

IMPORTANT NOTICE

THE ATTACHED DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") PURCHASING THE NOTES DESCRIBED THEREIN IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), PROVIDED BY RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") OR (2) NON-US PERSONS LOCATED OUTSIDE OF THE UNITED STATES PURCHASING THE SECURITIES IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**"), AND IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES.

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NOTHING IN THIS ELECTRONIC TRANSMISSION AND/OR THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND PERMITTED BY, REGULATION S OR WITHIN THE UNITED STATES TO QIBs PURSUANT TO RULE 144A OR PURSUANT TO ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC TRANSMISSION AND/OR THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT AND/OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB OR (2) IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES.

Prospective purchasers are hereby notified that the seller of any note described in the attached document may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

This electronic transmission and the attached document are addressed to and directed only at persons in member states of the European Economic Area ("**EEA**") and in the United Kingdom who are qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129 ("**Qualified Investors**"). In addition, in the United Kingdom, this electronic transmission and the attached document 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, as amended (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 attached document must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) 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 attached document relate is available only to relevant persons in the United Kingdom and Qualified Investors in any member state of the EEA, and will be engaged in only with such persons.

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Confirmation of Your Representation: This electronic transmission and the attached document are delivered to you on the basis that you are deemed to have represented to UBS and each of UBS Securities LLC, UBS AG and UBS AG London Branch (collectively, the "**Dealers**") that you understand and agree to the terms set out herein and (i) you are a QIB and you are acquiring the Notes described in the attached document for your own account and/or for the account of another QIB; or (ii) you are a non-US person that is outside the United States for the purposes of Regulation S and (a) if you are a person in a member state of the EEA, you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors or relevant persons, to the extent that you are acting on behalf of persons or entities in the EEA or the United Kingdom, (b) if you are a person in the United Kingdom, 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 United Kingdom or in the EEA, or (c) you are an institutional investor that is otherwise eligible to receive this electronic transmission and the attached document. You shall also be deemed to have represented to UBS and each of the Dealers that you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the attached document, electronically or otherwise, to any other person. If you receive the attached document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive the attached document in electronic format by e-mail, your use of such attached document in electronic format and e-mail is at your own risk and it is your responsibility to take precautions to ensure that each is free from viruses and other items of a destructive nature.

If a jurisdiction requires that the offering to which this electronic transmission and the attached document relates be made by a licensed broker or dealer and any Dealer or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or affiliate on behalf of UBS in such jurisdiction.

The attached document 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 attached document distributed to you in electronic format and any hard copy version that will be made available to you by UBS upon request.

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO ANY JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY LAW.



UBS GROUP AG

Senior Debt Programme

Under this Senior Debt Programme (the "**Programme**"), UBS Group AG, a company incorporated in Switzerland (the "**Issuer**" and together with its subsidiaries, the "**UBS Group**" or "**UBS**" or the "**Group**"), may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, as more particularly described in Condition 4 (*Status of the Notes*) in the General Terms and Conditions of the Notes beginning on page 39 of this Base Prospectus (the "**General Terms and Conditions**").

The Notes will be issued in series (each, a "**Series**"). Each Series may consist of one or more tranches of Notes issued on different issue dates (each a "**Tranche**"). For the issuance of each Tranche of Notes, a pricing supplement specific to such Tranche of Notes (with respect to such Tranche, the "**Pricing Supplement**") will be prepared. Potential investors should read this Base Prospectus and the applicable Pricing Supplement carefully before investing in any Notes. The terms and conditions of any particular Tranche of Notes (with respect to such Tranche, the "**Terms and Conditions of the Notes**") consist of the General Terms and Conditions, as completed, supplemented, modified and/or replaced by the terms set forth in Part A of the applicable Pricing Supplement.

An investment in Notes involves certain risks. For a discussion of these risks, please see "Risk Factors" beginning on page 1 of this Base Prospectus.

By acceptance of any direct or beneficial interest in a Note, each Holder and each beneficial owner of Notes acknowledges, agrees to be bound by, and consents to the exercise of, any Swiss Resolution Power with respect to the Issuer that results in the write-down and cancellation and/or conversion into equity of the Issuer of the entire, or a portion of the, principal amount of, and/or accrued interest on, the Notes, irrespective of whether such amounts have already become due and payable prior to such action. By acceptance of any direct or beneficial interest in a Note, each Holder and each beneficial owner of Notes further acknowledges, agrees to be bound by, and consents to the ordering of, any Restructuring Protective Measure that results in the deferment of the payment of principal and/or interest under the Notes. By acceptance of any direct or beneficial interest in a Note, each Holder and each beneficial owner of Notes further acknowledges, agrees and consents that its rights are subject to, and, if necessary, will be altered without such Holder's consent, including by means of an amendment or modification to the Notes and the Terms and Conditions of the Notes so as to give effect to any such exercise of any Swiss Resolution Power or any such ordering of Restructuring Protective Measures. See Condition 1 (*Definitions*) and Condition 16 (*Swiss Resolution Power and Restructuring Protective Measures*) of the General Terms and Conditions for more information, including the definitions of Holder, Swiss Resolution Power and Restructuring Protective Measures.

This Base Prospectus has been approved as a base prospectus within the meaning of article 45 of the Swiss Financial Services Act of 15 June 2018 (the "**FinSA**") by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the FinSA (in such capacity, the "**Swiss Review Body**") as of 24 July 2020. In respect of any Tranche of Notes to be issued during the 12 months from the date of this Base Prospectus, this Base Prospectus (as amended or supplemented as of the date of the applicable Pricing Supplement), together with the applicable Pricing Supplement, will constitute the prospectus for purposes of the FinSA. Each Series of Notes may be admitted to trading and listed on the SIX Swiss Exchange or may be unlisted. A Series of Notes may also be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer.

In the case of any Tranche of Notes to be listed on the Taipei Exchange (the "**TPEX**") in the Republic of China ("**Taiwan**" or "**ROC**"), (i) the TPEX shall not be responsible for the contents of this Base Prospectus,

(ii) no representation is made by the TPEx as to the accuracy or completeness of this Base Prospectus, (iii) the TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Base Prospectus, and (iv) admission to the listing and trading of such Notes on the TPEx shall not be taken as an indication of the merits of the Issuer or such Notes.

The Issuer accepts responsibility for the content of this Base Prospectus and the Pricing Supplement for each Tranche of Notes issued under the Program and declares that the information contained in this Base Prospectus is, to the best of its knowledge, correct and no material facts or circumstances have been omitted from this Base Prospectus.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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 Base 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 Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer or any of the Dealers, that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes, should subscribe for or purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

This Base 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 neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 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).

The distribution of this Base Prospectus and any Pricing Supplement and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and the Dealers 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 the distribution of this Base Prospectus or any Pricing Supplement and other offering material relating to the Notes, see "*Selling Restrictions*" and the relevant Pricing Supplement. Neither this Base Prospectus nor any Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

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, he or she should consult his or her professional advisers.

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.

MiFID II product governance / target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Notes issued under the Programme are not bank deposits: Investments in any Notes issued under the Programme carry risks which are very different from the risk profile of a bank deposit placed with UBS or its affiliates. Notes issued under the Programme will have different yield, liquidity and risk profiles and would not benefit from any protection provided to deposits.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

This Base Prospectus has been prepared on the basis that any offer of Notes in any member state of the EEA or in the United Kingdom (each, a "**Relevant State**") will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Accordingly, any person making or intending to make an offer which are the subject of the offering contemplated in this Base Prospectus may only do so in circumstances in which no obligation arises for the Issuer or any of the Dealers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Dealers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Dealers to publish or supplement a prospectus for such offer.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may include Notes in uncertificated form that are subject to United States tax law requirements. Accordingly, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

The Notes are being offered and sold (A) in registered or uncertificated form outside the United States to non-US persons only (as defined in Regulation S under the US Securities Act ("**Regulation S**")) in reliance on Regulation S and (B) if so specified in the applicable Pricing Supplement, in registered form in the United States to "qualified institutional buyers" only (as defined in Rule 144A under the US Securities Act ("**Rule 144A**")) in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of section 5 of the US Securities Act provided by Rule 144A. See "*Selling Restrictions*".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

For as long as any of the Registered Notes (as defined in the General Terms and Conditions) remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Issuer has agreed that it will, during any period in which it is neither subject to the reporting

requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, furnish, upon request, to any person in whose name such restricted securities are registered, to any owner of a beneficial interest in such restricted securities, and to any prospective purchaser of such restricted securities or beneficial interest therein designated by any such person or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act.

DEFINITIONS

All references in this document to "**Member State**" refer to a Member State of the European Economic Area (the "**EEA**"), those to "**US dollars**", "**USD**" and "**US\$**" refer to the currency of the United States of America, those to "**Japanese Yen**" and "**JPY**" refer to the currency of Japan, those to "**Pounds sterling**" and "**GBP**" refer to the currency of the United Kingdom, those to "**Swiss francs**" and "**CHF**" refer to the currency of Switzerland, those to "**euro**" and "**EUR**" refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of the Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro as amended and those to "**Australian dollars**", "**AUD**" and "**A\$**" are to the currency of Australia. All references to "**United States**" or "**US**" are to the United States of America, those to "**China**" and the "**PRC**" mean the People's Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau Special Administrative Regions and Hong Kong, those to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China, those to "**Singapore**" are to the Republic of Singapore, those to "**Switzerland**" are to the Swiss Confederation, those to "**Australia**" are to the Commonwealth of Australia, and all references to "**United Kingdom**" or the "**UK**" are to the United Kingdom of Great Britain and Northern Ireland.

IMPORTANT – EEA AND UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and 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 EEA or 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 (11) of Article 4(1) of MiFID II; (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; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

The Pricing Supplement in respect of any Notes may include a legend entitled "**Singapore Securities and Futures Act Product Classification**" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for the purposes of section 309B(1)(a). Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for the purposes of section 309B(1)(c) of the SFA.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot such Notes or effect transactions with a view to supporting the market price of such Notes at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of 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 relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules and, in particular, must not be conducted in Australia or on a market operated inside Australia. Any loss or profit sustained

as a consequence of any such over-allotment or stabilisation shall, as against the Issuer, be for the account of the Stabilising Manager(s).

CREDIT RATINGS

Tranches of Notes will be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating(s) described below or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement.

In Australia, credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in Australia in which the person may be located. Anyone in Australia who is not such a person is not entitled to receive this Base Prospectus and/or the relevant Pricing Supplement and anyone who receives this Base Prospectus and/or the relevant Pricing Supplement must not distribute it to any person in Australia who is not entitled to receive it.

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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Base Prospectus contains or incorporates statements that constitute "forward-looking statements". In this Base Prospectus and the incorporated documents, forward-looking statements may include, but are not limited to, management's outlook for UBS's financial performance and statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development. While these forward-looking statements represent UBS's judgments and expectations 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. Refer to the "*Risk Factors*" section of this Base Prospectus, and in particular to the discussion of the "*Risks relating to UBS*" contained therein, for more information.

SUMMARY

This summary should be read as an introduction to this Base 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 Base Prospectus as a whole, including the documents incorporated by reference herein, as completed, supplemented, modified and/or replaced by the applicable Pricing Supplement. This summary is therefore qualified in its entirety by the remainder of this Base Prospectus and the applicable Pricing Supplement.

Potential investors in 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 Base Prospectus, as completed, supplemented, modified and/or replaced by the information set out in the applicable Pricing Supplement.

Capitalised terms used in this summary but not defined herein have the meanings assigned to them elsewhere in this Base Prospectus (including the General Terms and Conditions).

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| 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 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. |
| Description | Senior Debt Programme. |
| Arranger | UBS AG London Branch. |
| Dealers | UBS AG London Branch UBS Securities LLC UBS AG and such other dealers that may be appointed from time to time by the Issuer either generally for the Programme or in relation to a particular Series or Tranche of Notes (each, a " Dealer "). The Dealer(s) for a particular Series or Tranche of Notes will be specified in the applicable Pricing Supplement. |
| Principal Paying Agent (in respect of Uncertificated Notes) | UBS AG. |
| Fiscal Agent (in respect of Registered Notes) | Deutsche Bank Trust Company Americas (the " Fiscal Agent "). |
| Registrar (in respect of Registered Notes) | Deutsche Bank Trust Company Americas. |
| Swiss Paying Agent | UBS AG. |
| Method of Issue | The Notes will be issued in series (each, a " Series "). Each Series may consist of one or more tranches of Notes issued on different issue dates (each, a " Tranche "). The Notes of each Tranche of the same Series will have identical terms in all respects, except for the issue date, the first date on which interest is paid and/or the first date on which interest begins to accrue. The specific terms and conditions of |

each Tranche of Notes will consist of the General Terms and Conditions, as completed, supplemented, modified and/or replaced by the applicable Pricing Supplement.

The Notes will be issued on a syndicated or non-syndicated basis. The specific terms of the offer of any Tranche of Notes will be set out in the applicable Pricing Supplement.

Form of Notes

The Notes of each Series will be issued in either uncertificated form ("**Uncertificated Notes**"), without interest coupons attached, or registered form ("**Registered Notes**"), without interest coupons attached, as indicated in the applicable Pricing Supplement.

Notes of each Tranche that are initially sold in the United States to "qualified institutional buyers" within the meaning of Rule 144A under the US Securities Act of 1933, as amended (the "**US Securities Act**") ("**Rule 144A Notes**"), will be issued as Registered Notes.

Notes of each Tranche that are initially sold in an "offshore transaction" within the meaning of Regulation S under the US Securities Act ("**Regulation S Notes**") will be issued as Uncertificated Notes, unless any Tranche of Notes of the same Series are Rule 144A Notes, in which case they will be issued as Registered Notes.

Uncertificated Notes

Each Tranche of Uncertificated Notes will be issued in uncertificated form as uncertificated securities (*Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations, which 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 Ltd ("**SIS**") or such other intermediary (*Verwahrungsstelle*) in Switzerland recognised by SIX Swiss Exchange for purposes of article 6(1)(c) of the Swiss Federal Intermediated Securities Act of 3 October 2008 (as amended, the "**FISA**") (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 Uncertificated Notes will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") within the meaning of the FISA.

For so long as the Uncertificated Notes are Intermediated Securities, the Uncertificated Notes may only be transferred by the entry of the transferred Uncertificated Notes in a securities account of the transferee, as set out in the provisions of the FISA regarding the transfer of Intermediated Securities. The records of the Intermediary will determine the number of Uncertificated Notes held through each participant in that Intermediary.

Payments of principal, interest or any other amount in respect of Uncertificated Notes will be made through SIS (or any other relevant Intermediary) without any requirement for certification. Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the Uncertificated Notes into, or the delivery of, a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).

Registered Notes

Registered Notes that are Regulation S Notes will initially be represented by one or more permanent registered global certificates (each, a "**Regulation S Registered Global Certificate**"), without interest coupons, deposited with the Fiscal Agent as custodian for, and

registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("**DTC**"), *provided* that upon such Regulation S Registered Global Certificate's deposit, all beneficial interests in the Registered Notes represented thereby are maintained at or through Euroclear Bank SA/NV and/or Clearstream Banking S.A. until expiration of the Distribution Compliance Period. Registered Notes that are Rule 144A Notes will be initially represented by one or more permanent registered global certificates (each, a "**Rule 144A Registered Global Certificate**" and, together with a Regulation S Registered Global Certificate, "**Registered Global Certificates**"), without interest coupons, deposited with the Fiscal Agent as custodian for, and registered in the name of Cede & Co., as nominee for, DTC. The form of Regulation S Registered Global Certificate and the form of Rule 144A Registered Global Certificate are set out in the Senior Debt Fiscal Agency Agreement, which will be made available by the Registrar to any Holder or Indirect Holder upon written request.

Definitive Notes in registered form ("**Registered Definitive Certificates**") will be issued, and interests in a Registered Global Certificate will be exchanged, in whole, but not in part, for Registered Definitive Certificates, if (and only if), (i) DTC or any other clearing system outside of Switzerland designated as Depository by the Issuer (DTC or such other clearing system, the "**Depository**") notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to some or all of the Registered Global Certificates of the relevant Series, or ceases to be a "clearing agency" registered under the US Securities and Exchange Act of 1934, as amended, or (ii) at any time the Depository is no longer eligible to act as such, or the Registered Notes of the relevant Series cease for any reason to be eligible for clearing through the Depository, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility of the Depository or of such Registered Notes, as the case may be, from or behalf of the Depository, or (iii) issuance of the Registered Definitive Certificates is required by Swiss or other applicable laws or regulations in connection with the enforcement of rights under the Registered Notes of the relevant Series, or (iv) the Issuer provides its consent. Registered Definitive Certificates, if any, will be printed without interest coupons.

Title to Registered Notes will pass on transfer by assignment (*Zession*) and due registration in the Registered Note Register. All transfers of Registered Notes and entries on the Registered Note Register will be made subject to the provisions concerning transfers of Registered Notes set forth in the Senior Debt Fiscal Agency Agreement, which will be made available by the Registrar to any Holder or Indirect Holder upon written request. Transfers of Registered Notes, or of beneficial interests in Registered Notes represented by Registered Global Certificates, may be made only in accordance with the legend set forth upon the face of the applicable Registered Global Certificate or Registered Definitive Certificate, and the Registrar will not be required to accept for registration of transfer any Registered Note or beneficial interests in Registered Notes except upon presentation of evidence satisfactory to the Fiscal Agent and the Registrar that such transfer is being made in compliance with such legend.

Issue Price

Notes will be issued on a fully-paid basis and may be issued at par or at a discount or premium to par, as specified in the applicable Pricing Supplement.

Currency

Subject to any applicable legal or regulatory restrictions, Uncertificated Notes may be denominated in any currency as may be

agreed between the Issuer and the relevant Dealer and specified in the applicable Pricing Supplement. Registered Notes will be denominated in US Dollars.

Denomination

Subject to any applicable legal or regulatory restrictions, Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Pricing Supplement.

If a Tranche of Notes will be issued, offered for sale or transferred in, or into, Australia, the minimum denomination of such Notes may be any amount provided that 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) and such issue, offer or invitation does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act 2001 (Cth) of Australia.

Status

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, except for such obligations that are preferred in accordance with applicable law at the relevant time.

Maturity

Subject to any applicable legal or regulatory restrictions, Notes may be issued with any maturity as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Pricing Supplement.

Interest

Other than in the case of Zero Coupon Accreting Notes, the Notes will bear interest. Interest may be at a fixed or floating rate and may vary during the lifetime of the relevant Series.

Fixed Rate Notes

Fixed Rate Notes will bear interest at the fixed rate specified in the applicable Pricing Supplement. Interest on Fixed Rate Notes will be payable in arrear on such date or dates specified in the applicable Pricing Supplement and on redemption. Unless a Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement as being payable on such date, the amount of interest payable on any date will be calculated on the basis of such Day Count Fraction as specified in the applicable Pricing Supplement.

Fixed Rate/Fixed Rate Notes

Fixed Rate/Fixed Rate Notes will initially bear interest at the fixed rate specified in the applicable Pricing Supplement to but excluding (or, in the case of Swiss Franc Notes, to and including) the Reset Date (as specified in the applicable Pricing Supplement). Thereafter, the interest rate applicable to the Fixed Rate/Fixed Rate Notes will be reset to a new fixed rate, which rate will be determined by the Issuer on the Reset Determination Date (as specified in the applicable Pricing Supplement) on the basis of the reference rate specified in the applicable Pricing Supplement as adjusted for the applicable margin. Interest on Fixed Rate/Fixed Rate Notes will be payable in arrear on such date or dates specified in the applicable Pricing Supplement and on redemption. Unless a Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement as being payable on such date, the amount of interest payable on any date will be calculated on the basis of such Day Count Fraction as specified in the applicable Pricing Supplement.

Floating Rate Notes

Floating Rate Notes will bear interest at a floating rate determined on the basis of the reference rate specified in the applicable Pricing Supplement and reset on the date or dates specified in the applicable Pricing Supplement, as adjusted for any applicable Margin (as specified in the applicable Pricing Supplement). Interest on Floating Rate Notes will be payable in arrear on such date or dates specified in the applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as specified in the applicable Pricing Supplement. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Fixed Rate/Floating Rate Notes

Fixed Rate/Floating Rate Notes will initially bear interest at the fixed rate specified in the applicable Pricing Supplement to but excluding (or, in the case of Swiss Franc Notes, to and including) the Floating Rate Commencement Date (as specified in the applicable Pricing Supplement). Thereafter, the interest rate applicable to the Fixed Rate/Floating Rate Notes will convert to a floating rate, which rate will be determined on the basis of the reference rate specified in the applicable Pricing Supplement and reset on the date or dates specified in the applicable Pricing Supplement, as adjusted for any applicable Margin (as specified in the applicable Pricing Supplement). Such floating rate may be subject to maximum interest rate, a minimum interest rate or both. Interest on Fixed Rate/Floating Rate Notes will be payable in arrear on such date or dates specified in the applicable Pricing Supplement and on redemption. Unless a Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement as being payable on such date or dates, the amount of interest payable on any date will be calculated on the basis of such Day Count Fraction as specified in the applicable Pricing Supplement.

Zero Coupon Accreting Notes

Zero Coupon Accreting Notes will not bear interest, unless the redemption amount is improperly withheld or refused when due, in which case, any overdue principal on the Notes will bear interest at a rate per annum equal to the accrual yield specified in the applicable Pricing Supplement to (but excluding) the date of payment. See Condition 5(e) (*Zero Coupon Accreting Notes*) of the General Terms and Conditions.

Redemption

Notes may be redeemed at their stated maturity at par or at such other redemption amount above par as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Pricing Supplement.

Optional Early Redemption following a Tax Event

Subject to the prior approval of FINMA, if such approval is then required under applicable Swiss laws and regulations and certain other conditions, if at any time after the relevant issue date, the Issuer in making any payments on any Series of Notes (i) has paid, or will or would on the next payment date be required to pay, Additional Amounts, or (ii) has paid, or will or would be required to pay, any additional Tax in respect of the Notes, in the case of each of clauses (i) and (ii), as a result of any changes in, or amendment to, the laws or regulations of Switzerland, and the Issuer cannot avoid the foregoing by taking measures reasonably available to it, the Issuer may elect, in its sole discretion, to redeem the Notes of such Series, in whole but not in part, at their aggregate principal amount, together with any accrued and unpaid interest thereon to (but excluding) (or, in the case of Notes denominated in Swiss francs, to and including) the relevant Early Redemption Date, as more particularly described in Condition 6(b) (*Early redemption due to a Tax Event*) and Condition 6(f)

(*Conditions for early redemption*) of the General Terms and Conditions.

Optional Early Redemption upon exercise of Issuer Call

If specified in the Pricing Supplement as being applicable to a Series of Notes and subject to the prior approval of FINMA, if such approval is then required under applicable Swiss laws and regulations and certain other conditions, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on any Optional Redemption Date (as specified in the applicable Pricing Supplement) at the Optional Redemption Amount (as specified in the applicable Pricing Supplement), together with any accrued and unpaid interest thereon to (but excluding) (or, in the case of Notes denominated in Swiss francs, to and including) the relevant Optional Redemption Date, as more particularly described in Condition 6(c) (*Early redemption at the option of the Issuer (Issuer Call)*) and Condition 6(f) (*Conditions for early redemption*) of the General Terms and Conditions.

Early Redemption due to an Ineligibility Event

If specified in the Pricing Supplement as being applicable to a Series of Notes and subject to the prior approval of FINMA, if such approval is then required under applicable Swiss laws and regulations and certain other conditions, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on any Ineligibility Event Redemption Date (as specified in the applicable Pricing Supplement) at the Ineligibility Event Redemption Amount (as specified in the applicable Pricing Supplement), together with any accrued and unpaid interest thereon to (but excluding) (or, in the case of Notes denominated in Swiss francs, to and including) the relevant Ineligibility Event Redemption Date, as more particularly described in Condition 6(e) (*Early redemption due to an Ineligibility Event*) and Condition 6(f) (*Conditions for early redemption*) of the General Terms and Conditions.

Early Redemption upon exercise of a Make-Whole Redemption

If specified in the applicable Pricing Supplement as being applicable to a Series of Notes and subject to the prior approval of FINMA, if such approval is then required under applicable Swiss laws and regulations and certain other conditions, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on any Make-Whole Redemption Date (as specified in the applicable Pricing Supplement) at the Make-Whole Redemption Amount, together with any accrued and unpaid interest thereon to (but excluding) (or, in the case of Notes denominated in Swiss francs, to and including) the relevant Make-Whole Redemption Date, as more particularly described in Condition 6(d) (*Early redemption at the option of the Issuer (Make-Whole Redemption)*) and Condition 6(f) (*Conditions for early redemption*) of the General Terms and Conditions.

Events of Default

With respect to any Series of Notes, it will be an Event of Default if:

- the Issuer fails to pay the principal amount of, or any interest on, any Note of such Series if and when the same becomes due and payable under the Notes, and such failure continues unremedied by the Issuer for a period of 30 days; or
- the Issuer fails to observe or perform any other covenant, condition, or agreement contained in the Terms and Conditions of the Notes, and such failure continues unremedied for a period of 60 days after written notice thereof from any Holder to the Issuer; or

- certain events of bankruptcy, insolvency or insolvent reorganisation occur or are taken with respect to the Issuer,

provided, however, that none of: (i) a UBS Group Restructuring Event; (ii) the exercise of any Swiss Resolution Power with respect to the Issuer that requires or results in any write-down and cancellation and/or conversion into equity of the Issuer of the entire, or a portion of, the principal of, and/or accrued interest on, the Notes; (iii) the ordering of any Restructuring Protective Measures that require or result in the deferment of payment of principal and/or interest in respect of the Notes; and (iv) any consequences resulting from any of the foregoing will constitute a default or an Event of Default. For the avoidance of doubt, any consequences resulting from any Protective Measures ordered by the Swiss Resolution Authority with respect to the Issuer that are ordered outside of and independently of any UBS Group Restructuring Proceedings that would otherwise constitute a default or an Event of Default will constitute a default or an Event of Default, as applicable.

If an Event of Default has occurred and is continuing, the Holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes of the relevant Series may declare all such Notes to be immediately due and payable, as more particularly described in Condition 11 (*Events of Default*) of the General Terms and Conditions.

Acknowledgement of Swiss Resolution Power and Restructuring Protective Measures

By acceptance of any direct or beneficial interest in a Note, each Holder and each beneficial owner of Notes will acknowledge, agree to be bound by, and consent to the exercise of, any Swiss Resolution Power with respect to the Issuer that results in the write-down and cancellation and/or conversion into equity of the Issuer of the entire, or a portion of the, principal amount of, and/or accrued interest on, the Notes, irrespective of whether such amounts have already become due and payable prior to such action. By acceptance of any direct or beneficial interest in a Note, each Holder and each beneficial owner of Notes will further acknowledge, agree to be bound by, and consent to the ordering of, any Restructuring Protective Measure that results in the deferment of the payment of principal and/or interest under the Notes. By acceptance of any direct or beneficial interest in a Note, each Holder and each beneficial owner of Notes will further acknowledge, agree and consent that its rights are subject to, and, if necessary, will be altered without such Holder's consent, including by means of an amendment or modification to the Notes and the Terms and Conditions of the Notes so as to give effect to any such exercise of any Swiss Resolution Power or any such ordering of Restructuring Protective Measures. See Condition 1 (*Definitions*) and Condition 16 (*Swiss Resolution Power and Restructuring Protective Measures*) of the General Terms and Conditions.

No Set-off

Subject to applicable law, by acceptance of any direct or beneficial interest in a Note, each Holder and each beneficial owner of Notes will agree that it will not, and will waive 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. See Condition 20 (*No Set-off by Holders*) of the General Terms and Conditions.

Issuer Substitution

Subject to certain conditions, the Issuer may, without consent of the Holders, substitute any direct or indirect controlled subsidiary of the Issuer for all purposes under any Series of Notes at any time (an

"Issuer Substitution"), as more particularly described in Condition 15 (*Issuer Substitution*) of the General Terms and Conditions.

Governing Law

The Notes and the Paying Agency Agreement for Uncertificated Notes will be governed by Swiss law. The Senior Debt Fiscal Agency Agreement for Registered Notes will be governed by New York law.

Date and Approval of Base Prospectus

This Base Prospectus is dated, and was approved as a base prospectus within the meaning of article 45 of the FinSA by SIX Exchange Regulation Ltd in its capacity as a Swiss review body pursuant to article 52 of the FinSA (in such capacity, the **"Swiss Review Body"**) on 24 July 2020.

In respect of any Tranche of Notes to be issued during the 12 months from the date of this Base Prospectus, this Base Prospectus (as amended or supplemented as of the date of the applicable Pricing Supplement), together with the applicable Pricing Supplement, will constitute the prospectus for purposes of the FinSA.

In the case of any Tranche of Notes to be publicly offered in Switzerland and/or with respect to which application will be made to admit such Notes to trading on the SIX Swiss Exchange, the applicable Pricing Supplement will be filed with the Swiss Review Body and published in accordance with the FinSA as soon as the final terms of such Notes are available, but, in the case of an admission to trading, in any case no later than the first day of trading for such Notes on the SIX Swiss Exchange. The Pricing Supplement for such Notes will not be reviewed or approved by the Swiss Review Body.

Admission to Trading and Listing and/or Quotation

Each Series of Notes may be admitted to trading and listed on the SIX Swiss Exchange or may be unlisted. A Series of Notes may also be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system that does not require a prospectus to be prepared under the Prospectus Regulation. The specific terms of any admission to trading and listing and/or quotation of any Tranche of Notes will be set out in the applicable Pricing Supplement.

ERISA

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the US Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**), the US Internal Revenue Code, as amended (the **"Code"**), or any US federal, state, local, non-US or other law or regulation that is substantially similar to the foregoing provisions of ERISA and the Code will not be permitted to purchase or hold Notes (or any interest therein) offered under this Base Prospectus unless it makes certain deemed representations. See the section of this Base Prospectus titled *"ERISA Matters"* for more detail.

Selling and Transfer Restrictions

The Notes are subject to restrictions on their offer, sale, delivery and transfer both generally and specifically in the United States of America, the United Kingdom, Republic of Italy, Japan, Singapore, Taiwan, Hong Kong, France, the PRC, Australia, Canada and the EEA. These restrictions are described under the section of this Base Prospectus titled *"Selling Restrictions"*.

Further restrictions may be required in connection with particular Series or Tranches of Notes, and, if so, will be specified in the applicable Pricing Supplement.

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| Clearing Systems | DTC in respect of Registered Notes and SIS in respect of Uncertificated Notes. |
| Rule 144A | Offers and sales in accordance with Rule 144A under the US Securities Act will be permitted, if specified in the applicable Pricing Supplement, subject to compliance with all relevant legal and regulatory requirements of the United States of America. |
| Regulation S | Offers and sales in accordance with Regulation S under the US Securities Act will be permitted, subject to compliance with all relevant legal and regulatory requirements of the United States of America. |

ABOUT THIS BASE PROSPECTUS

Documents Incorporated by Reference

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

- (a) UBS Group AG's and UBS AG's annual report for the year ended 31 December 2019 ("**Annual Report 2019**"), which the Issuer filed on Form 20-F with the United States Securities and Exchange Commission (the "SEC") on 3 March 2020 (accessible at the date of this Base Prospectus at: https://www.ubs.com/global/en/investor-relations/financial-information/sec-filings/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/innergrid_2025441247/xcol1/linklist/link_1709643363.0057919201.file/bGluay9wYXR0PS9jb250ZW50L2RhbmS9hc3NldHMvY2MvaW52ZXN0b3ItemVsYXRpb25zL2ZpbmFuY2lhbC1pbmZvcmlhdGlvbi9zZWVvMjAxOS8yMGYtZnVsbC1yZXBvenQtMjAxOS5wZGY=/20f-full-report-2019.pdf);
- (b) UBS Group AG's audited standalone financial statements for the year ended 31 December 2019 (the "**Standalone Financial Statements**"), which the Issuer furnished on Form 6-K to the SEC on 28 February 2020 (accessible at the date of this Base Prospectus at: https://www.ubs.com/global/en/investor-relations/financial-information/sec-filings/archive-sec/_jcr_content/mainpar/toplevelgrid/col1/accordionbox/linklist_606114640/link_1033817985.0332463460.file/bGluay9wYXR0PS9jb250ZW50L2RhbmS9hc3NldHMvY2MvaW52ZXN0b3ItemVsYXRpb25zL2ZpbmFuY2lhbC1pbmZvcmlhdGlvbi9zZWVvMjAxOS80cTE5LzZrLXVicy1ncm9lcC1hZy1zdGFuZGFsb25lTMxLTEyLTE5LnBkZg==/6k-ubs-group-ag-standalone-31-12-19.pdf);
- (c) UBS Group AG's first quarter 2020 financial report (the "**First Quarter 2020 Report**"), which the Issuer furnished on Form 6-K to the SEC on 28 April 2020 (accessible at the date of this Base Prospectus at: https://www.ubs.com/global/en/investor-relations/financial-information/sec-filings/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/innergrid/xcol1/linklist/link.0172205946.file/bGluay9wYXR0PS9jb250ZW50L2RhbmS9hc3NldHMvY2MvaW52ZXN0b3ItemVsYXRpb25zL2ZpbmFuY2lhbC1pbmZvcmlhdGlvbi9zZWVvMjAyMC8xcTIwLzZrLWZlbgwtdmVwb3J0LXVicy1ncm9lcC1hZy1jb25zb2xpZGF0ZWQtMXEyMC5wZGY=/6k-full-report-ubs-group-ag-consolidated-1q20.pdf);
- (d) UBS Group AG's second quarter 2020 financial report (the "**Second Quarter 2020 Report**"), which the Issuer furnished on Form 6-K to the SEC on 21 July 2020 (accessible at the date of this Base Prospectus at: https://www.ubs.com/global/en/investor-relations/financial-information/sec-filings/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/innergrid/xcol1/linklist_674716402/link_1852790661.file/bGluay9wYXR0PS9jb250ZW50L2RhbmS9hc3NldHMvY2MvaW52ZXN0b3ItemVsYXRpb25zL2ZpbmFuY2lhbC1pbmZvcmlhdGlvbi9zZWVvMjAyMC8ycTIwLzZrLWZlbgwtdmVwb3J0LXVicy1ncm9lcC1hZy1jb25zb2xpZGF0ZWQtMnEyMC5wZGY=/6k-full-report-ubs-group-ag-consolidated-2q20.pdf); and
- (e) the articles of association of UBS Group AG dated 9 March 2020 (accessible at: <http://www.ubs.com/governance>); and
- (f) all amendments and supplements to this Base Prospectus prepared by the Issuer from time to time.

