMA, which became effective on 1 January 2024.

## 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

"**5-Year SORA OIS Rate**" means the offered rate for the semi-annual fixed leg of a Singapore Overnight Rate Average Overnight Indexed Swap for a term of five years.

"**Acquiror**" has the meaning assigned to such term in subclause (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

"**Additional Amounts**" has the meaning assigned to such term in clause (b) of Condition 10 (*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 (i) of Condition 5(c) (*Interest – Benchmark replacement*).

"**Agency Agreement**" means the Agency Agreement dated as of the Issue Date, among the Issuer, the Principal Paying Agent, the Calculation Agent and the other agents from time to time party thereto, as amended, supplemented or otherwise modified from time to time.

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

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

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

"**Alternative Reference Rate Page**" has the meaning assigned to such term in subclause (v)(A) of Condition 5(c) (*Interest – Benchmark replacement*).

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

"**Approved Entity**" has the meaning assigned to such term in subclause (iv) of Condition 8(e) (*Conversion – Qualifying Relevant 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 and as may be further 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 Swiss Banking Act 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 Swiss Banking Act 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 (*Betreibungsverfahren*) 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 Swiss Banking Act 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, Singapore 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 Agency Agreement.

**"Calculation Amount"** means SGD 250,000.

**"Capital Adequacy Ordinance"** means the Swiss Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Firms of 1 June 2012, as amended and as may be further 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.

"**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.

"**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 (i) include terms that provide for the same interest rate and principal from time to time applying to the Notes, (ii) rank *pari passu* with the Notes and (iii) 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 (i) the SIX Swiss Exchange or (ii) 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.

"**Conversion**" has the meaning given to it in Condition 8(a) (*Conversion – Conversion upon a Trigger Event or a Viability Event*), and "**convert**" and "**converted**" shall be construed accordingly.

"**Conversion Capital**" means conversion capital (*Wandlungskapital*) within the meaning of the Swiss Banking Act.

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

"**Conversion Price**" means SGD [●]\*, subject to any adjustment in accordance with Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*).

"**Current Issuer**" has the meaning assigned to such term in clause (a) of Condition 15 (*Issuer Substitution*).

"**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 (i)(D) of Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*), 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 (i)(D) of Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*), 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 (i)(D) of Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*), 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 number of days from (and including) the first day of such period to (but excluding) the last day of such period, divided by 365.

**"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 and as may be further amended from time to 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.

**"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.

**"Effective Date"** has the meaning assigned to such term in subclause (i)(C) or (i)(D), as applicable, of Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*).

**"Event of Default"** has the meaning assigned to such term in clause (a) of Condition 12 (*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 depositary 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 Condition 5(c) (*Interest – Benchmark replacement*).

**"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 (i) of Condition 7(b) (*Trigger Event and Viability Event – Trigger Event Notice*).

**"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.

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

"**First Call Date**" means [●]\*.

"**FISA**" means the Swiss Federal Intermediated Securities Act of 3 October 2008, as amended and as may be further amended from time to time.

"**Fixed Interest Rate**" means [●]\* per cent. per annum.

"**Former Residence**" has the meaning assigned to such term in subclause (a)(v) of Condition 15 (*Issuer Substitution*).

"**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.

"**Governmental Entity**" has the meaning assigned to such term in subclause (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

"**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 (ii) of Condition 7(b) (*Trigger Event and Viability Event – Trigger Event Notice*).

**"Holder"** means, with respect to any Note, the Person or Persons holding such Note in a securities account (*Effektenkonto*) that is in its or their name, or, in the case of intermediaries (*Verwahrungsstellen*), the intermediary or intermediaries holding such Note for its or their own account in a securities account (*Effektenkonto*) that is in its or their name.

**"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 (i) of Condition 5(c) (*Interest – Benchmark replacement*).

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

**"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.

**"Intermediary"** has the meaning assigned to such term in Condition 2(b) (*Amount and Denomination; Form and Transfer – Form and transfer*).

**"Intermediated Securities"** has the meaning assigned to such term in Condition 2(b) (*Amount and Denomination; Form and Transfer – Form and transfer*).

**"Issue Date"** means [●]\*.

**"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 [●]\* per cent. per annum.

**"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 (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

**"New Conversion Condition Effective Date"** has the meaning assigned to such term in subclause (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

**"New Conversion Price"** has the meaning assigned to such term in subclause (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

**"New Residence"** has the meaning assigned to such term in subclause (a)(v) of Condition 15 (*Issuer Substitution*).

**"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 (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

**"Notes"** means the SGD [●]\* [●]\* 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 Condition 8(h) (*Conversion – Procedure for delivery in respect of a 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 (i) of Condition 7(b) (*Trigger Event and Viability Event – Trigger Event Notice*).

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

- (a) is eligible in full to be (i) treated as Additional Tier 1 Capital and (ii) 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 converted into Ordinary Shares 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.

**"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 clause (c) of Condition 9 (*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 Singapore.

**"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.

**"Principal Paying Agent"** means UBS AG, in its capacity as principal paying agent for the Notes, and includes any successor principal paying agent for the Notes appointed in accordance with the terms of the Agency Agreement.

**"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 (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

**"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 and as may be further 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.

**"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.

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

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

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

**"Reference Rate"** means, in relation to any Reset Interest Period:

- (a) the 5-Year SORA OIS Rate as at the Relevant Time on the Reset Determination Date in relation to such Reset Interest Period appearing on the Reference Rate Page on such Reset Determination Date; or
- (b) if such 5-Year SORA OIS Rate does not appear on the Reference Rate Page on such Reset Determination Date, the Reset Reference Bank Rate in relation to such Reset Determination Date.

**"Reference Rate Page"** means the "OTC SGD OIS" page on Bloomberg (or (i) such other page as may replace that page on Bloomberg, or (ii) if there is no such replacement page on Bloomberg, such other page on such other information service that is the generally accepted page used by market participants at that time for purposes of observing the 5-Year SORA OIS Rate, in the case of each of clauses (i) and (ii), as determined by the Issuer after consultation with the Calculation Agent). As of the Issue Date, the 5-Year SORA OIS Rate appears on the Reference Rate Page

under the column headed "Ask" within the section headed "OIS BGN", but may appear on the Reference Rate Page under such other column and/or section as may apply from time to time.

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

"**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 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 Principal Paying 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 Principal Paying Agent.

"**Relevant Event**" has the meaning assigned to such term in subclause (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

"**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 (iv) of Condition 8(e) (*Conversion – Qualifying Relevant Event*).

"**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 4:00 p.m. (Singapore 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 Condition 5(b) (*Interest – Determination of the Reference Rate, the Reset Interest Rate and the Reset Interest Amount in relation to each Reset Interest Period*).

**"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 Reference Rate in relation to such Reset Interest Period.

**"Reset Reference Bank Rate"** means, in relation to any Reset Determination Date, 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 the principal Singapore office of each of the Reset Reference Banks to provide it with a quotation for such Reset Reference Bank's 5-Year SORA OIS Rate (with the relevant interest rate swap transaction commencing on the Reset Date on which the Reset Interest Period to which such Reset Determination Date relates commences and being in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market) as at the Relevant Time on the Business Day immediately following such Reset Determination Date; and
- (b) if at least three such quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); or
- (c) if only two such quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided; or
- (d) if only one such quotation is provided, the Reset Reference Bank Rate will be the quotation provided; or
- (e) if no such 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 Reference 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, [●]\* per cent. per annum.

**"Reset Reference Banks"** means five major banks in the Singapore interbank market, 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.

**"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 Share Depository"** means SIX SIS; *provided, however*, that, if 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 the Issuer appoints another reputable independent financial institution, clearing institution, trust company or similar entity 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, then "Settlement Share Depository" will mean such entity so appointed.

**"Settlement Shares Offer"** has the meaning given to it in Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*).

**"Settlement Shares Offer Agent"** has the meaning given to it in Condition 8(h) (*Conversion – Procedure for delivery in respect of a Conversion*).

**"SGD"** means Singapore dollars.

**"Share Creation Date"** means, in relation to Ordinary Shares to be issued and delivered on Conversion, the date falling after the relevant Trigger Event Notice or Viability Event 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.

**"Singapore Overnight Rate Average Overnight Indexed Swap"** means a fixed-for-floating SGD interest rate swap transaction with a semi-annual fixed leg (calculated on the same day count basis as the Day Count Fraction) and a floating leg based on six-month daily compounded Singapore Overnight Rate Average (SORA) (payable in arrear) rate (calculated on the same day count basis as the Day Count Fraction).

**"SIX SIS"** means SIX SIS Ltd and any successor thereto.

**"Substitute Issuer"** has the meaning assigned to such term in clause (a) of Condition 15 (*Issuer Substitution*).

**"Substitution Documents"** has the meaning assigned to such term in subclause (a)(iv) of Condition 15 (*Issuer Substitution*).

**"Substitution or Amendment Effective Date"** has the meaning assigned to such term in subclause (b)(iii) of Condition 13 (*Meeting of Holders; Substitution and Amendment*).

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

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

**"Swiss Resolution Power"** means any statutory power of FINMA that it may exercise during Restructuring Proceedings as set forth in article 28 et seqq. of the Swiss Banking Act 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 (ii) of Condition 6(c) (*Redemption and Purchase – Redemption due to a Tax Event*).

"**Tax Jurisdiction**" means Switzerland.

"**Taxes**" has the meaning assigned to such term in clause (a) of Condition 10 (*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 (i) of Condition 7(b) (*Trigger Event and Viability Event – Trigger Event Notice*).

"**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 (ii) of Condition 7(a) (*Trigger Event and Viability Event – Trigger Event*).

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

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

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

"**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.

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

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

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



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

## 2. **AMOUNT AND DENOMINATION; FORM AND TRANSFER**

### (a) *Amount and denomination*

The initial aggregate principal amount of the Notes will be SGD [●]\*. The Notes will be issued to Holders in minimum denominations of SGD 250,000 and integral multiples of SGD 250,000 in excess thereof. The Notes may be held and transferred only in minimum denominations of SGD 250,000 and integral multiples of SGD 250,000 in excess thereof.

### (b) *Form and transfer*

The Notes are issued in uncertificated form as uncertificated securities (*einfache Wertrechte*) in accordance with article 973c of the Swiss Code. The uncertificated securities (*einfache Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*). Such uncertificated securities will then be entered into the main register (*Hauptregister*) of SIX SIS or any other intermediary (*Verwahrungsstelle*) in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities are registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (*Bucheffekten*) within the meaning of the FISA ("**Intermediated Securities**").

So long as the Notes are Intermediated Securities, the Notes may only be transferred by the entry of the transferred Notes in a securities account of the transferee, as set out in the provisions of the FISA.

The records of the Intermediary will determine the number of Notes held through each participant in the Intermediary.

Neither the Issuer nor any Holder nor any other Person will at any time have the right to effect or demand the conversion of the Notes into, or the delivery of, a global note (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).

## 3. **RESERVED**

## 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 prior to the occurrence of a Trigger Event or a Viability 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 Trigger Event or a Viability 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 8 (*Conversion*) will rank as set forth in subclause (ii) below; or
- (ii) if such event occurs on or after the occurrence of a Trigger Event or a Viability Event, the rights and claims of the Holders against the Issuer in respect of the delivery of Ordinary Shares in accordance with Condition 8 (*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 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 12 (*Events of Default*) or in relation to the occurrence of any other Event of Default) will be subject to, and superseded by, Condition 8 (*Conversion*), 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 (*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 (*Conversion*) and clause (i) of this Condition 5, interest on the Notes will be payable semi-annually in arrear on [●]\* and [●]\* of each year (each, an "**Interest Payment Date**"), commencing on [●]\*.

(b) *Determination of the Reference 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 Reference 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 "Reference 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 any component thereof) or the regulatory supervisor for the administrator of the Existing Benchmark Rate (or any component thereof) announcing that the Existing Benchmark Rate (or such component) 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 Reference 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 Reference 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 Reference Rate in respect of the Affected Reset Interest Period will be equal to the Reference 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 Reference Rate Page**"), and the time at which such Alternative Benchmark Rate appears on, or is obtained from, the Alternative Reference Rate 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 Reference 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 "Reference Rate" shall be amended pursuant to clause (c) of Condition 13 (*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 "Reference Rate" shall be amended pursuant to clause (c) of Condition 13 (*Meetings of Holders; Substitution and Amendment*) to give effect to the determination described in subclause (A)(3) above;
  - (C) references to the Reference Rate Page and the Relevant Time in these Terms and Conditions will be deemed to be references to the Alternative Reference Rate 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 13 (*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 14 (*Notices*) specifying such Alternative Benchmark Rate (including any Adjustment Spread determined pursuant to subclause (A)(2) above and any alternative method for determining the Reference Rate described in subclause (A)(3) above), the Alternative Reference Rate Page, the Alternative Relevant Time, and any amendments implemented pursuant to clause (c) of Condition 13 (*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 14 (*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 14 (*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 (*Conversion*) and clause (i) of this Condition 5:

- (i) the amount of interest payable per Calculation Amount on each Interest Payment Date falling on or before the First Call Date will be calculated by:
  - (A) applying the Fixed 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); 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 (*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 (*Conversion*), if the Notes are to be redeemed pursuant to Condition 6(b) (*Redemption and Purchase – Redemption at the option of the Issuer*), Condition 6(c) (*Redemption and Purchase – Redemption due to a Tax Event*) or Condition 6(d) (*Redemption and Purchase – Redemption due to a Regulatory Event*), 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 Principal Paying 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 Principal Paying Agent and shall give notice in accordance with Condition 14 (*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 12 (*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 14 (*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 8 (*Conversion*)) or purchased and cancelled in accordance with this Condition 6 and subject to Condition 8 (*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 14 (*Notices*) (a "**Redemption Notice**"), which notice shall, subject to subclauses (ii) and (iii) below, be irrevocable and specify (x) the clause of this Condition 6 pursuant to which the redemption is to be made, and (y) 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 (i) above, the Issuer shall deliver to the Principal Paying 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 8 (*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 main register (*Hauptregister*) of the Intermediary prior to the later of (i) the Conversion Date and (ii) the date on which the relevant Ordinary Shares and/or cash proceeds to be delivered by the Settlement Share Depository or the Settlement Shares Offer Agent, as the case may be, to the relevant Holders pursuant to Condition 8 (*Conversion*) have been delivered.

(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 Conversion will occur on the applicable Trigger Event Conversion Date in accordance with Condition 8 (*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) below, give a notice (a "**Trigger Event Notice**") to the Holders in accordance with Condition 14 (*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) state that the Trigger CET1 Ratio as of such Publication Date is less than the Threshold Ratio, and a Conversion will take place;
  - (B) specify the date on which the Conversion will take place, which date shall, subject to postponement pursuant to subclause (ii) below, be no more than 20 Business Days after the date of such notice (the "**Trigger Event Conversion Date**");
  - (C) specify the Conversion Price in effect on the date of such Trigger Event Notice; and
  - (D) 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 and, if the Settlement Share Depository is not SIX SIS, the details of the Settlement Share Depository).
- (ii) If a Trigger Event Notice is required to be given pursuant to subclause (i) above, 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 Conversion Date 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 Conversion Date 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 Conversion Date 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) above 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 Conversion 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) above 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 14 (*Notices*), which notice shall state that no Conversion 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 14 (*Notices*) within three days of the date on which such Viability Event occurred, which notice shall:

- (1) state that a Viability Event has occurred and a Conversion will take place;
- (2) 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**");
- (3) specify the Conversion Price in effect on the date of such Viability Event Notice; and
- (4) specify the details of the arrangements for the settlement of the Conversion (including, if the Settlement Share Depository is not SIX SIS, the details of the Settlement Share Depository); and

(B) a Conversion will occur on the applicable Viability Event Conversion Date in accordance with Condition 8 (*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) above 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 14 (*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.

8. **CONVERSION**

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

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

- (i) each Note shall, subject to and as provided in this Condition 8, 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 (or any relevant intermediary) for the delivery to them of such Ordinary Shares or, in the circumstances described in clause (h) of this Condition 8, any cash amounts to which such Holders are entitled under clause (h) of this Condition 8.

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

- (i) Upon the occurrence of a Trigger Event or a Viability Event, as at the date on which the relevant Trigger Event Notice or Viability Event 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 8, 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 Notice or Viability Event 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 Notice or Viability Event 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 Notice or Viability Event Notice, as the case may be, in the circumstances described in clause (d) of this Condition 8.

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

- (i) Upon the occurrence of any of the events described below after [●]\*, 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:

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

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) above, a reduction to the Conversion Price should be made as a result of one or more events or circumstances not referred to in this subclause (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 14 (*Notices*).



(ii) Notwithstanding subclause (i) above:

(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 clause (d) is required to give the intended result, such modification will be made to the operation of the adjustment provisions set forth in this clause (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 clause (d) to the Holders in accordance with Condition 14 (*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 Trigger Event or a Viability 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 8, 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 8 (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 8 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 14 (*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 14 (*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 8 (*Conversion*), if and when the Issuer gives a Trigger Event Notice or a Viability Event 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) of this definition; *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 8, 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 Trigger Event or a Viability Event, be convertible into, or exchangeable for, Relevant Shares of the Approved Entity, *mutatis mutandis* in accordance with, and subject to, this Condition 8 (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) of this definition 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:

$$NCP = ECP \times \frac{VWAPR}{VWAP0}$$

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 SGD 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 SGD 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, at any time after the Issue Date, 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 depositary 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.

- (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 Conversion Date to the Holders, and the Settlement Share Depository shall take such actions as are customary to effect such delivery of such Ordinary Shares to the Holders on the applicable Conversion 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 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 SGD at the prevailing exchange rate on the date of the Trigger Event Notice as determined by the Issuer) equal to the Conversion Price in effect on the date of the Trigger Event 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 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 SGD 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 SGD 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.

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 and the Settlement Share Depository 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 to any Holder. 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 to such Holder 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*

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). Receipt by the Settlement Share Depository of such Ordinary Shares will 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 8.

Such Ordinary Shares will be delivered to Holders in uncertificated form through SIX SIS or any other appropriate settlement organisations. Where such Ordinary Shares are to be delivered through SIX SIS or any other appropriate intermediary (*Verwahrungsstelle*) in Switzerland, the Settlement Agent shall request that the Settlement Share Depository deliver such Ordinary Shares to the account(s) in which the relevant Note(s) is/are held, on the applicable Conversion Date or such other date as is specified for the delivery. At the time of such delivery of the Ordinary Shares, the then-valid share registration rules of UBS Group AG will apply, and UBS Group AG does not offer any assurance or guarantee that any Holder will be accepted as a Shareholder with voting rights in the share register of UBS Group AG.

(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.

(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 depositary 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 8, 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 8 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 8 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 8.

9. **PAYMENTS; AGENTS**

(a) All payments required to be made under the Notes will be made available in good time in freely disposable funds in SGD, which will be placed at the free disposal of the Principal Paying 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 SGD 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.

(b) The receipt by the Principal Paying Agent of the due and punctual payment of funds in SGD will release the Issuer from its obligations under the Notes to the extent of such payment.

(c) Subject to clause (d) of this Condition 9, 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**", which term includes the Principal Paying Agent), *provided* that (i) so long as any Note is outstanding, there will at all times be a Principal Paying Agent, a Calculation Agent and a Settlement Agent, (ii) 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, and (iii) 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.

- (d) Any appointment or termination of appointment of, or resignation by, any Agent may take place at any time, *provided* that the Issuer promptly notifies the Holders of any such appointment, termination or resignation in accordance with Condition 14 (*Notices*).
- (e) If at any time the Calculation Agent fails to (i) determine the Reference 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 relevant Redemption Date (if the Notes are to be redeemed pursuant to Condition 6 (*Redemption and Purchase*)) or (ii) 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 Agency Agreement and appoint a successor Calculation Agent.

## 10. 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 10 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) with respect to any Tax collected pursuant to the provisions of, or any laws or an agreement with any Tax Jurisdiction relating to, Sections 1471 through 1474 of the US Internal Revenue Code, as amended and as may be further amended from time to time (commonly referred to as "FATCA"); or
  - (iii) 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
  - (iv) to the extent any combination of subclauses (i) through (iii) above 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 10 and (ii) any sum payable pursuant to an obligation taken in addition to or in substitution for the obligation in this Condition 10.



## 11. 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.

## 12. 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 (*Conversion*), (i) such payment obligation (and such payment obligation only) will be immediately deemed a due and payable (*fallige*) 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 12, 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 12 and subject to Condition 8 (*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 12 and subject to Condition 8 (*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 12 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), pursuant to clause (e) of this Condition 12.

### 13. MEETINGS OF HOLDERS; SUBSTITUTION AND AMENDMENT

- (a) Except as otherwise specified in this Condition 13, 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 14 (*Notices*), which notice will, subject to subclause (v) below, 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) above, the Issuer shall deliver to the Principal Paying 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 13, 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 Condition 5(c) (*Interest – Benchmark replacement*) (including any Adjustment Spread determined in accordance with subclause (v)(A)(2) thereof and any alternative method for determining the Reference 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 15 (*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 12 (*Events of Default*), and (y) any amendments to reflect UBS Group AG's guarantee described in subclause (a)(iii) of Condition 15 (*Issuer Substitution*)), or (C) the provisions of subclause (i)(B) and/or subclause (iii) of Condition 8(e) (*Conversion – Qualifying Relevant Event*), 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 13 in accordance with Condition 14 (*Notices*), which notice shall state the date on which such amendment will be effective.
- (e) Any amendment made pursuant to this Condition 13 will be binding on the Holders in accordance with its terms.

#### 14. 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, notices to Holders will be given by the Issuer to the Intermediary for forwarding to the Holders. Any such notice will be validly given on the date of delivery to the Intermediary.

#### 15. ISSUER SUBSTITUTION

- (a) The Issuer (for purposes of this Condition 15, 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 14 (*Notices*), *provided that*:
  - (i) the Substitute Issuer is UBS Group AG or 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 8 (*Conversion*), and on the terms whereby subclause (iii) of Condition 5(i) (*Interest – Cancellation of interest; prohibited interest*), subclause (ii)(C) of Condition 8(d) (*Conversion – Anti-dilution adjustment of the Conversion Price*), Condition 10 (*Taxation*), Condition 12 (*Events of Default*)

and Condition 20 (*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 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 10 (*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;
  - (viii) such substitution does not give rise to a Tax Event or a Regulatory Event; and
  - (ix) the Substitute Issuer has appointed a Paying Agent in Switzerland that is a participant in the Intermediary.
- (b) Upon any substitution pursuant to clause (a) of this Condition 15, (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 15, (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.

16. **RESERVED**

17. **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 the 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 17, references in these Terms and Conditions to "Notes" include such further notes, unless the context otherwise requires.

18. **CURRENCY INDEMNITY**

Any amount received or recovered by any Holder in a currency other than SGD (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 SGD 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 SGD with such amount on such date, on the first date on which it is practicable to do so). If the amount of SGD 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 18, 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 18 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.

19. **RESERVED**

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

Subject to applicable law, each 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.

21. **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.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes, expected to amount to SGD [•]\* after deduction of the commission incurred in connection with the issue of the Notes, will be used by the Issuer to augment the regulatory capital base of the UBS Group.

## DESCRIPTION OF THE ISSUER

### 1. Overview

UBS Group AG with its subsidiaries (together, the "**UBS Group**", or "**Group**" or "**UBS**") provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS operates through five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank and Non-core and Legacy. Group functions are support and control functions that provide services to UBS.