Supplements

After the date hereof, a supplement to this Base Prospectus that adds, updates or changes the information contained in this Base Prospectus may be prepared by the Issuer, which supplement will be filed with and, to the extent required by article 56(4) of the FinSA, approved by the Swiss Review Body and published by the Issuer in accordance with the FinSA. Statements contained in any such supplement (or contained in any document incorporated by reference herein via such supplement) will be deemed to modify or supersede statements contained in this Base Prospectus or in a document that is incorporated by reference herein. Any statement so modified or superseded will not, except as so modified or superseded, constitute a part of this Base Prospectus with respect to the Notes offered on or after the date of the relevant supplement.

Availability of Documents

Copies of this Base Prospectus (including the documents incorporated by reference herein and any supplements hereto) 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).

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. 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 Base Prospectus unless otherwise specifically incorporated by reference herein.

The Issuer is subject to the informational requirements of 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 Base Prospectus unless otherwise specifically incorporated by reference herein.

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RISK FACTORS

Prospective investors should read and carefully consider the following risk factors and other information in this Base Prospectus before deciding to invest in the Notes. 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.

Words and expressions defined in the General Terms and Conditions or elsewhere in this Base Prospectus have the same meanings in this section. As used below, the terms "holders of Notes" and "holders" refer to both Holders and beneficial owners of the relevant Series of Notes unless otherwise specified.

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 should consider, among other things, the following:

Risks relating to the Notes

By acceptance of a direct or beneficial interest in a Note, each holder agrees to be bound by the exercise of any Swiss Resolution Power with respect to the Issuer that results in the write-down and cancellation of any Notes and/or their conversion into equity of the Issuer and by the ordering of any Restructuring Protective Measures that result in the deferral of payments under any Notes, any of which actions may result in the loss of an investor's entire investment in the Notes

By acceptance of any direct or beneficial interest in a Note, each holder of the Notes acknowledges, agrees to be bound by, and consents to the exercise of, any Swiss Resolution Power with respect to the Issuer that results in the write-down and cancellation and/or conversion into equity of the Issuer of the entire, or a portion of the, principal amount of, and/or accrued interest on, the Notes, irrespective of whether such amounts have already become due and payable prior to such action. By acceptance of any direct or beneficial interest in a Note, each such holder further acknowledges, agrees to be bound by, and consents to the ordering of, any Restructuring Protective Measures that result in the deferment of payment of principal and/or interest under the Notes. By acceptance of any direct or beneficial interest in a Note, each holder further acknowledges, agrees and consents that its rights are subject to, and, if necessary, will be altered without such holder's consent, including by means of an amendment or modification to the Notes and the Terms and Conditions of the Notes, so as to give effect to any such exercise of Swiss Resolution Power or any such ordering of Restructuring Protective Measures.

As a result, holders could lose all or substantially all of their investment in the Notes. If any Notes are fully or partially written down, holders will receive no payment in respect of the principal or interest (or the portion thereof) written down. If the Swiss Resolution Authority orders the conversion of any Notes into equity of the Issuer, securities received by the holders of Notes may be worth significantly less than the Notes and may have a significantly different risk profile. See also "*Holders may lose some or all of their investment in the Notes, or suffer a significant delay in payment, if the Swiss Resolution Authority exercises its broad statutory powers allowing it to order Protective Measures, institute Restructuring Proceedings, exercise any Swiss Resolution Power or institute liquidation proceedings with respect to the Issuer*" below.

Further, each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Note, consents to any and all necessary action taken, if required, by the Fiscal Agent, DTC or any other Person to implement any such exercise of any Swiss Resolution Power and/or ordering of any Restructuring Protective Measures, without any further action or direction on the part of such Holder or Indirect Holder. In addition, each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Note, waives any and all claims against any such Person for, agrees not to initiate a suit against any Person in respect of, and agrees that no such Person shall be liable for, any action that such Person takes or abstains from taking, in either case in accordance with any such exercise. Each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Note, further acknowledges and agrees that the Fiscal Agent is acting solely as the agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Holder or Indirect Holder.

Holders may lose some or all of their investment in the Notes, or suffer a significant delay in payment, if the Swiss Resolution Authority exercises its broad statutory powers allowing it to order Protective Measures, institute Restructuring Proceedings, exercise any Swiss Resolution Power or institute liquidation proceedings with respect to the Issuer

Under the Swiss Banking Act, the Swiss Resolution Authority is able to exercise broad statutory powers with respect to the Issuer as a Swiss parent company of a financial group, including ordering Protective Measures, opening Restructuring Proceedings (and exercising any Swiss Resolution Power in connection therewith), and instituting liquidation proceedings.

If Restructuring Proceedings are opened with respect to the Issuer, the Swiss Resolution Authority would be able to exercise its Swiss Resolution Powers to, among other things, fully or partially write-down and cancel the principal amount of, and/or accrued interest on, the Notes and/or convert the Notes into equity of the Issuer (see also "*—The full or partial write-down of the Notes and/or conversion of the Notes into equity of the Issuer may result in a holder losing all or some of its investment in the Notes*" and "*—The Swiss Resolution Authority has substantial discretion as to which Swiss Resolution Powers it will exercise*" below). Furthermore, the Swiss Resolution Authority may order Restructuring Protective Measures that require or result in the deferment of payment of principal and/or interest under the Notes. In that case, no such payment of principal or interest, as applicable, would be due and payable under the Notes until permitted by the Swiss Resolution Authority (as set forth in the relevant order or as otherwise notified by the Swiss Resolution Authority), and such non-payment would not constitute a default or an Event of Default under the Notes. As a result, all payments on the Notes may cease after the exercise of any Swiss Resolution Power with respect to the Issuer, the ordering of any Restructuring Protective Measures or the institution of liquidation proceedings.

The exercise of Swiss Resolution Powers or, indirectly, the ordering of Restructuring Protective Measures with respect to the Notes may cause holders to lose all or some of their investment in the Notes. If the Swiss Resolution Authority orders the conversion of any Notes into equity of the Issuer, securities received by the holders of Notes may be worth significantly less than the Notes and may have a significantly different risk profile. The exercise by the Swiss Resolution Authority of any of its statutory powers with respect to the Issuer under the resolution regime described above may have a material adverse effect on the price or value of an investment in the Notes and/or the ability of the Issuer to satisfy its obligations under or in respect of the Notes. See also "*—By acceptance of a direct or beneficial interest in a Note, each holder agrees to be bound by the exercise of any Swiss Resolution Power with respect to the Issuer that results in the write-down and cancellation of the Notes and/or their conversion into equity of the Issuer and by the ordering of any Restructuring Protective Measures that result in the deferral of payments under the Notes, any of which actions may result in the loss of an investor's entire investment in the Notes*" above.

The Swiss Resolution Authority has discretion as to when and if to open UBS Group Restructuring Proceedings, and the circumstances under which it would exercise its Swiss Resolution Power are uncertain

The Swiss Resolution Authority may open liquidation proceedings or Restructuring Proceedings with respect to the Issuer (i.e., UBS Group Restructuring Proceedings), if it 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). Generally, such proceedings with respect to a particular entity shall take the form of Restructuring Proceedings, rather than liquidation proceedings, only if (i) the recovery of, or the continued provision of some or all banking services by, the relevant bank entity appears likely and (ii) the creditors of such bank entity are likely better off in Restructuring Proceedings than in liquidation proceedings. The Swiss Resolution Authority retains significant discretion and there is therefore significant uncertainty regarding the specific factors that it would consider in deciding whether to open Restructuring Proceedings with respect to any Swiss financial institution and in any particular circumstances. To the extent it opens UBS Group Restructuring Proceedings, the Swiss Resolution Authority would be able to exercise its Swiss Resolution Powers to, among other things, fully or partially write-down and cancel the principal amount of, and/or accrued interest on, the Notes and/or convert the Notes into equity of the Issuer.

Once the Swiss Resolution Authority has opened UBS Group Restructuring Proceedings, it may consider factors such as the results of operations, financial condition (in particular, the level of indebtedness), liquidity profile and regulatory capital adequacy of the Issuer and its subsidiaries, when determining whether to exercise any Swiss Resolution Power with respect to the Issuer, as well as other factors. The

criteria that the Swiss Resolution Authority would consider in exercising any Swiss Resolution Power provide it with considerable discretion. Therefore, holders may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such Swiss Resolution Power and, consequently, its potential effects on the Notes and/or the Issuer.

Holders and other creditors of the Issuer may bear the losses rather than the creditors of any troubled subsidiary as a result of the exercise of discretion by the Swiss Resolution Authority

In its position paper on resolution of global systemically important banks of 7 August 2013, the Swiss Financial Market Supervisory Authority FINMA ("FINMA") declared that its preferred resolution strategy for global systemically important financial groups consists of central resolution proceedings led by the bank's "home" supervisory and resolution authorities and focuses on the top-level group company. This so-called "single-point-of-entry" resolution strategy would mean that, if UBS AG or one of the Issuer's other subsidiaries faces substantial losses, the Swiss Resolution Authority could intervene by opening Restructuring Proceedings with respect to UBS Group AG and ordering a bail-in of its liabilities (including any Notes) if there is a justified concern that in the near future such losses could impact UBS Group AG. In other words, rather than waiting until the losses are passed on "up the chain" to UBS Group AG, the Swiss Resolution Authority could require or execute a top-down recapitalisation in order to avoid further contagion within the Group. Although the Swiss Resolution Authority would still have the discretion to open Restructuring Proceedings with respect to UBS AG and/or any other troubled Swiss banking subsidiaries independently or concurrently with UBS Group Restructuring Proceedings, assuming the Swiss Resolution Authority follows FINMA's publicly acknowledged single-point-of-entry resolution strategy, this would mean that the Swiss Resolution Authority would only open UBS Group Restructuring Proceedings and might order a full or partial write-down and cancellation and/or conversion into equity of UBS Group AG of the principal of and/or interest on any Notes in order to permit UBS Group AG to recapitalise the troubled subsidiary or subsidiaries. Consequently, investors should be aware that, to the extent that UBS AG or any other subsidiary of UBS Group AG has any instruments or other obligations outstanding at the time of any UBS Group Restructuring Proceedings, including any regulatory capital instruments or other subordinated instruments, it is possible that those instruments or other obligations would remain untouched and outstanding, while the Notes are written-down and/or converted into equity of UBS Group AG in order to recapitalise UBS AG or such other subsidiary. See also "*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*" below.

The full or partial write-down of the Notes and/or conversion of the Notes into equity of the Issuer may result in a holder losing all or some of its investment in the Notes

If the Swiss Resolution Authority opens the UBS Group Restructuring Proceedings, it would be able to exercise its Swiss Resolution Powers to fully or partially write-down the principal of, and/or accrued interest on, any Notes (see "*Holders may lose some or all of their investment in the Notes, or suffer a significant delay in payment, if the Swiss Resolution Authority exercises its broad statutory powers allowing it to order Protective Measures, institute Restructuring Proceedings, exercise any Swiss Resolution Power or institute liquidation proceedings with respect to the Issuer*" above). Upon the occurrence of any full or partial write-down of the Notes, holders would not, at such time or at any time thereafter, (i) receive any shares or other participation rights in the Issuer or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Issuer or (ii) be entitled to any write-up or any other compensation in the event of a potential recovery of the Issuer or any change in the financial condition thereof. In the case of a full write-down of any Notes, the Notes would be permanently written-down to zero and cancelled, and holders would lose all of their investment in the Notes.

Holders should also note that if the Swiss Resolution Authority opens UBS Group Restructuring Proceedings and exercises its Swiss Resolution Powers to fully or partially convert any Notes into equity of the Issuer, the circumstances surrounding such event would likely include a prior deterioration in the market price, if any, of the Issuer's shares, which may be expected to accelerate after the opening of the UBS Group Restructuring Proceedings. Further, there is no assurance that the conversion rate set by the Swiss Resolution Authority would reflect par or other market conditions. As a result, the value of the equity instruments received could be substantially lower than the price paid for any Notes or the principal amount of the Notes. Furthermore, the equity instruments would have a significantly different risk profile from the Notes. As a result, holders could lose all or substantially all of their investment in the Notes.

In addition, following the conversion of Notes into equity of the Issuer, the former holders of such Notes will be effectively subordinated to all creditors in the event of a winding up, liquidation or dissolution of the Issuer, which would increase the risk that holders will lose all or some of their investment. Further, it is uncertain whether and when former holders will actually receive, be credited with, and be in a position to exercise rights under any securities issued upon conversion of the Notes. Any instruments received by Holders of the Notes upon conversion of the Notes will likely not be listed for an extended period of time, if at all, or, if initially or previously listed, might be delisted by the relevant exchange. Unlisted instruments might be less liquid than listed instruments, and therefore might have little or no resale value.

By acceptance of any direct or indirect beneficial interest in a Note, each holder acknowledges, agrees to be bound by, and consents to, the exercise of this write-down and conversion authority. For additional information on the resolution regime under Swiss banking laws and regulations as it currently applies to the Issuer and the various restructuring tools available to FINMA, see "*Regulation and supervision—Regulation and supervision in Switzerland*" in the Annual Report 2019, "*— Substantial changes in regulation may adversely affect UBS's businesses and its ability to execute its strategic plans*" and "*—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 or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on UBS's shareholders and creditors*".

The Swiss Resolution Authority has substantial discretion as to which Swiss Resolution Powers it will exercise

Together with the relevant provisions of the Swiss Banking Act, the FINMA Ordinance of 30 August 2012 on the Insolvency of Banks and Securities Dealers (as amended, the "**Swiss Banking Insolvency Ordinance**") governs Restructuring Proceedings and liquidation proceedings with respect to Swiss banks and securities dealers, such as UBS AG, and, since 1 January 2016, Swiss parent companies of financial groups, such as the Issuer.

Instead of prescribing a particular resolution concept, the Swiss Banking Insolvency Ordinance provides the Swiss Resolution Authority with a significant amount of authority and discretion in the case of Restructuring Proceedings or liquidation proceedings, as well as various restructuring tools from which the Swiss Resolution Authority may choose. See also "*—Holders may lose some or all of their investment in the Notes, or suffer a significant delay in payment, if the Swiss Resolution Authority exercises its broad statutory powers allowing it to order Protective Measures, institute Restructuring Proceedings, exercise any Swiss Resolution Power or institute liquidation proceedings with respect to the Issuer*".

If the Swiss Resolution Authority opens Restructuring Proceedings with respect to the Issuer (i.e., UBS Group Restructuring Proceedings), the Swiss Resolution Authority will have discretion to exercise Swiss Resolution Powers, including (i) transferring some or all of the assets of the Issuer, together with some or all of the Issuer's debt, other liabilities and contracts, to another entity, (ii) staying (for a maximum of two business days) the termination of contracts to which the Issuer is a party, and/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 Issuer is a party, (iii) converting the Issuer's debt into equity (a "**debt-to-equity swap**"), and/or (iv) partially or fully writing off the Issuer's obligations (a "**haircut**").

Notes may be written-down and cancelled in connection with UBS Group Restructuring Proceedings while preserving other obligations of the Issuer ranking pari passu with or junior to the Notes

Prior to any debt-to-equity swap or haircut with respect to any Notes, outstanding equity capital and debt instruments issued by the Issuer qualifying as additional tier 1 capital or tier 2 capital must be converted or written-down, as applicable, and cancelled. While the Swiss Banking Insolvency Ordinance does not expressly address the order in which a haircut of debt instruments other than debt instruments qualifying as additional tier 1 capital or tier 2 capital should occur, it states that debt-to-equity swaps should occur in the following order: first, all subordinated claims not qualifying as regulatory capital, second, all other claims not excluded by law from a debt-to-equity swap (other than deposits), and third, deposits (in excess of the amount privileged by law). However, given the broad discretion granted to the Swiss Resolution Authority, any restructuring plan approved by the Swiss Resolution Authority in connection with UBS Group Restructuring Proceedings could provide that the claims under or in connection with the Notes will be fully or partially converted into equity or written-off, while preserving other obligations of the Issuer that rank

pari passu with, or even junior to, the Issuer's obligations under the Notes. See also the discussion regarding the Dispatch and the FSB TLAC Standard (each as defined below) under "*Changes of law may adversely affect the rights of holders under the Notes*" below.

The rights of holders to challenge the exercise of any Swiss Resolution Power are limited

Holders and other creditors will have no right to vote on or reject any restructuring plan approved by the Swiss Resolution Authority pursuant to which it exercises its Swiss Resolution Powers in connection with UBS Group Restructuring Proceedings. Furthermore, holders and other creditors will have no right to seek the suspension of any such restructuring plan. In particular, in the case of UBS Group Restructuring Proceedings, holders would have no right to vote on, reject or seek the suspension of any exercise of Swiss Resolution Powers that result in the write-down and cancellation and/or conversion into equity of the Issuer of the entire, or a portion of the, principal amount of, and/or accrued interest on, any Notes, whether or not those claims have already become due and payable prior to the occurrence of a UBS Group Restructuring Event. In addition, holders will have only limited rights to challenge any decision of the Swiss Resolution Authority 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. Even if any of the Issuer's creditors challenge the Swiss Resolution Authority's restructuring decisions in court and a competent court finds that any principles of the Swiss restructuring law have not been met, the court could only require the relevant creditors to be compensated *ex post* and there is currently no guidance as to on what basis such compensation would be calculated and how it would be funded. Any such challenge (even if successful) would not suspend, or result in the suspension of, the implementation of the restructuring plan.

Even if the Notes are not written down and cancelled or converted into equity, the Swiss Resolution Authority may order Protective Measures with respect to the Issuer, including the deferral of payment of interest or principal

The Swiss Resolution Authority may order Protective Measures with respect to the Issuer if there is justified concern that the Issuer is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfils the applicable capital adequacy requirements (whether on a standalone or consolidated basis, if applicable). Such Protective Measures may be ordered (i) outside and independent of any UBS Group Restructuring Proceedings or (ii) upon the opening of or during any UBS Group Restructuring Proceedings. Protective Measures may include, but are not limited to, certain measures that could require or result in a moratorium on, or the deferment of payment of principal and/or interest due under any Notes.

The Issuer will have limited ability to challenge any such Protective Measures. Additionally, Holders would have no right under Swiss law or in Swiss courts to reject, seek the suspension of, or challenge the imposition of any such Protective Measures, including any Protective Measures that require or result in the deferment of payment of principal and/or interest under any Notes. Furthermore, by accepting any direct or beneficial interest in a Note, each Holder acknowledges, agrees to be bound by, and consents to the exercise of, this authority to defer the payment of principal and/or interest under the Notes, if exercised upon the opening of or during the course of UBS Group Restructuring Proceedings.

If the Issuer fails to pay any principal and/or interest when otherwise due on any Notes as a result of any Restructuring Protective Measure, this failure will not constitute a default or an Event of Default. However, if the Issuer fails to pay any principal and/or interest when due on any Notes as a result of any Protective Measure ordered with respect to the Issuer outside of and independent of any UBS Group Restructuring Proceedings or if the Issuer fails to pay any principal and /or interest when due on any Notes as a result of any Protective Measure ordered with respect to the Issuer (whether or not outside of and independent of Restructuring Proceedings with respect to the Issuer), such failure will constitute a default or an Event of Default, if it would otherwise constitute a default or an Event of Default under the applicable Terms and Conditions of the Notes. The Issuer will have limited ability to prevent any such default or Event of Default.

If the Swiss Resolution Authority orders a moratorium as a Protective Measure with respect to the Issuer, for so long as such Protective Measure is in effect the possibility to initiate or continue debt collection proceedings or court proceedings in Switzerland against the Issuer with respect to claims under any Notes will be suspended, even if the moratorium results in a default or Event of Default under the applicable Terms and Conditions of the Notes.

Certain events do not constitute defaults or Events of Default under the Notes

Under the Terms and Conditions of the Notes, neither (i) a UBS Group Restructuring Event, nor (ii) the exercise of any Swiss Resolution Power with respect to the Issuer that requires or results in any write-down and cancellation and/or conversion into equity of the Issuer of the entire, or a portion of, the principal amount of, and/or accrued interest on, any Notes, nor (iii) the ordering of any Restructuring Protective Measures that require or result in the deferment of payment of principal and/or interest under any Notes, nor (iv) any consequences resulting from any of the foregoing, will be a default or an Event of Default.

The Issuer may, without consent of the holders, substitute a controlled subsidiary as issuer of the Notes

Under the Terms and Conditions of the Notes, the Issuer may, without the consent of the holders and subject to certain conditions, substitute for itself any direct or indirect controlled subsidiary of UBS Group AG as issuer of the Notes of any series. So long as the conditions described under Condition 15 (*Issuer Substitution*) of the General Terms and Conditions are satisfied, such subsidiary may be an entity incorporated in a jurisdiction other than Switzerland or having a different form from UBS Group AG. 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 UBS Group AG 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.

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 UBS AG 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, including UBS AG and its subsidiaries and any new subsidiaries established by the Issuer in the future. 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, including UBS AG, 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 the FINMA (including its Swiss resolution powers in restructuring proceedings 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 the Group. 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 of the Notes against the Issuer under the Notes, will be structurally subordinated to creditors of UBS Group AG's subsidiaries.

UBS has made certain structural changes in light of regulatory trends and requirements and the General Terms and Conditions do not contain any restriction on change of control events or on UBS's ability to restructure its business

In 2014, UBS began adapting its legal entity structure to improve the resolvability of the Group in response to too big to fail ("TBTf") requirements in Switzerland and recovery and resolution regulation in other countries in which the Group operates. In December 2014, UBS Group AG became the holding company of the Group.

In 2015, UBS AG transferred its personal & corporate banking and wealth management businesses booked in Switzerland to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. In 2016, UBS Americas Holding LLC was designated as the intermediate holding company for UBS's US subsidiaries and UBS merged its wealth management subsidiaries in various European countries into UBS Europe SE, UBS's German-headquartered European subsidiary. Additionally, UBS transferred the majority of Asset Management's operating subsidiaries to UBS Asset Management AG. Effective 1 April 2019, the portion of the Asset Management business in Switzerland conducted by UBS AG was transferred from UBS AG to its indirect subsidiary, UBS Asset Management Switzerland AG.

UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established in 2015 and acts as the Group service company. In 2017, UBS's shared services functions in Switzerland and the UK were transferred from UBS AG to UBS Business Solutions AG. UBS also completed the transfer of shared services functions in the US to its US service company, UBS Business Solutions US LLC, a wholly owned subsidiary of UBS Americas Holding LLC.

In March 2019, UBS Limited, UBS's UK headquartered subsidiary, was merged into UBS Europe SE prior to the UK's then scheduled departure from the EU. Former clients and other counterparties of UBS Limited who can be serviced by UBS AG's London Branch were migrated to UBS AG's London Branch prior to the merger.

UBS continues to consider further changes to the Group's legal structure in response to regulatory requirements and other external developments. Such changes may include further consolidation of operating subsidiaries in the EU and adjustments to the booking entity or location of products and services.

The General 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 of the Notes 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 an event of default. Such changes, should they occur, may adversely affect the Issuer's ability to redeem or pay interest on the Notes (or otherwise fulfil its obligations with respect to the Notes) and/or lead to circumstances in which the Issuer may elect to cancel such interest (if applicable).

The Notes may not be a suitable investment for all investors

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:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base 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 relevant Notes and the impact the relevant Notes 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 relevant Notes, including where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;

- (d) understand thoroughly the applicable Terms and Conditions of the Notes, such as the circumstances under which the Swiss Resolution Authority will have power to write-down or require a conversion of the relevant Notes into equity of the Issuer and/or defer payments thereunder, and the effect of the condition of the Issuer and UBS AG on the relevant Notes;
- (e) understand thoroughly that certain events do not constitute defaults or Events of Default under the relevant Notes; and
- (f) be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the relevant Notes unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the relevant Notes will perform under changing conditions, the resulting effects on the value of the relevant Notes due to the likelihood of an exercise of Swiss Resolution Power or the ordering of Protective Measures with respect to the Issuer, 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 Base Prospectus or incorporated by reference herein.

The Notes may be redeemed prior to maturity at the Issuer's option upon a Tax Event and, if so specified in the relevant Pricing Supplement, upon an Ineligibility Event and/or on any Optional Redemption Date and/or any Make-Whole Redemption Date

The General Terms and Conditions provide that the Notes of a relevant Series are redeemable at the Issuer's option in whole but not in part upon a Tax Event. In addition, if in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies that the Notes are redeemable at the Issuer's option pursuant to an Issuer Call, a Make-Whole Redemption and/or an Ineligibility Issuer Call, such Notes will be redeemable at the Issuer's option in whole but not in part on any Optional Redemption Date, Make-Whole Redemption Date and/or upon the occurrence of an Ineligibility Event, respectively. Accordingly, upon the occurrence of a Tax Event or an Ineligibility Event or on any Optional Redemption Date or Make-Whole Redemption Date, as the case may be, the Issuer may choose to redeem the relevant Notes at times when its cost of alternative borrowing is lower than the interest rate on the relevant Notes. 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 relevant 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 relevant Notes. During any period when the Issuer has the right to elect to redeem the relevant Notes, the market value of the relevant Notes generally will not rise substantially above the price at which they can be redeemed. There is no requirement to redeem the relevant Notes or any other senior debt of the Issuer on a pro rata basis or otherwise should the Issuer exercise its right to redeem the relevant Notes upon the occurrence of a Tax Event or pursuant to an Issuer Call, a Make-Whole Redemption or Ineligibility Issuer Call.

Any redemption of any Notes prior to maturity will be subject to the consent of FINMA, if such approval is then required under applicable Swiss laws and regulations. This requirement may result in the Issuer not being able to redeem the relevant Notes even when it would appear likely to do so.

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 or guarantee, as the case may be, that rank senior to, or *pari passu* with, any Notes offered hereby. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by holders under any Notes upon a liquidation or winding-up of the Issuer. In addition, the Notes will not contain any restriction on the Issuer issuing (or guaranteeing) securities that may have preferential rights to such Notes. See also "*—A downgrade, suspension or withdrawal of the rating assigned by any rating agency to a Series of Notes could cause the liquidity or market value of the Notes to decline*".

In the case of any Registered Notes, the Global Certificates will be held by or on behalf of DTC, and holders of beneficial interests therein, including those holding through Euroclear, Clearstream, Luxembourg or SIX SIS Ltd would have to rely on the procedures of DTC and each other Relevant Clearing System for transfer, payment, voting and communication with the Issuer

Each Series of Registered Notes is represented by Registered Global Certificates that will be deposited with the custodian for DTC. Except in certain limited circumstances described in the General Terms and Conditions, Holders will not be entitled to receive Registered Notes in definitive form. DTC (and Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and SIX SIS Ltd ("**SIS**") as direct and indirect participants, as the case may be, in DTC) will maintain records of the beneficial interests in the Registered Global Certificates. While the Registered Notes of any Series are represented by one or more Global Certificates, holders will be able to exchange their beneficial interests in such Registered Notes only through DTC or other Relevant Clearing System, as applicable.

A holder of a beneficial interest in Registered Notes represented by a Global Certificate will have to rely on the procedures of DTC or any other relevant clearing system to receive payments under such Registered Notes. The Issuer and the Fiscal Agent will have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in those Global Certificates.

Holders of beneficial interests in Registered Notes represented by a Global Certificate will not have a direct right to vote in respect of such Registered Notes. Instead, such holders would be permitted to act only to the extent that they were enabled by DTC to appoint appropriate proxies.

In the case of Registered Global Certificates held by or on behalf of DTC, any transfer of beneficial interests in Registered Notes represented by Registered Global Certificates that is initiated prior to the delivery of a notice to DTC specifying the occurrence of a Restructuring Event but that is scheduled to settle after receipt of such notice by DTC will be rejected by DTC and will not settle within DTC

Following the receipt of notice by DTC regarding the occurrence of a Restructuring Event, DTC shall suspend all clearance and settlement of beneficial interests in Registered Notes represented by Registered Global Certificates held by or on behalf of DTC. As a result, holders would not be able to settle the transfer of beneficial interests in any Registered Notes represented by Registered Global Certificates held by or on behalf of DTC following the receipt of such notice by DTC due to the suspension of settlement activities with respect to those Registered Notes within DTC. In addition, any sale or other transfer of beneficial interests in Registered Notes represented by Registered Global Certificates held by or on behalf of DTC that a beneficial holder may have initiated prior to the receipt of such notice by DTC that is scheduled to settle following the receipt of such notice by DTC would be rejected by DTC and would not be settled within DTC. In this circumstance, transferors of such beneficial interests would not receive any consideration through DTC in respect of such intended transfer because DTC would not settle such transfer.

Receipt by the Fiscal Agent (in respect of any Registered Notes) and the Principal Paying Agent (in respect of any Uncertificated Notes) 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.

Any Notes will be represented by one or more Global Certificates except in certain limited circumstances described under Condition 2 (*Amount, Denomination and Form*) of the General Terms and Conditions. While the Notes are represented by one or more Global Certificates, the Issuer will discharge its payment obligations under such Notes by making payments to: (i) the Fiscal Agent (in respect of any Registered Notes), which then makes payments to DTC or a nominee thereof, for distribution to its account holders; or (ii) the Principal Paying Agent (in respect of any Uncertificated Notes), which then makes payments to SIS for distribution to the Holders. The receipt by the Fiscal Agent or the Principal Agent (as applicable) 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. In respect of Registered Notes, a holder of a beneficial interest in a Global Certificate must rely on the Fiscal Agent and the procedures of DTC to receive payments under the Notes, and is, therefore, subject to the credit risk of the Fiscal Agent. In respect of Uncertificated Notes, the Holders must rely on the Principal Paying Agent and the procedures of SIS to receive payments under the Notes, and is, therefore, subject to the credit risk of the Principal Paying Agent.

None of the Notes will be covered by any government compensation or insurance scheme and will 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 such Notes will not have the benefit of any government guarantee. Any Notes will be the obligations of the Issuer only and holders must solely look to the Issuer for the performance of its obligations under such Notes. In the event of the Issuer's insolvency, a holder may lose all or some of its investment in the relevant Notes.

In certain instances, Holders may be bound by certain amendments to the Notes to which they did not consent

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 of the relevant Series of Notes, 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 at the date of this Base Prospectus, (i) the Issuer will be required to provide Holders with at least ten 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 of the relevant Series, 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 as in effect as at the date of this Base Prospectus, including the applicable Holder approval requirements for amendments to the terms of the Notes, see "*Meetings of Holders and Amendment under Swiss Law*" beginning on page 120 of this Base Prospectus. See also "*The method pursuant to which the Floating Rate of Interest for any Series of Floating Rate Notes or Fixed Rate/Floating Rate Notes or the Fixed Rate of Interest applicable to the Reset Period for any Series of Fixed Rate/Fixed Rate Notes is determined may adversely affect the value of and return on such Notes*" below.

There is no active trading market for the Notes, and the Notes are subject to transfer restrictions that may further reduce their liquidity

Notes will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued) and one may never develop. If a market for the Notes does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment 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. Illiquidity may have a severely adverse effect on the market value of Notes. Furthermore, even in the case of a Series of Notes that is admitted to trading and listed on the SIX Swiss Exchange or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, there can still be no assurance as to the development or liquidity of any trading market for any such Notes and one may never develop.

In addition, holders of Notes 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.

Furthermore, the Notes will not be registered under the US Securities Act or any US state securities laws, and the Issuer has no plans, and is under no obligation, to register the Notes under the US Securities Act. The Notes are subject to certain transfer restrictions and can be transferred only in accordance with the transfer restrictions described under "*Selling Restrictions*" below. Such restrictions on the transfer of the Notes may further limit their liquidity.

The interest rate on Fixed Rate/Floating Rate Notes will convert from a fixed rate to a floating rate, which can be expected to affect interest payments on such Notes and could affect the secondary market in and the market value of such Notes.

Fixed Rate/Floating Rate Notes will initially bear interest at the fixed rate specified in the relevant Pricing Supplement until but excluding (or, in the case of Swiss Franc Notes, until and including) the Floating Rate Commencement Date (as specified in the relevant Pricing Supplement). Thereafter, the interest rate applicable to the Fixed Rate/Floating Rate Notes will convert to a floating rate, which rate will be determined for each interest period on the applicable interest determination date by reference to the reference rate specified in the relevant Pricing Supplement as adjusted for any applicable margin, and may be subject to maximum interest rate, a minimum interest rate or both. Upon such conversion, the floating rate of interest for the first (and any subsequent) interest period could be less than the initial interest rate and/or the spread on the Fixed Rate/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate and, therefore, adversely affect the secondary market in and the market value of such Fixed Rate/Floating Rate Notes.

The interest rate on Fixed Rate/Fixed Rate Notes will reset on the Reset Date, which can be expected to affect interest payments on such Notes and could affect the secondary market in and the market value of such Notes.

Fixed Rate/Fixed Rate Notes will initially bear interest at the fixed rate specified in the applicable Pricing Supplement until but excluding (or, in the case of Swiss Franc Notes, until and including) the Reset Date (as specified in the relevant Pricing Supplement). Thereafter, the interest rate applicable to the Fixed Rate/Fixed Rate Notes will be reset to a new fixed rate, which rate will be determined by the Issuer on the Reset Determination Date (as specified in the relevant Pricing Supplement) by reference to the reference rate specified in the relevant Pricing Supplement as adjusted for the applicable margin. Such new fixed rate could be less than the initial interest rate and, therefore, adversely affect the secondary market in and the market value of such Fixed Rate/Fixed Rate Notes.

The method pursuant to which the Floating Rate of Interest for any Series of Floating Rate Notes or Fixed Rate/Floating Rate Notes or the Fixed Rate of Interest applicable to the Reset Period for any Series of Fixed Rate/Fixed Rate Notes is determined may adversely affect the value of and return on such Notes.

Certain Reference Rates, including LIBOR, and Reset Reference Rates are deemed to be, or are based on, "benchmarks" that are the subject of ongoing national and international regulatory scrutiny and reforms. Some of these reforms are already effective, while others are still to be formulated or implemented, as further described in "—Discontinuance of, or changes to, benchmark rates may require adjustments to UBS's agreements with clients and other market participants, as well as to UBS's systems and processes" below. As a result, if such a "benchmark" is specified as the Reference Rate for the purposes of determining the Floating Rate of Interest for Series of Floating Rate Notes or Fixed Rate/Floating Rate Notes (or is a component of, or specified as, the Reset Reference Rate for the purposes of determining the Fixed Rate of Interest applicable to the Reset Period for a Series of Fixed Rate/Fixed Rate Notes) there can be no guarantee that such Reference Rate (or Reset Reference Rate) will be determined, in the future, on the same basis as at the relevant Issue Date (if at all).

More generally, any of the above mentioned changes or any other consequential changes to any "benchmark" on which interest payments under any Floating Rate Notes are based as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the value of and return on such Notes.

Floating Rate Notes, Fixed Rate/Floating Rate Notes and Fixed Rate/Fixed Rate Notes (other than SARON Notes and SOFR Notes) – Fallbacks

Pursuant to the General Terms and Conditions, if the Reference Rate for any Series of Floating Rate Notes or Fixed Rate/Floating Rate Notes (in each case, other than for SARON Notes and SOFR Notes) does not appear on the Relevant Page at the Relevant Time on any Interest Determination Date, the Floating Rate of Interest applicable to the related Interest Period will be determined by the Calculation Agent by averaging quotes obtained from reference banks, if available, or, if no such quotes are available, by reference to the Floating Rate of Interest determined as at the last preceding Interest

Determination Date (or, in the case of the first Interest Period for Fixed Rate/Floating Rate Notes, will be equal to the Fixed Rate of Interest) (the "**Fallback Mechanism**"). In the case of Fixed Rate/Fixed Rate Notes, the applicable Pricing Supplement will specify how the Reset Reference Rate applicable to the Reset Period is determined and, if such rate does not appear on the Relevant Page at the Relevant Time on the Reset Determination Date, the alternative method, if any, for obtaining the Reset Reference Rate.

The application of the Fallback Mechanism to any such Floating Rate Notes or Fixed Rate/Floating Rate Notes (or the Reset Reference Rate for purposes of determining the Fixed Rate of Interest applicable to the Reset Period for a Series of Fixed Rate/Fixed Rate Notes) (other than SARON Notes and SOFR Notes) may result in interest payments that are substantially lower than the payments of interest that would have been made if the relevant Reference Rate had appeared on the Relevant Page. See also "*—Floating Rate Notes, Fixed Rate/Floating Rate Notes and Fixed Rate/Fixed Rate Notes (other than SARON Notes and SOFR Notes) – Benchmark Replacement*" below.

SARON Notes – Fallbacks

Pursuant to the General Terms and Conditions, for any Series of Floating Rate Notes and Fixed Rate/Floating Rate Notes that are SARON Notes, if for any Zurich Banking Day in any SARON Observation Period, the Swiss Average Rate Overnight is no longer representative or may no longer be used or is no longer provided by the SIX Swiss Exchange, the Calculation Agent will use the fallback provisions in the definition of the term "SARON" set out in subclause (C)(3) of Condition 5(d)(iv) (*Interest – Floating Rate of Interest – Calculation of Floating Rate of Interest for SARON Notes*) of the General Terms and Conditions, which include using the rate, if any, that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland. If no such rate has been recommended within one Zurich Banking Day, the Calculation Agent will use the SNB Policy Rate for such Zurich Banking Day in place of the Swiss Average Rate Overnight for purposes of determining SARON Compounded for the relevant Interest Period. These provisions may result in the use of a reference rate that is not the same as the Secured Overnight Financing Rate as at the relevant Issue Date for the calculation of the Rate of Interest for the remainder of the term of the Notes, and such rate may have different characteristics from the Swiss Average Rate Overnight as at the relevant Issue Date, including being based on different periods of time. The use of a reference rate other than the Swiss Average Rate Overnight in the form it is in on the relevant Issue Date may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments of interest that would have been made if the Swiss Average Rate Overnight remained available in the same form as it was in as at the relevant Issue Date. See also "*– SARON Notes – Benchmark Replacement*" below.

SOFR Notes – Fallbacks

Pursuant to the General Terms and Conditions, for any Series of Floating Rate Notes and Fixed Rate/Floating Rate Notes that are SOFR Notes, if for any SOFR Reset Date, the Secured Overnight Financing Rate may no longer be used or is no longer published by the Federal Reserve Bank of New York, the Calculation Agent will use the fallback provisions specified in the definition of the term "SOFR" set out in subclause (C) of Condition 5(d)(vi) (*Interest - Floating Rate of Interest – Calculation of Floating Rate of Interest for SOFR Notes*) of the General Terms and Conditions, which include using the replacement rate, if any, recommended by the Federal Reserve Board and/or the Federal Reserve Bank of New York in place of the Secured Overnight Financing Rate to determine the Rate of Interest applicable to the relevant Interest Period and all future Interest Periods. If no such rate has been recommended within one US Government Securities Business Day, the Calculation Agent will use the Overnight Bank Funding Rate to determine the Rate of Interest applicable to the relevant Interest Period and all future Interest Periods. If the Overnight Bank Funding Rate may no longer be used or is no longer published by the Federal Reserve Bank of New York, then the Calculation Agent will use the short-term interest rate target set by the Federal Open Market Committee (or the mid-point of the short-term interest rate target range if the Federal Open Market Committee has not set a single rate) to determine the Rate of Interest applicable to the relevant Interest Period and all future Interest Periods. These provisions may result in the use of a reference rate that is not the same as the Secured Overnight Financing Rate as at the relevant Issue Date for the calculation of the Rate of Interest for the remainder of the term of the Notes, and such rate may have different characteristics from the Secured Overnight

Financing Rate as at the relevant Issue Date, including being based on different periods of time. The use of a reference rate other than the Secured Overnight Financing Rate in the form it is in on the relevant Issue Date may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments of interest that would have been made if the Secured Overnight Financing Rate remained available in the same form as it was in as at the relevant Issue Date. See also "*—SOFR Notes – Benchmark Replacement*" below.

Floating Rate Notes, Fixed Rate/Floating Rate Notes and Fixed Rate/Fixed Rate Notes (other than SARON Notes and SOFR Notes) – Benchmark replacement

In the case of any Series of Floating Rate Notes, Fixed Rate/Floating Rate Notes or Fixed Rate/Fixed Rate Notes (in each case, other than any Series of SARON Notes or SOFR Notes), if the Issuer (in consultation with the Calculation Agent or UBS AG (as applicable)) determines that the applicable Reference Rate (the "**Existing Reference Rate**") or the applicable Reset Reference Rate (the "**Existing Reset Reference Rate**") is discontinued, notwithstanding the Fallback Mechanism applicable to such Floating Rate Note or Fixed Rate/Floating Rate Note or any fallback mechanism which may be specified in the relevant Pricing Supplement in respect of the Reset Reference Rate for such Fixed Rate/Fixed Rate Note, the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine, in its reasonable discretion, an alternative reference rate that has replaced the Existing Reference Rate or the Existing Reset Reference Rate in customary market usage or, if it determines that no such rate has replaced the Existing Reference Rate or Existing Reset Reference Rate, such other rate that it reasonably determines is most comparable to the Existing Reference Rate or Existing Reset Reference Rate (as applicable) in accordance with the terms of Condition 5(d)(iii) or 5(a)(iv), respectively, of the General Terms and Conditions (the "**Alternative Rate**"). If the Issuer is not able to appoint an Independent Adviser, using its reasonable endeavours, then the Issuer (in consultation with the Calculation Agent or UBS AG (as applicable)), may make these determinations itself. Any such determination may also result in changes to, *inter alia*, the definitions of Day Count Fraction, Business Day and/or Interest Determination Date or Reset Determination Date (as applicable) and any method for determining the Floating Rate of Interest if such Alternative Rate is unavailable on the relevant Interest Determination Date, or the relevant Fixed Rate of Interest is unavailable on the relevant Reset Determination Date, which alternative method must be consistent with any Alternative Rate that has broad market support.

Furthermore, if an Alternative Rate is determined by an Independent Adviser or the Issuer in accordance with the terms of Condition 5(d)(iii) or 5(a)(iv), as applicable, the Independent Adviser (in consultation with the Issuer) or the Issuer (following consultation with the Calculation Agent or UBS AG (as applicable)), as the case may be, may also determine whether to apply an adjustment spread (which spread may be positive or negative) or a formula or methodology for calculating such an adjustment spread, to such Alternative 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 Reference Rate or Existing Reset Reference Rate (as applicable) with the Alternative Rate. If it has been determined that the Existing Reference Rate or the Existing Reset Reference Rate (as applicable) has been discontinued, 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 Rate, and (ii) the Issuer is unable or unwilling to determine the Alternative Rate, then (A) the Floating Rate of Interest for the Affected Interest Period will be determined by reference to the Floating Rate of Interest determined as at the last preceding Interest Determination Date (or, in the case of the first Interest Period for Fixed Rate/Floating Rate Notes, will be equal to the Fixed Rate of Interest), or (B) the Fixed Rate of Interest for the Reset Period will be the Initial Rate of Interest.

The use of an Alternative Rate (including the determination to use (or not use) an Adjustment Spread) 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 such Notes if the Existing Reference Rate or the Existing Reset Reference Rate (as applicable) remained available in the form it is in on the relevant Issue Date. 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 Rate, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Rate 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, such Notes.

SARON Notes – Benchmark replacement

In respect of any Series of Floating Rate Notes or Fixed Rate/Floating Rate Notes which are SARON Notes, if the conditions set out in the last paragraph of the definition of the term "SARON" have been satisfied, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine, in its reasonable discretion, an alternative reference rate to SARON, which rate shall be such rate as it determines has replaced SARON in customary market usage or, if it determines that no such rate has replaced SARON in customary market usage, such other rate that it reasonably determines is most comparable to SARON in accordance with the terms of Condition 5(d)(v) (*Benchmark Replacement for SARON Notes*) of the General Terms and Conditions (the "**Alternative SARON Reference Rate**"). If the Issuer is not able to appoint an Independent Adviser, using reasonable endeavours, then the Issuer (in consultation with the Calculation Agent) may make these determinations itself. Any such determination may also result in changes to Condition 5(d)(iv) (*Interest – Calculation of Floating Rate of Interest for SARON Notes*) of the General Terms and Conditions and any method for determining the Rate of Interest if such Alternative SARON Reference Rate is unavailable on the relevant Interest Determination Date, which alternative method must be consistent with any Alternative SARON Reference Rate that has broad market support.

Furthermore, if an Alternative SARON Reference Rate is determined by an Independent Adviser or the Issuer in accordance with the terms of Condition 5(d)(v), the Independent Adviser (in consultation with the Issuer) or the Issuer (following consultation with the Calculation Agent), as the case may be, may also determine whether to apply an adjustment spread (which spread may be positive or negative) or a formula or methodology for calculating such an adjustment spread, to such Alternative SARON Reference 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 SARON with the Alternative SARON Reference Rate. If the conditions set out in the last paragraph of the definition of the term "SARON" triggering the application of Condition 5(d)(v) have been satisfied, 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 SARON Reference Rate, and (ii) the Issuer is unable or unwilling to determine the Alternative SARON Reference Rate, SARON for the Affected Zurich Banking Day, for all succeeding Zurich Banking Days in the Affected SARON Observation Period and for all Zurich Banking Days in the SARON Observation Periods thereafter will be SARON determined as at the last Zurich Banking Day preceding the Affected Zurich Banking Day.

The use of an Alternative SARON Reference Rate (including the determination to use (or not use) an Adjustment Spread) 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 such Notes if SARON remained available in the form it is in on the relevant Issue Date. 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 SARON Reference Rate, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative SARON Reference Rate 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, such Notes.

SOFR Notes – Benchmark replacement

In respect of any Floating Rate Notes or Fixed Rate/Floating Rate Notes which are SOFR Notes, if the conditions set out in the definition of the term "SOFR" in subclause (C) of Condition 5(d)(vi) (*Interest – Calculation of Floating Rate of Interest for SOFR Notes*) of the General Terms and Conditions have been satisfied, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine, in its reasonable discretion, an alternative reference rate to SOFR, which rate shall be such rate as it determines has replaced SOFR in customary market usage or, if it determines that no such rate has replaced SOFR in customary market usage, such other rate that it reasonably determines is most comparable to SOFR in accordance with the terms of Condition 5(d)(vii) (the "**Alternative SOFR Reference Rate**"). If the Issuer is not able to appoint an Independent Adviser, using reasonable endeavours, then the Issuer (in consultation with the Calculation Agent) may make these determinations itself. Any such determination may also result in changes to Condition 5(d)(vi) and any method for determining the Rate of Interest if such Alternative SOFR Reference Rate is unavailable on the relevant

SOFR Determination Date, which alternative method must be consistent with any Alternative SOFR Reference Rate that has broad market support.

Furthermore, if an Alternative SOFR Reference Rate is determined by an Independent Adviser or the Issuer in accordance with the terms of Condition 5(d)(vii) (*Benchmark Replacement for SOFR Notes*) of the General Terms and Conditions, the Independent Adviser (in consultation with the Issuer) or the Issuer (following consultation with the Calculation Agent), as the case may be, may also determine whether to apply an adjustment spread (which spread may be positive or negative) or a formula or methodology for calculating such an adjustment spread, to such Alternative SOFR Reference 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 SOFR with the Alternative SOFR Reference Rate. If the conditions set out in the definition of the term "SOFR" in Condition 5(d)(vi)(C) triggering the application of Condition 5(d)(vii) have been satisfied, 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 SOFR Reference Rate, and (ii) the Issuer is unable or unwilling to determine the Alternative SOFR Reference Rate, SOFR for the Affected SOFR Reset Date, for all succeeding SOFR Reset Dates in the Affected Interest Period for SOFR and for all SOFR Reset Dates in the SOFR Interest Periods thereafter will be SOFR determined as at the last SOFR Determination Date preceding the Affected SOFR Reset Date.

The use of an Alternative SOFR Reference Rate (including the determination to use (or not use) an Adjustment Spread) 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 such Notes if SOFR remained available in the form it is in on the relevant Issue Date. 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 SOFR Reference Rate, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative SOFR Reference Rate 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, such Notes.

SARON Notes have a Floating Rate of Interest that is determined by reference to the Swiss Average Rate Overnight, which is a relatively new market index and the market continues to develop in relation to the Swiss Average Rate Overnight as a reference rate

Investors in SARON Notes should be aware that the market continues to develop in relation to the daily Swiss Average Rate Overnight (for purposes of this risk factor, "SARON") as a reference rate in the lending and capital markets and its adoption as an alternative to CHF LIBOR. The market or a significant part thereof may adopt an application of SARON as a reference rate that differs significantly from that set out in the General Terms and Conditions and used in relation to SARON Notes. The development of SARON as a reference rate, as well as continued development of SARON-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of SARON Notes.

In addition, the Floating Rate of Interest applicable to each Interest Period for SARON Notes will be determined on the basis of SARON Compounded, which means that the Floating Rate of Interest applicable to each such Interest Period will only be capable of being determined shortly before the end of such Interest Period. Consequently, it may be difficult for investors in SARON Notes to estimate reliably the amount of interest that will be payable on such Notes on each Interest Payment Date, and some investors may be unable or unwilling to trade such Notes without changes to their information technology systems, both of which could adversely impact the liquidity of such Notes. Further, if any SARON Notes become due and payable (in the case of Fixed Rate/Floating Rate Notes, after the Floating Rate Commencement Date) on a date other than an Interest Payment Date (whether as a result of an event of default under Condition 11 (*Events of Default*) of the General Terms and Conditions or early redemption or otherwise), the SARON Observation Period during which SARON is observed on each Zurich Banking Day for purposes of determining SARON Compounded and, thereby, the Floating Rate of Interest applicable to the final Interest Period will be shortened so that it ends on (and includes) the date on which such Notes become due and payable.

In addition, the manner of adoption or application of SARON reference rates in the debt capital markets may differ materially when compared with the application and adoption of SARON in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SARON reference rates across these markets may impact any hedging or other financial arrangements, if any, which they may put in place in connection with any SARON Notes.

Since SARON is a relatively new market index, SARON Notes may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SARON, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such debt securities may be lower than those of later issued indexed debt securities as a result. Further, if SARON does not prove to be widely used in securities like SARON Notes, the trading price of such Notes may be lower than those of debt securities linked to indices that are more widely used. Investors in SARON Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that SARON will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SARON Notes. If the manner in which SARON is calculated is changed, that change may result in a reduction of the amount of interest payable on SARON Notes and the trading prices of such Notes.

SOFR Notes have a Floating Rate of Interest that is determined by reference to Secured Overnight Financing Rate, which is a relatively new market index and the market continues to develop in relation to the use of the Secured Overnight Financing Rate as a reference rate

The Floating Rate of Interest for SOFR Notes is determined by reference to the Secured Overnight Financing Rate (for purposes of this risk factor, "SOFR"), which is published by the Federal Reserve Bank of New York and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities and a current preferred replacement rate to US LIBOR. The Federal Reserve Bank of New York notes on its publication page for SOFR that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. Investors in SOFR Notes should be aware that the market continues to develop in relation to SOFR as a reference rate in the capital markets and its adoption as an alternative to US LIBOR. Furthermore, the Floating Rate of Interest for SOFR Notes will be determined on the basis of Weighted Average SOFR (as defined in the General Terms and Conditions). Weighted Average SOFR differs from US LIBOR in a number of material respects. As such, investors in SOFR Notes should be aware that US LIBOR and Weighted Average SOFR may behave materially differently.

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the General Terms and Conditions and used in relation to the SOFR Notes issued under the Programme. The Issuer may in the future also issue floating rate notes referencing SOFR that differ materially in terms of interest determination when compared with any previous SOFR Notes issued by it under the Programme. The development of SOFR as a reference rate, as well as continued development of SOFR based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SOFR Notes issued under the Programme from time to time.

Furthermore, the Floating Rate of Interest on SOFR Notes is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in SOFR Notes to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their information technology systems, both of which could adversely impact the liquidity of such Notes. Further, if SOFR Notes become due and payable (in the case of Fixed Rate/Floating Rate Notes, after the Floating Rate Commencement Date) on a date other than an Interest Payment Date (whether as a result of an event of default under Condition 11 (*Events of Default*) of the General Terms and Conditions or early redemption or otherwise), the Floating Rate of Interest applicable to the final Interest Period shall be determined by reference to a shortened period ending on (but excluding) the last SOFR Reset Date preceding the date on which the Notes become due and payable, rather than ending on the date on which the Notes become due and payable.

In addition, the manner of adoption or application of SOFR reference rates in the debt capital markets may differ materially when compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of SOFR Notes.

Since SOFR is relatively new market index, SOFR Notes may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later issued indexed debt securities as a result. Further, if SOFR does not prove to be widely used in securities like the Floating Rate Notes or Fixed Rate/Floating Rate Notes, the trading price of such Notes referencing SOFR may be lower than those of Notes linked to indices that are more widely used. Investors in Notes referencing SOFR may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SOFR Notes. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

Zero Coupon Accreting Notes are subject to higher price fluctuations than conventional interest-bearing Notes and the Swiss Resolution Authority will have discretion over the treatment of accreted amounts in Restructuring Proceedings

Changes in market interest rates have a stronger impact on the price of Zero Coupon Accreting Notes as compared to the price of conventional interest-bearing Notes. Holders of Zero Coupon Accreting Notes will receive no periodic interest payment and, instead, will only receive a fixed lump-sum payment at the stated maturity. If market interest rates increase, Zero Coupon Accreting Notes can suffer higher price losses than other types of Notes having the same maturity and, in the case of Zero Coupon Accreting Notes that are rated, the same rating. Generally, the longer the remaining term of a Zero Coupon Accreting Note, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Furthermore, in accordance with the Terms and Conditions of the Notes, the principal amount of any Zero Coupon Accreting Note will accrete on a daily basis and, as of any date, will be equal to the Amortised Face Amount on such date. However, the Swiss Banking Insolvency Ordinance provides the Swiss Resolution Authority with a significant amount of authority and discretion in the case of Restructuring Proceedings, including as to how principal and interest are to be treated in the case of a debt-to-equity swap or a haircut. Accordingly, if the Swiss Resolution Authority were to open UBS Group Restructuring Proceedings and, in connection therewith, exercise its Swiss Resolution Powers to fully or partially write-down and cancel the principal amount of any Zero Coupon Accreting Notes and/or convert any Zero Coupon Accreting Notes into equity of the Issuer, the Swiss Resolution Authority would have discretion as to how to treat the accreted amounts that have increased the principal amount of such Zero Coupon Accreting Notes since the Issue Date for the purposes of calculating any residual principal amount following any such partial write-down or for the purposes of allocating equity of the Issuer in connection with any such conversion. See also "*By acceptance of a direct or beneficial interest in a Note, each holder agrees to be bound by the exercise of any Swiss Resolution Power with respect to the Issuer that results in the write-down and cancellation of the Notes and/or their conversion into equity of the Issuer and by the ordering of any Restructuring Protective Measures that result in the deferral of payments under the Notes, any of which actions may result in the loss of an investor's entire investment in the Notes*" above.

The Notes may not be held or transferred in an amount less than the minimum specified denomination

In relation to any Series of Notes that has denominations consisting of a minimum denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum denomination.

In such a case a holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination would need to purchase an additional amount of Notes such that it holds an amount equal to at least the minimum denomination to be able to trade such Notes. Holders should be aware that Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

In addition, in the case of Registered Notes, a Holder who holds an amount which is less than the minimum denomination in its account with the Relevant Clearing System at the relevant time may not receive a Registered Definitive Certificate in respect of such holding (should Registered Definitive Certificates be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a minimum denomination.

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

Any rating initially assigned to a Series of Notes 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. A security rating is not a recommendation to buy, sell or hold securities.

The Issuer's credit rating may not reflect all risks of an investment in the Notes

The Issuer's credit rating may not reflect the potential impact of all risks relating to the market values of the Notes. However, real or anticipated changes in the Issuer's credit rating will generally affect the market values of the Notes or may result in a downgrade in the ratings for the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The US federal income tax consequences of an investment in the Notes are uncertain. Holders are urged to read the more detailed discussion of the US federal income tax treatment of the Notes under "Taxation—United States"

No statutory, judicial or administrative authority directly addresses the characterisation of the Notes or instruments similar to the Notes for US federal income tax purposes. As a result, significant aspects of the US tax consequences of an investment in the Notes are uncertain. In the opinion of the Issuer's US tax counsel Sullivan & Cromwell LLP, however, the Notes should be treated as debt instruments for US federal income tax purposes, and the Issuer intends, absent a change in law, to so treat the Notes. If the Notes were treated as equity for US federal income tax purposes, it may significantly change the tax treatment of the Notes. See "Taxation—United States—US Holders—Possible Alternative Treatment of the Notes" below. Holders are urged to consult their tax advisers concerning the US federal income tax consequences of an investment in the Notes.

A new unsolicited credit rating assigned on the Notes could affect the market value and reduce the liquidity of the Notes

Credit rating agencies that have not been engaged to rate Notes issued by the Issuer under the Programme may issue unsolicited credit ratings on such Notes at any time. If any non-hired rating agency assigns an unsolicited rating to any Notes, there can be no assurance that such rating will not differ from, or be lower than, the ratings provided by a hired rating agency. Furthermore, any such unsolicited rating may not be reflected in this Base Prospectus (as supplemented from time to time) or in any Pricing Supplement. Any requirement for a ratings confirmation pursuant to the terms of the transaction documents will not include a requirement to receive a confirmation from any unsolicited credit rating agency.

The assignment of a non-solicited rating by such a rating agency could adversely affect the market value and liquidity of the Notes.

Risks relating to the Markets Generally

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 any Notes in the Specified Currency. If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency, 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 Specified Currency 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 which could adversely affect an applicable exchange rate. Any appreciation in the value of the Investor's Currency relative to the Specified Currency 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 any 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. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note would not be available at such Note's maturity.

Market interest rates are subject to change

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Notes.

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 determine whether and to what extent (i) any Notes are legal investments for it, (ii) any 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 any Notes under any applicable risk-based capital or similar rules.

Changes of law may adversely affect the rights of holders under any Notes

The General Terms and Conditions are based on Swiss law in effect as at the date of this Base Prospectus and as completed, supplemented, modified and/or replaced by information in the relevant Pricing Supplement. No assurance can be given as to the impact of any possible judicial decision or change to Swiss law or administrative practice after the date of this Base Prospectus.

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

The Notes are designed to qualify as debt instruments for loss absorbency in the course of insolvency measures (*Schuldinstrumente zur Verlusttragung im Falle von Insolvenzmassnahmen*) under the Capital Adequacy Ordinance (any such debt instruments, "**Bail-in Bonds**") and, as such, any changes in Swiss law affecting Bail-in Bonds generally may impact the Notes. For example, as of the date of this Base Prospectus, the Swiss Resolution Authority may have the discretion to exercise its Swiss Resolution Powers during Restructuring Proceedings with respect to Bail-in Bonds (such as the Notes), while preserving the other senior obligations of the relevant entity subject to Restructuring Proceedings. However, the Swiss Federal Council adopted a dispatch on an amendment to the Swiss Banking Act on 19 June 2020 (the "**Dispatch**"),

which, among other things, includes provisions that would require the Swiss Resolution Authority to exercise its Swiss Resolution Powers during Restructuring Proceedings to fully write-down all Bail-in Bonds of the entity subject to such Restructuring Proceedings and/or convert all such Bail-in Bonds into equity before it may do so with respect to any other senior obligations of such entity, unless such entity is a Swiss parent company of a financial group (such as the Issuer) that meets certain conditions with respect to its level of outstanding debt at the time of such exercise of Swiss Resolution Powers. Although the Dispatch has been submitted to the Swiss parliament for consideration, it is not possible to predict whether or when such amendment to the Swiss Banking Act will be enacted, what final form it would take and what effect it could have on holders of any Notes (whether or not such Notes are issued prior to such amendment entering into effect or thereafter) or the Issuer generally.

Furthermore, any change under the laws or regulations of Switzerland or the United States that results in the Issuer paying Additional Amounts or any additional tax in respect of the Notes would trigger a Tax Event. In addition, the Notes are designed to qualify as both Bail-in Bonds and external total loss-absorbing capacity ("**External TLAC**") under the Total Loss-Absorbing Capacity standard for global systemically important banks published by the Financial Stability Board on 9 November 2015 (the "**FSB TLAC Standard**"). In the case of any Series of Notes subject to an Ineligibility Issuer Call, any change in the Capital Adequacy Ordinance and/or the FSB TLAC Standard after the Issue Date that would cause the Notes to cease to be eligible in their entirety to be treated as both (i) Bail-in Bonds and (ii) External TLAC under the FSB TLAC Standard would trigger an Ineligibility Event. There can be no assurance that any future amendment to the Capital Adequacy Ordinance and/or the FSB TLAC Standard or the manner in which they are implemented would not adversely affect the rights of holders of the Notes (including by giving rise to an Ineligibility Event), the price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations in respect of the Notes. Upon the occurrence of a Tax Event or, in the case of Notes subject to an Ineligibility Event Issuer Call, an Ineligibility Event, the Issuer would have the option, subject to certain conditions, to redeem the Notes (in whole, but not in part).

Any regulatory or legislative changes may also adversely affect UBS's business (see "*—Substantial changes in regulation may adversely affect UBS's businesses 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. A broad-based international financial services firm such as 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.

Market and macroeconomic risks

UBS's results of operations and financial condition have been, and will likely continue to be, adversely affected by the COVID-19 pandemic

The spread of the coronavirus disease (COVID-19) pandemic and the governmental measures taken to contain the pandemic have significantly adversely affected, and will likely continue to adversely affect, global economic conditions, resulting in meaningful contraction in the global economy, substantial volatility in the financial markets, increased unemployment, increased credit and counterparty risk, and operational challenges such as the temporary closures of businesses, sheltering-in-place directives and increased remote work protocols. Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programmes and cutting interest rates, though it is unclear whether these or future actions will be successful in countering the economic disruption. If the pandemic is prolonged or the actions of governments and central banks are unsuccessful, the adverse impact on the global economy will deepen, and UBS's results of operations and financial condition in future quarters will be adversely affected.

The outlook for the global economy has deteriorated markedly since the end of 2019 as a result of the COVID-19 outbreak. COVID-19 and related lockdown measures have significantly impacted major economies across the world. Uncertainties are still at a high level, making predictions difficult and displaying several potential triggers for further negative developments. The COVID-19 pandemic has affected all of UBS's businesses, and these effects could be greater in the future if adverse conditions persist.

These effects have included declines in asset prices, significantly increased volatility, lower or negative interest rates, widening of credit spreads and credit deterioration. These effects have resulted in decreases in the valuation of loans and commitments, an increase in the allowance for credit losses and lower valuations of certain classes of trading assets. While these effects were offset by high levels of client trading activity in the first and second quarters of 2020, this level of activity may not persist in future quarters.