On 31 March 2024, UBS Group's common equity tier 1 ("**CET1**") capital ratio was 14.8 per cent., the CET1 leverage ratio was 4.9 per cent., and the total loss-absorbing capacity ratio was 37.5 per cent.<sup>1</sup> On the same date, invested assets stood at USD 5,848 billion, equity attributable to shareholders was USD 85,260 million and market capitalisation was USD 106,440 million. On the same date, UBS employed 111,549 people.<sup>2</sup>

The rating agencies S&P Global Ratings Europe Limited ("**S&P**"), Fitch Ratings Ireland Limited ("**Fitch**") and Moody's Investors Service Ltd. ("**Moody's**") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS Group AG, i.e. its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch and S&P may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS Group AG has a long-term counterparty credit rating of A- (outlook stable) from S&P, a long-term issuer default rating of A (outlook stable) from Fitch and a long-term senior debt rating of A3 (outlook developing) from Moody's.

S&P and Fitch are established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"), and currently appear on the list of credit ratings agencies published by ESMA on its website [www.esma.europa.eu](http://www.esma.europa.eu) in accordance with the EU CRA Regulation. Ratings given by S&P and Fitch are endorsed by Standard & Poor's Global Ratings UK Limited and Fitch Ratings Ltd, respectively, which are established in the United Kingdom (the "**UK**") and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"), and currently appear on the list of credit rating agencies registered or certified with the UK Financial Conduct Authority (the "**FCA**") published on its website <https://data.fca.org.uk/#/cra/cradetails>. Moody's is established in the UK and registered under the UK CRA Regulation and currently appears on the list of credit rating agencies registered or certified with the FCA published on its website <https://data.fca.org.uk/#/cra/cradetails>. Ratings given by Moody's are endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under the EU CRA Regulation and currently appears on the list of credit ratings agencies published by ESMA on its website [www.esma.europa.eu](http://www.esma.europa.eu) in accordance with the EU CRA Regulation. An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The ratings of UBS Group AG should be evaluated independently from similar ratings of other entities and from the rating of the Notes. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

No profit forecasts or estimates are included in this Prospectus.

No recent events particular to UBS Group AG have occurred which are to a material extent relevant to the evaluation of UBS Group AG's solvency.

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<sup>1</sup> All figures based on the Swiss systemically relevant bank framework. Refer to the "Capital management" section of the Annual Report 2023 and of the First Quarter 2024 Report for more information.

<sup>2</sup> Full-time equivalents.

## 2. **Information about the Issuer**

### 2.1 **Corporate Information**

The legal and commercial name of the Issuer is UBS Group AG.

UBS Group AG was incorporated on 10 June 2014, when it was entered in the Commercial Register of the Canton of Zurich. The registration number is CHE-395.345.924. On 12 June 2023, UBS Group AG merged with Credit Suisse Group AG. UBS Group AG has an unlimited duration.

UBS Group AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an *Aktiengesellschaft*, a corporation limited by shares.

According to article 2 of the Articles of Association of UBS Group AG (the "**Articles of Association**"), the purpose of UBS Group AG is to acquire, hold, manage and sell direct and indirect participations in enterprises of any kind, in particular in the area of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS Group AG may establish enterprises of any kind in Switzerland and abroad, hold equity interests in these enterprises, and conduct their management. UBS Group AG is authorised to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS Group AG may provide loans, guarantees and other kinds of financing and security for Group companies and borrow and invest money on the money and capital markets. The Articles of Association were last revised on 24 April 2024.

The Articles of Association are available on UBS's Corporate Governance website, at [www.ubs.com/governance](http://www.ubs.com/governance). Save as otherwise indicated herein, information on or accessible through the Group's corporate website, [www.ubs.com](http://www.ubs.com), does not form part of and is not incorporated into this Prospectus.

The address and telephone number of UBS Group AG's registered office is: Bahnhofstrasse 45, 8001 Zurich, Switzerland, telephone +41 44 234 11 11.

For information on UBS Group AG's shares, see the "*Description of the Ordinary Shares*" section of this Prospectus.

### 2.2 **UBS's borrowing and funding structure and financing of UBS's activities**

For information on UBS's expected financing of its business activities, please refer to "Liquidity and funding management" in the "Capital, liquidity and funding, and balance sheet" section of the Annual Report 2023.

## 3. **Business Overview**

### 3.1 **Organisational Structure of UBS Group**

UBS operates as a group with five business divisions, and in addition, UBS has Group functions as support and control functions that provide services to UBS. UBS Group AG is the parent company of UBS AG, and the holding company of UBS.

In 2014, UBS began adapting its legal entity structure in response to too-big-to-fail requirements and other regulatory initiatives. First, UBS Group AG was established as the ultimate parent holding company for the Group. In 2015, UBS AG transferred its personal & corporate banking and Swiss-booked wealth management businesses to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. That same year, UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established and acts as the Group service company. In 2016, UBS Americas Holding LLC became the intermediate holding company for UBS's US subsidiaries and UBS's wealth management subsidiaries across Europe were merged into UBS Europe SE, UBS's German-headquartered European subsidiary. In 2019, UBS Limited, UBS's UK headquartered subsidiary, was merged into UBS Europe SE.

On 12 June 2023, Credit Suisse Group AG merged with and into UBS Group AG (*Absorptionsfusion*), with UBS Group AG becoming the holding company of Credit Suisse AG. UBS merged UBS AG with Credit Suisse AG on 31 May 2024, transitioned to a single US



intermediate holding company on 7 June 2024, and plans to merge UBS Switzerland AG with Credit Suisse (Schweiz) AG (a banking subsidiary of Credit Suisse AG in Switzerland) in the third quarter of 2024. These remain, where applicable, subject to regulatory approvals.

### 3.2 ***Principal activities***

UBS businesses are organised globally into five business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management, the Investment Bank, and Non-core and Legacy. UBS Group functions are support and control functions that provide services to the Group. Each of the business divisions and Group functions are described below. A description of their businesses, organisational structures, products and services and targeted markets can be found under "*Our businesses*" in the "*Our business model and environment*" section of the Annual Report 2023 and the "*Our businesses*" in the "*UBS business divisions and Group Items*" section of the First Quarter 2024 Report.

- *Global Wealth Management* provides financial services, advice and solutions to private wealth clients. Its offering ranges from investment management to estate planning and corporate finance advice, in addition to specific wealth management and banking products and services. *Personal & Corporate Banking* serves its private, corporate, and institutional clients' needs, from banking to retirement, financing, investments and strategic transactions, in Switzerland, through its branch network and digital channels.
- *Asset Management* is a global, large-scale and diversified asset manager. It offers investment capabilities and styles across all major traditional and alternative asset classes, as well as advisory support to institutions, wholesale intermediaries and wealth management clients.
- The *Investment Bank* provides a range of services to institutional, corporate and wealth management clients globally, to help them raise capital, grow their businesses, invest and manage risks. Its offering includes research, advisory services, facilitating clients raising debt and equity from the public and private markets and capital markets, cash and derivatives trading across equities and fixed income, and financing.
- *Non-core and Legacy* includes positions and businesses not aligned with UBS's strategy and policies. Those consist of the assets and liabilities that prior to the acquisition were reported as part of the Capital Release Unit (Credit Suisse) and certain assets and liabilities of the Investment Bank (Credit Suisse), Wealth Management (Credit Suisse), Swiss Bank (Credit Suisse) and Asset Management (Credit Suisse) divisions, as well as of the Corporate Center (Credit Suisse). Also included are the remaining assets and liabilities of UBS's Non-core and Legacy Portfolio, previously reported in Group Functions (now renamed Group Items), and smaller amounts of assets and liabilities of UBS's business divisions that have been assessed as not strategic in light of the acquisition of the Credit Suisse Group.
- *Group functions* are support and control functions that provide services to the Group. Virtually all costs incurred by the support and control functions are allocated to the business divisions, leaving a residual amount that UBS refers to as Group Items in its segment reporting. Group functions is made up of the following major areas: Group Services (which consists of the Group Operations and Technology Office, Corporate Services, Compliance, Regulatory & Governance, Finance, Risk Control, Human Resources, Communications & Branding, Legal, the Group Integration Office, Group Sustainability and Impact, and Chief Strategy Office) and Group Treasury.

### 3.3 ***Competition***

The financial services industry is characterised by intense competition, continuous innovation, restrictive, detailed, and sometimes fragmented regulation and ongoing consolidation. UBS faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation.

Barriers to entry in individual markets and pricing levels are being eroded by new technology. UBS expects these trends to continue and competition to increase.

Any statements regarding the competitive position of UBS Group AG or the Group contained in this Prospectus are made on the basis of the opinion of UBS Group AG or the Group.

### 3.4 **Recent Developments**

#### 3.4.1 *UBS's financial results*

Refer to the First Quarter 2024 Report for detailed information on UBS Group AG financial results as of and for the period ended 31 March 2024.

#### 3.4.2 *Regulatory, legal and other developments*

Refer to "*Recent developments*" in the First Quarter 2024 Report, as well as to "*Our environment*" and "*Regulatory and legal developments*" in the Annual Report 2023, for further information on key regulatory, legal and other developments.

### 3.5 **Trend Information**

For information on trends, refer to "*Recent developments*" and to "*Outlook*" under "*Group Performance*" in the First Quarter 2024 Report, as well as to "*Our environment*," "*Top and emerging risks*" in "*Risk management and control*" and "*Regulatory and legal developments*" in the Annual Report 2023. In addition, please refer to the "*Risk factors*" section of this Prospectus for more information.

## 4. **Administrative, Management and Supervisory Bodies of UBS Group AG**

UBS Group AG is subject to, and complies with, all relevant Swiss legal and regulatory corporate governance requirements. In addition, as a foreign company with shares listed on the New York Stock Exchange (the "NYSE"), UBS Group AG complies with the relevant NYSE corporate governance standards applicable to foreign private issuers.

UBS Group AG operates under a strict dual board structure. The Board of Directors of UBS Group AG (the "**BoD**"), under the leadership of the Chairman, decides on the strategy of UBS upon recommendation by the Group Chief Executive Officer ("**Group CEO**") and exercises ultimate supervision over management, whereas the Group Executive Board of UBS Group AG (the "**GEB**"), headed by the Group CEO, has executive management responsibility. The functions of Chairman of the BoD and Group CEO are assigned to two different people, leading to a separation of power. This structure establishes checks and balances and preserves the institutional independence of the BoD from the executive management of UBS, for which responsibility is delegated to the GEB under the leadership of the Group CEO. No member of one board may simultaneously be a member of the other.

Supervision and control of the GEB remain with the BoD. The authorities and responsibilities of the two bodies are governed by the Articles of Association and the Organization Regulations of UBS Group AG with their annexes.

### 4.2 **Board of Directors**

The BoD consists of between 6 and 12 members. All the members of the BoD are elected individually by the shareholders at the annual general meeting of shareholders ("**AGM**") for a term of office of one year, which expires after the completion of the next AGM. Shareholders also elect the Chairman upon proposal of the BoD.

The BoD meets as often as business requires, and at least six times a year.

#### 4.1.1 *Members of the Board of Directors*

The current members of the BoD are listed below.

<b>Member and business address</b>	<b>Title</b>	<b>Term of office</b>	<b>Current principal activities outside UBS Group AG</b>
Colm Kelleher  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Chairman	2025	Chairman of the Board of Directors of UBS AG; member of the Board of Norfolk Southern Corporation (Chair of the risk and finance committee); member of the Board of Directors of the Bretton Woods Committee; member of the Board of the Swiss Finance Council; member of the International Monetary Conference; member of the Board of the Bank Policy Institute; member of the Board of Americans for Oxford; Visiting Professor of Banking and Finance, Loughborough Business School; member of the European Financial Services Round Table; member of the European Banking Group; member of the International Advisory Council of the China Securities Regulatory Commission; member of the Chief Executive's Advisory Council (Hong Kong).
Lukas Gähwiler  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Vice Chairman	2025	Vice Chairman of the Board of Directors of UBS AG; Vice Chairman of the Board of Directors of Pilatus Aircraft Ltd; member of the Board of Directors of Ringier AG; member of the Board and Board Committee of economiesuisse; Chairman of the Employers Association of Banks in Switzerland; member of the Board of Directors of the Swiss Employers Association; member of the Board of Directors and the Board of Directors Committee of the Swiss Bankers Association; member of the Board of the Swiss Finance Council; member of the Board of Trustees of Avenir Suisse.
Jeremy Anderson  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Senior Independent Director	2025	Member of the Board of Directors of UBS AG; member of the Board of Prudential plc (Chair of the Risk Committee); member of the Board of Credit Suisse International Trustee of the UK's Productivity Leadership Group.
Claudia Böckstiegel  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; General Counsel and member of the Enlarged Executive Committee of Roche Holding AG.

<b>Member and business address</b>	<b>Title</b>	<b>Term of office</b>	<b>Current principal activities outside UBS Group AG</b>
William C. Dudley  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; member of the Board of Treliant LLC; member of the Advisory Board of Suade Labs; Senior Advisor to the Griswold Center for Economic Policy Studies at Princeton University; member of the Group of Thirty; member of the Council on Foreign Relations; Chairman of the Bretton Woods Committee Board of Directors; member of the Board of the Council for Economic Education.
Patrick Firmenich  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; Vice Chairman of the Board of dsm-firmenich (Chair of the Nomination Committee); member of the Board of INSEAD and INSEAD World Foundation; member of the Advisory Council of the Swiss Board Institute.
Fred Hu  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; founder, Chairman and CEO of Primavera Capital Group; Non-Executive Chairman of the Board of Yum China Holdings (Chair of the Nomination and Governance Committee); Board Member of Industrial and Commercial Bank of China (ICBC) Chairman of the Nomination Committee; Chairman of Primavera Capital Ltd; Trustee of the China Medical Board; Co-Chairman of the Nature Conservancy Asia Pacific Council; member of the Board of Trustees of the Institute for Advanced Study; Director and member of the Executive Committee of China Venture Capital and Private Equity Association Ltd.
Mark Hughes  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; member of the Board of Directors of UBS Americas Holding LLC; Chair of the Board of Directors of the Global Risk Institute; Senior Advisor to McKinsey & Company.
Gail Kelly  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; Member of the Board of Singtel Communications (Chairperson of the Executive Resource and Compensation Committee); Member of the Group of Thirty; Member of the Board of Directors of the Bretton Woods Committee; Member of the

<u>Member and business address</u>	<u>Title</u>	<u>Term of office</u>	<u>Current principal activities outside UBS Group AG</u>
			Board of Directors of the Australia Philanthropic Services; Member of the Australian American Leadership Dialogue Advisory Board; Senior advisor to McKinsey & Company.
Nathalie Rachou  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; member of the Board of Euronext N.V. (Chair of the Remuneration Committee); member of the Board of Veolia Environnement SA (Chair of the Audit Committee); member of the Board of the African Financial Institutions Investment Platform; member of the Board of Directors of Fondation Leopold Bellan.
Julie G. Richardson  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; member of the Board of Yext (Chair of the Audit Committee); member of the Board of Datadog (Chair of the Audit Committee); member of the Board of Fivetran; member of the Board of Coalition, Inc.
Jeanette Wong  UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Member	2025	Member of the Board of Directors of UBS AG; member of the Board of Prudential plc; member of the Board of Singapore Airlines Limited; member of the Board of GIC Pte Ltd; member of the Board of PSA International; member of the Board of Pavilion Capital Holdings Pte Ltd; Chairman of the CareShield Life Council; member of the Securities Industry Council; member of the Board of Trustees of the National University of Singapore.

#### 4.3 **Group Executive Board**

Under the leadership of the Group CEO, the GEB has executive management responsibility for the steering of the Group and its business. It assumes overall responsibility for developing and implementing the strategies of the Group, business divisions and functions as approved by the BoD. All GEB members (with the exception of the Group CEO) are proposed by the Group CEO. The appointments are made by the BoD.

##### 4.2.1 *Members of the Group Executive Board*

The current members of the GEB are listed below. On 30 May 2024 it was announced that George Athanasopoulos and Marco Valla will become Co-Presidents of the Investment Bank, that Damian Vogel will succeed Christian Bluhm as Group Chief Risk Officer, and that each will join the GEB effective 1 July 2024 subject to final regulatory approval. Iqbal Khan will assume the role of President UBS Asia-Pacific effective 1 September 2024, and become Co-President GWM effective 1 July 2024, and Rob Karofsky will become President UBS Americas and Co-President GWM effective 1 July 2024. Naureen Hassan

will retire from UBS effective 1 July 2024 and Christian Bluhm and Edmund Koh will step down from the GEB effective 1 July 2024 and 1 September 2024, respectively. Ulrich Körner will step down from the GEB on 30 June 2024.

<b>Member and business address</b>	<b>Function</b>	<b>Current principal activities outside UBS Group AG</b>
Sergio P. Ermotti UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Group Chief Executive Officer	President of the Executive Board of UBS AG; member of the Board of Ermenegildo Zegna N.V. (Lead Non-Executive Director); member of the Board of Società Editrice del Corriere del Ticino SA; member of the Board of Innosuisse – Swiss Innovation Agency; member of Institut International D'Etudes Bancaires; member of the WEF International Business Council and Governor of the Financial Services / Banking Community; member of the MAS International Advisory Panel; member of the Board of the Institute of International Finance; member of the Board of the Swiss-American Chamber of Commerce.
Michelle Bereaux UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Group Integration Officer	Member of the Executive Board and Integration Officer of UBS AG.
Christian Bluhm UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Group Chief Risk Officer	Member of the Executive Board and Chief Risk Officer of UBS AG; chairman of the board of Christian Bluhm Photography AG; member of the Foundation Board of the UBS Pension Fund; member of the Foundation Board – International Financial Risk Institute.
Mike Dargan UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Group Chief Operations and Technology Officer	Member of the Executive Board and Chief Operations and Technology Officer of UBS AG; President of the Executive Board and member of the Board of UBS Business Solutions AG; member of the Board of Directors and President of the Executive Board of Credit Suisse Services AG; member of the Board of UBS Optimus Foundation.
Naureen Hassan UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President UBS Americas	Member of the Executive Board and President UBS Americas of UBS AG; CEO and member of the Board of Directors of UBS Americas Holding LLC; member of the Board of Governors of FINRA; member of the Board of Ownership Works; member of the Board of the American Swiss Foundation; member of the Board and Executive

<b>Member and business address</b>	<b>Function</b>	<b>Current principal activities outside UBS Group AG</b>
		Committee of The Partnership for New York City.
Aleksandar Ivanovic UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President Asset Management	Member of the Executive Board and President Asset Management of UBS AG; Chairman of UBS Asset Management AG; Chairman of UBS Asset Management Switzerland AG.
Robert Karofsky UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President Investment Bank	Member of the Executive Board and President Investment Bank of UBS AG; member of the Board of UBS Americas Holding LLC; member of the Board of UBS Optimus Foundation.
Sabine Keller-Busse UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President Personal & Corporate Banking and UBS Switzerland	President of the Executive Board of UBS Switzerland AG; member of the Board of Zurich Insurance Group; Chairwoman of the Foundation Board of the UBS Pension Fund; member of the Foundation Council of the UBS International Center of Economics in Society; member of the Board and Board Committee of Zurich Chamber of Commerce; member of the Board of the University Hospital Zurich Foundation; member of the Board of Trustees of the Swiss Entrepreneurs Foundation.
Iqbal Khan UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President Global Wealth Management	Member of the Executive Board and President Global Wealth Management of UBS AG; member of the Board of UBS Optimus Foundation.
Edmund Koh UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	President UBS Asia Pacific	Member of the Executive Board and President UBS Asia Pacific of UBS AG; member of the Board of Trustees of the Wealth Management Institute, Singapore; member of the Board of Next50 Limited, Singapore; member of the Board of Medico Suites (S) Pte Ltd, Singapore; member of the Board of Curbside Pte Ltd, Singapore; member of the Board of the Philanthropy Asia Alliance Ltd, Singapore; member of a sub-committee of the Singapore Ministry of Finance's Committee on the Future Economy; member of the Financial Centre Advisory Panel of the Monetary Authority of Singapore; Council member of the Asian Bureau of Finance and Economic Research, Singapore; member of the Board of Trustees of the Cultural Matching Fund, Singapore; member of

<b>Member and business address</b>	<b>Function</b>	<b>Current principal activities outside UBS Group AG</b>
		University of Toronto's International Leadership Council for Asia.
Ulrich Körner UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	CEO of Credit Suisse AG	Vice President of the Board of Lyceum Alpinum Zuoz AG; Chairman of the Board of Directors of Credit Suisse Asset Management Schweiz AG.
Barbara Levi UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Group General Counsel	Member of the Executive Board and General Counsel of UBS AG; member of the Board of Directors of the European General Counsel Association; member of the Legal Committee of the Swiss-American Chamber of Commerce.
Beatriz Martin Jimenez UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Head Non-Core and Legacy and President UBS Europe, Middle East and Africa	Member of the Executive Board, Head Non-Core and Legacy and President UBS Europe, Middle East and Africa of UBS AG; member of the Supervisory Board of UBS Europe SE; member of the Board of Directors of Credit Suisse International; member of the Advisory Board of the Frankfurt School of Finance & Management.
Markus Ronner UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Group Chief Compliance and Governance Officer	Member of the Executive Board and Chief Compliance and Governance Officer of UBS AG.
Stefan Seiler UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Head Group Human Resources & Corporate Services	Member of the Executive Board and Head Human Resources & Corporate Services of UBS AG; member of the Foundation Board of the UBS Swiss Pension Fund; member of the UBS Center for Economics in Society at the University of Zurich Foundation Council; Chairman of the Foundation Board of the Swiss Finance Institute; member of the IMD Foundation Board; Adjunct Professor for Leadership and Strategic Human Resource Management, Nanyang Technological University (NTU), Singapore.
Todd Tuckner UBS Group AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland	Group Chief Financial Officer	Member of the Executive Board and Chief Financial Officer of UBS AG.



#### 4.4 **Potential Conflicts of Interest**

Members of the BoD and GEB may act as directors or executive officers of other companies (for current principal positions outside UBS Group AG, if any, of BoD and GEB members, please see sections 4.1.1 and 4.2.1 above, respectively) and may have economic or other private interests that differ from those of UBS. Conflicts of interest may potentially arise from these positions or interests. For example, it cannot be excluded that a member of the BoD or GEB has or will have a function within a company, the shares of which are or will be traded by UBS or which has or will have a business relationship with UBS. UBS Group AG is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

Other than as indicated above, UBS Group AG is not aware of potential conflicts of interests between any duties to UBS Group AG of the members of the BoD and the GEB and their private interests or other duties.

#### 5. **Auditors**

Based on article 39 of the Articles of Association, UBS Group AG's shareholders elect the auditors for a term of office of one year. At the AGM of 24 April 2024, Ernst & Young Ltd, Aeschengraben 27, 4051 Basel, Switzerland ("**Ernst & Young**"), was elected as auditor for the consolidated and standalone financial statements of UBS Group AG for a one-year term.

Ernst & Young is a member of EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary. Ernst & Young is also registered with the Swiss Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals that provide audit services in Switzerland.

#### 6. **Major Shareholders of UBS Group AG**

Under the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015, as amended, anyone directly or indirectly, or acting in concert with third parties, holding shares in a company listed in Switzerland (such as UBS Group AG) or holding derivative rights related to shares of such a company must notify the company and the Disclosure Office of the SIX Swiss Exchange if the holding reaches, falls below or exceeds one of the following thresholds: 3 per cent., 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 33 $\frac{1}{3}$  per cent., 50 per cent. or 66 $\frac{2}{3}$  per cent. of such company's voting rights associated with the total share capital, regardless of whether or not such rights may be exercised. Nominee companies that cannot autonomously decide how voting rights are exercised are not required to notify UBS Group AG or the Disclosure Office of the SIX Swiss Exchange if they reach, exceed or fall below the threshold percentages. See "*Notification and Disclosure of Major Shareholders*" in the "*Description of the Ordinary Shares*" section of this Prospectus for further information on this notification requirement.