Should these global market conditions be prolonged or worsen, or the pandemic lead to additional market disruptions, UBS may experience reduced client activity and demand for its products and services, increased utilization of lending commitments, more client defaults, higher credit and valuation losses in UBS's loan portfolios, loan commitments and other assets, and impairments of other financial assets. In addition, a sharp decline in interest rates would decrease net interest margins. A decline in invested assets would reduce recurring fee income in the Global Wealth Management and Asset Management businesses. These factors and other consequences of the COVID-19 pandemic may negatively affect UBS's financial condition, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible changes or downgrades to our credit ratings

Although UBS has moved a substantial portion of its workforce to work-from-home solutions, including client-facing and trading staff, if significant portions of its workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the adverse effects of the pandemic on its businesses could be exacerbated. In addition, with staff working from outside the offices, UBS faces 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, such measures have never been tested on the scale or duration that UBS is currently experiencing, and there is risk that these measures will not be effective in the current unprecedented operating environment.

The extent to which the pandemic, and the related economic distress, affect UBS's businesses, results of operations and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and any recovery period, future actions taken by governmental authorities, central banks and other third parties in response to the pandemic, and the effects on UBS's customers, counterparties, employees and third-party service providers.

Refer to the "*Recent developments*" section of the Second Quarter 2020 Report for more information.

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. 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.

A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, global trade disruption, changes in monetary or fiscal policy, changes in trade policies, natural disasters, pandemics, civil unrest, acts of violence, war or terrorism. Such developments can have unpredictable and destabilising effects and, because financial markets are global and highly interconnected, even 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.

If individual countries impose restrictions on cross-border payments, trade, or other exchange or capital controls, or change their currency (for example, if one or more countries should leave the eurozone), UBS could suffer losses from enforced default by counterparties, be unable to access its own assets, or be unable to effectively manage its risks.

Should the market experience significant volatility, a decrease in business and client activity and market volumes could result, which would adversely affect UBS's ability to generate transaction fees, commissions and margins, particularly in Global Wealth Management and the Investment Bank, as UBS experienced in the fourth quarter of 2018. 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 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 account for as investments or trading positions. In addition, reduced market liquidity or volatility may limit trading opportunities and may therefore reduce transaction-based income and may also impede UBS's ability to manage 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, or as a result of 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 it 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 may therefore be more affected by political, economic and market developments in these regions and businesses, including the effects of the Covid-19 outbreak, than some other financial service providers.

UBS's credit risk exposure to clients, trading counterparties and other financial institutions would increase under adverse 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 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. UBS's Swiss mortgage and corporate lending portfolios are a large part of its overall lending. UBS is therefore exposed to the risk of adverse economic developments in Switzerland, including the strength of the Swiss franc and its effect on Swiss exports, prevailing negative interest rates by the Swiss National Bank, economic conditions within the eurozone or the EU, and the evolution of agreements between Switzerland and the EU or European Economic Area, which represent Switzerland's largest export market. In addition, under the 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, only gradually diminishing once the economic outlook improves. 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.

Refer to the "Recent developments" section of the Second Quarter 2020 Report for more information.

Low and negative interest rates in Switzerland and the eurozone could continue to negatively affect UBS's net interest income

The continuing low or negative interest rate environment may further erode interest margins and adversely affect the net interest income generated by the Personal & Corporate Banking and Global Wealth Management businesses. The Swiss National Bank permits Swiss banks to make deposits up to a threshold at zero interest and has recently increased this threshold. Any reduction in or limitation on the use of this exemption from the otherwise applicable negative interest rates could exacerbate the effect of negative interest rates in Switzerland on UBS's business.

Low and negative interest rates may also affect customer behaviour and hence UBS's overall balance sheet structure. Mitigating actions that UBS has taken, or may take in the future, such as the introduction of selective deposit fees or minimum lending rates, have resulted and may further result in the loss of customer deposits (a key source of funding for UBS), net new money outflows and a declining market share in UBS's Swiss lending business.

UBS's shareholders' equity and capital are also affected by changes in interest rates. In particular, the calculation of UBS's Swiss pension plan's net defined benefit assets and liabilities is sensitive to the applied discount rate and to fluctuations in the value of pension plan assets. Any further reduction in interest rates

may lower the discount rates and result in pension plan deficits as a result of the long duration of corresponding liabilities. This could lead to a corresponding reduction in UBS's equity and CET1 capital.

UBS's plans to ensure uninterrupted business dealings as the UK withdraws from the EU may not be effective

Plans that UBS has taken to ensure uninterrupted business dealings as the UK withdraws from the EU may not be effective if the UK and the EU do not reach a deal by the end of the transition period, scheduled to end on 31 December 2020, resulting in disruptions across the financial sector.

To prepare UBS's business for the UK withdrawal from the EU, UBS completed a merger of UBS Limited, its UK-based subsidiary, into UBS Europe SE, its Germany-headquartered European subsidiary, which is under the direct supervision of the European Central Bank. All clients and counterparties of UBS Limited who would not be able to be serviced by UBS AG London Branch following the exit of the UK from the EU have been transferred to UBS Europe SE.

Regulators in both the UK and Europe have taken measures to minimise business disruption in the financial sector in the event of a no-deal scenario, including the UK implementation of a temporary permissions regime so that firms currently using an EU passport for business into the UK can continue operating within the scope of their existing permissions, as well as the recognition by EU authorities of three UK-authorised central counterparties. However, the pace of the negotiations has been affected by the COVID-19 pandemic. The UK and EU had both committed to complete the various equivalence assessments under existing financial services legislation by June 2020, but no further information from the EU and UK authorities about the outcome of those assessments has been released. It is unclear whether and when the EU and the UK will grant equivalence to each other.

Should the UK exit the transition period without at least the majority of equivalence determinations in place, it could cause significant disruption across the financial industry and, under extreme conditions, contribute to a weakening of the global economy. UBS Europe SE's exposures to UK central counterparties ("CCPs") would need to be migrated to an EU CCP before the end of the transition period. In addition, a number of market structure issues remain unresolved, including the operation of derivatives and share trading obligations under the EU's Markets in Financial Instruments Directive II.

Currency fluctuation

UBS is subject to currency fluctuation risks. Although UBS's change from the Swiss franc to the US dollar as its functional and presentation currency in 2018 reduces its exposure to currency fluctuation risks with respect to the Swiss franc, a substantial portion of its assets and liabilities are denominated in currencies other than the US dollar. Additionally, in order to hedge UBS's CET1 capital ratio, its CET1 capital must have foreign currency exposure, which leads to currency sensitivity. As a consequence, it is not possible to simultaneously fully hedge both the amount of capital and the capital ratio. Accordingly, changes in foreign exchange rates may continue to adversely affect UBS's profits, balance sheet and capital leverage and liquidity coverage ratios ("LCR").

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 are 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. The extent of UBS's financial exposure to these and other matters is material and could substantially exceed the level of provisions that UBS 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 it to record additional provisions for the matter even when it believes it has substantial defenses 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, which UBS has appealed and is scheduled to be retried in the Court of Appeal in March 2021.

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 them. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorisations or participations, could have material adverse consequences for us.

UBS's settlements with governmental authorities in connection with foreign exchange, the London Interbank Offered Rate ("**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.

Ever since UBS's material losses arising from the 2007–2009 financial crisis, it has been subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain its strategic flexibility. While UBS believes it has remediated the deficiencies that led to those losses, as well as to the unauthorised trading incident announced in September 2011, the effects on its reputation, as well as on relationships with regulatory authorities of the LIBOR-related settlements of 2012 and settlements with some regulators of matters related to its foreign exchange and precious metals business, as well as the extensive efforts required to implement new regulatory expectations, have resulted in continued scrutiny.

UBS is in active dialog with regulators concerning the actions it is taking to improve its operational risk management, risk control, anti-money laundering ("**AML**"), data management and other frameworks, and otherwise seek 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

UBS is subject to significant new regulatory requirements, including recovery and resolution planning, changes in capital and prudential standards, as well as new and revised market standards and fiduciary duties. 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. 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, continue 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 might 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, particularly the transfer of operations to subsidiaries, require significant time and resources to implement, and create operational, capital, liquidity, funding and tax inefficiencies. In addition, they may increase UBS's aggregate credit exposure to counterparties as they transact with multiple entities within the Group. Furthermore, 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 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 UBS operates, it 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 its business in that jurisdiction, or oblige it 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. In February 2020, FINMA published its assessment of the recovery and resolution plans and emergency plans for Swiss systemically relevant banks ("**SRB**"). FINMA confirmed that UBS's Swiss emergency plan is effective, subject to a further reduction of its joint and several liabilities. In addition, FINMA confirmed that UBS has completed important measures and made considerable progress with respect to its global resolvability. Refer to "*Recovery and resolution*" in the "*Regulation and supervision*" section of the Annual Report 2019 for more information regarding UBS's Swiss emergency plan.

Capital and prudential standards: As an internationally active Swiss SRB, UBS is subject to capital and total loss-absorbing capacity ("**TLAC**") requirements that are among the most stringent in the world. Moreover, many of UBS'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 risk-weighted assets ("**RWA**") to further increase as the effective date for capital standards promulgated by the Basel Committee on Banking Supervision (the "**BCBS**") draws nearer. However, in response to the economic disruption caused by the COVID-19 pandemic, the BCBS has delayed the implementation deadline of Basel III rules by one year, to 1 January 2023. The accompanying transitional arrangement for the output floor has also been extended by one year, to 1 January 2028. Separately, the BCBS and the International Organization of Securities Commissions (IOSCO) have extended the final two implementation phases of the framework for margin requirements for non-centrally cleared derivatives by one year, to 1 September 2022. In addition, the Board of Governors of the Federal Reserve System had adopted two proposals previously regarding certain capital and liquidity requirements and enhanced prudential standards applicable to foreign banking organisations ("**FBOs**") with significant US operations. Under the proposal, it is expected that UBS Americas Holding LLC would continue to be subject to annual assessments of its capital plan through the Comprehensive Capital Analysis and Review ("**CCAR**") process, a supplementary leverage ratio, newly applicable liquidity coverage ratio requirements and new net stable funding ratio requirements. These additional increases in capital and liquidity standards could significantly curtail UBS's ability to pursue strategic opportunities and to distribute risk.

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, the SEC has adopted a new Regulation Best Interest that is intended to enhance and clarify the duties of brokers and investment advisers to retail customers. Regulation Best Interest will apply to a large portion of Global Wealth Management's business in the US, and UBS will likely be required to materially change business processes, policies and the terms on which it interacts with these clients in order to comply with these rules.

Previously, UBS has incurred substantial costs in implementing a compliance and monitoring framework in connection with the Volcker Rule under the Dodd–Frank Act and has modified its business activities both inside and outside the US to conform to the Volcker Rule's activity limitations. In 2019, US regulators have adopted amendments (the "**2019 Final Rule**") to their regulations implementing the Volcker Rule prohibitions on proprietary trading and limitations on covered fund activities. The amendments were effective as of 1 January 2020 and compliance is mandatory from 1 January 2021. UBS may incur additional costs in the short term to implement the changes to the operation of its Volcker compliance programme, required by the 2019 Final Rule. However, these changes may reduce the long-term burden on UBS's operations. 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.

Some of the regulations applicable to UBS AG as a registered swap dealer with the Commodity Futures Trading Commission ("**CFTC**") in the US, and certain regulations that will be applicable when UBS AG registers as a security-based swap dealer with the SEC, apply to UBS AG globally, including those relating to swap data reporting, record-keeping, compliance and supervision. As a result, in some cases, US rules duplicate or may conflict with legal requirements applicable to UBS elsewhere, including in Switzerland, and may place it at a competitive disadvantage to firms that are not required to register in the US with the SEC or CFTC.

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 its 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 the equivalence determination for Swiss exchanges, which lapsed as of 30 June 2019. Reciprocally, the regulations that Switzerland adopted to prohibit trading of shares issued by Swiss incorporated companies on EU venues came into effect on 1 July 2019.

UBS 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, the implementation of 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.

UBS's stated capital returns objective is based, in part, on capital ratios that are subject to regulatory change and may fluctuate significantly

UBS plans to operate with a CET1 capital ratio of around 13% and a CET1 leverage ratio of around 3.7%. UBS's ability to maintain these 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 CET1 ratios, the imposition of risk add-ons or capital buffers, and the application of additional capital, liquidity and similar requirements to subsidiaries. The results of UBS's businesses may be adversely affected by events arising from other 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.

Capital strength is a key component of UBS's business model. Capital strength enables UBS to grow its businesses, and absorb increases in regulatory and capital requirements. It reassures UBS's clients and stakeholders, forms the basis for its capital return policy and contributes to its credit ratings. UBS's capital ratios are driven primarily by RWA, the leverage ratio denominator ("**LRD**") and eligible capital, all of which may fluctuate based on a number of factors, some of which are outside its control.

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 which change the level of

goodwill, changes in temporary differences related to deferred tax assets 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, 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. UBS has significantly reduced its market risk and credit risk RWA in recent years. However, increases in operational risk RWA, particularly those arising from litigation, regulatory and similar matters, and regulatory changes in the calculation of RWA, and regulatory add-ons to RWA, have offset a substantial portion of this reduction. 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 implementation of the capital standards promulgated by the Basel Committee on Banking Supervision, which will take effect in 2023, could substantially 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 it satisfies other risk-based capital requirements. UBS's leverage ratio denominator is driven by, among other things, the level of client activity, including deposits and loans, foreign exchange rates, interest rates and other market factors. 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

UBS's effective tax rate is highly sensitive to its performance, its expectation of future profitability and statutory tax rates. Based on prior years' tax losses, UBS has recognised deferred tax assets ("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, it 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, it could potentially recognise additional DTAs. The effect of doing so would be to reduce UBS's 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. For example, the reduction in the US federal corporate tax rate to 21% from 35% introduced by the US Tax Cuts and Jobs Act resulted in a USD 2.9 billion net write-down in the Group's DTAs in the fourth quarter of 2017.

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 could change if aggregate tax expenses in respect of profits from branches and subsidiaries without loss coverage differ from what is expected, or if branches and subsidiaries generate tax losses that UBS cannot benefit from through the income statement. In particular, 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, may increase UBS's effective tax rate. In addition, tax laws or the tax authorities in countries where UBS has undertaken legal structure changes 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 its assessment of uncertain tax positions, could cause the amount of taxes it ultimately pays to materially differ from the amount accrued.

Refer to "*Regulatory and legal developments*" section of the Annual Report 2019 for more information.

Discontinuance of, or changes to, benchmark rates may require adjustments to UBS's agreements with clients and other market participants, as well as to UBS's systems and processes

Since April 2013, the UK Financial Conduct Authority (the "FCA") has regulated LIBOR, and regulators in other jurisdictions have increased oversight of other interbank offered rates ("IBORs") and similar benchmark rates. Efforts to transition from IBORs to alternative benchmark rates are underway in several jurisdictions. The FCA has urged users to plan the transition to alternative reference rates ("ARRs"), and has further confirmed that the deadline for transitioning away from LIBOR remains the end of 2021.

Liquidity and activity in ARRs continue to develop in markets globally, with work progressing to resolve certain issues associated with transitioning away from IBORs. Regulatory authorities continue to focus on transitioning to ARRs by the end of 2021. The Alternative Reference Rates Committee is considering potential legislative solutions that would mitigate legal risks related to legacy contracts in the event of IBOR discontinuation. In addition, in October 2019, the US Treasury Department and Internal Revenue Service published proposed regulations providing tax relief related to issues that may arise as a result of the modification of debt, derivative, and other financial contracts from LIBOR-based language to ARRs. The European Central Bank published the euro short-term rate, the risk-free rate for euro markets, for the first time on 2 October 2019, reflecting trading activity on 1 October 2019. The Bank of England Working Group on Sterling Risk-Free Reference Rates continues to be supportive of the development of a term Sterling Overnight Index Average (SONIA) reference rate. Her Majesty's Treasury has also announced that the FCA will be given additional powers to ensure a smooth wind-down of LIBOR and deal with complex legacy contracts that cannot transition from LIBOR.

UBS has a substantial number of contracts linked to IBORs. ARRs do not currently provide a term structure, which will require a change in the contractual terms of products currently indexed on terms other than overnight. In some cases, contracts may contain provisions intended to provide a fallback interest rate in the event of a brief unavailability of the relevant IBOR. These provisions may not be effective or may produce arbitrary results in the event of a permanent cessation of the relevant IBOR. In addition, numerous of UBS's internal systems, limits and processes make use of IBORs as reference rates. Transition to replacement reference rates will require significant investment and effort.

Refer to "*Developments related to the transition away from IBORs*" in the "*Regulatory and legal developments*" section of the Annual Report 2019 and in the Second Quarter 2020 Report for more information.

If UBS experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on UBS's 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 and UBS Switzerland AG, if there is justified concern that the 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 or UBS Switzerland 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 have no right 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 or UBS Switzerland 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, if such equity capital is fully written down, convert into equity or write down the capital and 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 debt 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 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 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, and such conversion would also dilute the ownership of existing shareholders. 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 a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on par with or junior to such obligations are not written down or converted.

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 International Financial Reporting Standards ("IFRS"). 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 DTAs, the assessment of the impairment of goodwill, ECLs and estimation of provisions for contingencies, including 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 for contingencies may be subject to a wide range of potential outcomes and significant uncertainty. For example, the broad range of potential outcomes in UBS AG's proceeding in France increases the uncertainty associated with assessing the appropriate provision. If the estimates and assumptions in future periods deviate from the current outlook, UBS AG's financial results may also be negatively affected.

Changes to IFRS or interpretations thereof may cause future reported results and financial position 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, UBS adopted IFRS 9 effective 1 January 2018, which required it to change the accounting treatment of financial instruments measured at amortised cost and certain other positions, to record loans from inception net of ECL allowances and provisions instead of recording credit losses on an incurred loss basis. This may result in a significant increase in recognised credit loss allowances in the future and greater volatility in the income statement as ECL changes in response to developments in the credit cycle and composition of UBS's loan portfolio. The effect may be more pronounced in a deteriorating economic environment. For example, in the first half of 2020, UBS has experienced significantly higher levels of ECL as a consequence of the exceptional circumstances and prevailing uncertainties resulting from the effects of the COVID-19 pandemic. Refer to the *"Critical accounting estimates and judgments"* section and *"Note 1 Summary of significant accounting policies"* in the *"UBS Group AG consolidated financial statements"* section of the Annual Report 2019, as well as to the *"Note 1 Basis of Accounting"* section of the First Quarter 2020 Report and the *"Note 1 Basis of Accounting"* and *"Note 10 Expected credit loss measurement"* sections of the Second Quarter 2020 Report for more information.

Strategy, management and operations risks

UBS may not be successful in the ongoing execution of its strategic plans

UBS has transformed its business to focus on its Global Wealth Management business and its universal bank in Switzerland, complemented by Asset Management and a significantly smaller and more capital-efficient Investment Bank; it has substantially reduced the RWA and the LRD usage in Corporate Center; and made significant cost reductions. Risk remains that going forward UBS may not succeed in executing its strategy or achieving its performance targets, or may be delayed in doing so. Macroeconomic conditions, geopolitical uncertainty, changes to regulatory requirements and the continuing costs of meeting these requirements have prompted UBS to adapt its targets and ambitions in the past and it may need to do so again in the future.

To achieve its strategic plans, UBS expects to continue to make significant expenditures on technology and infrastructure to improve client experience, improve and further enable digital offerings and increase efficiency. UBS's investments in new technology may not fully achieve its objectives or improve its ability to attract and retain customers. In addition, UBS will likely face competition in providing digitally enabled offerings from both existing competitors and new financial service providers in various portions of the value chain. For example, technological advances and the growth of e-commerce have made it possible for e-commerce firms and other companies to offer products and services that were traditionally offered only by banks. These advances have also allowed financial institutions and other companies to provide digitally based financial solutions, including electronic securities trading, payments processing and online automated algorithmic-based investment advice at a low cost to their customers. UBS may have to lower its prices, or risk losing customers as a result. UBS's ability to develop and implement competitive digitally enabled offerings and processes will be an important factor in its ability to compete.

As part of its strategy, UBS seeks to improve its operating efficiency, in part by controlling its costs. UBS may not be able to identify feasible cost reduction opportunities that are consistent with its business goals and cost reductions may be realised later or may be smaller than it anticipates. Higher temporary and permanent regulatory costs and higher business demand than anticipated have partly offset cost reductions and delayed the achievement of UBS's past cost reduction targets, and it could continue to be challenged in the execution of its ongoing efforts to improve operating efficiency.

Changes in UBS's workforce as a result of outsourcing, nearshoring, offshoring, insourcing or staff reductions may introduce new operational risks that, if not effectively addressed, could affect its ability to achieve cost and other benefits from such changes, or could result in operational losses.

As UBS implements effectiveness and efficiency programmes, it may also experience unintended consequences, such as the unintended loss or degradation of capabilities that it needs in order to maintain its competitive position, achieve its targeted returns or meet existing or new regulatory requirements and expectations.

Refer to the *"Our strategy"* section of the Annual Report 2019 for more information.

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 UBS's or third-party systems could have an adverse effect on UBS. 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.

UBS uses automation as part of its efforts to improve efficiency, reduce the risk of error and improve its client experience. UBS intends to expand the use of robotic processing, machine learning and artificial intelligence 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 artificial intelligence tools may adversely affect their functioning and result in errors and other operational risks.

UBS and other financial services firms have 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 destroy data. These attacks may be attempted through the introduction of 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 UBS's employees, third-party service providers or other users. 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 its 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. Once a particular attack is detected, time may be required to investigate and assess the nature and extent of the attack. A successful breach or circumvention of security of UBS's systems or data could have significant negative consequences for it, including disruption of its operations, misappropriation of confidential information concerning it or its customers, damage to its systems, financial losses for it or its customers, violations of data privacy and similar laws, litigation exposure and damage to its reputation.

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 it 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. UBS 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 AML 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 UBS's programmes in these areas, could have serious consequences both from

legal enforcement action and from damage to its reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals increase UBS's cost of monitoring and complying with sanctions requirements and increase the risk that it will not identify in a timely manner previously permissible 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 significantly increased. 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.

Certain types of operational control weaknesses and failures could also adversely affect UBS's ability to prepare and publish accurate and timely financial reports.

In addition, despite the contingency plans that UBS has in place, its ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities in which it operates. This may include a 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 it conducts business.

UBS may not be successful in implementing changes in its wealth management businesses to meet changing market, regulatory and other conditions

In recent years, inflows from lower-margin segments and markets have been replacing outflows from higher-margin segments and markets, in particular for cross-border clients. This dynamic, combined with changes in client product preferences as a result of which low-margin products account for a larger share of UBS's revenues than in the past, has put downward pressure on Global Wealth Management's margins.

As the discussion above indicates, UBS is exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of Global Wealth Management, in particular. Initiatives that UBS may implement to overcome the effects of changes in the business environment on its profitability, balance sheet and capital positions may not succeed in counteracting those effects and may cause net new money outflows and reductions in client deposits, as happened with its balance sheet and capital optimisation programme in 2015. There is no assurance that UBS will be successful in its efforts to offset the adverse effect of these or similar trends and developments.

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 it in their size and breadth. 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 recent years, in response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of its 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 Group Executive Board ("GEB") members, as well as certain other employees.

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. The loss of key staff and the inability to attract qualified replacements could seriously compromise UBS's ability to execute its strategy and to successfully improve its operating and control environment, and could affect its business performance. Swiss law requires that shareholders approve the compensation of the Board of Directors (the "**BoD**") and the GEB each year. If UBS'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.

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.

As seen during the financial crisis of 2007–2009, UBS has not always been able to prevent serious losses arising from extreme or sudden market events that are not anticipated by its risk measures and systems. UBS's risk measures, concentration controls and the dimensions in which it aggregated risk to identify correlated exposures proved inadequate in a historically severe deterioration in financial markets. As a result, UBS recorded substantial losses on fixed income trading positions, particularly in 2008 and 2009. UBS has substantially revised and strengthened its risk management and control framework and increased the capital that it holds relative to the risks that it takes. Nonetheless, UBS could suffer further losses in the future if, for example:

- a) it does not fully identify the risks in its portfolio, in particular risk concentrations and correlated risks;
- b) its assessment of the risks identified, or its response to negative trends, proves to be untimely, inadequate, insufficient or incorrect;
- c) 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;
- d) third parties to whom it has credit exposure or whose securities it holds are severely affected by events and it suffers defaults and impairments beyond the level implied by its risk assessment; or
- e) collateral or other security provided by its counterparties proves inadequate to cover their obligations at the time of default.

UBS has exposures related to real estate in various countries, including a substantial Swiss mortgage portfolio. Although UBS believes this portfolio is prudently managed, it could nevertheless be exposed to losses if a substantial deterioration in the Swiss real estate market were to occur. UBS also holds legacy risk positions, primarily in Corporate Center, that, in many cases, are illiquid and may again deteriorate in value.

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 factors mentioned above. 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.

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, UBS Americas Holding LLC and UBS Europe SE, are subject to laws and regulations that restrict dividend payments, authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS Group AG, or 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, the US Comprehensive Capital Analysis and Review process requires that UBS's US intermediate holding company demonstrate that it can continue to meet minimum capital standards over a hypothetical nine-quarter severely adverse economic scenario. If it fails to meet the quantitative capital requirements, or the Federal Reserve Board's qualitative assessment of the capital planning process is adverse, UBS's US intermediate holding company would be prohibited from paying dividends or making distributions. Restrictions and regulatory actions of this kind 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 shareholders, other than in the form of shares, if it does not pay interest on these instruments.

Furthermore, UBS Group AG may guarantee some of the payment obligations of certain of the Group's 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.

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. UBS's reputation has been adversely affected by its losses during the financial crisis, investigations into its cross-border private banking services, criminal resolutions of 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. 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.

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.

Moreover, more stringent capital and liquidity and funding requirements will likely lead to increased competition for both secured funding and deposits as a stable source of funding, and to higher funding costs. 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 subsidiaries, as well as the power of resolution authorities to bail in TLAC and other debt obligations, and uncertainty as to how such powers will be exercised, will increase 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 its businesses.

The requirement to maintain a LCR 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 LCR 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. There can be no assurance that in an actual stress situation UBS's funding outflows would not exceed the assumed amounts.

FORM OF THE NOTES

The Notes of each Series will be issued in either uncertificated form ("**Uncertificated Notes**"), or registered form ("**Registered Notes**"), without interest coupons attached, as indicated in the relevant Pricing Supplement. Uncertificated Notes have the benefit of a paying agency agreement dated as of 26 July 2019 (as may be amended, supplemented or otherwise modified from time to time, the "**Paying Agency Agreement**"), entered into among the Issuer, UBS AG, as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor Principal Paying Agent appointed in accordance with the terms of the Paying Agency Agreement), and calculation agent, and the other agents from time to time party thereto. Registered Notes have the benefit of a senior debt fiscal agency agreement dated as of 26 July 2019 (as may be amended, supplemented or otherwise modified from time to time, the "**Senior Debt Fiscal Agency Agreement**"), entered into among the Issuer, Deutsche Bank Trust Company Americas, as fiscal agent (the "**Fiscal Agent**", which expression includes any successor Fiscal Agent appointed in accordance with the terms of the Senior Debt Fiscal Agency Agreement), paying agent, registrar (the "**Registrar**", which expression includes any successor Registrar appointed in accordance with the terms of the Senior Debt Fiscal Agency Agreement), and calculation agent, UBS AG, as Swiss paying agent, and the other agents from time to time party thereto. Any notes in registered form issued under the Programme prior to 26 July 2019 will continue to have the benefit of the fiscal agency agreement dated as of 10 March 2017 (as previously amended, supplemented or otherwise modified in respect of such Notes).

Notes of each Tranche that are initially sold in the United States to "qualified institutional buyers" within the meaning of Rule 144A under the US Securities Act of 1933, as amended (the "**US Securities Act**") ("**Rule 144A Notes**"), will be issued as Registered Notes. Notes of each Tranche that are initially sold in an "offshore transaction" within the meaning of Regulation S of the US Securities Act ("**Regulation S Notes**") will be issued as Uncertificated Notes, unless any Notes of the same Series are Rule 144A Notes, in which case they will be issued as Registered Notes.

Uncertificated Notes

Each Tranche of Uncertificated Notes will be issued in uncertificated form as uncertificated securities (*Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations, which 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 Ltd ("**SIS**") or such other intermediary (*Verwahrungsstelle*) in Switzerland recognised by SIX Swiss Exchange for purposes of article 6(1)(c) of the Swiss Federal Intermediated Securities Act of 3 October 2008 (as amended, the "**FISA**") (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 Uncertificated Notes will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") within the meaning of the FISA.

For so long as the Uncertificated Notes are Intermediated Securities, the Uncertificated Notes may only be transferred by the entry of the transferred Uncertificated Notes in a securities account of the transferee, as set out in the provisions of the FISA regarding the transfer of Intermediated Securities. The records of the Intermediary will determine the number of Uncertificated Notes held through each participant in that Intermediary.

Payments of principal, interest or any other amount in respect of Uncertificated Notes will be made through SIS (or any other relevant Intermediary) without any requirement for certification.

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

Registered Notes

Registered Notes that are Regulation S Notes will initially be represented by one or more permanent registered global certificates (each, a "**Regulation S Registered Global Certificate**"), without interest coupons, deposited with the Fiscal Agent as custodian for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("**DTC**"), *provided* that upon such Regulation S Registered Global Certificate's deposit, all beneficial interests in the Registered Notes represented thereby are maintained at or through Euroclear and/or Clearstream, Luxembourg until expiration of the Distribution

Compliance Period. Registered Notes that are Rule 144A Notes will be initially represented by one or more permanent registered global certificates (each, a "**Rule 144A Registered Global Certificate**" and, together with a Regulation S Registered Global Certificate, "**Registered Global Certificates**"), without interest coupons, deposited with the Fiscal Agent as custodian for, and registered in the name of Cede & Co., as nominee for, DTC. The form of Regulation S Registered Global Certificate and the form of Rule 144A Registered Global Certificate are set out in the Senior Debt Fiscal Agency Agreement, which will be made available by the Registrar to any Holder upon request.

Definitive Notes in registered form ("**Registered Definitive Certificates**") will be issued, and interests in a Registered Global Certificate will be exchanged, in whole, but not in part, for Registered Definitive Certificates, if (and only if), (i) DTC or any other clearing system outside of Switzerland designated as Depositary by the Issuer (DTC or such other clearing system, the "**Depositary**") notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to some or all of the Registered Global Certificates of the relevant Series, or ceases to be a "clearing agency" registered under the US Securities and Exchange Act of 1934, as amended, or (ii) at any time the Depositary is no longer eligible to act as such, or the Registered Notes of the relevant Series cease for any reason to be eligible for clearing through the Depositary, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility of the Depositary or of such Registered Notes, as the case may be, from or behalf of the Depositary, or (iii) issuance of the Registered Definitive Certificates is required by Swiss or other applicable laws or regulations in connection with the enforcement of rights under the Registered Notes of the relevant Series, or (iv) the Issuer provides its consent. Registered Definitive Certificates, if any, will be printed without interest coupons.

The form of Registered Definitive Certificate that will be issued in exchange for a beneficial interest in a Registered Note represented by a Rule 144A Registered Global Certificate and the form of Registered Definitive Certificate that will be issued in exchange for a beneficial interest in a Registered Note represented by a Regulation S Registered Global Certificate are set out in the Senior Debt Fiscal Agency Agreement, which will be made available by the Registrar to any Holder upon request.

Title to Registered Notes will pass on transfer by assignment (*Zession*) and due registration in the Register. All transfers of Registered Notes and entries on the Register will be made subject to the provisions concerning transfers of Registered Notes set forth in the Senior Debt Fiscal Agency Agreement, which will be made available by the Registrar to any Holder upon written request. Transfers of Registered Notes, or of beneficial interests in Registered Notes represented by Registered Global Certificates, may be made only in accordance with the legend set forth upon the face of the applicable Registered Global Certificate or Registered Definitive Certificate, and the Registrar will not be required to accept for registration of transfer any Registered Note or beneficial interests in Registered Notes except upon presentation of evidence satisfactory to the Fiscal Agent and the Registrar that such transfer is being made in compliance with such legend.

Payments of principal, interest or any other amount in respect of Registered Notes will be made to the person shown on the Register as the registered holder of the relevant Registered Global Certificate, or Registered Definitive Certificate, as applicable, at close of business on the relevant record date.

TERMS AND CONDITIONS OF THE NOTES

UBS Group AG (the "**Issuer**") has established a senior debt programme (the "**Programme**") under which it will issue notes (the "**Notes**"). The Notes will be issued in series (each, a "**Series**"), and each Series may comprise one or more tranches of Notes (each, a "**Tranche**"). The Notes of each Tranche of the same Series will have identical terms in all respects (or in all respects except for the issue date and/or the first date on which interest will be paid and/or the first date on which interest begins to accrue).