According to disclosure notifications filed with UBS Group AG and the SIX Swiss Exchange, the following entities hold 3 per cent. or more of the voting rights of UBS Group AG: on 30 November 2023, BlackRock Inc., New York, disclosed a holding of 5.01 per cent.; and on 4 December 2023, Norges Bank, Oslo, disclosed a holding of 4.79 per cent. In accordance with the applicable provisions, the percentages indicated above were calculated in relation to the voting rights associated with the total share capital of UBS Group AG entered into the Commercial Register of the Canton of Zurich at the time of the respective disclosure notification.

UBS's Group Treasury holds UBS Group AG shares to hedge future share delivery obligations related to employee share-based compensation awards. In addition, the Investment Bank holds a very limited number of UBS Group AG shares, primarily in its capacity as a market-maker in UBS Group AG shares and related derivatives and to hedge certain issued structured debt instruments. As of 31 March 2024, UBS held a total of 255,661,512 treasury shares, or 7.38 per cent. of shares issued.

## 7. **Financial Information concerning UBS Group AG's Assets and Liabilities, Financial Position and Profits and Losses**

### 7.1 ***Historical Annual Financial Information***

The description of UBS Group AG (consolidated) assets and liabilities, financial position and profits and losses for financial year 2023 is available in the "*UBS Group AG consolidated financial statements*" section of the Annual Report 2023. UBS Group AG's financial year is the calendar year.

The annual financial reports form an essential part of UBS Group AG's reporting. They include the audited consolidated financial statements of UBS Group AG, prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. The annual reports also include discussions and analysis of the consolidated financial and business results of UBS, its business divisions and the Group Items. In addition, UBS Group AG prepares and publishes standalone financial statements in accordance with the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations), as well as certain additional disclosures required under SEC regulations.

### 7.2 ***Auditing of Historical Annual Financial Information***

The consolidated financial statements and the standalone financial statements of UBS Group AG for the financial year 2023 were audited by Ernst & Young. Their report on the consolidated financial statements of UBS Group AG can be found in the "*UBS Group AG consolidated financial statements*" section of the Annual Report 2023. Their report on the standalone financial statements of UBS Group AG can be found in the Standalone Financial Statements 2023.

There are no qualifications in the auditors' reports on the consolidated financial statements of UBS Group AG and the standalone financial statements of UBS Group AG for the year ended on 31 December 2023, which are incorporated by reference into this Prospectus.

### 7.3 ***Interim Financial Information***

Reference is also made to the First Quarter 2024 Report, which contains information on the financial condition and results of operations, including the interim financial statements of UBS Group AG (consolidated) as of and for the quarter ended 31 March 2024. The interim consolidated financial statements of UBS Group AG are not audited.

### 7.4 ***Litigation, Regulatory and Similar Matters***

The Group operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such matters are subject to many uncertainties, and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. A guilty plea to, or conviction of, a crime could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorisations and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorisations or participations, could have material consequences for UBS.

Specific litigation, regulatory and other matters, including all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects, are described in "*Note 15 Provisions and contingent liabilities*" to UBS Group AG's consolidated financial statements included in the First Quarter 2024 Report. The amount of damages claimed, the size of a transaction or other information is provided

where available and appropriate in order to assist users in considering the magnitude of potential exposures.

8. **Material Contracts**

Except as otherwise disclosed in this Prospectus (including the documents incorporated herein by reference), no material contracts have been entered into outside of the ordinary course of UBS Group AG's or UBS's business which could result in any member of the UBS Group being under an obligation or entitlement that is material to UBS Group AG's ability to meet its obligations to the investors in relation to the issued securities.

## DESCRIPTION OF THE ORDINARY SHARES

*This section contains certain summary information in relation to the share capital of UBS Group AG and the Ordinary Shares, as well as a brief description of certain significant provisions of UBS Group AG's articles of association (Statuten) and the Swiss Code. This description does not purport to be complete and is qualified in its entirety by reference to UBS Group AG's articles of association (Statuten) and the laws of Switzerland in effect on the date of this Prospectus, each of which are subject to change.*

If either a Trigger Event or a Viability Event occurs the Notes will be subject to a Conversion. This means that the Notes will be redeemed and settled on the applicable Conversion Date by the delivery of newly issued fully paid Ordinary Shares as described in Condition 8 (*Conversion*). The following summary describes the material terms of the Ordinary Shares as of the date of this Prospectus. For a detailed description of the terms of the Ordinary Shares, refer to the section "*Corporate Governance and Compensation – Corporate governance*" in the Annual Report 2023 and UBS Group AG's articles of association (*Statuten*) dated 24 April 2024 (for purposes of this section, the "**Articles of Association**"), each of which are incorporated by reference into this Prospectus.

### General

As of the date of this Prospectus, UBS Group AG has 3,462,087,722 Ordinary Shares with a nominal value of USD 0.10 each in issue, equating to a share capital of USD 346,208,772.20. UBS Group AG's share capital is fully paid up.

In addition, UBS Group AG has conversion capital (*Wandlungskapital*) in the amount of USD 70,000,000 for the issuance of a maximum of 700,000,000 Ordinary Shares through the mandatory conversion of claims arising upon the occurrence of one or more trigger events under financial market instruments with contingent conversion features issued by UBS Group AG, as more particularly described in article 4b of the Articles of Association. UBS Group AG also has conditional capital (*bedingtes Kapital*) in the amount of (i) 12,170,583 for the issuance of a maximum of 121,705,830 Ordinary Shares upon exercise of certain options issued to employees, members of management and members of the board of directors of UBS Group AG and its subsidiaries, and (ii) USD 38,000,000 for the issuance of a maximum of 380,000,000 Ordinary Shares through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar financial instruments by UBS Group AG or another member of the UBS Group on national or international capital markets, in each case as more particularly described in article 4a of the Articles of Association.

As of the date of this Prospectus, UBS Group AG has no capital range (*Kapitalband*) or reserve capital (*Vorratskapital*).

At UBS Group AG's AGM held on 5 April 2023, shareholders approved the change of the share capital currency of UBS Group AG from the Swiss franc to the US dollar. As a result, the nominal value per Ordinary Share changed from CHF 0.10 to USD 0.10.

The Ordinary Shares rank *pari passu* in all respects with each other, including in respect of voting rights, entitlement to dividends, share of the liquidation proceeds in the case of a liquidation of UBS Group AG, and pre-emptive subscription rights (*Bezugsrechte, Vorwegzeichnungsrechte*). UBS Group AG does not have any shares carrying preferential rights.

### Share Register

Swiss law and the Articles of Association require UBS Group AG to keep a share register in which the names, addresses and nationality (or registered office in the case of legal entities) of the owners of Ordinary Shares are recorded. The main function of the share register is to register shareholders entitled to vote (and assert or exercise other rights related to voting rights) and participate in shareholders' meetings.

UBS Group AG's share register is kept by UBS Shareholder Services, P.O. Box, 8098 Zurich, Switzerland. UBS Shareholder Services is responsible for the registration of the Ordinary Shares. UBS Group AG's share register is split into two parts – a Swiss register, which is maintained by UBS Group AG, acting as Swiss transfer agent, and a US register, which is maintained by Computershare Trust Company, N.A., c/o Computershare Investor Services, P.O. Box 505000, Louisville, KY 40233-5000, United States, as US transfer agent.

In order to register Ordinary Shares in UBS Group AG's share register, a shareholder must file a share registration form with the share register. Failing such registration, a shareholder may not vote at or participate in a shareholders' meeting but will still be entitled to receive dividends and other rights with financial value such as pre-emptive subscription rights (*Bezugsrechte, Vorwegzeichnungsrechte*) (see "Voting Rights" below).

### **Form**

The Ordinary Shares are registered shares (*Namenaktien*) with a nominal value of USD 0.10 each. The Ordinary Shares are issued as uncertificated securities (*einfache Wertrechte*) and (in the case of Ordinary Shares registered in the Swiss register) constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") within the meaning of the Swiss Federal Intermediated Securities Act of October 3, 2008, as amended (the "**FISA**"). Shareholders have no rights to request the printing and delivery of certificates or the conversion of the Ordinary Shares into another form. UBS Group AG may, however, at any time print and deliver certificates for Ordinary Shares (individual share certificates, certificates representing multiples of shares or global certificates) at any time. It may also withdraw Ordinary Shares that constitute Intermediated Securities from the applicable custodian system and, with the consent of the applicable shareholder, it may cancel issued certificates (if any) that are returned to it without replacement. Shareholders registered in UBS Group AG's share register may at any time request from UBS Group AG a confirmation of the Ordinary Shares that they hold according to UBS Group AG's share register.

### **Transfer**

The transfer of Ordinary Shares that constitute Intermediated Securities is effected in accordance with the FISA. The transfer of uncertificated Ordinary Shares that do not constitute Intermediated Securities is effected by way of a written declaration of assignment and requires notice to UBS Group AG. The transfer of Ordinary Shares that constitute Intermediated Securities by way of an assignment is prohibited. In addition, security interest in any such uncertificated Ordinary Shares cannot be granted by way of assignment. UBS Group AG does not apply any restrictions or limitations on the transferability of Ordinary Shares.

### **Voting Rights**

In principle, each Ordinary Share represents one vote at a shareholders' meeting. Swiss law distinguishes between registration with and without voting rights. Voting rights and the rights related thereto may be exercised in respect of an Ordinary Share only after the relevant shareholder has been registered in UBS Group AG's share register as a shareholder with voting rights. Failing such registration, a shareholder may not vote at or participate in a shareholders' meeting but will still be entitled to receive dividends and other rights with financial value such as pre-emptive subscription rights (*Bezugsrechte, Vorwegzeichnungsrechte*).

In respect of an Ordinary Share, the relevant shareholder will be registered in UBS Group AG's share register as a shareholder with voting rights upon disclosure of its name and nationality (and for legal persons, its registered office). However, UBS Group AG may decline a registration with voting rights if the shareholder does not declare that it has acquired the relevant Ordinary Shares in its own name and for its own account. If the shareholder refuses to make such declaration, it will be registered in UBS Group AG's share register as a shareholder without voting rights.

UBS Group AG places no restrictions on voting rights. However, the BoD has implemented special provisions for the registration of nominees. Nominees are entered in UBS Group AG's share register with voting rights up to a total of 5 per cent. of all issued Ordinary Shares if they agree to disclose, upon UBS Group AG's request, beneficial owners holding 0.3 per cent. or more of all issued Ordinary Shares. An exception to the 5 per cent. voting limit rule is in place for securities clearing organisations, such as DTC.

### **Shareholders' Meetings**

Under Swiss law, the AGM must be held within six months after the end of a company's preceding financial year. In the case of UBS Group AG, this means on or before 30 June.

Shareholders' meetings may be convened by the BoD or, if necessary, by UBS Group AG's statutory auditors. An extraordinary general meeting of shareholders (an "**EGM**") can be called as often as necessary, in particular in all cases required by law. The BoD is further required to convene an EGM if so resolved by

a shareholders' meeting or if so requested by holders of Ordinary Shares holding in aggregate at least five per cent. of the nominal share capital of UBS Group AG.

In shareholders' meetings each shareholder has equal rights, including equal voting rights in respect of Ordinary Shares for which such shareholder is registered as a shareholder with voting rights in UBS Group AG's share register. According to the Articles of Association, each such Ordinary Share is entitled to one vote (as to restrictions on voting rights, see "*Voting Rights*" above).