In connection with the Programme, the Issuer has entered into (i) the senior debt fiscal agency agreement for Registered Notes (as defined in the General Terms and Conditions (as defined below)) issued on or after the date hereof under the Programme dated as of 26 July 2019 (as may be amended, supplemented or otherwise modified from time to time, the "**Senior Debt Fiscal Agency Agreement**"), with Deutsche Bank Trust Company Americas, as fiscal agent (the "**Fiscal Agent**", which expression includes any successor Fiscal Agent appointed in accordance with the terms of the Senior Debt Fiscal Agency Agreement), paying agent, registrar (the "**Registrar**", which expression includes any successor Registrar appointed in accordance with the terms of the Senior Debt Fiscal Agency Agreement), and calculation agent, UBS AG, as Swiss paying agent, and the other agents from time to time party thereto, and (ii) the paying agency agreement for Uncertificated Notes (as defined in the General Terms and Conditions) issued on or after the date hereof under the Programme dated as of 26 July 2019 (as may be amended, supplemented or otherwise modified from time to time, the "**Paying Agency Agreement**"), with UBS AG, as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor Principal Paying Agent appointed in accordance with the terms of the Paying Agency Agreement), and calculation agent, and the other agents from time to time party thereto.

The general terms and conditions of the Notes are set out under "*General Terms and Conditions of the Notes*" below (the "**General Terms and Conditions**"). The General Terms and Conditions do not reflect the terms and conditions of any specific Tranche of Notes. In connection with each Tranche of Notes, the Issuer will prepare a pricing supplement (the "**Pricing Supplement**"), which will contain the information that specifically relates to that Tranche of Notes. In relation to each Tranche of Notes, the Pricing Supplement will contain provisions that complete, and may contain provisions that supplement, modify and/or replace all or any part of, the General Terms and Conditions for the purpose of that Tranche alone. In the case of Registered Notes, the relevant Pricing Supplement will be attached to each Registered Global Certificate and Registered Definitive Certificate, if any (each defined in the General Terms and Conditions). Copies of the Pricing Supplement for each Tranche of Notes 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). In the case of any Tranche of Notes to be publicly offered in Switzerland and/or with respect to which application will be made to admit such Notes to trading on the SIX Swiss Exchange, the applicable Pricing Supplement will be filed with SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act of 15 June 2018 (the "**FinSA**") (in such capacity, the "**Swiss Review Body**"), and published in accordance with the FinSA as soon as the final terms of such Notes are available, but, in the case of an admission to trading, in any case no later than the first day of trading for such Notes on the SIX Swiss Exchange. The Pricing Supplement for such Notes will not be reviewed or approved by the Swiss Review Body.

To determine the terms and conditions that apply to a particular Tranche of Notes, it is necessary to (i) refer to the General Terms and Conditions and (ii) consider the extent to which the General Terms and Conditions have been completed, supplemented, modified and/or replaced by the information contained in the relevant Pricing Supplement. In relation to the terms and conditions of any Tranche of Notes, to the extent that there is any inconsistency between the General Terms and Conditions and the terms and conditions that appear in the relevant Pricing Supplement, the terms and conditions that appear in such Pricing Supplement will prevail.

GENERAL TERMS AND CONDITIONS OF THE NOTES

The terms and conditions that are set out below are the General Terms and Conditions of the Notes. The General Terms and Conditions of the Notes will be completed, and, whether or not specifically indicated below, may be supplemented, modified and/or replaced, by the relevant Pricing Supplement in respect of the relevant Tranche of Notes.

1. DEFINITIONS

"Accrual Yield" means the accrual yield specified in the relevant Pricing Supplement.

"Additional Amounts" has the meaning assigned to such term in clause (b) of Condition 8 (*Taxation*).

"Adjustment Spread" means, with respect to any Alternative Reference Rate, Alternative Reset Reference Rate, Alternative SARON Reference Rate or Alternative SOFR Reference Rate, a spread (which may be positive or negative) or a formula or methodology for calculating any such spread applied to such Alternative Reference Rate, Alternative Reset Reference Rate or Alternative SOFR Reference 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 Reference Rate, Existing Reset Reference Rate, SARON or SOFR, as applicable, with such Alternative Reference Rate, Alternative Reset Reference Rate, Alternative SARON Reference Rate or Alternative SOFR Reference Rate.

"Affected Interest Period" has the meaning assigned to such term in (i) in the case of Floating Rate Notes and Fixed Rate/Floating Rate Notes that are not SARON Notes or SOFR Notes, subclause (d)(iii)(A) of Condition 5 (*Interest*), and (ii) in the case of SOFR Notes, subclause (d)(vii)(A) of Condition 5 (*Interest*).

"Affected SARON Observation Period" has the meaning assigned to such term subclause (d)(v)(A) of Condition 5 (*Interest*).

"Affected SOFR Interest Period" has the meaning assigned to such term in the definition of the term "SOFR Reset Date".

"Affected SOFR Reset Date" has the meaning assigned to such term in subclause (d)(vi)(C) of Condition 5 (*Interest*).

"Affected Zurich Banking Day" has the meaning assigned to such term in the definition of the term "SARON".

"Agency Agreement" means (i) in the case of Uncertificated Notes, the Paying Agency Agreement, and (ii) in the case of Registered Notes, the Senior Debt Fiscal Agency Agreement.

"Agent Insolvency Event" has the meaning assigned to such term in subclause (c)(ii) of Condition 7 (*Payments; Agents*).

"Agents" means (i) in the case of Uncertificated Notes, the Principal Paying Agent, the Calculation Agent and any other agent from time to time appointed pursuant to the terms of the Paying Agency Agreement, and (ii) in the case of Registered Notes, the Fiscal Agent, the Registrar, the Calculation Agent and any other agent from time to time appointed pursuant to the terms of the Senior Debt Fiscal Agency Agreement.

"Alternative Reference Rate" has the meaning assigned to such term in subclause (d)(iii)(A) of Condition 5 (*Interest*).

"Alternative Relevant Page" has the meaning assigned to such term in (i) in the case of Fixed Rate/Fixed Rate Notes, subclause (a)(iv)(E)(1) of Condition 5 (*Interest*), (ii) in the case of Floating Rate Notes and Fixed Rate/Floating Rate Notes that are not SARON Notes or SOFR Notes, subclause (d)(iii)(E)(1) of Condition 5 (*Interest*), (iii) in the case of SARON Notes, subclause (d)(v)(E)(1) of Condition 5 (*Interest*), and (iv) in the case of SOFR Notes, subclause (d)(vii)(E)(1) of Condition 5 (*Interest*).

"Alternative Relevant Time" has the meaning assigned to such term in (i) in the case of Fixed Rate/Fixed Rate Notes, subclause (a)(iv)(E)(1) of Condition 5 (*Interest*), (ii) in the case of Floating Rate Notes and Fixed Rate/Floating Rate Notes that are not SARON Notes or SOFR Notes, subclause (d)(ii)(E)(1) of Condition 5 (*Interest*), (iii) in the case of SARON Notes, subclause (d)(v)(E)(1) of Condition 5 (*Interest*), and (iv) in the case of SOFR Notes, subclause (d)(vii)(E)(1) of Condition 5 (*Interest*).

"Alternative Reset Reference Rate" has the meaning assigned to such term in subclause (a)(iv)(A) of Condition 5 (*Interest*).

"Alternative SARON Reference Rate" has the meaning assigned to such term in subclause (d)(v)(A) of Condition 5 (*Interest*).

"Alternative SOFR Reference Rate" has the meaning assigned to such term in subclause (d)(vii)(A) of Condition 5 (*Interest*).

"Amortised Face Amount" means the amount specified as such in the relevant Pricing Supplement.

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

"Bank Restructuring Event" means the opening of Bank Restructuring Proceedings by the Swiss Resolution Authority.

"Bank Restructuring Proceedings" means Restructuring Proceedings with respect to UBS AG.

"BBSW" means, in respect of any relevant Interest Period, the interest rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Relevant Page at the Relevant Time on the Interest Determination Date for such Interest Period.

"Broken Amount" means, with respect to any Interest Payment Date (in the case of Fixed Rate/Fixed Rate Notes and Fixed Rate/Floating Rate Notes, falling on or prior to the Reset Date and the Floating Rate Commencement Date, respectively), the broken amount specified as payable on such Interest Payment Date in the relevant Pricing Supplement.

"Business Day" means a day (other than a Saturday or a Sunday) on which (i) commercial banks and foreign exchange markets settle payments in the currency or currencies specified in the relevant Pricing Supplement (or, if no currency or currencies are specified in the Business Days section of the relevant Pricing Supplement, settle payments generally) and are open for general business (including, without limitation, dealing in foreign exchange and foreign currency deposits) in the financial centres referred to in the Business Days section of the relevant Pricing Supplement, and (ii) in the case of Notes denominated in euro, the TARGET2 System is open for settlement of payments in euro.

"Business Day Convention" means, with respect to any Interest Payment Date (x) for which there is no numerically corresponding day in the calendar month in which such Interest Payment Date should occur or (y) that would otherwise fall on a day that is not a Business Day, if:

- (a) **"Following Business Day Convention"** is specified in the relevant Pricing Supplement, that such Interest Payment Date will be postponed to the first following Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** is specified in the relevant Pricing Supplement, that such Interest Payment Date will be postponed to the first following Business Day unless that Business Day falls in the next calendar month in which case such Interest Payment Date will instead be brought forward to the last preceding Business Day;
- (c) **"Preceding Business Day Convention"** is specified in the relevant Pricing Supplement, that such Interest Payment Date will be brought forward to the last preceding Business Day;

- (d) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** is specified in the relevant Pricing Supplement and Specified Periods are specified in the relevant Pricing Supplement, that
- (i) in the case of clause (x) above, such Interest Payment Date will be the last Business Day in that calendar month;
 - (ii) in the case of clause (y) above, such Interest Payment Date will be postponed to the first following Business Day unless that Business Day falls in the next calendar month, in which case it will be brought forward to the last preceding Business Day; and
 - (iii) if the last Interest Payment Date preceding such Interest Payment Date (or, if such Interest Payment Date is the first Interest Payment Date, if the Interest Commencement Date) occurred on the last day in a calendar month that was a Business Day, then such Interest Payment Date and all subsequent Interest Payment Dates will be the last day that is a Business Day in the calendar month that is the specified number of months or other period after the calendar month in which the preceding such Interest Payment Date (or Interest Commencement Date, as applicable) occurred; and
- (e) any other Business Day Convention is specified in the relevant Pricing Supplement, that such Interest Payment Date will be adjusted in accordance with such Business Day Convention as described in the relevant Pricing Supplement.

"Calculation Agent" means (i) in the case of Uncertificated Notes that are Floating Rate Notes or Fixed Rate/Floating Rate Notes, UBS AG, in its capacity as calculation agent for Uncertificated Notes under the Paying Agency Agreement, and includes any successor Calculation Agent appointed in accordance with the Paying Agency Agreement, and (ii) in the case of Registered Notes that are Floating Rate Notes or Fixed Rate/Floating Rate Notes, Deutsche Bank Trust Company Americas, in its capacity as calculation agent for Registered Notes under the Senior Debt Fiscal Agency Agreement, and includes any successor Calculation Agent appointed in accordance with the Senior Debt Fiscal Agency Agreement.

"Calculation Amount" means the calculation amount specified in the relevant Pricing Supplement.

"Calculation Period" has the meaning assigned to such term in the definition of the term "Day Count Fraction".

"Capital Adequacy Ordinance" means the Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Dealers, which entered into force on 1 January 2013, as amended from time to time, or any successor Swiss law or regulation.

"CDOR" means, in respect of any specified maturity, the interest rate benchmark known as the Canadian Dealer Offered Rate that is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Investment Dealers Association (or any other Person that takes over the administration of that rate) based on the average rate for Canadian dollar bankers acceptances for such maturity provided by a panel of contributor banks.

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

"Code" has the meaning assigned to such term in subclause (c)(iii) of Condition 8 (*Taxation*).

"Condition" means one of the Terms and Conditions of the Notes.

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

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any period of time (the **"Calculation Period"**),

- (a) if "**Actual/Actual (ICMA)**" is specified in the relevant Pricing Supplement:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of;
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year;
- (b) if "**Actual/365**" or "**Actual/Actual**" is specified in the relevant Pricing Supplement, the actual number of days in such Calculation Period divided by 365 (or, if any portion of such Calculation Period falls in a leap year, the sum of (x) the actual number of days in that portion of such Calculation Period falling in a leap year divided by 366 and (y) the actual number of days in that portion of such Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/360**" is specified in the relevant Pricing Supplement, the actual number of days in such Calculation Period divided by 360;
- (d) if "**30/360**" is specified in the relevant Pricing Supplement, the number of days in such Calculation Period from and including (or, in the case of Swiss Franc Notes, from but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding (or, in the case of Swiss Franc Notes, to and including) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; and
- (e) if "**Actual/365 (Fixed)**" is specified in the relevant Pricing Supplement, the actual number of days in such Calculation Period divided by 365.

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

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

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

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

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

"**EURIBOR**" means, in respect of any specified maturity, the interest rate benchmark known as the Eurozone Interbank Offered Rate that is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other Person that takes over the administration of that rate).

"**euro**" means 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.

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

"**Event of Default**" has the meaning assigned to such term in Condition 11 (*Events of Default*).

"**Existing Reference Rate**" has the meaning assigned to such term in subclause (d)(ii) of Condition 5 (*Interest*).

"**Existing Reset Reference Rate**" has the meaning assigned to such term in subclause (a)(iv) of Condition 5 (*Interest*).

"**External TLAC**" means instruments eligible for external TLAC according to the core features of Sections 7 to 14 of the FSB TLAC Term Sheet or any corresponding provisions of any other FSB TLAC Standard.

"**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System.

"**Federal Reserve's Website**" means the website of the Federal Reserve Board, currently at <http://www.federalreserve.gov>.

"**FEDFUNDS1 Page**" has the meaning assigned to such term in the definition of the term "US Federal Funds Rate".

"**Final Redemption Amount**" means the final redemption amount specified in the relevant Pricing Supplement.

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

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

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

"**Fixed Coupon Amount**" means the fixed coupon amount specified in the relevant Pricing Supplement.

"**Fixed Rate/Fixed Rate Notes**" means Notes with respect to which the interest basis specified in the relevant Pricing Supplement is "Fixed Rate/Fixed Rate".

"**Fixed Rate/Floating Rate Notes**" means Notes with respect to which the interest basis specified in the relevant Pricing Supplement is "Fixed Rate/Floating Rate".

"**Fixed Rate Notes**" means Notes with respect to which the interest basis specified in the relevant Pricing Supplement is "Fixed Rate".

"**Fixed Rate of Interest**" means (i) in the case of Fixed Rate Notes and Fixed Rate/Floating Rate Notes, the fixed rate of interest specified in the relevant Pricing Supplement, and (ii) in the case of Fixed Rate/Fixed Rate Notes, (a) with respect to the period from and including (or, in the case of Swiss Franc Notes, from but excluding) the Interest Commencement Date to but excluding (or, in the case of Swiss Franc Notes, to and including) the Reset Date, the Initial Rate of Interest, and (b) with respect to the Reset Period, the sum of the Reset Margin and the Reset Reference Rate.

"**Fixed Rate Period**" means, in respect of Fixed Rate/Floating Rate Notes, the period from and including (or, in the case of Swiss Franc Notes, from but excluding) the Interest Commencement Date to but excluding (or, in the case of Swiss Franc Notes, to and including) the Floating Rate Commencement Date.

"Floating Rate Commencement Date" means, in respect of Fixed Rate/Floating Rate Notes, the Interest Payment Date specified as such in the relevant Pricing Supplement.

"Floating Rate Notes" means Notes with respect to which the interest basis specified in the relevant Pricing Supplement is "Floating Rate".

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

"Floating Rate Period" means, in respect of Fixed Rate/Floating Rate Notes, the period from and including (or, in the case of Swiss Franc Notes, from but excluding) the Floating Rate Commencement Date to but excluding (or, in the case of Swiss Franc Notes, to and including) the Maturity Date.

"FSB TLAC Principles" means the Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution of 9 November 2015, published by the Financial Stability Board.

"FSB TLAC Standard" means the FSB TLAC Principles and the FSB TLAC Term Sheet and any successor document or documents published by the Financial Stability Board that sets standards for External TLAC.

"FSB TLAC Term Sheet" means the Total Loss-absorbing Capacity (TLAC) Term Sheet of 9 November 2015, published by the Financial Stability Board.

"Group" means UBS Group AG and its subsidiaries.

"HIBOR" means, in respect of any specified maturity, the interest rate benchmark known as the Hong Kong Inter Bank Offered Rate that is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Hong Kong Treasury Markets Association (or any other Person that takes over the administration of that rate) based on estimated Hong Kong dollar-denominated interbank borrowing rates for such maturity that are provided by a panel of contributor banks.

"Holder" means, with respect to any Note, (i) in the case of Uncertificated Notes that constitute Intermediated Securities, (a) the Person, other than an intermediary (*Verwahrungsstelle*), holding such Note in a securities account (*Effektenkonto*) with an intermediary (*Verwahrungsstelle*), or (b) the intermediary (*Verwahrungsstellen*) holding such Note for its own account, and (ii) in the case of Registered Notes, the Person in whose name the Registered Certificate representing such Registered Note is registered in the Register. For the avoidance of doubt, with respect to Notes represented by a Registered Global Certificate, no Indirect Holder or other Person will be a Holder for purposes of the Terms and Conditions of the Notes or such Notes or have any rights, or be owed any obligations by the Issuer, under such Notes.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case, appointed by the Issuer at its own expense.

"Independent Adviser Determination Cut-off Date" has the meaning assigned to such term (i) in the case of Fixed Rate/Fixed Rate Notes, in subclause (a)(iv)(A) of Condition 5 (*Interest*), (ii) in the case of Floating Rate Notes and Fixed Rate/Floating Rate Notes that are not SARON Notes or SOFR Notes, in subclause (d)(iii)(A) of Condition 5 (*Interest*), (iii) in the case of SARON Notes, in subclause (d)(v)(A) of Condition 5 (*Interest*), and (iv) in the case of SOFR Notes, in subclause (d)(vii)(A) of Condition 5 (*Interest*).

"Indirect Holder" means, with respect to any Note represented by a Registered Global Certificate, any Person (other than the Holder) that owns a beneficial interest in such Note through a bank, broker or other financial institution that (i) participates in the book-entry system of SIS, DTC, Euroclear, Clearstream, Luxembourg, and/or any other clearing system (each, a **"Relevant Clearing System"**), or (ii) holds an interest in such Note through a participant in the book-entry system of any Relevant Clearing System. No Indirect Holder will have any rights, or be owed any obligations by the Issuer, under the Notes.

"Ineligibility Event" has the meaning assigned to such term in clause (e)(iii) of Condition 6 (*Redemption and Purchase*).

"Ineligibility Event Redemption Amount" means the ineligibility event redemption amount specified in the relevant Pricing Supplement.

"Ineligibility Event Redemption Date" means the ineligibility event redemption date(s) specified in the relevant Pricing Supplement.

"Ineligibility Issuer Call" has the meaning assigned to such term in clause (e)(i) of Condition 6 (*Redemption and Purchase*).

"Initial Rate of Interest" means, in respect of Fixed Rate/Fixed Rate Notes, the initial rate of interest specified in the relevant Pricing Supplement.

"Interest Amount" has the meaning assigned to such term in subclause (d)(ix) of Condition 5 (*Interest*).

"Interest Commencement Date" means the interest commencement date specified in the relevant Pricing Supplement.

"Interest Determination Date" means the interest determination date(s) specified in the relevant Pricing Supplement.

"Interest Payment Date" means (i) in the case of Fixed Rate Notes and Fixed Rate/Fixed Rate Notes, the interest payment date(s) specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement, and (ii) in the case of Floating Rate Notes, (x) if a Specified Period is specified in the relevant Pricing Supplement, each date that falls the number of months or other period equal to the Specified Period after the last preceding Interest Payment Date (or, in the case of the first Interest Payment Date, after the Interest Commencement Date), or (y) otherwise, the Specified Interest Payment Date(s) specified in the relevant Pricing Supplement, and (iii) in the case of Fixed Rate/Floating Rate Notes, (a) on or prior to the Floating Rate Commencement Date, the interest payment date(s) specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement, and (b) after the Floating Rate Commencement Date, (x) if a Specified Period is specified in the relevant Pricing Supplement, each date that falls the number of months or other period equal to the Specified Period after the last preceding Interest Payment Date (or, in the case of the first Interest Payment Date after the Floating Rate Commencement Date, after the Floating Rate Commencement Date), or (y) otherwise, the Specified Interest Payment Date(s) specified in the relevant Pricing Supplement, in the case of each of clauses (i), (ii) and (iii), as may be adjusted in accordance with the Business Day Convention, if any.

"Interest Period" means:

- (a) if such Notes are Floating Rate Notes, each period beginning on and including (or, in the case of Swiss Franc Notes, beginning on but excluding) an Interest Payment Date (or, in the case of the first Interest Period, the Interest Commencement Date) and ending on but excluding (or, in the case of Swiss Franc Notes, ending on and including) the next Interest Payment Date; or
- (b) if such Notes are Fixed Rate/Floating Rate Notes, each period in the Floating Rate Period beginning on and including (or, in the case of Swiss Franc Notes, beginning on but excluding) an Interest Payment Date (or, in the case of the first Interest Period, the Floating Rate Commencement Date) and ending on but excluding (or, in the case of Swiss Franc Notes, ending on and including) the next Interest Payment Date,

provided, however, that (i) in the case of SOFR Notes only, in the case of any Interest Period during which any such Notes become due and payable on a date other than an Interest Payment Date, in respect of such Notes that become due and payable only, such Interest Period will end on but exclude the last SOFR Reset Date preceding the date on which such Notes have become due and payable, and (ii) in the case of SARON Notes only, in the case of any Interest Period during which any such Notes become due and payable on a date other than an Interest Payment Date, in respect

of such Notes that become due and payable only, such Interest Period will end on and include such date on which such Notes become due and payable.

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

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

"ISDA Definitions" means the 2006 ISDA Definitions (as supplemented, amended and updated from time to time) as published by the International Swaps and Derivatives Association, Inc.

"Issue Date" means the issue date specified in the relevant Pricing Supplement.

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

"Issuer Call" has the meaning assigned to such term in clause (c) of Condition 6 (*Redemption and Purchase*).

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

"JPY TSR" means the swap rate for Yen swap transactions known as the Tokyo swap reference rate that is calculated and published by a designated distributor (currently Thomson Reuters) based on the mid-market semi-annual swap rate for the semi-annual fixed leg of a fixed-for floating Yen interest rate swap transaction where the floating leg is equivalent to LIBOR for Yen with a maturity of six months that is provided by a panel of contributor banks.

"LIBOR" means, in respect of any specified currency and specified maturity, the interest rate benchmark known as the London Interbank Offered Rate that is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate).

"Make-Whole Redemption" has the meaning assigned to such term in clause (d) of Condition 6 (*Redemption and Purchase*).

"Make-Whole Redemption Amount" means, in respect of a Note and any Make-Whole Redemption Date, the greater of (i) the outstanding principal amount of such Note and (ii) the present value, as determined by the Issuer, of the remaining scheduled payments of principal and interest on such Note (not including any accrued and unpaid interest to but excluding (or, in the case of Swiss Franc Notes, to and including) such Make-Whole Redemption Date) discounted to such Make-Whole Redemption Date at the Reinvestment Rate (as determined by the Issuer on the Reinvestment Rate Determination Date) on the basis of the same frequency and by reference to the same day count fraction as is applicable to such payments on the Reference Bond.

"Make-Whole Redemption Date" means the make-whole event redemption date(s) specified in the relevant Pricing Supplement.

"Margin" means the margin(s) specified in the relevant Pricing Supplement.

"Maturity Date" means the maturity date specified in the relevant Pricing Supplement.

"Maximum Floating Rate of Interest" means the maximum Floating Rate of Interest (if any) specified in the relevant Pricing Supplement.

"Minimum Floating Rate of Interest" means the minimum Floating Rate of Interest specified in the relevant Pricing Supplement.

"New York City Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City.

"New York Federal Reserve's Website" means the website of the Federal Reserve Bank of New York, which is currently <http://www.newyorkfed.org/>.

"NIBOR" means, in respect of any specified maturity, the interest rate benchmark known as the Norwegian Inter Bank Offered Rate that is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of Finance Norway (or any other Person that takes over the administration of that rate) based on estimated Norwegian Krone denominated interbank borrowing rates for such maturity that are provided by a panel of contributor banks.

"Notes" means the notes of the Tranche or Series specified in the relevant Pricing Supplement. Any reference to Notes includes a reference to (i) Registered Notes or Uncertificated Notes, whichever is specified in the relevant Pricing Supplement, and (ii) in the case of a Tranche or Series of Registered Notes, notes of such Tranche or Series in global and definitive form.

"OBFR Index Cessation Date" means the earliest of:

- (a) in the case of the occurrence of an OBFR Index Cessation Event described in clause (a) of the definition thereof, the date on which the Federal Reserve Bank of New York as administrator of the Overnight Bank Funding Rate (or any successor administrator) ceases to publish the Overnight Bank Funding Rate;
- (b) in the case of the occurrence of an OBFR Index Cessation Event described in clause (b) of the definition thereof, the date on which the Federal Reserve Bank of New York as administrator of the Overnight Bank Funding Rate (or any successor administrator) ceases to publish the Overnight Bank Funding Rate; and
- (c) in the case of the occurrence of an OBFR Index Cessation Event described in clause (c) of the definition thereof, the date as of which the Overnight Bank Funding Rate may no longer be used.

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York as administrator of the Overnight Bank Funding Rate (or any successor administrator) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, *provided that*, at the time of such statement, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate;
- (b) the publication of information that reasonably confirms that the Federal Reserve Bank of New York as administrator of the Overnight Bank Funding Rate (or any successor administrator) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, *provided that*, at the time of such publication, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; and/or
- (c) a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that (i) applies to, but need not be limited to, fixed income securities and derivatives, and (ii) has been acknowledged in writing by the International Swaps and Derivatives Association, Inc. as an "OBFR Index Cessation Event" under the ISDA Definitions.

"Optional Redemption Amount" means the optional redemption amount specified in the relevant Pricing Supplement.

"Optional Redemption Date" means the optional redemption date(s) specified in the relevant Pricing Supplement.

"Overnight Bank Funding Rate" means the daily overnight bank funding rate as provided by the Federal Reserve Bank of New York as administrator of such rate (or any successor administrator).

"Par Redemption Date" means the date, if any, specified as such in the relevant Pricing Supplement.

"Partial Fallback Interest Period" has the meaning assigned to such term in the definition of the term "SOFR Reset Date".

"Partial SOFR Interest Period" has the meaning assigned to such term in the definition of the term "SOFR Reset Date".

"Paying Agency Agreement" means the paying agency agreement for Uncertificated Notes issued under the Programme dated as of 26 July 2019 (as may be amended, supplemented or otherwise modified from time to time), among the Issuer, the Principal Paying Agent, the Calculation Agent and the other Agents from time to time party thereto.

"Paying Agent" has the meaning assigned to such term in subclause (c)(i) of Condition 7 (*Payments; Agents*).

"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.

"Pricing Supplement" means the pricing supplement prepared in connection with the issuance of a Tranche of Notes.

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

"Programme" means the senior debt programme for the issuing of notes under which the Notes are issued.

"Protective Measures" means any protective measures that the Swiss Resolution Authority may order pursuant to any statutory power set forth in article 26 of the Swiss Banking Act, or in any 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, (i) giving instructions to the governing bodies of the relevant entity, (ii) appointing an investigator, (iii) stripping governing bodies of their power to legally represent the relevant entity or removing them from office, (iv) removing the regulatory or company-law audit firm from office, (v) limiting the respective entity's business activities, (vi) forbidding the respective entity to make or accept payments or undertake security trades, (vii) closing down the respective entity, or (viii) except for with respect to mortgage-secured receivables of central mortgage bond institutions, ordering a moratorium or deferral of payments.

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

"Quotation Time" means the quotation time specified in the relevant Pricing Supplement.

"Rate of Interest" means, in respect of Fixed Rate/Floating Rate Notes, (i) during the Fixed Rate Period, the Fixed Rate of Interest, and (ii) during the Floating Rate Period, the applicable Floating Rate of Interest.

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

"Reference Banks" means, with respect to any Reference Rate, (i) in the case of LIBOR, the principal London office of four major banks in the London interbank market, as chosen by UBS AG, (ii) in the case of EURIBOR, the principal Eurozone office of four major banks in the Eurozone market, as chosen by UBS AG, and (iii) in the case of any other Reference Rate, the reference banks, if any, specified in the relevant Pricing Supplement.

"Reference Bond(s)" means the security or securities specified as such in the relevant Pricing Supplement or, if no such securities are so specified, the security or securities, as selected by the Issuer, that would be utilised, as at the Reinvestment Rate Determination Date and in accordance

with customary financial practice, in pricing new issues or corporate debt securities of comparable remaining maturity to the Remaining Term of the Notes.

"Reference Bond Price" means, with respect to a Reference Bond,

- (a) the arithmetic average of five Reference Market Maker Quotations for the relevant Make-Whole Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations; or
- (b) if the Issuer obtains fewer than five Reference Market Maker Quotations, but more than one, the arithmetic average of all such quotations; or
- (c) if only one such Reference Market Quotation is obtained by the Issuer, the amount of the Reference Market Maker Quotation so obtained,

in each case, as determined by the Issuer.

"Reference Market Maker" means five brokers or market makers of securities such as the relevant Reference Bond selected by the Issuer or such other five Persons operating in the market for securities such as the Reference Bond as are selected by the Issuer.

"Reference Market Maker Quotations" means, with respect to a Reference Market Maker and any Make-Whole Redemption Date, the average, as determined by the Issuer, of the bid and ask prices for the relevant Reference Bond (expressed in each case as a percentage of its principal amount) quoted to the Issuer at the Quotation Time.

"Reference Rate" means, with respect to any Interest Period, BBSW, CDOR, EURIBOR, HIBOR, JPY TSR, LIBOR, NIBOR, SARON Compounded, SOFR, SOR, STIBOR, US Federal Funds Rate or such other rate specified as the reference rate in, and, if applicable, for the currency and maturity specified in, the relevant Pricing Supplement.

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

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

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

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

"Registered Notes" means Notes issued in registered form.

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

"Regular Period" means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including (or, in the case of Swiss Franc Notes, from but excluding) the Interest Commencement Date to but excluding (or, in the case of Swiss Franc Notes, to and including) the first Interest Payment Date and each successive period from and including (or, in the case of Swiss Franc Notes, from but excluding) one Interest Payment Date to but excluding (or, in the case of Swiss Franc Notes, to and including) the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including (or, in the case of Swiss Franc Notes, from but excluding) a Regular Date falling in any year to but

excluding (or, in the case of Swiss Franc Notes, to and including) the next Regular Date falling in any year where, "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including (or, in the case of Swiss Franc Notes, from but excluding) a Regular Date (or, in the case of the first Interest Period, the Interest Commencement Date) falling in any year to but excluding (or, in the case of Swiss Franc Notes, to and including) the next Regular Date falling in any year, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

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

"**Reinvestment Margin**" means the reinvestment margin specified in the relevant Pricing Supplement.

"**Reinvestment Rate**" means, with respect to any Make-Whole Redemption Date, the rate determined by the Issuer equal to (i) the rate per annum equal to the equivalent yield to maturity of the Reference Bond or, if there is more than one Reference Bond, the arithmetic average of the equivalent yields to maturity of the Reference Bonds, interpolated on a straightline basis in accordance with customary financial practice, calculated on the Reinvestment Rate Determination Date using a price for each Reference Bond (expressed as a percentage of the principal amount of the Reference Bond(s)) equal to its Reference Bond Price for such Make-Whole Redemption Date, plus (ii) the Reinvestment Margin.

"**Reinvestment Rate Determination Date**" means the reinvestment rate determination date specified in the relevant Pricing Supplement.

"**Relevant Agent**" means (i) in the case of Uncertificated Notes, the Principal Paying Agent, and (ii) in the case of Registered Notes, the Fiscal Agent.

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

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

"**Relevant 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 Relevant 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 Relevant Agent.

"**Relevant Page**" means, with respect to any Reference Rate or Reset Reference Rate, the page, section or other part of a particular information service (including, without limitation, Reuters and Bloomberg) specified as the relevant page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to such Reference Rate or Reset Reference Rate, as the case may be.

"**Relevant Time**" means (i) with respect to any Reference Rate, (a) in the case of LIBOR, 11:00 a.m., London time, (b) in the case of EURIBOR, 11:00 a.m., Brussels time, (c) in the case of SARON Compounded and in respect of any Zurich Banking Day, close of trading on the trading platform of SIX Repo AG (or any successor thereto) on such Zurich Banking Day, which is expected to be on or around 6 p.m. (Zurich time), (d) in the case of SOFR, 5:00 p.m., New York City time, (e) in the case of US Federal Funds Rate, 5:00 p.m., New York City time, and (f) in the case of any other Reference Rate, the time specified as such in the relevant Pricing Supplement,

and (ii) with respect to any Reset Determination Date, the time specified as such in the relevant Pricing Supplement.

"Remaining Term of the Notes" means, as of any date, the term to the Maturity Date or, if a Par Redemption Date is specified in the relevant Pricing Supplement, the term to such Par Redemption Date.

"Reset Date" means, in respect of Fixed Rate/Fixed Rate Notes, the reset date specified in the relevant Pricing Supplement.

"Reset Determination Date" means, in respect of Fixed Rate/Fixed Rate Notes, the reset determination date specified in the relevant Pricing Supplement.

"Reset Margin" means, in respect of Fixed Rate/Fixed Rate Notes, the reset margin specified in the relevant Pricing Supplement.

"Reset Period" means, in respect of Fixed Rate/Fixed Rate Notes, the period from and including (or, in the case of Swiss Franc Notes, from but excluding) the Reset Date to but excluding (or, in the case of Swiss Franc Notes, to and including) the Maturity Date.

"Reset Reference Rate" means, in respect of Fixed Rate/Fixed Rate Notes, the reset reference rate specified in, and calculated by the Issuer in accordance with, the relevant Pricing Supplement.

"Restructuring Deferral Period" has the meaning assigned to such term in subclause (e) of Condition 7 (*Payments; Agents*).

"Restructuring Event" means a Bank Restructuring Event or a UBS Group Restructuring Event, as applicable.

"Restructuring Proceedings" means restructuring proceedings within the meaning of article 28 et seq. of the Swiss Banking Act or any successor Swiss law or regulation or analogous Swiss law or regulation applicable to banks or bank holding companies incorporated under the laws of Switzerland such as UBS Group AG.

"Restructuring Protective Measures" means any Protective Measures ordered by the Swiss Resolution Authority with respect to UBS Group AG that are ordered or confirmed upon the opening of or during any UBS Group Restructuring Proceedings.

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

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

"SARON" has the meaning assigned to such term in subclause (d)(iv)(C) of Condition 5 (*Interest*).

"SARON Administrator" means SIX Swiss Exchange AG (including any successor thereto) or any successor administrator of the Swiss Average Rate Overnight.

"SARON Administrator Website" means the website of the SARON Administrator.

"SARON Compounded" has the meaning assigned to such term in subclause (d)(iv)(B) of Condition 5 (*Interest*).

"SARON Index Cessation Effective Date" means the earliest of:

- (a) in the case of the occurrence of a SARON Index Cessation Event described in clause (a) of the definition thereof, the date on which the SARON Administrator ceases to provide the Swiss Average Rate Overnight;
- (b) in the case of the occurrence of a SARON Index Cessation Event described in subclause (b)(i) of the definition thereof, the latest of:

- (i) the date of such statement or publication;
 - (ii) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative; and
 - (iii) if a SARON Index Cessation Event described in subclause (b)(ii) of the definition thereof has occurred on or prior to either or both dates specified in subclauses (i) and (ii) of this clause (b), the date as of which the Swiss Average Rate Overnight may no longer be used; and
- (c) in the case of the occurrence of a SARON Index Cessation Event described in subclause (b)(ii) of the definition thereof, the date as of which the Swiss Average Rate Overnight may no longer be used.

"SARON Index Cessation Event" means the occurrence of one or more of the following events:

- (a) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or
- (b) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (i) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (ii) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of subclause (ii), is applicable to (but not necessarily limited to) fixed income securities and derivatives.

"SARON Notes" means Notes with respect to which the Reference Rate specified in the relevant Pricing Supplement is "SARON Compounded".

"SARON Observation Period" means, in respect of any Interest Period, the period from (but excluding) the date falling five Zurich Banking Days prior to the first day of such Interest Period (but which by definition is excluded from such Interest Period) and ending on (and including) the date falling five Zurich Banking Days prior to the day on which such Interest Period ends.

"SARON Recommended Adjustment Spread" means, with respect to any SARON Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

- (a) that the SARON Recommending Replacement Rate Body has recommended be applied to such SARON Recommended Replacement Rate in the case of fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or
- (b) if the SARON Recommending Replacement Rate Body has not recommended such a spread, formula or methodology as described in clause (a) above, to be applied to such SARON Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such SARON Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon.

"SARON Recommended Replacement Rate" means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in

Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the **"SARON Recommending Replacement Rate Body"**).

"SARON Recommending Replacement Rate Body" has the meaning assigned to such term in the definition of the term **"SARON Recommended Replacement Rate"**.

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

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

"Senior Debt Fiscal Agency Agreement" means the senior debt fiscal agency agreement for Registered Notes issued under the Programme dated as of 26 July 2019 (as may be amended, supplemented or otherwise modified from time to time), among the Issuer, the Fiscal Agent, the Registrar, the Calculation Agent and the other Agents from time to time party thereto.

"Series" means the series specified in the relevant Pricing Supplement.

"SIFMA" means the Securities Industry and Financial Markets Association or any successor thereto.

"SIS" means SIX SIS Ltd.

"SNB Adjustment Spread" means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

"SNB Policy Rate" means, with respect to any Zurich Banking Day, the policy rate of the Swiss National Bank for such Zurich Banking Day.

"SOFR" has the meaning assigned to such term in subclause (d)(vi)(C) of Condition 5 (*Interest*).

"SOFR Determination Date" means, in respect of any SOFR Reset Date, (i) with respect to the Secured Overnight Financing Rate, the last US Government Securities Business Day preceding such SOFR Reset Date, and (ii) with respect to the Overnight Bank Funding Rate, the last New York City Banking Day preceding such SOFR Reset Date.

"SOFR Index Cessation Date" means the earliest of:

- (a) in the case of the occurrence of a SOFR Index Cessation Event described in clause (a) of the definition thereof, the date on which the Federal Reserve Bank of New York as administrator of the Secured Overnight Financing Rate (or any successor administrator) ceases to publish the Secured Overnight Financing Rate;
- (b) in the case of the occurrence of a SOFR Index Cessation Event described in clause (b) of the definition thereof, the date on which the Federal Reserve Bank of New York as administrator of the Secured Overnight Financing Rate (or any successor administrator) ceases to publish the Secured Overnight Financing Rate; and
- (c) in the case of the occurrence of a SOFR Index Cessation Event described in clause (c) of the definition thereof, the date as of which the Secured Overnight Financing Rate may no longer be used.

"SOFR Index Cessation Event" means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York as administrator of the Secured Overnight Financing Rate (or any successor administrator) announcing that it has ceased or will cease to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at the time of such statement, there is no successor administrator that will continue to publish or provide a Secured Overnight Financing Rate;
- (b) the publication of information that reasonably confirms that the Federal Reserve Bank of New York as administrator of the Secured Overnight Financing Rate (or any successor administrator) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, *provided that*, at the time of such publication, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; and/or
- (c) a public statement by a regulator or other official sector entity prohibiting the use of the Secured Overnight Financing Rate that (i) applies to, but need not be limited to, fixed income securities and derivatives, and (ii) has been acknowledged in writing by the International Swaps and Derivatives Association, Inc. as a "SOFR Index Cessation Event" under the ISDA Definitions.

"SOFR Notes" means Notes with respect to which the Reference Rate specified in the relevant Pricing Supplement is "SOFR".

"SOFR Reset Date" means, with respect to any Interest Period, each US Government Securities Business Day during such Interest Period; *provided, however*, that, if both a SOFR Index Cessation Event and a SOFR Index Cessation Date have occurred during such Interest Period (the **"Affected SOFR Interest Period"**), it means (i) in respect of the period from and including the first day of the Affected SOFR Interest Period to but excluding the SOFR Index Cessation Date (such period, the **"Partial SOFR Interest Period"**), each US Government Securities Business Day during the Partial SOFR Interest Period, (ii) in respect of the period from and including the SOFR Index Cessation Date to but excluding the Interest Payment Date in respect of the Affected SOFR Interest Period (such period, the **"Partial Fallback Interest Period"**), each New York City Banking Day during the Partial Fallback Interest Period, and (iii) in respect of each Interest Period subsequent to the Affected SOFR Interest Period, each New York City Banking Day during such Interest Period.

"SOR" means, in respect of any specified maturity, the interest rate benchmark known as the Swap Offered Rate that is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Association of Banks in Singapore (or any other Person that takes over the administration of that rate) based on estimated Singapore dollar denominated interbank borrowing rates for such maturity that are provided by a panel of contributor banks.

"Specified Currency" means the currency specified as such in the relevant Pricing Supplement.

"Specified Denomination" means the denomination specified as such in the relevant Pricing Supplement.

"Specified Interest Payment Date" means the date(s) specified as such in the relevant Pricing Supplement.

"Specified Office" means (i) in the case of Deutsche Bank Trust Company Americas, as Fiscal Agent, Paying Agent for Registered Notes, Registrar, and Calculation Agent for Registered Notes that are Floating Rate Notes or Fixed Rate/Floating Rate Notes, 60 Wall Street, 24th Floor, Mail Stop: NYC60-2407, New York, New York 10005, USA, (ii) in the case of UBS AG, as Principal Paying Agent, Calculation Agent for Uncertificated Notes that are Floating Rate Notes or Fixed Rate/Floating Rate Notes, and Swiss Paying Agent for Registered Notes, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and (iii) in the case of any other Agent, such office as is notified by the Issuer to the Holders in writing in accordance with Condition 13 (*Notices*) as soon as practicable after the

appointment of such Agent, in the case of each of clauses (i), (ii) and (iii), or such other office as the relevant Agent may designate from time to time by providing notice to the Issuer and the Holders in writing in accordance with Condition 13 (*Notices*).

"Specified Period" means the period(s) specified as such in the relevant Pricing Supplement.

"STIBOR" means, in respect of any specified maturity, the interest rate benchmark known as the Stockholm Interbank Offered Rate that is calculated and published by a designated distributor (currently NASDAQ OMX Stockholm) in accordance with the requirements from time to time of The Swedish Bankers' Association (or any other Person that takes over the administration of that rate) based on estimated Swedish krona denominated interbank borrowing rates for such maturity that are provided by a panel of contributor banks.

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

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

"sub-unit" means (i) with respect to euro, one cent, and (ii) with respect to any other currency, the lowest amount of such currency that is available as legal tender in the country of such currency.

"Suspension Period" means, with respect to any Interest Period, the last two SOFR Reset Dates of such Interest Period.

"Swiss Banking Act" means the Swiss Federal Banking Act of 8 November 1934, as may be amended from time to time.

"Swiss Banking Insolvency Ordinance" means the Ordinance of 30 August 2012 of FINMA on the Insolvency of Banks and Securities Dealers, as may be amended from time to time.

"Swiss Code of Obligations" means the Swiss Code of Obligations, as may be amended from time to time.

"Swiss Franc Notes" means Notes with respect to which the Specified Currency is Swiss francs.

"Swiss Paying Agent" has the meaning assigned to such term in subclause (c)(i) of Condition 7 (*Payments; Agents*).

"Swiss Resolution Authority" means FINMA or any other authority in Switzerland that is competent under Swiss law to exercise a Swiss Resolution Power or to order Protective Measures at the relevant time.

"Swiss Resolution Power" means any statutory power of the Swiss Resolution Authority that it may exercise during Restructuring Proceedings as set forth in article 28 et seq. of the Swiss Banking Act and article 40 et seq. of the Swiss Banking Insolvency Ordinance, or in any 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) 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.

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system that utilises a single shared platform and that was launched on 19 November 2007.

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

"Tax Jurisdiction" means Switzerland.

"Tax Redemption Amount" means the tax redemption amount specified in the relevant Pricing Supplement.

"Taxes" has the meaning assigned to such term in clause (a) of Condition 8 (*Taxation*).

"Terms and Conditions of the Notes" means these General Terms and Conditions as completed, supplemented, modified and/or replaced by the information contained in the relevant Pricing Supplement. To the extent that the information in the relevant Pricing Supplement completes, supplements, modifies and/or replaces these General Terms and Conditions, it shall do so only for the purpose of the Tranche of Notes to which the relevant Pricing Supplement relates. To the extent that there is any inconsistency between these General Terms and Conditions and the terms and conditions that appear in the relevant Pricing Supplement, the terms and conditions that appear in the relevant Pricing Supplement shall prevail.

"Tranche" means the tranche specified in the relevant Pricing Supplement.

"UBS Group Restructuring Event" means the opening of UBS Group Restructuring Proceedings by the Swiss Resolution Authority.

"UBS Group Restructuring Proceedings" means Restructuring Proceedings with respect to UBS Group AG.

"Uncertificated Notes" means Notes issued in uncertificated form.

"US Exchange Act" means the US Securities and Exchange Act of 1934, as amended.

"US Federal Funds Rate" means, with respect to any Interest Period,

- (a) the rate with respect to the related Interest Determination Date for US dollar federal funds as published in H.15(519) under the caption "Federal funds (effective)" and displayed on Reuters (or any successor service) on page FEDFUNDS1 under the caption "EFFECT" (or any other page as may replace the specified page on that service) ("**FEDFUNDS1 Page**"); or
- (b) if the rate referred to in clause (a) above is not so displayed on the FEDFUNDS1 Page by the Relevant Time on the related Interest Determination Date, the rate with respect to such Interest Determination Date for US dollar federal funds as published in H.15 Daily Update, or such other recognised electronic source used for the purpose of displaying the applicable rate, under the caption "Federal funds (effective)"; or
- (c) if the rate referred to in clause (b) above is not so published by the Relevant Time on the related Interest Determination Date, the rate for the last preceding Interest Determination Date for which such rate is set forth in H.15(519) opposite the caption "Federal funds (effective)", as such rate is displayed on the FEDFUNDS1 Page.

"US Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US government securities.

"US Investment Company Act" means the US Investment Company Act of 1940, as amended.

"US Securities Act" means the US Securities Act of 1933, as amended.

"Weighted Average SOFR" has the meaning assigned to such term in subclause (d)(vi)(B) of Condition 5 (*Interest*).

"Zero Coupon Accreting Notes" means Notes with respect to which the interest basis specified in the relevant Pricing Supplement is "Zero Coupon Accreting".

"Zurich Banking Day" means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

2. AMOUNT, DENOMINATION AND FORM

(a) *General*

- (i) The initial aggregate principal amount of the Notes is specified in the relevant Pricing Supplement. All payments in relation to the Notes will be made in the same currency as the aggregate principal amount (i.e., the Specified Currency). The Notes are issued to Holders in the Specified Denominations specified in the relevant Pricing Supplement.
- (ii) The relevant Pricing Supplement indicates whether the Notes are Uncertificated Notes or Registered Notes.

(b) *Uncertificated Notes*

Each Tranche of Uncertificated Notes will be issued in uncertificated form as uncertificated securities (*Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations, which 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 SIS or such other intermediary (*Verwahrungsstelle*) in Switzerland recognised by SIX Swiss Exchange for purposes of article 6(1)(c) of the FISA (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 Uncertificated Notes will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") within the meaning of the FISA.

For so long as Uncertificated Notes are Intermediated Securities, the Uncertificated Notes may only be transferred by the entry of the transferred Uncertificated Notes in a securities account of the transferee, as set out in the provisions of the FISA regarding the transfer of Intermediated Securities. The records of the Intermediary will determine the number of Uncertificated Notes held through each participant in that Intermediary.

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

(c) *Registered Notes*

(i) *Registered Global Certificates*

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

available by the Registrar to any Holder or Indirect Holder upon written request.

- (B) The aggregate principal amount of the Registered Notes represented by each of the Registered Global Certificates may from time to time be increased or decreased by adjustments made on the records of the Registrar. Every Registered Global Certificate shall have affixed a schedule for the purpose of recording adjustments in the aggregate principal amount thereof; *provided, however*, that, in the event of a discrepancy between the principal amounts recorded on such schedule and the amounts listed on the records of the Registrar, the principal amounts listed on the records of the Registrar will control. Any beneficial interest of an Indirect Holder in any Note represented by one of the Registered Global Certificates that is transferred to a Person who takes delivery in the form of a beneficial interest in such Registered Note represented by another Registered Global Certificate will, upon transfer, cease to be a beneficial interest in such first Registered Global Certificate and become a beneficial interest in the other Registered Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Registered Global Certificate for as long as it retains such an interest.
- (C) In the case of Registered Notes, so long as the Notes are represented by one or more Registered Global Certificates deposited with, or with a custodian for, the Depositary, the Holder of a Registered Global Certificate may grant proxies and otherwise authorise any Person, including, without limitation, participants of a Relevant Clearing System and Persons that may hold interests through such participants, to take any action that the Holder is entitled to take under the Terms and Conditions of the Notes or the Notes, and nothing in the Terms and Conditions of the Notes will prevent the Issuer, the Agents or any of their respective agents from giving effect to any such proxies or other authorisations furnished by the Holder of a Registered Global Certificate for purposes of this Condition 2(c)(i)(C). Although the Holders are the only Persons entitled to participate in, and vote at, any meeting of Holders, so long as the Notes are represented by one or more Registered Global Certificates deposited with, or with a custodian for, the Depositary, the Holder of a Registered Global Certificate shall (i) obtain instructions from the relevant Indirect Holders in respect of any meeting of Holders, (ii) vote at such meeting in respect of each Registered Note represented by such Registered Global Certificate in accordance with the instructions received from the relevant Indirect Holder and (iii) abstain from representing any Note represented by such Registered Global Certificate at a meeting of Holders for which it has not received an instruction from the relevant Indirect Holder. Only the Notes represented by such Registered Global Certificate for which the Holder received an instruction by the relevant Indirect Holder to take part at a meeting of Holders will be deemed to be present or represented at such meeting.

(ii) *Registered Definitive Certificates*

- (A) Definitive Notes in registered form (each, a "**Registered Definitive Certificate**") shall be issued, and a Registered Global Certificate will be exchanged, in whole, but not in part, for Registered Definitive Certificates, if (and only if):
 - (1) the Depositary notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to some or all of the Registered Global Certificates, or

ceases to be a "clearing agency" registered under the US Exchange Act; or

- (2) at any time the Depositary is no longer eligible to act as such, or the Registered Notes cease for any reason to be eligible for clearing through the Depositary, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility of the Depositary or of the Registered Notes, as the case may be, from or on behalf of the Depositary; or
- (3) issuance of the Registered Definitive Certificates is required by Swiss or other applicable laws or regulations in connection with the enforcement of rights under the Registered Notes; or
- (4) the Issuer provides its consent.

- (B) If a Registered Global Certificate is to be exchanged for Registered Definitive Certificates pursuant to Condition 2(c)(ii)(A), the Issuer will procure the prompt delivery (free of charge) of Registered Definitive Certificates to the Fiscal Agent, duly executed without interest coupons, registered in the names of the relevant Indirect Holders, addresses and denominations (subject to the Specified Denomination) provided in a written notice to be given by the Depositary or the Issuer to the Fiscal Agent (which notice shall be given subject to the Depositary's procedures and also specify the taxpayer identification number, if any, of each Person in whose name such Registered Definitive Certificates are to be registered). Upon written direction of the Issuer, the Fiscal Agent will deliver such Registered Definitive Certificates to the Holders thereof not later than five Business Days after receipt by the Fiscal Agent of the written notice provided by the Depositary (or the Issuer, as applicable) referred to above (and any other necessary information as the Fiscal Agent may reasonably request from the Issuer at such time). The Fiscal Agent shall promptly cancel and deliver to the Issuer the surrendered Registered Global Certificates. The form of Registered Definitive Certificate that will be issued in exchange for a beneficial interest in a Registered Note represented by a Rule 144A Registered Global Certificate and the form of Registered Definitive Certificate that will be issued in exchange for a beneficial interest in a Registered Note represented by a Regulation S Registered Global Certificate are set out in the Senior Debt Fiscal Agency Agreement, which will be made available by the Registrar to any Holder or Indirect Holder upon written request.

3. TRANSFER OF REGISTERED NOTES

(a) *General*

- (i) Subject to Conditions 3(b) and 3(c), title to Registered Notes will pass on transfer by assignment (*Zession*) and due registration in the Register. All transfers of Registered Notes and entries on the Register will be made subject to the provisions concerning transfers of Registered Notes set forth in the Senior Debt Fiscal Agency Agreement, which will be made available by the Registrar to any Holder or Indirect Holder upon written request.
- (ii) Transfers of Registered Notes, or of beneficial interests in Registered Notes represented by Registered Global Certificates, may be made only in accordance with the legend set forth upon the face of the applicable Registered Global Certificate or Registered Definitive Certificate, and the Registrar will not be required to accept for registration of transfer any Registered Note or beneficial interests in Registered Notes except upon presentation of evidence satisfactory to

the Fiscal Agent and the Registrar that such transfer is being made in compliance with such legend.

- (iii) Transfers of Registered Notes and the issue of new Registered Global Certificates or Registered Definitive Certificates, as the case may be, on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to the transfer (or the giving of such indemnity as the Fiscal Agent or the Registrar may require) by the Holder.
- (iv) No Holder may require the transfer of a Registered Note to be registered (x) during the period of 15 days ending on (and including) the due date for redemption of the Registered Notes pursuant to Condition 6 (*Redemption and Purchase*), or (y) during the period of 15 days ending on (and including) the Record Date for any Interest Payment Date.
- (v) No Person (including any Indirect Holder) other than the Holder(s) will have any rights, or be owed any obligations by the Issuer, under the Registered Notes. Payments of principal, interest or any other amount in respect of Registered Notes will be made only to the Person shown on the Register as the registered holder of such Registered Note (i.e., the Holder) at close of business on the relevant Record Date.

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

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

Luxembourg, *provided* that this subclause (iv) shall not prohibit any transfer in accordance with subclause (ii) of this Condition 3(b).

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

- (i) If and when Registered Definitive Certificates have been issued pursuant to Condition 2(c)(ii), one or more Registered Notes may be transferred only in accordance with the legends set forth upon the face of the relevant Registered Definitive Certificate and only upon the surrender (at the Specified Office of the Registrar) of the Registered Definitive Certificate representing such Registered Notes to be transferred, together with the form of transfer attached to such Registered Definitive Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed, and any other evidence as the Fiscal Agent and the Registrar may reasonably require. A new Registered Definitive Certificate shall be issued to the transferee in respect of the Registered Notes that are the subject of the relevant transfer and, in the case of a transfer of part only of a holding of Registered Notes represented by one Registered Definitive Certificate, a new Registered Definitive Certificate in respect of the balance of the Registered Notes not transferred shall be issued to the transferor. In the case of a transfer of Registered Notes to a Person who is already a Holder, a new Registered Definitive Certificate representing the enlarged holding may be issued but only against surrender of the Registered Definitive Certificate representing the existing holding of such Person.
- (ii) Each new Registered Definitive Certificate to be issued pursuant to Condition 2(c)(ii) shall be available for delivery within three Relevant Banking Days of receipt of the form of transfer and surrender of the relevant Registered Definitive Certificate. Delivery of new Registered Definitive Certificate(s) will be made at the Specified Office of the Fiscal Agent to which delivery and surrender of such form of transfer and Registered Definitive Certificate or, as the case may be, surrender of such Registered Definitive Certificate, will have been made or, at the option of the relevant Holder and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Registered Definitive Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Fiscal Agent the costs of such other method of delivery and/or such insurance as it may specify.

(d) ***Rule 144A***

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

4. STATUS OF THE NOTES

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, except for such obligations that are preferred in accordance with applicable law at the relevant time.

5. INTEREST

The relevant Pricing Supplement indicates whether the Notes are Fixed Rate Notes, Fixed Rate/Fixed Rate Notes, Floating Rate Notes, Fixed Rate/Floating Rate Notes or Zero Coupon Accreting Notes.

(a) *Fixed Rate Notes and Fixed Rate/Fixed Rate Notes*

This Condition 5(a) applies to Fixed Rate Notes and Fixed Rate/Fixed Rate Notes only.

- (i) The Notes will bear interest on their principal amount at the applicable Fixed Rate of Interest from and including (or, in the case of Swiss Franc Notes, from but excluding) the Interest Commencement Date to but excluding (or, in the case of Swiss Franc Notes, to and including) (x) if the Notes are early redeemed pursuant to clause (b), (c), (d) or (e) of Condition 6 (*Redemption and Purchase*), the applicable Early Redemption Date, or (y) otherwise, the Maturity Date; *provided, however*, that if (upon due presentation thereof where presentation is required) payment with respect to any Note is improperly withheld or refused on such Early Redemption Date or the Maturity Date, as the case may be, interest will continue to accrue on the principal amount of such Note (both before and after judgment) at the applicable Fixed Rate of Interest to but excluding (or, in the case of Swiss Franc Notes, to and including) the Relevant Date. Interest on the Notes will be payable in arrear on each Interest Payment Date.

(ii) *Calculation of amount of interest per Calculation Amount*

- (A) The amount of interest payable in respect of the Notes per Calculation Amount on each Interest Payment Date (in the case of Fixed Rate/Fixed Rate Notes, falling on or prior to the Reset Date) will be the Fixed Coupon Amount, unless the relevant Pricing Supplement specifies that the Broken Amount is applicable to any such Interest Payment Date, in which case the amount of interest payable in respect of the Notes on such Interest Payment Date per Calculation Amount will be the Broken Amount.
- (B) If interest is required to be paid in respect of a Note on any other date (including, for the avoidance of doubt, in the case of Fixed Rate/Fixed Rate Notes, any Interest Payment Date falling after the Reset Date), the amount of interest payable per Calculation Amount on such date will be calculated by:
 - (1) applying the applicable Fixed Rate of Interest to the Calculation Amount;
 - (2) multiplying the product thereof by the Day Count Fraction; and
 - (3) rounding the resulting figure to the nearest sub-unit of the Specified Currency (one half of any such sub-unit being rounded upwards).

(iii) *Calculation of amount of interest per Note*

The amount of interest payable in respect of a Note will be the product of:

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

(iv) *Benchmark Replacement*

In the case of Fixed Rate/Fixed Rate Notes, notwithstanding the definition of the term "Reset Reference Rate", if the Issuer (in consultation with UBS AG) determines prior to the Reset Determination Date that the rate appearing on the Relevant Page for purposes of determining the Reset Reference Rate (the "**Existing Reset Reference Rate**") has been discontinued, then the following provisions shall apply:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine in the Independent Adviser's discretion, in accordance with subclause (D) below, an alternative rate to the Existing Reset Reference Rate (the "**Alternative Reset Reference Rate**") no later than three Business Days prior to the Reset Determination Date (such Business Day, the "**Independent Adviser Determination Cut-off Date**") for purposes of determining the Fixed Rate of Interest applicable to the Reset Period;
- (B) 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 Reset Reference Rate in accordance with subclause (D) below, then the Issuer (in consultation with UBS AG) may determine in its discretion, in accordance with subclause (D) below, the Alternative Reset Reference Rate for purposes of determining the Fixed Rate of Interest applicable to the Reset Period;
- (C) if subclause (B) above applies and the Issuer is unable or unwilling to determine the Alternative Reset Reference Rate prior to the Reset Determination Date in accordance with subclause (D) below, the Fixed Rate of Interest for the Reset Period will be equal to the Initial Rate of Interest;
- (D) in the case of any determination of an Alternative Reset Reference Rate pursuant to subclause (A) or (B) above, the Alternative Reset Reference Rate shall be such rate as the Independent Adviser or the Issuer (in consultation with the UBS AG and acting in good faith and a commercially reasonable manner), as applicable, determines in its reasonable discretion has replaced the Existing Reset Reference 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 UBS AG and acting in good faith and a commercially reasonable manner) determines in its reasonable discretion is most comparable to the Existing Reset Reference Rate; and
- (E) if the Independent Adviser or the Issuer determines an Alternative Reset Reference Rate in accordance with the above provisions,
 - (1) the Independent Adviser (in the case of subclause (y) below, in consultation with the Issuer) or, following consultation with UBS AG, the Issuer (as the case may be) shall also determine in its reasonable discretion (x) the method for obtaining the Alternative Reset Reference Rate, including the page on or source from which the Alternative Reset Reference Rate appears or is obtained (the "**Alternative Relevant Page**"), and the time at which the Alternative Reset Reference Rate appears on, or is obtained from, the Alternative Relevant Page (the "**Alternative Relevant Time**"), (y) whether to apply an Adjustment Spread to the Alternative Reset Reference 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 Reset Reference Rate, where such rate has been replaced by the Alternative Reset Reference Rate, and (z) any alternative method for obtaining the Alternative Reset Reference Rate if such rate is unavailable on the Reset Determination Date, which alternative method shall be consistent with any Alternative Reset Reference Rate that has broad market support;

- (2) references to the Reset Reference Rate in the Terms and Conditions of the Notes shall be deemed to be references to the Alternative Reset Reference Rate (giving effect to any Adjustment Spread determined pursuant to subclause (1)(y) above and including any alternative method for obtaining the Alternative Reset Reference Rate as described in subclause (1)(z) above);
 - (3) references to the Relevant Page and the Relevant Time in the Terms and Conditions of the Notes shall be deemed to be references to the Alternative Relevant Page and the Alternative Relevant Time, respectively;
 - (4) if any changes to the definitions of Day Count Fraction, Business Day and/or Reset Determination Date are necessary in order to implement the Alternative Reset Reference Rate (including any Adjustment Spread determined pursuant to subclause (1)(y) above) as the Reset Reference Rate, such definitions shall be amended pursuant to Condition 14 (*Amendment*) to reflect such changes; and
 - (5) the Issuer shall promptly give notice to the Holders in accordance with Condition 13 (*Notices*) specifying the Alternative Reset Reference Rate (including any Adjustment Spread determined pursuant to subclause (1)(y) above and any alternative method for obtaining the Alternative Reset Reference Rate as described in subclause (1)(z) above), the Alternative Relevant Page, the Alternative Relevant Time, and any amendments implemented pursuant to Condition 14 (*Amendment*) as described in subclause (4) above.
- (v) In the case of Fixed Rate/Fixed Rate Notes, the Issuer will (A) as soon as practicable after the Relevant Time on the Reset Determination Date, determine the Fixed Rate of Interest applicable to the Reset Period, and (B) as soon as practicable after such determination but in any event not later than the first day of the Reset Period, cause such Fixed Rate of Interest to be notified to the Relevant Agent and the Paying Agents and 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 13 (*Notices*).

(b) ***Floating Rate Notes***

This Condition 5(b) applies to Floating Rate Notes only.

- (i) The Notes will bear interest on their principal amount at the applicable Floating Rate of Interest from and including (or, in the case of Swiss Franc Notes, from but excluding) the Interest Commencement Date to but excluding (or, in the case of Swiss Franc Notes, to and including) (x) if the Notes are early redeemed pursuant to clause (b), (c), (d) or (e) of Condition 6 (*Redemption and Purchase*), the applicable Early Redemption Date, or (y) otherwise, the Maturity Date; *provided, however*, that if (upon due presentation thereof where presentation is required) payment with respect to any Note is improperly withheld or refused on such Early

Redemption Date or the Maturity Date, as the case may be, interest will continue to accrue on the principal amount of such Note (both before and after judgment) at the applicable Floating Rate of Interest to but excluding (or, in the case of Swiss Franc Notes, to and including) the Relevant Date. Interest on the Notes will be payable in arrear on each Interest Payment Date.

(ii) *Calculation of amount of interest per Calculation Amount*

The amount of interest payable per Calculation Amount on any date (including, for the avoidance of doubt, any Interest Payment Date) will be calculated by:

- (A) applying the applicable Floating Rate of Interest to the Calculation Amount;
- (B) multiplying the product thereof by the Day Count Fraction; and
- (C) rounding the resulting figure to the nearest sub-unit of the Specified Currency (one half of any such sub-unit being rounded upwards).

(iii) *Calculation of amount of interest per Note*

The amount of interest payable in respect of a Note will be the product of:

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

(c) ***Fixed Rate/Floating Rate Notes***

This Condition 5(c) applies to Fixed Rate/Floating Rate Notes only.