### **Ordinary Capital Increase, Conditional Capital, Capital Range, Reserve Capital and Conversion Capital**

Under Swiss law, the share capital (*Aktienkapital*) of a company may be increased ordinarily in consideration of contributions in cash by a resolution approved at a shareholders' meeting by a majority of the shares represented (in person or by proxy) or by a higher quorum if so provided by the articles of association. In the case of UBS Group AG, the Articles of Association do not provide for a higher quorum. An increase in share capital in consideration of contributions in kind or by off-set of a claim, involving the exclusion or restriction of the pre-emptive subscription rights (*Bezugsrechte*) of the shareholders or the granting of special privileges, or the transformation of reserves into share capital, requires a resolution approved at a shareholders' meeting by at least two-thirds of the shares represented (in person or by proxy) and a majority of the aggregate nominal value of the shares represented (in person or by proxy). Further, under the Swiss Code, the shareholders of a company may empower its board of directors by approving a resolution in the manner described in the preceding sentence, to issue shares with a specific aggregate nominal value of up to 50 per cent. of the company's nominal share capital, in the form of:

1. conditional capital (*bedingtes Kapital*) for the purpose of issuing shares to, among other things, (i) grant conversion rights or warrants to holders of convertible bonds or (ii) grant rights to employees of a company or affiliated companies to subscribe for new shares; and
2. capital range (*Kapitalband*) to be utilised at the discretion of the board of directors (or for the purposes determined in such resolution) within a period not exceeding five years.

Under the Swiss Banking Act, the shareholders of a Swiss top holding company of a financial group, such as UBS Group AG, may provide in its articles of association that:

1. the board of directors may, by passing a resolution, increase the share capital out of the reserve capital (*Vorratskapital*) solely to reinforce the equity base for purposes of preventing or coping with a crisis; and
2. an increase of the share capital will be carried out with the conversion of contingent convertible bonds upon the occurrence of a trigger event occurs (contingent capital).

The introduction of, or changes in, reserve capital (*Vorratskapital*) requires a resolution approved at a shareholders' meeting by at least two-thirds of the shares represented (in person or by proxy) and a majority of the aggregate nominal value of the shares represented (in person or by proxy). The introduction of, or changes in, conversion capital (*Wandlungskapital*) requires a resolution approved at a shareholders' meeting by a majority of the aggregate nominal value of the shares represented (in person or by proxy).

### **Net Profits and Dividends**

Swiss law requires that at least 5 per cent. of the annual net profits of UBS Group AG must be retained and booked as statutory retained earnings for so long as these retained earnings, together with the statutory capital reserve, amount to less than 20 per cent. of UBS Group AG's total share capital registered in the Commercial Register of the Canton of Zurich. Any remaining net profit may be allocated by the shareholders represented at the shareholders' meeting.

Under Swiss law, dividends may be paid by UBS Group AG only if, based on its audited standalone financial statements prepared in accordance with the Swiss law, UBS Group AG has sufficient distributable profits from the previous financial years or if sufficient free reserves to allow the distribution of a dividend. In either event, dividends may be paid by UBS Group AG only after approval by the shareholders' meeting. The BoD may propose to the shareholders' meeting that a dividend be paid, but cannot itself set the dividend. UBS Group AG's statutory auditors must confirm that any proposal of the BoD to declare a dividend is in accordance with Swiss law and the Articles of Association. In addition, an interim dividend

may be paid out based on an interim account. The above-described provisions governing dividends also apply to any such interim dividends.

Dividends are usually due and payable not earlier than three days after the shareholders' resolution relating to the allocation of profits has been passed. The statute of limitations in respect of dividend payments is five years (dividends not paid are allocated to a special reserve of UBS Group AG).

UBS Group AG declares dividends in US dollars. Shareholders holding their Ordinary Shares through DTC or the US Transfer Agent receive dividends in US dollars. Shareholders holding their Ordinary Shares through SIX SIS receive dividends in Swiss francs, based on a published exchange rate calculated up to five decimal places, on the day prior to the ex-dividend date.

Dividends paid by UBS Group AG per Ordinary Share for the last five financial years ended 31 December are set out in the table below:

	USD	CHF
2023.....	0.70	0.63749
2022.....	0.55	0.497118
2021.....	0.50	0.465425
2020.....	0.37	0.341214
2019.....	0.365	0.35208
2019 (Extraordinary dividend out of special dividend reserve) .....	0.365	0.33346

### **Pre-emptive Subscription Rights**

Under Swiss law, existing shareholders have certain pre-emptive subscription rights (*Bezugsrechte, Vorwegzeichnungsrechte*) to subscribe for new issues of shares, option bonds, convertible bonds or similar debt instruments with option or convertible rights in proportion to the aggregate nominal value of shares held. However, the articles of association or a resolution approved at a shareholders' meeting by at least two-thirds of the votes represented (in person or by proxy) and a majority of the aggregate nominal value of the shares represented (in person or by proxy), may limit or exclude pre-emptive subscription rights in certain limited circumstances.

### **Repurchase of Shares and Own Shares**

Swiss law limits the right of UBS Group AG to repurchase and hold Ordinary Shares. UBS Group AG and its subsidiaries may repurchase Ordinary Shares only if and to the extent that (i) UBS Group AG has freely distributable reserves in the amount of the purchase price, and (ii) the aggregate nominal value of all Ordinary Shares held by UBS Group AG and its subsidiaries does not exceed 10 per cent. of UBS Group AG's share capital registered in the Commercial Register of the Canton of Zurich (or 20 per cent. in specific circumstances). UBS Group AG must create a special reserve in its standalone financial statements prepared in accordance with the Swiss law in the amount of the purchase price of any repurchased Ordinary Shares. In UBS Group AG's consolidated financial statements, own Ordinary Shares are recorded at cost and reported as treasury Ordinary Shares, resulting in a reduction in total shareholders' equity.

Ordinary Shares held by UBS Group AG or its subsidiaries are not entitled to vote at shareholders' meetings, but are entitled to the economic benefits, including dividends, applicable to Ordinary Shares generally. In addition, repurchases of listed Ordinary Shares are subject to certain restrictions; in particular, the restrictions promulgated by the Swiss Takeover Board (the regulatory board for takeover bids in Switzerland) under the FMIA and its implementing ordinances.

### **Duration and Liquidation**

The Articles of Association do not limit UBS Group AG's duration. UBS Group AG may be dissolved at any time, by way of liquidation or in the case of a merger in accordance with the Federal Act on Merger, Demerger, Transformation and Transfer of Assets of 3 October 2002, as amended, based on a shareholders' resolution, which must be approved at a shareholders' meeting by at least two-thirds of the votes represented (in person or by proxy) and a majority of the aggregate nominal value of the shares represented (in person or by proxy). As UBS Group AG is the Swiss parent of a financial group, FINMA is the only competent authority to open restructuring or liquidation (bankruptcy) proceedings with respect to UBS Group AG. In the event that UBS Group AG is to be dissolved without liquidation (for example, in a merger where UBS

Group AG is not the surviving entity), special quorum rules apply by law. Under Swiss law, any surplus arising out of liquidation (after the satisfaction of all creditors) must be used first to repay the nominal share capital of UBS Group AG. Thereafter, any balance must be distributed to shareholders in proportion to the paid-up nominal value of Ordinary Shares held.

### **Notification and Disclosure of Major Shareholders**

The FMIA requires that persons who directly, indirectly or in concert with third parties acquire or dispose of Ordinary Shares or other purchase positions relating to Ordinary Shares ("**Purchase Positions**") or sale positions relating to Ordinary Shares ("**Sale Positions**"), and thereby, directly, indirectly or in concert with other parties reach, exceed or fall below a threshold of 3 per cent., 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 33 $\frac{1}{3}$  per cent., 50 per cent. or 66 $\frac{2}{3}$  per cent. of UBS Group AG's voting rights associated with the total share capital entered into the Commercial Register of the Canton of Zurich (whether exercisable or not) must notify UBS Group AG and the Disclosure Office of the SIX Swiss Exchange of such acquisition or disposal in writing within four trading days. Within two trading days of the receipt of such notification, UBS Group AG must publish such information through the Disclosure Office of the SIX Swiss Exchange's online platform.

For purposes of calculating whether a threshold has been reached or crossed, Ordinary Shares and other Purchase Positions, on the one hand, and Sale Positions, on the other hand, may not be netted. The Ordinary Shares and other Purchase Positions and the Sale Positions must be accounted for separately and may each trigger disclosure obligations if the respective positions reach, exceed or fall below one of the thresholds. In addition, actual Ordinary Share ownership must be reported separately if it reaches, exceeds or falls below one of the thresholds.

According to the Swiss Banking Act, all natural persons or legal entities must notify FINMA prior to directly or indirectly acquiring or selling a "qualified participation" (i.e., 10 per cent. or more of the capital or voting rights) in a Swiss bank, such as UBS AG. This duty to notify also exists whenever a direct or indirect qualified participation in a Swiss bank such as UBS AG is increased or decreased and, as result, reaches, exceeds or falls below the threshold of 10 per cent., 20 per cent., 33 per cent. or 50 per cent. of the capital or voting rights of a Swiss bank such as UBS AG. Because UBS Group AG is the parent company of UBS AG, natural persons or legal entities acquiring or selling a qualified participation in UBS Group AG are indirectly doing the same with respect to UBS AG and, consequently, must comply with the foregoing requirements. The foregoing also applies in the case of UBS Group AG's indirect subsidiaries UBS Switzerland AG, Credit Suisse (Schweiz) AG and any other direct or indirect subsidiaries licensed as a Swiss bank.

Potential investors in the Notes should also see "*Risks relating to the Notes – Holders may be subject to disclosure obligations and/or may need approval by UBS's regulators*" in the section "*Risk Factors*".

### **Mandatory Bid Rules**

Pursuant to the FMIA, any person that acquires shares of a Swiss company with at least one class of securities listed on a Swiss stock exchange or a non-Swiss company with a primary listing of at least one class of securities on a Swiss stock exchange, whether directly or indirectly or acting in concert with third parties, which shares, when taken together with any other shares of such company held by such person (or such third parties), exceed the threshold of 33 $\frac{1}{3}$  per cent. of the voting rights (whether exercisable or not) of such company, must submit a takeover offer to acquire all other listed equity securities of such company. Pursuant to the practice of the Swiss Takeover Board, certain derivatives also need to be taken into account when calculating whether the 33 $\frac{1}{3}$  per cent. threshold has been exceeded. A company's articles of association may either override this mandatory takeover offer provision of the FMIA or may raise the relevant threshold to 49 per cent. ("opting-out" or "opting-up", respectively). The Articles of Association do not contain an opting-out or opting-up provision. The mandatory takeover offer obligation may be waived by the Swiss Takeover Board or FINMA. However, if no waiver is granted, the mandatory takeover offer must be made pursuant to the procedural rules set forth in the FMIA and the implementing ordinances.

### **Listing**

The Ordinary Shares are listed on the SIX Swiss Exchange. They are also listed on the New York Stock Exchange (the "NYSE") as global registered shares.



Information about the past and future performance of the Ordinary Shares and their volatility can be obtained from the website of the SIX Swiss Exchange (currently at: <https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/shares/share-explorer.html>) and the website of the NYSE (currently at: <https://www.nyse.com/quote/XNYS:UBS>). For details on where the annual reports of UBS Group AG are published and may be obtained, free of charge, for so long as any Notes are outstanding, see "*About this Prospectus – Availability of Documents*".

### **Security Numbers and Ticker Symbols**

The Swiss Security Number (*Valorenummer*) for the Ordinary Shares is 24476758. The ISIN and the CUSIP for the Ordinary Shares is CH0244767585 and H42097107, respectively. The SIX Swiss Exchange ticker symbol for the Ordinary Shares is "UBSG" and the NYSE ticker symbol for the Ordinary Shares is "UBS".

## TAXATION

*The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Switzerland of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.*

*Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.*

### **Switzerland**

*The following discussion is a summary of certain material Swiss tax considerations based on the legislation as of the date of this Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in the Notes. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Notes in light of their particular circumstances.*

#### **Withholding Tax**

Payments of interest on, and the repayment of principal of, the Notes by the Issuer will, at present, not be subject to Swiss federal withholding tax.