- (i) The Notes will bear interest on their principal amount at the applicable Rate of Interest from and including (or, in the case of Swiss Franc Notes, from but excluding) the Interest Commencement Date to but excluding (or, in the case of Swiss Franc Notes, to and including) (x) if the Notes are early redeemed pursuant to clause (b), (c), (d) or (e) of Condition 6 (*Redemption and Purchase*), the applicable Early Redemption Date, or (y) otherwise, the Maturity Date; *provided, however*, that if (upon due presentation thereof where presentation is required) payment with respect to any Note is improperly withheld or refused on such Early Redemption Date or the Maturity Date, as the case may be, interest will continue to accrue on the principal amount of such Note (both before and after judgment) at the applicable Rate of Interest to but excluding (or, in the case of Swiss Franc Notes, to and including) the Relevant Date. Interest on the Notes will be payable in arrear on each Interest Payment Date.

(ii) *Calculation of amount of interest per Calculation Amount*

- (A) The amount of interest payable in respect of the Notes per Calculation Amount on each Interest Payment Date falling on or prior to the Floating Rate Commencement Date will be the Fixed Coupon Amount, unless the relevant Pricing Supplement specifies that the Broken Amount is applicable to any such Interest Payment Date, in which case the amount of interest payable in respect of the Notes on such Interest Payment Date per Calculation Amount will be the Broken Amount.
- (B) If interest is required to be paid in respect of a Note on any other date (including, for the avoidance of doubt, any Interest Payment Date falling after the Floating Rate Commencement Date), the amount of interest payable per Calculation Amount on such date will be calculated by:

- (1) applying the applicable Rate of Interest to the Calculation Amount;
- (2) multiplying the product thereof by the Day Count Fraction; and
- (3) rounding the resulting figure to the nearest sub-unit of the Specified Currency (one half of any such sub-unit being rounded upwards).

(iii) *Calculation of amount of interest per Note*

The amount of interest payable in respect of a Note will be the product of:

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

(d) ***Floating Rate of Interest***

This Condition 5(d) applies to Floating Rate Notes and Fixed Rate/Floating Rate Notes only.

- (i) Unless otherwise specified in the relevant Pricing Supplement, the Calculation Agent will calculate the rate of interest that will apply to the Notes for each Interest Period (the "**Floating Rate of Interest**") as provided in this Condition 5(d).
- (ii) *Calculation of Floating Rate of Interest (other than for SARON Notes and SOFR Notes)*

Other than in the case of SARON Notes and SOFR Notes, the Floating Rate of Interest for each Interest Period will, subject to subclauses (d)(iii) and (d)(viii) of this Condition 5, be:

- (A) if the Reference Rate is the US Federal Funds Rate, the US Federal Funds Rate for such Interest Period plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent; or
- (B) if the Reference Rate is BBSW, BBSW for such Interest Period (expressed as a percentage rate per annum) plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent; or
- (C) in any other case, subject as provided below,
 - (1) if the Reference Rate is a composite quotation or customarily supplied by one entity, the offered quotation; or
 - (2) in any other case, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations

(expressed as a percentage rate per annum) for the Reference Rate that appears on the Relevant Page as at the Relevant Time on the Interest Determination Date in relation to such Interest Period plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. In the case of subclause (2) above, if five or more of such offered quotations are available on the Relevant Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one

such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the case of subclauses (B) and (C) of the immediately preceding paragraph, if the Relevant Page is not available or if, in the case of subclause (B) of the immediately preceding paragraph, the applicable rate described in the definition of the term "BBSW" does not appear on the Relevant Page as at the Relevant Time, or if, in the case of subclause (C)(1) of the immediately preceding paragraph, no such offered quotation appears or if, in the case of subclause (C)(2) of the immediately preceding paragraph, fewer than three such offered quotations appear, in each case as at the Relevant Time,

- (x) in the case of a Reference Rate other than LIBOR or EURIBOR, the Calculation Agent shall determine the Floating Rate of Interest in accordance with the provisions set forth in the relevant Pricing Supplement; and
- (y) in the case of LIBOR or EURIBOR, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its bid rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such rates or offered quotations, the Floating Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such rates or offered quotations plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

If on the relevant Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such offered quotations, the Floating Rate of Interest for the relevant Interest Period shall be the rate per annum that the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates for deposits in the Specified Currency, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, for a period equal to that which would have been used for the Reference Rate by leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Eurozone interbank market (if the Reference Rate is EURIBOR) plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rate for deposits in the Specified Currency, at approximately the Relevant Time on the relevant Interest Determination Date, for a period equal to that which would have been used for the Reference Rate, at which any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the

London interbank market (if the Reference Rate is LIBOR) or the Eurozone interbank market (if the Reference Rate is EURIBOR) plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any); *provided, however*, that, if the Floating Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Floating Rate of Interest shall be the Floating Rate of Interest determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period), or, in the case of the first Interest Period for Notes that are Fixed Rate/Floating Rate Notes, the Floating Rate of Interest will be equal to the Fixed Rate of Interest.

(iii) *Benchmark replacement (other than for SARON Notes and SOFR Notes)*

Other than in the case of SARON Notes and SOFR Notes, notwithstanding subclause (d)(ii) of this Condition 5, if the Issuer (in consultation with the Calculation Agent) determines prior to any Interest Determination Date that the Reference Rate (the "**Existing Reference Rate**") has been discontinued, then the following provisions shall apply (subject to the subsequent operation of this subclause (iii)):

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine in the Independent Adviser's discretion, in accordance with subclause (D) below, an alternative rate to the Existing Reference Rate (the "**Alternative Reference Rate**") no later than three Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (such Business Day, the "**Independent Adviser Determination Cut-off Date**", and such next succeeding Interest Period, the "**Affected Interest Period**") for purposes of determining the Floating Rate of Interest applicable to the Affected Interest Period and all Interest Periods thereafter;
- (B) 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 Reference Rate in accordance with subclause (D) below, then the Issuer (in consultation with the Calculation Agent) may determine in its discretion, in accordance with subclause (D) below, the Alternative Reference Rate for purposes of determining the Floating Rate of Interest applicable to the Affected Interest Period and all Interest Periods thereafter;
- (C) if subclause (B) above applies and the Issuer is unable or unwilling to determine the Alternative Reference Rate prior to the Interest Determination Date relating to the Affected Interest Period in accordance with subclause (D) below, the Floating Rate of Interest applicable to the Affected Interest Period shall be the Floating Rate of Interest determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the Affected Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the Affected Interest Period, in place of the Margin relating to that last preceding Interest Period), or, in the case of the first Interest Period for Notes that are Fixed Rate/Floating Rate Notes, the Floating Rate of Interest will be equal to the Fixed Rate of Interest; *provided, however*, that, if this subclause (C) applies to the Affected Interest Period, the Floating Rate of Interest for all succeeding Interest Periods shall be the Floating Rate of Interest applicable to the Affected Interest Period as

determined in accordance with this subclause (C) unless (1) the Issuer, in its sole discretion, elects to determine an Alternative Reference Rate in respect of any such succeeding Interest Period and all Interest Periods thereafter in accordance with the processes set out in this subclause (iii), and (2) an Alternative Reference Rate is so determined;

- (D) in the case of any determination of an Alternative Reference Rate pursuant to subclause (A) or (B) above, the Alternative Reference Rate shall be such rate as the Independent Adviser or the Issuer (in consultation with the Calculation Agent and acting in good faith and a commercially reasonable manner), as applicable, determines in its reasonable discretion has replaced the Existing Reference 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 and acting in good faith and a commercially reasonable manner) determines in its reasonable discretion is most comparable to the Existing Reference Rate; and
- (E) if the Independent Adviser or the Issuer determines an Alternative Reference Rate in accordance with the above provisions of this subclause (iii),
 - (1) the Independent Adviser (in the case of subclause (y) below, in consultation with the Issuer) or, following consultation with UBS AG, the Issuer (as the case may be) shall also determine in its reasonable discretion (x) the method for obtaining the Alternative Reference Rate, including the page, section or other part of a particular information service on or source from which the Alternative Reference Rate appears or is obtained (the "**Alternative Relevant Page**"), and the time at which the Alternative Reference Rate appears on, or is obtained from, the Alternative Relevant Page (the "**Alternative Relevant Time**"), (y) whether to apply an Adjustment Spread to the Alternative Reference 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 Reference Rate, where such rate has been replaced by the Alternative Reference Rate, and (z) any alternative method for obtaining the Alternative Reference Rate if such rate is unavailable on the relevant Interest Determination Date, which alternative method shall be consistent with any Alternative Reference Rate that has broad market support;
 - (2) for the Affected Interest Period and all Interest Periods thereafter, references to the Reference Rate in the Terms and Conditions of the Notes shall be deemed to be references to the Alternative Reference Rate (giving effect to any Adjustment Spread determined pursuant to subclause (1)(y) above and including any alternative method for determining the Alternative Reference Rate as described in subclause (1)(z) above);
 - (3) references to the Relevant Page, if applicable, and to the Relevant Time in the Terms and Conditions of the Notes shall be deemed to be references to the Alternative Relevant Page and the Alternative Relevant Time, respectively;
 - (4) if any changes to the definitions of Business Day, Business Day Convention, Day Count Fraction and/or Interest Determination Date and/or any changes to subclause (d)(ii) of this Condition 5

are necessary to implement the Alternative Reference Rate (including any Adjustment Spread determined pursuant to subclause (1)(y) above and any alternative method for determining the Alternative Reference Rate as described in subclause (1)(z) above), such definitions and such subclause (d)(ii) shall be amended pursuant to Condition 14 (*Amendment*) to reflect such changes; and

- (5) the Issuer shall promptly give notice to the Holders in accordance with Condition 13 (*Notices*) specifying the Alternative Reference Rate (including any Adjustment Spread determined pursuant to subclause (1)(y) above and any alternative method for obtaining the Alternative Reference Rate as described in subclause (1)(z) above), the Alternative Relevant Page, the Alternative Relevant Time, and any amendments implemented pursuant to Condition 14 (*Amendment*) as described in subclause (4) above.

(iv) *Calculation of Floating Rate of Interest for SARON Notes*

- (A) In the case of SARON Notes, the Floating Rate of Interest for each Interest Period will, subject as provided below and to subclauses (d)(v) and (d)(viii) of this Condition 5, be SARON Compounded for such Interest Period plus or minus (as specified in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.
- (B) "**SARON Compounded**" means, in respect of any Interest Period, the rate of return of a daily compound interest investment (with the daily overnight interest rate of the secured funding market for Swiss franc) as calculated by the Calculation Agent at the Relevant Time on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_b} \left(1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d_c}$$

where:

"***d_b***" means the number of Zurich Banking Days in the relevant SARON Observation Period;

"***d_c***" means the number of calendar days in the relevant SARON Observation Period;

"***i***" indexes a series of whole numbers from one to "***d_b***", representing the Zurich Banking Days in the relevant SARON Observation Period in chronological order from (and including) the first Zurich Banking Day in such SARON Observation Period;

"***n_i***" means, in respect of any Zurich Banking Day "***i***", the number of calendar days from (and including) such Zurich Banking Day "***i***" to (but excluding) the first following Zurich Banking Day; and

"***SARON_i***" means, in respect of any Zurich Banking Day "***i***", SARON for such Zurich Banking Day "***i***".

- (C) "SARON" means, in respect of any Zurich Banking Day and subject to subclause (d)(v) of this Condition 5,
- (1) the Swiss Average Rate Overnight for such Zurich Banking Day published by the SARON Administrator on the SARON Administrator Website at the Relevant Time on such Zurich Banking Day; or
 - (2) if such rate is not so published on the SARON Administrator Website at the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred at or prior to the Relevant Time on such Zurich Banking Day, the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website; or
 - (3) if such rate is not so published on the SARON Administrator Website at the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred at or prior to the Relevant Time on such Zurich Banking Day,
 - (a) if there is a SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the SARON Recommended Replacement Rate for such Zurich Banking Day, giving effect to the SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or
 - (b) if there is no SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the SNB Policy Rate for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Notwithstanding the above, if the SNB Policy Rate for any Zurich Banking Day with respect to which SARON is to be determined pursuant to subclause (3)(b) above has not been published on such Zurich Banking Day, then in respect of such Zurich Banking Day (the "**Affected Zurich Banking Day**") and each Zurich Banking Day thereafter, "SARON" will mean the Replacement Rate, if any, determined in accordance with Condition 5(d)(v).

- (D) If the Calculation Agent (1) is required to use a SARON Recommended Replacement Rate or the SNB Policy Rate pursuant to subclause (3)(a) or (3)(b) of the definition of the term "SARON" for purposes of determining SARON for any Zurich Banking Day, and (2) determines that any changes to the definitions of Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Payment Date, Interest Period, Relevant Time, SARON Observation Period, SARON, SARON Administrator, SARON Administrator Website or Zurich Banking Day are necessary in order to use such SARON Recommended Replacement Rate (and any SARON Recommended Adjustment Spread) or the SNB Policy Rate (and any SNB Adjustment Spread), as the case may be, for such purposes, such definitions shall be amended pursuant to Condition 14 (*Amendment*) to reflect such changes, and the Issuer shall promptly give notice to the Holders in accordance with Condition 13

(Notices) specifying the SARON Recommended Replacement Rate and any SARON Recommended Adjustment Spread or any SNB Adjustment Spread, as applicable, and the amendments implemented pursuant to Condition 14 (Amendment).

(v) *Benchmark replacement for SARON Notes*

If the conditions set out in the last paragraph of the definition of the term "SARON" have been satisfied, then the following provisions shall apply (subject to the subsequent operation of this subclause (v)):

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine in the Independent Adviser's discretion, in accordance with subclause (D) below, an alternative rate to SARON (the "**Alternative SARON Reference Rate**") on or prior to the Affected Zurich Banking Day (such Zurich Banking Day, the "**Independent Adviser Determination Cut-off Date**"), for purposes of determining SARON applicable to the Affected Zurich Banking Day and for all subsequent Zurich Banking Days in the SARON Observation Period in which the Affected Zurich Banking Day falls (the "**Affected SARON Observation Period**") and all SARON Observation Periods thereafter;
- (B) if on or 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 SARON Reference Rate in accordance with subclause (D) below, then the Issuer (in consultation with the Calculation Agent) may determine in its discretion, in accordance with subclause (D) below, the Alternative SARON Reference Rate for purposes of determining SARON applicable to the Affected Zurich Banking Day and for all subsequent Zurich Banking Days in the Affected SARON Observation Period and all SARON Observation Periods thereafter;
- (C) if subclause (B) above applies and the Issuer is unable or unwilling to determine the Alternative SARON Reference Rate on or prior to the Independent Adviser Determination Cut-off Date in accordance with subclause (D) below, (x) SARON applicable to the Affected Zurich Banking Day shall be SARON determined as at the last Zurich Banking Day preceding the Affected Zurich Banking Day, and (y) SARON for all succeeding Zurich Banking Days in the Affected SARON Observation Period and for all Zurich Banking Days in the SARON Observation Periods thereafter shall be SARON applicable to the Affected Zurich Banking Day as determined in accordance with this subclause (C) unless (1) the Issuer, in its sole discretion, elects to determine an Alternative SARON Reference Rate in respect of any such succeeding Zurich Banking Day and all Zurich Banking Days thereafter in accordance with the processes set out in this subclause (v), and (2) an Alternative SARON Reference Rate is so determined;
- (D) in the case of any determination of an Alternative SARON Reference Rate pursuant to subclause (A) or (B) above, the Alternative SARON Reference Rate shall be such rate as the Independent Adviser or the Issuer (in consultation with the Calculation Agent and acting in good faith and a commercially reasonable manner), as applicable, determines in its reasonable discretion has replaced SARON 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 and acting in good faith and a commercially reasonable manner) determines in its reasonable discretion is most comparable to SARON; and

- (E) if the Independent Adviser or the Issuer determines an Alternative SARON Reference Rate in accordance with the provisions of this subclause (v),
- (1) the Independent Adviser (in the case of subclause (y) below, in consultation with the Issuer) or, following consultation with UBS AG, the Issuer (as the case may be) shall also determine in its reasonable discretion (x) the method for obtaining the Alternative SARON Reference Rate, including the page, section or other part of a particular information service on or source from which the Alternative SARON Reference Rate appears or is obtained (the "Alternative Relevant Page"), and the time at which the Alternative SARON Reference Rate appears on, or is obtained from, the Alternative Relevant Page (the "Alternative Relevant Time"), (y) whether to apply an Adjustment Spread to the Alternative SARON Reference Rate and, if so, the Adjustment Spread, which Adjustment Spread shall be recognised or acknowledged as being in customary market usage in international debt capital markets transactions that reference SARON, where such rate has been replaced by the Alternative SARON Reference Rate, and (z) any alternative method for obtaining the Alternative SARON Reference Rate if such rate is unavailable on the relevant Zurich Banking Day, which alternative method shall be consistent with any Alternative SARON Reference Rate that has broad market support;
 - (2) for the Affected Zurich Banking Day and all subsequent Zurich Banking Days in the Affected SARON Observation Period and all SARON Observation Periods thereafter, references to SARON in the Terms and Conditions of the Notes shall be deemed to be references to the Alternative SARON Reference Rate (giving effect to any Adjustment Spread determined pursuant to subclause (1)(y) above and including any alternative method for obtaining the Alternative SARON Reference Rate as described in subclause (1)(z) above);
 - (3) if any changes to the definitions of Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Payment Date, Interest Period, Relevant Time, SARON, SARON Observation Period or Zurich Banking Day and/or any changes to subclause (d)(iv) of this Condition 5 are necessary in order to implement the Alternative SARON Reference Rate (including any Adjustment Spread determined pursuant to subclause (1)(y) above and any alternative method for determining the Alternative SARON Reference Rate as described in subclause (1)(z) above), such definitions and such subclause (d)(iv) shall be amended pursuant to Condition 14 (*Amendment*) to reflect such changes; and
 - (4) the Issuer shall promptly give notice to the Holders in accordance with Condition 13 (Notices) specifying the Alternative SARON Reference Rate (including any Adjustment Spread determined pursuant to subclause (1)(y) above and any alternative method for obtaining the Alternative SARON Reference Rate as described in subclause (1)(z) above), the Alternative Relevant Page, the Alternative Relevant Time, and any amendments implemented pursuant to Condition 14 (*Amendment*) as described in subclause (3) above.

(vi) *Calculation of Floating Rate of Interest for SOFR Notes*

- (A) In the case of SOFR Notes, the Floating Rate of Interest for each Interest Period will, subject to subclauses (d)(vii) and (d)(viii) of this Condition 5, be Weighted Average SOFR for such Interest Period plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.
- (B) "**Weighted Average SOFR**" means, in respect of any Interest Period, the arithmetic mean of SOFR in effect for each SOFR Reset Date during such Interest Period, calculated by multiplying the relevant SOFR by the number of calendar days such relevant SOFR is in effect, determining the sum of such products and dividing such sum by the number of calendar days in such Interest Period (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards); *provided, however*, that for the purposes of such calculation, SOFR for each day during the Suspension Period for such Interest Period will be deemed to be equal to SOFR in effect for the last SOFR Reset Date preceding the first day of such Suspension Period.
- (C) "**SOFR**" means, in respect of any SOFR Reset Date:
 - (1) the Secured Overnight Financing Rate published at the Relevant Time on the New York Federal Reserve's Website on such SOFR Reset Date for trades made on the related SOFR Determination Date; or
 - (2) if (x) the rate referred to in subclause (1) above is not so published at the Relevant Time on such SOFR Reset Date, and (y) a SOFR Index Cessation Event and SOFR Index Cessation Date have not both occurred on or prior to the Relevant Time on such SOFR Reset Date, the Secured Overnight Financing Rate published on the New York Federal Reserve's Website for the last preceding US Government Securities Business Day on which the Secured Overnight Financing Rate was published on the New York Federal Reserve's Website; or
 - (3) if (x) the rate referred to in subclause (1) above is not so published at the Relevant Time on such SOFR Reset Date, and (y) a SOFR Index Cessation Event and SOFR Index Cessation Date have both occurred on or prior to the Relevant Time on such SOFR Reset Date,
 - (a) if on or prior to the first US Government Securities Business Day following the SOFR Index Cessation Date, a rate has been recommended as the replacement for the Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be (x) produced by the Federal Reserve Bank of New York or other designated administrator, (y) published at the Relevant Time or other designated time on the New York Federal Reserve's Website or other website designated by such administrator, and/or (z) include any adjustments or spreads), such rate as so published on such SOFR Reset Date for trades made on the related SOFR Determination Date; or

- (b) if no such rate as described in subclause (a) above has been so recommended on or prior to the first US Government Securities Business Day following the SOFR Index Cessation Date,
 - (I) the Overnight Bank Funding Rate published at or around the Relevant Time on the New York Federal Reserve's Website on such SOFR Reset Date for trades made on the related SOFR Determination Date; or
 - (II) if (x) the rate referred to in subclause (I) above is not so published at or around the Relevant Time on such SOFR Reset Date, and (y) an OBFR Index Cessation Event and OBFR Index Cessation Date have not both occurred on or prior to the Relevant Time on such SOFR Reset Date, the Overnight Bank Funding Rate published on the New York Federal Reserve's Website for the last preceding New York City Banking Day on which the Overnight Bank Funding Rate was published on the New York Federal Reserve's Website; or
- (4) if (x) the Calculation Agent is required to use the Overnight Bank Funding Rate as described in subclause (3)(b)(I) above and (y) an OBFR Index Cessation Event and an OBFR Index Cessation Date have both occurred on or prior to the Relevant Time on such SOFR Reset Date, the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Reset Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Reset Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).

Notwithstanding the above, if the Federal Open Market Committee has not published a short-term interest rate target on the Federal Reserve's Website on any SOFR Reset Date on which SOFR is to be determined pursuant to subclause (4) above, then in respect of such SOFR Reset Date (the "**Affected SOFR Reset Date**") and each SOFR Reset Date thereafter, SOFR shall be replaced by the Alternative SOFR Reference Rate, if any, determined in accordance with subclause (d)(v) of this Condition 5 for the purposes of determining the Floating Rate of Interest.

(vii) *Benchmark replacement for SOFR Notes*

If the conditions set out in the definition of the term "SOFR" in subclause (vi)(C) above have been satisfied, then the following provisions shall apply (subject to the subsequent operation of this subclause (vii)):

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine in the Independent Adviser's discretion, in accordance with subclause (D) below, an alternative rate to SOFR (the "**Alternative SOFR Reference Rate**") on or prior to the SOFR Determination Date relating to the Affected SOFR Reset Date (such SOFR Determination Date, the "**Independent Adviser Determination**");

Cut-off Date"), for purposes of determining SOFR applicable to the Affected SOFR Reset Date and for all subsequent SOFR Reset Dates in the relevant Interest Period (the "**Affected Interest Period**") and all Interest Periods thereafter;

- (B) if on or 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 SOFR Reference Rate in accordance with subclause (D) below, then the Issuer (in consultation with the Calculation Agent) may determine in its discretion, in accordance with subclause (D) below, the Alternative SOFR Reference Rate for purposes of determining SOFR applicable to the Affected SOFR Reset Date and for all subsequent SOFR Reset Dates in the Affected Interest Period and all Interest Periods thereafter;
- (C) if subclause (B) above applies and the Issuer is unable or unwilling to determine the Alternative SOFR Reference Rate on or prior to the Independent Adviser Determination Cut-off Date in accordance with subclause (D) below, (x) SOFR applicable to the Affected SOFR Reset Date shall be SOFR determined as at the last SOFR Determination Date preceding the Affected SOFR Reset Date, and (y) SOFR for all succeeding SOFR Reset Dates in the Affected Interest Period and for all SOFR Reset Dates in the Interest Periods thereafter shall be SOFR applicable to the Affected SOFR Reset Date as determined in accordance with this subclause (C) unless (1) the Issuer, in its sole discretion, elects to determine an Alternative SOFR Reference Rate in respect of any such succeeding SOFR Reset Date and all SOFR Reset Dates thereafter in accordance with the processes set out in this subclause (v), and (2) an Alternative SOFR Reference Rate is so determined;
- (D) in the case of any determination of an Alternative SOFR Reference Rate pursuant to subclause (A) or (B) above, the Alternative SOFR Reference Rate shall be such rate as the Independent Adviser or the Issuer (in consultation with the Calculation Agent and acting in good faith and a commercially reasonable manner), as applicable, determines in its reasonable discretion has replaced SOFR 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 and acting in good faith and a commercially reasonable manner) determines in its reasonable discretion is most comparable to SOFR; and
- (E) if the Independent Adviser or the Issuer determines an Alternative SOFR Reference Rate in accordance with the provisions of this subclause (vii),
 - (1) the Independent Adviser (in the case of subclause (y) below, in consultation with the Issuer) or, following consultation with UBS AG, the Issuer (as the case may be) shall also determine in its reasonable discretion (x) the method for obtaining the Alternative SOFR Reference Rate, including the page, section or other part of a particular information service on or source from which the Alternative SOFR Reference Rate appears or is obtained (the "**Alternative Relevant Page**"), and the time at which the Alternative SOFR Reference Rate appears on, or is obtained from, the Alternative Relevant Page (the "**Alternative Relevant Time**"), (y) whether to apply an Adjustment Spread to the Alternative SOFR Reference Rate and, if so, the Adjustment Spread, which Adjustment Spread shall be recognised or acknowledged as being in customary market usage in international debt capital markets transactions that reference SOFR, where such rate has been replaced by the Alternative

SOFR Reference Rate, and (z) any alternative method for obtaining the Alternative SOFR Reference Rate if such rate is unavailable on the relevant SOFR Determination Date, which alternative method shall be consistent with any Alternative SOFR Reference Rate that has broad market support;

- (2) for the Affected SOFR Reset Date and all subsequent SOFR Reset Dates in the Affected Interest Period and all Interest Periods thereafter, references to SOFR in the Terms and Conditions of the Notes shall be deemed to be references to the Alternative SOFR Reference Rate (giving effect to any Adjustment Spread determined pursuant to subclause (1)(y) above and including any alternative method for obtaining the Alternative SOFR Reference Rate as described in subclause (1)(z) above);
- (3) if any changes to the definitions of Business Day, Business Day Convention, Day Count Fraction, SOFR Determination Date, SOFR Reset Date and/or Suspension Period and/or any changes to subclause (d)(vi) of this Condition 5 are necessary in order to implement the Alternative SOFR Reference Rate (including any Adjustment Spread determined pursuant to subclause (1)(y) above and any alternative method for determining the Alternative SOFR Reference Rate as described in subclause (1)(z) above), such definitions and such subclause (d)(vi) shall be amended pursuant to Condition 14 (*Amendment*) to reflect such changes; and
- (4) the Issuer shall promptly give notice to the Holders in accordance with Condition 13 (*Notices*) specifying the Alternative SOFR Reference Rate (including any Adjustment Spread determined pursuant to subclause (1)(y) above and any alternative method for obtaining the Alternative SOFR Reference Rate as described in subclause (1)(z) above), the Alternative Relevant Page, the Alternative Relevant Time, and any amendments implemented pursuant to Condition 14 (*Amendment*) as described in subclause (3) above.

(viii) *Minimum and/or Maximum Floating Rate of Interest*

If the relevant Pricing Supplement specifies a Minimum Floating Rate of Interest for any Interest Period, then, in the event that the Floating Rate of Interest in respect of such Interest Period determined in accordance with the provisions of subclause (i), (iv)(A) or (vi)(A) of this Condition 5(d) is less than such Minimum Floating Rate of Interest, the Floating Rate of Interest for such Interest Period will be such Minimum Floating Rate of Interest. Unless otherwise stated in the relevant Pricing Supplement, the Minimum Floating Rate of Interest will be zero.

If the relevant Pricing Supplement specifies a Maximum Floating Rate of Interest for any Interest Period, then, in the event that the Floating Rate of Interest in respect of such Interest Period determined in accordance with the provisions of subclause (i) or (ii), (iv)(A) or (vi)(A) of this Condition 5(d) is greater than such Maximum Floating Rate of Interest, the Floating Rate of Interest for such Interest Period will be such Maximum Floating Rate of Interest.

(ix) *Determination of Floating Rate of Interest and Interest Amount in relation to an Interest Period*

With respect to each Interest Period, on the Interest Determination Date for such Interest Period or the SOFR Determination Date relating to the last SOFR Reset Date in such Interest Period, as applicable, the Calculation Agent will, as soon as practicable

after the Relevant Time, determine the Floating Rate of Interest for such Interest Period and calculate the amount of interest payable per Calculation Amount on the Interest Payment Date in relation to such Interest Period in accordance with Condition 5(b)(ii) or Condition 5(c)(ii)(B), as applicable (each, an "**Interest Amount**").

- (x) *Notification of Floating Rate of Interest, Interest Amount and interest amount payable upon early redemption*

With respect to each Interest Period, as soon as practicable after such determination but in any event not later than the first day (or, in the case of SARON Notes and SOFR Notes, the last day) of such Interest Period, the Calculation Agent will cause (x) the relevant Floating Rate of Interest and the relevant Interest Amount determined by it, together with the relevant Interest Payment Date in relation to such Interest Period, to be notified to the Issuer, the Relevant Agent and the Paying Agents, and (y) the relevant Floating Rate of Interest 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 13 (*Notices*).

If the Notes are to be redeemed pursuant to clause (b), (c), (d) or (e) of Condition 6 (*Redemption and Purchase*) and, in the case of Fixed Rate/Floating Rate Notes, the Early Redemption Date falls in the Floating Rate Period, the Calculation Agent shall calculate any interest amount payable on the Early Redemption Date and cause such interest amount to be notified to the Issuer, the Relevant Agent 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 13 (*Notices*) no later than two Business Days prior to the Early Redemption Date.

- (xi) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes this Condition 5(d), will (in the absence of wilful misconduct, bad faith and manifest error) be binding on the Issuer, the Calculation Agent, the Relevant Agent, the Paying Agents and the Holders, and (in the absence of wilful misconduct, bad faith and gross negligence) no liability to the Issuer or the Holders will attach to the Calculation Agent in connection with the exercise or non-exercise by the Calculation Agent of its powers, duties and discretions under this Condition 5(d).

- (e) ***Zero Coupon Accreting Notes***

This Condition 5(e) applies to Zero Coupon Accreting Notes only.

The Notes do not bear interest; *provided, however*, that, if the Notes become due and payable on the Maturity Date and the Final Redemption Amount is improperly withheld or refused when due, any overdue principal on the Notes will bear interest (both before and after judgment) at a rate per annum equal to the Accrual Yield to (but excluding) the Relevant Date. Any interest described in the immediately preceding sentence will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed in such incomplete month (rounding the resulting figure to the nearest sub-unit (with one-half sub-unit being rounded upwards)), or such other calculation basis as may be specified in the relevant Pricing Supplement.

6. REDEMPTION AND PURCHASE

- (a) ***Final redemption***

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on the Maturity Date at the Final Redemption Amount, together with any accrued and unpaid interest thereon to but excluding (or, in the case of Swiss Franc Notes, to and including) the Maturity Date.

(b) ***Early redemption due to a Tax Event***

- (i) Subject to clause (f) 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 Early Redemption Date at the Tax Redemption Amount, together with any accrued and unpaid interest thereon to but excluding (or, in the case of Swiss Franc Notes, to and including) such Early 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) of this subclause (ii), as a result of any changes in, or amendment to, 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.

(c) ***Early redemption at the option of the Issuer (Issuer Call)***

The relevant Pricing Supplement indicates whether the Notes are subject to redemption at the option of the Issuer prior to the Maturity Date (other than upon a Tax Event, a Make-Whole Redemption or an Ineligibility Issuer Call) (an "**Issuer Call**"). If the Issuer Call is specified as being applicable in the relevant Pricing Supplement, then, subject to clause (f) of this Condition 6, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on any Optional Redemption Date at the Optional Redemption Amount, together with any accrued and unpaid interest thereon to but excluding (or, in the case of Swiss Franc Notes, to and including) such Optional Redemption Date.

(d) ***Early redemption at the option of the Issuer (Make-Whole Redemption)***

The relevant Pricing Supplement indicates whether the Notes are subject to redemption at the option of the Issuer prior to the Maturity Date (other than upon a Tax Event, an Issuer Call or an Ineligibility Issuer Call) (a "**Make-Whole Redemption**"). If Make-Whole Redemption is specified as being applicable in the relevant Pricing Supplement, then, subject to clause (f) of this Condition 6, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on any Make-Whole Redemption Date at the Make-Whole Redemption Amount, together with any accrued and unpaid interest thereon to but excluding (or, in the case of Swiss Franc Notes, to and including) such Make-Whole Redemption Date.

(e) ***Early redemption due to an Ineligibility Event***

- (i) The relevant Pricing Supplement indicates whether the Notes are subject to redemption at the option of the Issuer upon the occurrence of an Ineligibility Event (an "**Ineligibility Issuer Call**"). If the Ineligibility Issuer Call is specified as being applicable in the relevant Pricing Supplement and an Ineligibility Event has occurred and is continuing, then, subject to clause (f) of this Condition 6, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on any Ineligibility Event Redemption Date at the Ineligibility Event Redemption Amount, together with any accrued and unpaid interest thereon to but excluding (or, in the case of Swiss Franc Notes, to and including) such Ineligibility Event Redemption Date.