On 3 April 2020, the Swiss Federal Council published draft legislation and opened a consultation procedure regarding the reform of the Swiss federal withholding tax regime applicable to interest on bonds. This draft legislation provides for, among other things, the replacement of the current debtor-based regime applicable to interest payments on bonds with a paying agent-based regime for Swiss withholding tax. Generally speaking, this proposed paying agent-based regime would (i) subject all interest payments on bonds made through paying agents in Switzerland to individuals resident in Switzerland to Swiss withholding tax, and (ii) exempt from Swiss withholding tax interest payments on bonds to all other persons, including to Swiss-domiciled legal entities and foreign investors (other than for indirect interest payments through foreign and Swiss domestic collective investments vehicles). However, the results of the consultation, which ended on 10 July 2020, were controversial. Consequently, on 15 April 2021, the Swiss Federal Council submitted new draft legislation on the reform of the Swiss withholding tax system providing for the abolition of Swiss withholding tax on interest payments on bonds for submission to the Swiss Parliament, which legislation was accepted by the Swiss Parliament on 17 December 2021. The proposed legislation was rejected in a referendum held on 25 September 2022. Notwithstanding the foregoing, if a new paying agent-based regime were nevertheless to be enacted as contemplated by the draft legislation published on 3 April 2020 and were to result in the deduction or withholding of Swiss withholding tax on any payment in respect of a Note by any person in Switzerland other than the Issuer, the holder of such Note would not be entitled to any additional amounts with respect to such Note as a result of such deduction or withholding under the Terms and Conditions.

#### **Stamp Taxes**

##### *The Notes*

The issue and redemption of Notes by the Issuer are not subject to Swiss federal stamp duty.

The trading of the Notes in the secondary market is subject to Swiss securities turnover tax at a rate of 0.15 per cent. of the consideration paid for the Notes traded, if a Swiss domestic (or Principality of Liechtenstein) securities dealer (as defined in the Swiss Stamp Tax Act) is a party to, or acts as an intermediary for, the transaction and no exemption applies in respect of one of the parties to the transaction. In such case and subject to applicable statutory exemptions, typically half of the Swiss securities turnover tax is charged to one party to the transaction and the other half to the other party.

### *Ordinary Shares issued and delivered upon Conversion*

The issuance and delivery of Ordinary Shares upon Conversion to the Settlement Share Depository on behalf of the Holders will not be subject to Swiss issuance stamp tax (*Emissionsabgabe*) nor securities turnover tax (*Umsatzabgabe*) (primary market). The trading of such Ordinary Shares in the second market will be subject to Swiss securities turnover tax (*Umsatzabgabe*), currently at a rate of up to 0.15 per cent. of the consideration paid for the Ordinary Shares traded, if a Swiss domestic (or Principality of Liechtenstein) securities dealer (as defined in the Swiss Stamp Tax Act) is a party to, or acts as an intermediary for, the transaction and no exemption applies in respect of one of the parties to the transaction. In such case and subject to applicable statutory exemptions, typically half of the Swiss securities turnover tax (*Umsatzabgabe*) is charged to one party to the transaction and the other half to the other party.

The above description of the Swiss securities turnover tax (*Umsatzabgabe*) does not deal with the issue or transfer of, or agreement to transfer, any Relevant Shares of an Approved Entity.

### ***Income Taxation on Principal or Interest***

#### *Notes held by non-Swiss holders*

Payments by the Issuer of interest on and repayment of principal of Notes to, and the gain realised on the sale or redemption of Notes by, a Holder who (x) is not a resident of Switzerland, (y) during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable and (z) is not subject to income taxation in Switzerland for any other reason, will not be subject to any Swiss federal, cantonal or communal income tax.

#### (i) *Notes held by Swiss holders as private assets*

Individuals who reside in Switzerland and who hold Notes as private assets are required to include all payments of interest made by the Issuer in respect of such Notes in their personal income tax return (including any potential issue discount or repayment premium) and will be taxable on any net taxable income (including the payments of interest in respect of such Notes) for the relevant tax period. Insofar as such payments are consideration for the potential occurrence of a Conversion (the amount of such payments will be determined by the Federal Tax Administration and suggested to the Cantonal tax authorities), they may be considered a tax-free capital gain. Any capital gain or loss realised on the sale or other disposition of such Notes or any loss realised following a Conversion will be considered a tax-free capital gain respectively a non-tax-deductible loss.

#### (ii) *Notes held as Swiss business assets*

Individuals who hold Notes as part of a business in Switzerland and Swiss-resident corporate taxpayers and corporate taxpayers residing abroad holding Notes as part of a permanent establishment or fixed place of business in Switzerland are required to recognise the payments of interest and any capital gain or loss realised on the sale or other disposition of such Notes or following a Conversion in their income statement for the respective tax period and will be taxed on any net taxable earnings for such tax period. The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, among other things, frequent dealings and leveraged transactions in securities.

### ***Automatic Exchange of Information in Tax Matters***

Switzerland has concluded a multilateral agreement with the EU on the international exchange of information ("AEOI") in tax matters, which applies to all 28 EU member states and some other jurisdictions. In addition, Switzerland has signed the multilateral competent authority agreement on the automatic exchange of financial account information (the "MCAA"), and based on the MCAA, a number of bilateral AEOI agreements with other countries. Based on such agreements and the implementing laws of Switzerland, depending on the date of effectiveness of the applicable agreement, Switzerland collects and exchanges data in respect of financial assets including Notes held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in an EU member state or in a treaty state.

### ***Swiss Facilitation of the Implementation of the US Foreign Account Tax Compliance Act***

Switzerland has concluded an intergovernmental agreement with the US to facilitate the implementation of FATCA. The agreement ensures that the accounts held by US persons with Swiss financial institutions are disclosed to the US tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance on the basis of the double taxation agreement between the US and Switzerland. On 8 October 2014, the Swiss Federal Council approved a mandate for negotiations with the US on changing the current direct-notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the US tax authorities. For further information on FATCA, see below "*Foreign Account Tax Compliance Act*".

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the US Internal Revenue Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Switzerland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payments". Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

### **Singapore**

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS, the Monetary Authority of Singapore ("**MAS**") and other relevant authorities in force as at the date of this Prospectus and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, administrative guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, administrative guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Prospectus are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Holders or prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Joint Lead Managers nor any other persons involved in the issue of the Notes accepts responsibility for any tax effects or liabilities resulting from the acquisition, ownership or disposal of the Notes.

### ***Interest and Other Payments***

Subject to the following paragraphs, under Section 12(6) of the Singapore Income Tax Act, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee or service relating to any loan or indebtedness which is: (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals or a Hindu joint family) is currently 17.0%. The applicable rate for non-resident individuals or a Hindu joint family is currently 24.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore, and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

It is not clear whether the Notes will be regarded as "debt securities" under the Singapore Income Tax Act and the tax treatment to holders of the Notes under Singapore law may differ depending on the characterisation and treatment of the Notes by the IRAS. The Notes are not intended to be "qualifying debt securities" for the purposes of the Singapore Income Tax Act and holders of the Notes will not be eligible for the tax exemption or concessionary tax rates under the qualifying debt securities scheme. Prospective holders and holders of the Notes should consult their own accounting and tax advisers regarding the Singapore tax consequences of their acquisition, holding or disposal of the Notes.

### ***Capital Gains***

Subject to the discussion in the next paragraph, any gains considered to be in the nature of capital made from the sale of the Notes will generally not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Under section 10L of the Singapore Income Tax Act, gains received in Singapore by an entity of a relevant group from the sale or disposal of any movable or immovable property outside Singapore will be treated as income chargeable to tax under section 10(1)(g) of the Singapore Income Tax Act under certain circumstances. Debt securities will be deemed to be located outside Singapore if the issuer thereof is incorporated outside Singapore or in the case of registered debt securities, the register or principal register (if there is more than one register) is located outside Singapore regardless where the issuer is incorporated. If the Notes are deemed to be foreign assets, gains from their disposal will be subject to tax if an entity of a relevant group (other than an excluded entity) disposed of the Notes on or after 1 January 2024. An entity is a member of a group of entities if its assets, liabilities, income, expenses and cash flows are (a) included in the consolidated financial statements of the parent entity of the group; or (b) excluded from the consolidated financial statements of the parent entity of the group solely on size or materiality grounds or on the grounds that the entity is held for sale. A group is a relevant group if (a) the entities of the group are not all incorporated, registered or established in Singapore; or (b) any entity of the group has a place of business outside Singapore. An excluded entity is defined in section 10L of the Singapore Income Tax Act to include a pure equity-holding company or any other entity without adequate economic substance in Singapore taking into account factors enumerated in section 10L.

Investors are advised to consult their own tax advisers on the applicable tax treatment if they received gains in Singapore from the disposal of the Notes.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

***Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes***

Section 34A of the Singapore Income Tax Act provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the Singapore Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 - Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the Singapore Income Tax Act should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

***Estate Duty***

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

## SUBSCRIPTION AND SALE

UBS AG Singapore Branch, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and United Overseas Bank Limited (together the "**Joint Lead Managers**") have, in a subscription agreement dated [•]\* (the "**Subscription Agreement**") and made between the Issuer, the Joint Lead Managers and UBS AG London Branch upon the terms and subject to the conditions contained therein, severally but not jointly, agreed to subscribe for the Notes at their issue price of [•]\* per cent. of their principal amount plus accrued interest, if any, in respect thereof and less the commission. The Joint Lead Managers are entitled in certain circumstances to terminate the Subscription Agreement prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of the Notes. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or the Joint Lead Managers in respect of any expense incurred or loss suffered in these circumstances. After the initial offering, the Joint Lead Managers may change the offering price and other selling terms. The Joint Lead Managers may offer and sell Notes through certain of their affiliates.

In the event of a Conversion, and based on (i) the current issued share capital of the Issuer of 3,462,087,722 Ordinary Shares, as registered in the Commercial Register of the Canton of Zurich (immediately before and after completion of the offering of the Notes), and (ii) the initial Conversion Price of SGD [•]\*, the contingent conversion feature of the Notes corresponds to the following number of new Ordinary Shares potentially to be delivered to the Holders:

<i>Joint Lead Manager</i>	<i>Underwriting Commitment</i>		<i>Ordinary Shares that would be issued and delivered upon conversion of the Notes</i>	
	<i>Principal Amount of the Notes</i>	<i>Percentage of Principal Amount of the Notes</i>	<i>Number of Ordinary Shares<sup>1</sup></i>	<i>Number of Ordinary Shares as a percentage of the Issuer's voting rights<sup>1 2</sup></i>
UBS AG Singapore Branch 9 Penang Road Singapore 238459	SGD [•]*	[•]* per cent.	[•]*	[•]* per cent.
[•]	SGD [•]*	[•]* per cent.	[•]*	[•]* per cent.
[•]	SGD [•]*	[•]* per cent.	[•]*	[•]* per cent.
[•]	SGD [•]*	[•]* per cent.	[•]*	[•]* per cent.
[•]	SGD [•]*	[•]* per cent.	[•]*	[•]* per cent.
Total	SGD [•]*	100 per cent.	[•]*	[•]* per cent.

<sup>1</sup> Based on the aggregate number of Ordinary Shares that would be required to be issued and delivered upon conversion of the Notes in accordance with the Terms and Conditions, if the Conversion Price for the Notes were the initial Conversion Price of SGD [•]\*.

<sup>2</sup> The percentages shown in this column were calculated based on the number of Ordinary Shares registered with the Commercial Register of the Canton of Zurich as of the date of this Prospectus (i.e., 3,462,087,722 Ordinary Shares), which may be different from the number of Ordinary Shares registered with the Commercial Register of the Canton of Zurich from time to time after the date of this Prospectus and which do not include any Ordinary Shares that may be issued and delivered upon conversion of the Notes in accordance with the Terms and Conditions. Percentages in this column have been rounded to the second decimal point.

The above disclosure is being provided solely in connection with (i) the notification requirements applicable to the Joint Lead Managers under the FMIA and its implementing ordinances as a result of the entry into the Underwriting Agreement, and (ii) the Issuer's related publication duty.

## SELLING RESTRICTIONS

### Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

### Other UK Regulatory Restrictions

Each Joint Lead Manager has represented, warranted and undertaken that:

- (i) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

### United States of America

The Notes and any Ordinary Shares that will be delivered upon conversion have not been, and 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 offered, sold or delivered within the United States or to, or for the account or benefit of, US persons, except in certain transactions exempt from the registration requirements of the US Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes: (a) as part of their distribution at any time; or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, US persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act.



## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the MAS. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with the conditions specified in Section 275 of the SFA.

## Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Notes has been (or will be) lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**").

Each Joint Lead Manager has represented and agreed that it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue, sale or transfer in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the aggregate consideration payable by each offeree or transferee is at least A\$500,000 (or its equivalent in an alternate currency, in either case disregarding monies lent by the offeror or transferor, as applicable, or its associates to the purchaser) and the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; (ii) the offer or invitation does not constitute an offer or invitation to a "retail client" as defined for the purposes of section 761G of the Corporations Act; (iii) such action complies with any applicable laws and directives in Australia; and (iv) such action does not require any document to be lodged with ASIC.

## Hong Kong

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities

laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

### **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Joint Lead Manager has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations; and
- (ii) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and 2 November 2020); and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

### **People's Republic of China**

Each Joint Lead Manager has represented and agreed that the Notes will not be offered or sold directly or indirectly within the People's Republic of China (for such purposes and under this section, not including Hong Kong and Macau Special Administrative Regions or Taiwan (the "**PRC**")). This Prospectus, the Notes and any material or information contained or incorporated by reference herein in relation to the Notes have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission (the "**CSRC**") or any other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. Neither this Prospectus nor any material or information contained or incorporated by reference herein constitutes an offer to sell or the solicitation of an offer to buy any securities by any person in the PRC. The Notes may only be invested by PRC investors that are authorised to engage in the purchase of securities of the type being offered or sold.

PRC investors are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental regulatory approvals/licenses, verification and/or registrations (if any) themselves from all relevant PRC governmental and regulatory authorities, including, but not limited to, the People's Bank of China, the State Administration of Foreign Exchange, the CSRC, the National Administration for Financial Regulation and/or other relevant regulatory bodies or successors of the aforementioned governmental and regulatory authorities, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

### **Canada**

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**"), the Joint Lead Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### **Switzerland**

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the FinSA because the Notes have a minimum denomination of at least CHF 100,000 (or equivalent in another currency). Consequently, each Joint Lead Manager has acknowledged, represented and agreed that, for purposes of the offering of the Notes, neither this Prospectus nor any other offering or marketing material relating to the Notes (x) constitutes a prospectus as such term is understood pursuant to article 35 of the FinSA or (y) has been filed or will be filed with, or approved by, a review body pursuant to article 52 of the FinSA.

In accordance with article 59(1) of the FinSA and article 86(3) of the Swiss Financial Services Ordinance of 6 November 2019, as amended, no Basic Information Document (*Basisinformationsblatt*) is required for, and no Basic Information Document has been or will be prepared for, the offering of the Notes.

### **General**

Each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

## MEETINGS OF HOLDERS AND AMENDMENT UNDER SWISS LAW

Except as otherwise specified in Condition 13 (*Meetings of Holders; Substitution and Amendment*), the provisions on bondholder meetings contained in article 1157 et seq. of the Swiss Code apply in relation to meetings of Holders to consider matters affecting their interests as Holders of the Notes. The Holders of the Notes form a community of creditors for the purposes of these provisions. The following summary of such provisions on bondholder meetings is based on the law as in effect in Switzerland as of the date of this Prospectus and is subject to change.

A meeting of Holders is called by the Issuer. The Issuer may call such a meeting, but is also required to call a meeting of Holders within 20 days if it is requested to do so by Holders holding an aggregate principal amount of Notes that represents at least one-twentieth of the outstanding aggregate principal amount of the Notes. The invitation to a meeting of Holders must be published twice in the Swiss Official Gazette of Commerce and, in accordance with the Terms and Conditions, with the second publication to be made at least ten days prior to such meeting. As the Notes are in registered form, Holders must also be invited to any such meeting by registered letter. The agenda for a meeting of Holders must be announced at least ten days prior to such meeting in the same manner as the invitation.

Only Holders or their proxies will be entitled to attend or vote at a meeting of Holders. Holders or their representatives that wish to participate at the meeting of Holders must provide a certificate from their depository bank or a central clearing agency confirming that the Notes are blocked for the account of the Holder.

In connection with any meeting of Holders that is held in accordance with the rules described above, in certain circumstances, defined majorities of Holders are able to bind all Holders, including Holders that did not attend and vote at such meeting and Holders that voted in a manner contrary to the majority. However, the Holders making up a community of creditors (i.e., all Holders of the Notes) must all be equally affected by any resolution that limits Holders' rights under the Notes, unless every disadvantaged Holder expressly agrees to such resolution. Any resolution approved at a meeting of Holders that favours one or more individual Holders over other Holders will be void. Any resolution approved at a meeting of Holders that affects the rights of the Issuer also requires the Issuer's consent.

The defined majority of Holders required to pass a resolution at a meeting of Holders will depend on whether the rights of Holders are affected by such resolution and, if so, the type of rights affected. The consent of Holders holding at least two-thirds of the outstanding aggregate principal amount of the Notes is required for specific resolutions exhaustively listed in article 1170 of the Swiss Code. Most importantly for the Notes, this requirement applies to resolutions to amend, or forfeit Holders' rights under, the Terms and Conditions in any of the following ways:

- (a) approval of a moratorium on interest on the Notes for up to five years, with the option to extend;
- (b) such moratorium up to two more times for up to an additional five years per extension;
- (c) forfeiture of up to five years' worth of interest on the Notes within a seven-year period;
- (d) approval of (i) a decrease in the interest rate on the Notes by up to one-half of the rate set by the Terms and Conditions or (ii) the conversion of the interest rate on the Notes from a fixed rate of interest into a rate dependent on the business results, in the case of each of clause (i) and (ii), for a period of up to ten years, with the option to extend such period for up to an additional five years;
- (e) approval of a stay with respect to the Notes (or portions thereof) if the Issuer has elected to redeem the Notes in accordance with the Terms and Conditions and, as a consequence, the Notes have become due, for up to ten years, with the option to extend such period for up to an additional five years;
- (f) approving the early redemption of the Notes (either in whole or in part);
- (g) granting of a priority lien for new capital raised for the Issuer; and/or
- (h) consent to a full or partial conversion of Notes into shares.

The Issuer may propose one or more of the foregoing resolutions to a meeting of Holders and make the approval of each such resolution conditional upon the approval of all such resolutions. In addition, the Issuer may propose one or more of the foregoing resolutions to a meeting of Holders, but make approval of such resolutions conditional upon the approval of the same resolutions by another community of creditors of the Issuer. In such a case, approval of such resolutions will require the approval (x) of Holders representing only a simple majority of the outstanding aggregate principal amount of the Notes (i.e., rather than two-thirds), (y) by the majority of the communities of creditors resolving by a simple majority of the outstanding aggregate principal amount of the relevant bonds held by such community of creditors (rather than by a two-thirds majority), and (z) the approval of Holders representing at least two-thirds of the outstanding aggregate principal amount of all bonds (including the Notes) held by the relevant community of creditors.

Unless all Holders of Notes conferring voting rights are present (i.e., all Holders of Notes that are not the Issuer or any of its subsidiaries) and a unanimous decision is reached, in order for any of the above-described resolutions to become effective and binding on non-consenting Holders, such resolution must be approved by the competent superior cantonal composition court, which in the case of the Issuer will be the High Court of the Canton of Zurich (*Obergericht Zürich*). The Issuer must submit such resolutions to the court for approval within one month of their adoption by a meeting of Holders.

Any other resolutions that limit the rights of Holders by amending, or forfeiting rights under, the Terms and Conditions may only be passed by unanimous resolution.

In the case of resolutions that do not limit Holders' rights under the Notes, the consent of Holders holding more than half of the outstanding aggregate principal amount of the Notes actually represented at a meeting of Holders is sufficient to approve such resolution, and no approval by the competent superior cantonal composition court will be required.

Furthermore, in connection with any meeting of Holders, the Holders may appoint a Holders' representative. The consent of Holders representing more than one-half of the outstanding aggregate principal amount of the Notes is required to (x) revoke or modify the authority conferred on a Holders' representative, if any, or (y) grant a Holders' representative authority to safeguard the rights of all the Holders in insolvency proceedings.

In connection with the above-described matters, the aggregate principal amount of the Notes outstanding is determined on the basis of the Notes that confer voting rights (i.e., all Notes with respect to which the Holder is not the Issuer or any of its subsidiaries).

Notwithstanding the provisions of Swiss law described above, the Terms and Conditions permit the Issuer to make, without the consent or approval of the Holders, the amendments described in clause (b) of Condition 13 (*Meetings of Holders; Substitution and Amendment*) upon the occurrence of a Tax Event or Regulatory Event, as well as such amendments to the 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 Condition 5(c) (*Interest – Benchmark replacement*) (including any Adjustment Spread determined in accordance with subclause (v)(A)(2) thereof and any alternative method for determining the Reference 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 12 (*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 (iii) of Condition 8(e) (*Conversion – Qualifying Relevant Event*) and/or subclause (i)(B) of Condition 9(e) (*Conversion – Qualifying Relevant Event*), 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. The Issuer must notify the Holders of any such amendment in accordance with the Terms and Conditions, which notice will state the date on which such amendment will be effective.

## GENERAL INFORMATION

### 1. Admission to Trading and Listing

The Notes are expected to be provisionally admitted to trading on the SIX Swiss Exchange from [•]\*. The last day of trading in the Notes on the SIX Swiss Exchange is expected to be the second trading day prior to the date on which the Notes are fully redeemed in accordance with the Terms and Conditions. Application will be made for the Notes to be definitively admitted to trading and listed on the SIX Swiss Exchange.

In accordance with article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed UBS AG as its representative to file the application with SIX Exchange Regulation Ltd in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Notes on the SIX Swiss Exchange.

### 2. Authorisation

The creation and issue of the Notes was authorised by the Group Treasurer on 12 June 2024.

### 3. Material Change

Except as otherwise disclosed in this Prospectus (including in the documents incorporated by reference herein), no material changes have occurred in the Issuer's assets and liabilities, financial position or profits and losses since 31 March 2024.

### 4. Legal and Arbitration Proceedings

Except as otherwise disclosed in this Prospectus (including in the documents incorporated by reference herein), there are no court, arbitral or administrative proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) which are of material importance to the Issuer's assets and liabilities or profits and losses.

### 5. Legal Entity Identifier ("LEI") Code

The LEI code of the Issuer is 549300SZJ9VS8SGXAN81.

### 6. Clearing

The Notes have been accepted for clearance through SIX SIS. The ISIN is [•]\*, the common code is [•]\* and the Swiss Security Number is [•]\*.

### 7. Credit Rating Agencies

The Notes [have been]/[are expected to be]\* assigned a rating of [•]\* by Fitch and [•]\* by Moody's.

### 8. Joint Lead Managers transacting with the Issuer

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing, cash management and brokerage activities. The Joint Lead Managers and their affiliates have performed and will continue to perform investment banking, commercial banking, hedging, cash management and advisory services for the Issuer and its affiliates from time to time, including acting as underwriters or book-runners in the Issuer's past offerings, for which they have received or may receive customary fees and expenses. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for

their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Joint Lead Managers of their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

9. **Foreign Language**

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them.

10. **Websites**

Save as otherwise indicated herein, information on or accessible through any website mentioned in this Prospectus does not form part of and is not incorporated into this Prospectus.

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**Oversea-Chinese Banking Corporation  
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**PRINCIPAL PAYING AGENT, CALCULATION AGENT,  
SETTLEMENT AGENT AND LISTING AGENT**

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