- (ii) An "**Ineligibility Event**" will have occurred if as a result of a change in the Capital Adequacy Ordinance and/or FSB TLAC Standard after the Issue Date the Notes cease to be eligible in their entirety to be treated as both (A) debt instruments for loss absorbency in the course of insolvency measures (*Schuldinstrumente zur Verlusttragung bei Insolvenzmassnahmen*) under the Capital Adequacy Ordinance and (B) External TLAC under the FSB TLAC Standard.

(f) ***Conditions for early redemption***

- (i) If the Issuer elects to redeem the Notes pursuant to clause (b), (c), (d) or (e) of this Condition 6, the Issuer shall give the Holders not less than 30 and not more than 60 days' (or such other period as may be specified in the relevant Pricing Supplement) prior notice in accordance with Condition 13 (*Notices*) (an "**Early Redemption Notice**"), which notice will, subject to subclause (iv) of this Condition 6(f), be irrevocable and must specify (x) the clause of this Condition 6 pursuant to which the redemption is to be made, (y) if any Registered Definitive Certificates have been issued, the method by which Notes to be redeemed must be tendered, and (z) the date (which shall be a Business Day) on which the Issuer will redeem the Notes pursuant to such clause of this Condition 6 (such specified date, the "**Early Redemption Date**").
- (ii) The Issuer may only redeem the Notes pursuant to clause (b), (c), (d) or (e) of this Condition 6 if FINMA has approved such redemption on or prior to the relevant Early Redemption Date, if such approval is then required under applicable Swiss laws and regulations.
- (iii) If the Issuer elects to redeem the Notes pursuant to clause (b) or (e) of this Condition 6, then prior to the publication of the relevant Early Redemption Notice pursuant to subclause (i) of this Condition 6(f), the Issuer shall deliver to the Relevant Agent a certificate signed by two Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem under clause (b) of this Condition 6 is satisfied and the reasons therefor and such certificate will be conclusive and binding on the Holders.
- (iv) Notwithstanding the foregoing, if the Issuer has delivered an Early Redemption Notice pursuant to this Condition 6, but, prior to the payment of the redemption amount with respect to such redemption, a Restructuring Event occurs, then such Early Redemption Notice will be automatically rescinded and will be of no force and effect, such redemption will be cancelled, payment of the redemption amount in respect of such Early Redemption Notice will no longer be due and payable and no such redemption of the Notes will take place.

(g) ***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, 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. Any Notes so purchased may, at the option of the Issuer, be held, reissued, resold or surrendered to the Relevant Agent for cancellation.

(h) ***Cancellation***

All Notes redeemed in accordance with this Condition 6 will be cancelled and may not be reissued or resold. All Notes purchased and surrendered to the Relevant Agent pursuant to clause (g) of this Condition 6 shall be immediately cancelled upon surrender and may not be reissued or sold.

7. PAYMENTS; AGENTS

- (a) All payments required to be made under the Notes will be made available in good time in freely disposable funds in the Specified Currency, which will be placed at the free disposal of the Relevant 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 Business Day, then the Holders will not be entitled to payment thereof until the first 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, without limitation, any Additional Amounts) shall be made to the Holders in the Specified Currency without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Holder and without certification, affidavit or the fulfilment of any other formality; *provided, however*, that, in the case of Registered Definitive Certificates, such Notes must be presented and, in the case of redemption, surrendered at the Specified Office of the relevant Paying Agent as a condition to receipt of any such payment.
- (b) The receipt by the Relevant Agent of the due and punctual payment of funds in the Specified Currency will release the Issuer from its obligations under the Notes to the extent of such payment.
- (c) Subject to clause (d) of this Condition 7,
 - (i) the Issuer reserves the right to terminate the appointment of any Agent, as well as to appoint or, after any such appointment, to terminate the appointment of, one or more other paying agents to carry out any payment, calculation or other functions in respect of the Notes (each, a "**Paying Agent**"), *provided* that (A) so long as any Note is outstanding, (x) in the case of Registered Notes, there will at all times be a Fiscal Agent and a Registrar, (y) in the case of Uncertificated Notes, there will at all times be a Principal Paying Agent, and (z) in the case of Floating Rate Notes and (on or after the Interest Determination Date for the first Interest Period) Fixed Rate/Floating Rate Notes, there will always be a Calculation Agent, (B) in the case of Notes listed on the SIX Swiss Exchange, for so long as the Notes are listed on the SIX Swiss Exchange and if then required by the regulations of the SIX Swiss Exchange, the Issuer shall maintain a Paying Agent in Switzerland, which agent shall have an office in Switzerland and be a bank or securities dealer subject to supervision by FINMA, to perform the functions of a Swiss paying agent (the "**Swiss Paying Agent**"), and (C) in the case of Floating Rate Notes and Fixed Rate/Floating Rate Notes, any successor Calculation Agent must be a leading bank or financial institution that is experienced in the calculations or determinations to be made by the Calculation Agent; and
 - (ii) if at any time (A) in the case of Registered Notes, the Fiscal Agent or the Registrar, (B) in the case of Uncertificated Notes, the Principal Paying Agent, (C) in the case of Floating Rate Notes and (on or after the Interest Determination Date for the first Interest Period) Fixed Rate/Floating Rate Notes, the Calculation Agent, or (D) any Paying Agent, if such Paying Agent is the only Paying Agent located in a place where the Issuer is required to maintain a Paying Agent under the Terms and Conditions of the Notes, (x) becomes incapable of acting, or (y) is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy, or makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver of all or any substantial part of its property, or admits in writing its inability to pay or meet its debts as they mature, or if an order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law, or if a receiver of it or of all or any substantial part of its property is appointed, or if any public officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, conservation or liquidation (any such event, an "**Agent Insolvency Event**"), then the Issuer will terminate the appointment of such Agent in accordance with the Agency Agreement and appoint a successor Agent; and

- (iii) in the case of Floating Rate Notes and Fixed Rate/Floating Rate Notes, if at any time the Calculation Agent fails to duly calculate (A) the Floating Rate of Interest and the Interest Amount for any Interest Period or (B) if the Notes are to be redeemed pursuant to clause (b), (c), (d) or (e) of Condition 6 (*Redemption and Purchase*) and, in the case of Fixed Rate/Floating Rate Notes, the Early Redemption Date falls in the Floating Rate Period, the interest amount payable on the Early Redemption, then the Issuer will terminate the appointment of the Calculation Agent in accordance with the Agency Agreement and appoint a successor Calculation Agent; *provided, however*, that, if the Calculation Agent duly calculates such Floating Rate of Interest, Interest Amount or interest amount payable on the Early Redemption Date, as the case may be, prior to its termination (and the appointment of its successor) taking effect in accordance with clause (d) of this Condition 7, the Issuer may elect, in its sole discretion and upon written notice to the Holders pursuant to Condition 13 (*Notices*), to cancel such termination (and appointment).
- (d) Any appointment or termination of appointment of, or any resignation by, any Agent may only take effect not more than 45 and not less than 30 days after the Issuer has notified the Holders of such appointment, termination or resignation pursuant to Condition 13 (*Notices*); *provided, however*, that, in the case of the termination of an Agent with respect to which an Agent Insolvency Event has occurred, such termination may take effect prior the expiry of such 30-day notice period, so long as a successor Agent has been appointed to the extent required by the immediately succeeding sentence. Notwithstanding the foregoing, any termination of the appointment of, or resignation by, (i) in the case of Registered Notes, the Fiscal Agent or the Registrar, (ii) in the case of Uncertificated Notes, the Principal Paying Agent, (iii) any Paying Agent, if such Paying Agent is the only Paying Agent located in a place where the Issuer is required to maintain a Paying Agent under the Terms and Conditions of the Notes, or (iv) in the case of Floating Rate Notes and (on or after the Interest Determination Date for the first Interest Period) Fixed Rate/Floating Rate Notes, the Calculation Agent, may not take effect until the Issuer has appointed a successor Fiscal Agent, Registrar, Principal Paying Agent, Paying Agent or Calculation Agent, as applicable; *provided, however*, that, if no such successor has been appointed within 30 days of the scheduled effectiveness of such termination or resignation, any Holder (on behalf of itself and all others similarly situated) or, pursuant to and in accordance with the Agency Agreement, (A) in the case of Registered Notes, the Fiscal Agent or the Registrar, (B) in the case of Uncertificated Notes, the Principal Paying Agent, (C) any Paying Agent or (D) in the case of Floating Rate Notes and Fixed Rate/Floating Rate Notes, the Calculation Agent, as the case may be, may petition any court of competent jurisdiction for the appointment of a successor, at the expense of the Issuer.
- (e) Should the Swiss Resolution Authority order any Restructuring Protective Measures that result in the deferment of any payments of principal of, and/or interest on, the Notes when otherwise due and payable, such payments will be deferred for the period for which the Swiss Resolution Authority requires any such deferment (with respect to any such payment, the "**Restructuring Deferral Period**"), and the Holders will not be entitled to any additional sum in relation to such deferred payment. Any payment of principal of, and/or interest on, the Notes that was due or became due, or which would otherwise have become due, but was not paid in accordance with the immediately preceding sentence will be payable (only to the extent such principal and/or interest was not subsequently fully or partially written-down and cancelled and/or converted into equity of UBS Group AG during the relevant UBS Group Restructuring Proceedings) on the later of (i) the first Interest Payment Date following the relevant Restructuring Deferral Period and (ii) the date that is 30 days after the date on which the relevant Restructuring Deferral Period ended. If the Swiss Resolution Authority orders any Restructuring Protective Measures that result in the deferment of any payments of principal of, and/or interest on, the Notes when otherwise due and payable, the Issuer will provide written notice to the Fiscal Agent and the Holders of such order and deferral in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

8. 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, amounts paid 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, 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 by the Issuer pursuant to clause (b) of this Condition 8 in relation to any Note:
 - (i) if the relevant Holder is liable for such Taxes on such Note as a result of having some connection with the relevant Tax Jurisdiction other than its mere ownership or possession of such Note or the receipt of principal or interest in respect thereof; or
 - (ii) if such Taxes are a result of such Note having been presented for payment (where presentment is required) more than 30 days after the Relevant Date, except to the extent that the Holder would have been entitled to receive the Additional Amounts if it had presented such Note for payment on the last day of the 30-day period; or
 - (iii) with respect to any Tax collected pursuant to Sections 1471 through 1474 of the US Internal Revenue Code, as amended (the "**Code**"), the regulations promulgated thereunder, or applicable inter-governmental agreements or agreements with the United States Internal Revenue Service entered into in connection with the implementation of such sections of the Code, or legislation enacted by a non-United States jurisdiction in connection with the implementation of such sections of the Code (FATCA); or
 - (iv) where such withholding or deduction is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation of the Swiss Federal Council of 3 April 2020, or otherwise changing the Swiss federal withholding tax system from an issuer-based system to a paying agent-based system pursuant to which a Person other than the issuer is required to withhold tax on any interest payments; or
 - (v) to the extent any combination of subclauses (i) through (iv) above applies.
- (d) Any reference in the Terms and Conditions of the Notes to amounts payable by the Issuer in respect of the Notes includes (i) any Additional Amount payable pursuant to this Condition 8 and (ii) any sum payable pursuant to an obligation taken in addition to or in substitution for the obligation in this Condition 8.

9. 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 ten-year period, in each case, commencing on the date on which such payments, repayment or redemption become due and payable.

10. CONSOLIDATION, MERGER OR SALE

The Issuer will not consolidate with, merge with or into, or sell, convey, transfer or otherwise dispose of all or substantially all of its property and assets (as an entirety or substantially as an entirety in one transaction or a series of related transactions) to, any Person (other than with, into or to any Person of which at least 95 per cent. of such Person's capital and voting rights are held, directly or indirectly, by the Issuer) or permit any Person to merge with or into the Issuer unless (a) the Issuer will be the continuing Person, or (b) the Person formed by such consolidation or into which the Issuer is merged or that acquired such property and assets of the Issuer expressly assumes in writing (or, in the case of an acquisition of property and assets, guarantees) all of the obligations of the Issuer under the Notes.

11. EVENTS OF DEFAULT

Each of the following events will constitute an "**Event of Default**":

- (a) the Issuer fails to pay the principal amount of, or any interest on, any Note if and when the same becomes due and payable under the Notes, and such failure continues unremedied by the Issuer for a period of 30 days; or
- (b) the Issuer fails to observe or perform any other covenant, condition, or agreement contained in the Terms and Conditions of the Notes, and such failure continues unremedied for a period of 60 days after written notice thereof from any Holder to the Issuer; or
- (c) other than in connection with a solvent reorganisation, reconstruction, amalgamation or merger, (i) any order is made by any competent court or other authority or resolution passed by the Issuer for (A) the dissolution or winding-up of the Issuer, or (B) the appointment of a liquidator, receiver, administrator or manager of the Issuer or of all or a substantial part of the Issuer's assets, or (ii) anything analogous occurs, in any jurisdiction, to the Issuer; or
- (d) the Issuer stops payment or is unable to, or admits to creditors generally its inability to, pay its debts as they fall due, or is adjudicated or found bankrupt or insolvent, or enters into any composition or other arrangements with its creditors generally;

provided, however, that neither (i) a UBS Group Restructuring Event, nor (ii) the exercise of any Swiss Resolution Power with respect to UBS Group AG that requires or results in any write-down and cancellation and/or conversion into equity of UBS Group AG of the entire, or a portion of, the principal of, and/or accrued interest on, the Notes, nor (iii) the ordering of any Restructuring Protective Measures that require or result in the deferment of payment of principal and/or interest in respect of the Notes nor (iv) any consequences resulting from any of the foregoing will constitute a default or an Event of Default. For the avoidance of doubt, any consequences resulting from any Protective Measures ordered by the Swiss Resolution Authority with respect to UBS Group AG that are ordered outside of and independently of any UBS Group Restructuring Proceedings that would otherwise constitute a default or an Event of Default will constitute a default or an Event of Default, as applicable.

If an Event of Default has occurred and is continuing, the Holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes may, by notice in writing given to the Relevant Agent at its Specified Office, declare all the Notes to be immediately due and payable, whereupon they will become immediately due and payable at (x) in the case of Zero Coupon Accreting Notes, the Amortised Face Amount as of the later of (1) such date that the Notes become due and payable pursuant to this Condition 11, and (2) the Relevant Date, and (y) otherwise, 100 per cent. of their principal amount together with accrued interest (if any) thereon to the Relevant Date, in each case, without further formality unless such Event of Default has been remedied prior to the receipt of such notice by the Relevant Agent, and the Relevant Agent has actual knowledge of such remedy.

12. REPLACEMENT

If any Registered Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar upon payment by the claimant of the fees, costs and expenses incurred by the Registrar and the Issuer in connection therewith and on such terms as to evidence, security and indemnity (which may provide, among other things, that if the Registered Certificate allegedly or actually lost, stolen or destroyed is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Registered Certificate subsequently presented) as the Issuer or the Relevant Agent may require. Mutilated or defaced Registered Certificates must be surrendered before replacements will be issued.

13. NOTICES

(a) *Notes listed on the SIX Swiss Exchange*

In the case of Notes that 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 the SIX Swiss Exchange (<https://www.six-group.com/exchanges/index.html>), where notices are currently published under the address https://www.six-group.com/exchanges/news/official_notices/search_en.html, or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange. Any notice will be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first such publication.

If the Notes are for any reason no longer listed on the SIX Swiss Exchange:

- (i) in the case of Uncertificated Notes, notices to Holders shall be given by communication through the Principal Paying Agent to SIS (or such other Intermediary) for forwarding to the Holders, which notice will be deemed to be validly given on the date of communication to SIS (or such Intermediary); and
- (ii) in the case of Registered Notes:
 - (A) if such Registered Notes are represented by one or more Registered Global Certificates deposited with a custodian for DTC, notices to Holders shall only be required to be given in accordance with clause (c) of this Condition 13; and
 - (B) if the Registered Global Certificate(s) have been exchanged for Registered Definitive Certificates, notices to Holders will be sent by first class mail to the Holders at their respective addresses as recorded in the Register, which notice will be deemed to be validly given on the fourth Business Day after the date of such mailing.

(b) *Notes not listed on the SIX Swiss Exchange*

In the case of Notes that are not listed on the SIX Swiss Exchange, notices to Holders shall be given by the Issuer in the manner specified in the relevant Pricing Supplement.

(c) *Registered Notes represented by Registered Global Certificates*

In the case of Registered Notes, so long as such Registered Notes are represented by one or more Registered Global Certificates deposited with a custodian for DTC, any notices required to be given by the Issuer to the Holders hereunder shall also be given to the Indirect Holders through the Fiscal Agent to DTC for forwarding to the Indirect Holders. Any such notice will be deemed to be validly given on the date of delivery to DTC.

14. AMENDMENT

The Issuer may, without the consent of the Holders unless so required by mandatory provisions of Swiss law, make any amendment to the Terms and Conditions of the Notes or the Notes that it considers to be (a) necessary or desirable to give effect to (i) in the case of Fixed Rate/Fixed Rate

Notes, Floating Rate Notes and Fixed Rate/Floating Rate Notes, any Alternative Reset Reference Rate, Alternative Reference Rate, Alternative SARON Reference Rate or Alternative SOFR Reference Rate determined in accordance with subclause (a)(iv), (d)(iii), (d)(v) or (d)(vii), respectively, of Condition 5 (*Interest*) (giving effect to any Adjustment Spread and including any alternative method for determining the Alternative Reference Rate, Alternative SARON Reference Rate, Alternative Reset Reference Rate or Alternative SOFR Reference Rate (as applicable) if such rate is unavailable on the relevant Reset Determination Date, Interest Determination Date or SOFR Determination Date (as applicable) as described in subclause (a)(iv)(E)(1), (d)(iii)(E)(1), (d)(v)(E)(1) or (d)(vii)(E)(1), respectively, of Condition 5 (*Interest*)), including any amendment described in subclause (a)(iv)(E)(4), (d)(iii)(E)(4), (d)(v)(E)(3) or (d)(vii)(E)(3), respectively, of Condition 5 (*Interest*), (ii) in the case of SARON Notes, any SARON Recommended Replacement Rate or the SNB Policy Rate, if the Calculation Agent is required to use a SARON Recommended Replacement Rate or the SNB Policy Rate pursuant to subclause (3)(a) or (3)(b) of the definition of the term "SARON" for purposes of determining SARON for any Zurich Banking Day, or (iii) the provisions of Condition 15 (*Issuer Substitution*), or (b) formal, minor or technical in nature, or (c) necessary to correct a manifest error or (d) not materially prejudicial to the interests of the Holders.

The Issuer shall notify the Holders of any amendments made pursuant to this Condition 14 in accordance with Condition 13 (*Notices*), which notice shall state the date on which such amendment will be effective. Any amendment made pursuant to this Condition 14 will be binding on the Holders in accordance with its terms.

15. ISSUER SUBSTITUTION

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 (such substitution, an "**Issuer Substitution**") at any time upon giving no more than 30 and no less than 10 days' notice to the Holders in accordance with Condition 13 (*Notices*), *provided* that:

- (a) at the time the Current Issuer sends notice of such Issuer Substitution to the Holders, the Substitute Issuer would not on the next payment due under the Notes be required to pay any Additional Amounts under the Notes, after giving effect to such Issuer Substitution, that the Current Issuer would not have been required to pay if such Issuer Substitution were not to occur;
- (b) the Current Issuer is not in default in respect of any amount payable under the Notes at the time of such substitution;
- (c) UBS Group AG has irrevocably and unconditionally guaranteed to the Holders, pursuant to article 111 of the Swiss Code of Obligations and on an unsubordinated basis corresponding *mutatis mutandis* to Condition 4 (*Status of the Notes*), 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 on terms whereby:
 - (i) Condition 8 (*Taxation*), Condition 10 (*Consolidation, Merger or Sale*), Condition 11 (*Events of Default*), Condition 14 (*Amendment*), Condition 19 (Rule 144A Information) 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 as they apply to UBS Group AG and to its obligations under such guarantee in such guarantee itself, as appropriate; and
 - (ii) upon the occurrence of a Restructuring Event, UBS Group AG will, without the consent of the Holders, automatically be substituted for the Issuer for all purposes under the Notes and the Terms and Conditions of the Notes, without requiring any action to be taken and without regard to the conditions that would otherwise be applicable to an Issuer Substitution pursuant to this Condition 15;

- (d) (i) an exemption exists from the requirement to register the Substitute Issuer as an investment company under the US Investment Company Act, and (ii) at least 95 per cent. of the Substitute Issuer's capital and voting rights are held, directly or indirectly, by UBS Group AG;
- (e) the Current Issuer, the Substitute Issuer and, if it is not the Current Issuer, UBS Group AG (i) have entered into such documents (the "**Substitution Documents**") as are necessary to give effect to such substitution and pursuant to which (x) the Substitute Issuer assumes the obligations of the Current Issuer under the Notes and the Agency Agreement, (y) if UBS Group AG is the Current Issuer, UBS Group AG becomes a party to, and appoints the Agents under, the Agency Agreement in its capacity as guarantor as described in clause (c) above, and (z) the Current Issuer and the Substitute Issuer agree to indemnify each Holder against any tax, duty, fee or governmental charge imposed on or relating to such act of assumption, and any costs or expenses of such act of assumption, and (ii) 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;
- (f) the Current Issuer shall have obtained legal opinions containing no untoward qualifications from independent legal advisors in the respective countries in which the Substitute Issuer and the Current Issuer are incorporated, and (if different) in Switzerland, to the effect that (i) the obligations of the Substitute Issuer are its legal, valid and binding obligations, (ii) the obligations of UBS Group AG under the guarantee described in clause (c) of this Condition 15 are its legal, valid and binding obligations, and (C) all approvals and consents referred to in clause (j) of this Condition 15 have been obtained;
- (g) each competent listing authority and/or stock exchange, on or by which the Notes are admitted to listing and/or trading shall have confirmed that, following the proposed substitution of the Substitute Issuer, the Notes will continue to be admitted to listing and/or trading by the relevant competent listing authority and/or stock exchange;
- (h) 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;
- (i) FINMA has approved such substitution (if such approval is then required under applicable Swiss laws and regulations); and
- (j) the Current Issuer and the Substitute Issuer have obtained all 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.

Upon any Issuer Substitution, the Current Issuer will be released from all its obligations under the Notes.

After giving effect to any Issuer Substitution, (i) references to the "Issuer" in the Notes and the Terms and Conditions of the Notes will be references to the Substitute Issuer, and (ii) references to the "Tax Jurisdiction" in the Notes and the Terms and Conditions of the Notes 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.

16. **SWISS RESOLUTION POWER AND RESTRUCTURING PROTECTIVE MEASURES**

Each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Note, whether it acquires such interest in the initial offering and sale of the Notes or in the secondary market, acknowledges, agrees to be bound by and consents to the exercise, without any notice to such Holder or Indirect Holder, of any Swiss Resolution Power with respect to UBS Group AG that results in the write-down and cancellation and/or conversion into equity of UBS Group AG of the entire, or a portion of the, principal amount of, and/or accrued interest on, the Notes, irrespective of whether such amounts have already become due and payable prior to such action,

and that after any such write-down, cancellation or conversion, any amount written down, cancelled or converted will no longer be required to be paid. In addition, each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Note, acknowledges, agrees to be bound by and consents to the ordering of any Restructuring Protective Measures that results in the deferment of payment of principal of, and/or interest on, the Notes. Each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Note, further acknowledges, agrees and consents that its rights are subject to any such exercise of any Swiss Resolution Power or any ordering of Restructuring Protective Measures, and if necessary, the Holder's or Indirect Holder's rights will be altered without notice and without such Holder's consent, including, without limitation, by means of an amendment or modification to the Notes and the Terms and Conditions of the Notes so as to give effect to any such exercise.

Each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Registered Note, consents to any and all necessary action taken, if required, by the Fiscal Agent, DTC or any other Person to implement any such exercise of any Swiss Resolution Power and/or ordering of any Restructuring Protective Measures, without any further action or direction on the part of such Holder or Indirect Holder. In addition, each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Registered Note, waives any and all claims against any such Person for, agrees not to initiate a suit against any Person in respect of, and agrees that no such Person shall be liable for, any action that such Person takes or abstains from taking, in either case in accordance with any such exercise. Each Holder and Indirect Holder, by acceptance of any direct or beneficial interest in a Registered Note, further acknowledges and agrees that the Fiscal Agent is acting solely as the agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Holder or Indirect Holder.

For the avoidance of doubt, this acknowledgement, agreement and consent does not qualify as a waiver of any rights the Holder or Indirect Holder of Notes may retain under the applicable banking regulation pursuant to which any Swiss Resolution Power is exercised.

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, including, without limitation, being fungible for US federal income tax purposes (or in all respects except for the issue date and/or first date on which interest is paid), such further notes will be consolidated and form a single series with the Notes. If the Issuer issues any such further notes pursuant to this Condition 17, references in the Terms and Conditions of the Notes to "Notes" will 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 the Specified Currency (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 the Specified Currency 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 the Specified Currency with such amount on such date, on the first date on which it is practicable to do so). If the amount of the Specified Currency 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. RULE 144A INFORMATION

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

20. NO SET-OFF BY HOLDERS

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

21. GOVERNING LAW AND JURISDICTION

- (a) The Notes and the Terms and Conditions of the Notes are governed by and shall be construed in accordance with the laws of Switzerland.
- (b) The courts of the Canton of Zurich (venue being the City of Zurich) have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes.

USE OF PROCEEDS

The Issuer will use the net proceeds of the issue of each Tranche of Notes for general corporate purposes, including providing funds to its subsidiaries from time to time. The Issuer may provide these funds to other members of the Group, and such members may provide such funds so received to other members of the Group, from time to time in the form of senior or subordinated debt, in the form of equity contributions, or otherwise, including on terms that may constitute "internal loss absorbing capital" of the subsidiaries of the Issuer.

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. The operational structure of the Group is comprised of the Group Functions and four business divisions: Global Wealth Management, Personal & Corporate Banking, Asset Management and the Investment Bank. UBS concentrates on capital-efficient businesses in its targeted markets, where UBS has a strong competitive position and an attractive long-term growth or profitability outlook. UBS views capital strength as the foundation of its strategy. In delivering all of UBS as one firm to its clients, UBS intends to: strengthen its leading client franchises and grow share; position UBS for growth by expanding its services and capabilities; drive greater efficiencies and scale; and further intensify collaboration for the benefit of its clients.

On 30 June 2020, UBS Group's common equity tier 1 ("**CET1**") capital ratio was 13.3%, the CET1 leverage ratio was 3.92% (CET1 leverage ratio with temporary FINMA exemption was 4.31%)¹, the total loss-absorbing capacity ratio was 32.7%, and the total loss-absorbing capacity leverage ratio was 9.6%.² On the same date, invested assets stood at USD 3,588 billion, equity attributable to shareholders was USD 57,035 million and market capitalisation was USD 41,303 million. On the same date, UBS employed 69,931 people³.

The rating agencies Standard & Poor's and Fitch Ratings 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 the abovementioned rating agencies may be attributed a plus or minus sign, which indicates the relative position within the respective rating class. UBS Group AG has a long-term counterparty credit rating of A- (stable outlook) from Standard & Poor's and long-term issuer default rating of A+ (negative outlook) from Fitch Ratings.

The rating from Fitch Ratings has been issued by Fitch Ratings Limited; and the rating from Standard & Poor's has been issued by S&P Global Ratings Europe Limited. These entities are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended. 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, if any, of the Notes issued under the Programme. 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 document.

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.

2. Information about the Issuer

2.1 Corporate Information

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

¹ Refer to the "*Recent developments*" and the "*Capital management*" sections of the Second Quarter 2020 Report for further details about the temporary FINMA exemption.

² All figures based on the Swiss systemically relevant bank framework as of 1 January 2020. Refer to the "*Capital management*" section of the Annual Report 2019 and of the Second Quarter 2020 Report, as defined herein, for more information.

³ Full-time equivalents.

UBS Group AG was incorporated on 10 June 2014, when it was entered in the Commercial Register of Canton Zurich. The registration number is CHE-395.345.924. 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 9 March 2020.

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

UBS Group AG shares are listed on the SIX Swiss Exchange and the New York Stock Exchange.

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 "*Balance sheet, liquidity and funding management*" in the "*Treasury management*" section of the Annual Report 2019.

3. Business Overview

3.1 Organisational Structure of UBS Group

UBS operates as a group with four business divisions and Group Functions. 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 to improve the resolvability of the Group in response to 'too big to fail' requirements in Switzerland and recovery and resolution regulation in other countries in which the Group operates. In December 2014, UBS Group AG became the holding company of the Group.

In 2015, UBS AG transferred its personal & corporate banking and wealth management businesses booked in Switzerland to the newly established UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland. In 2016, UBS Americas Holding LLC was designated as the intermediate holding company for UBS's US subsidiaries and UBS merged its wealth management subsidiaries in various European countries into UBS Europe SE, UBS's German-headquartered European subsidiary. Additionally, UBS transferred the majority of Asset Management's operating subsidiaries to UBS Asset Management AG. Effective 1 April 2019, the portion of the Asset Management business in Switzerland conducted by UBS AG was transferred from UBS AG to its indirect subsidiary, UBS Asset Management Switzerland AG.

UBS Business Solutions AG, a wholly owned subsidiary of UBS Group AG, was established in 2015 and acts as the Group service company. In 2017, UBS's shared services functions in Switzerland and the UK were transferred from UBS AG to UBS Business Solutions AG. UBS also completed the transfer of shared services functions in the US to its US service company, UBS Business Solutions US LLC, a wholly owned subsidiary of UBS Americas Holding LLC.

In March 2019, UBS Limited, UBS's UK headquartered subsidiary, was merged into UBS Europe SE prior to the UK's then scheduled departure from the EU. Former clients and other counterparties of UBS Limited who can be serviced by UBS AG's London Branch were migrated to UBS AG's London Branch prior to the merger.

UBS continues to consider further changes to the Group's legal structure in response to regulatory requirements and other external developments. Such changes may include further consolidation of operating subsidiaries in the EU and adjustments to the booking entity or location of products and services. Refer to *"Risk Factors – UBS has made certain structural changes in light of regulatory trends and requirements and the Terms and Conditions do not contain any restrictions on change of control events or on UBS's ability to restructure its business"* above.

UBS Group AG's interests in subsidiaries and other entities as of 31 December 2019, including interests in significant subsidiaries, are discussed in *"Note 31 Interests in subsidiaries and other entities"* to the UBS Group AG's consolidated financial statements included in the Annual Report 2019.

3.2 Business Divisions and Group Functions

UBS operates as a group with four business divisions (Global Wealth Management, Personal & Corporate Banking, Asset Management, and the Investment Bank) and Group Functions. Each of the business divisions and Group Functions are described below. A description of the Group's strategy can be found under *"Our strategy"* in the *"Our strategy, business model and environment"* section of the Annual Report 2019; a description of the businesses, strategies, clients, organisational structures, products and services of the business divisions and the Corporate Center (now referred to as Group Functions) can also be found in the *"Our strategy, business model and environment"* section of the Annual Report 2019.

Global Wealth Management

Global Wealth Management provides investment advice and solutions to private clients, in particular in the ultra high net worth and high net worth segments. Clients benefit from Global Wealth Management's comprehensive set of capabilities, including wealth planning, investing, lending, asset protection, philanthropy, corporate and banking services, as well as family office services in collaboration with the Investment Bank and Asset Management. Global Wealth Management has a global footprint, with the US representing its largest market. Clients are served through local offices and dedicated advisors.

Effective 1 January 2020, UBS implemented organizational changes in its Global Wealth Management division. UBS created three distinct business units within EMEA: Europe; Central and Eastern Europe, Greece and Israel; and Middle East and Africa. UBS is also making its Global Family Office capabilities available to more clients. Refer to *"Recent Developments"* in the First Quarter 2020 Report for more information.

Personal & Corporate Banking

Personal & Corporate Banking provides comprehensive financial products and services to private, corporate and institutional clients and operates in Switzerland in the private and corporate loan market. Personal & Corporate Banking is central to UBS's universal bank model in Switzerland and it works with Global Wealth Management, the Investment Bank and Asset Management to help clients receive the best products and solutions for their specific financial needs. While Personal & Corporate Banking operates primarily in its home market of Switzerland, it also provides capabilities to support the growth of the international business activities of UBS's corporate and institutional clients through local hubs in Frankfurt, New York, Hong Kong and Singapore. The business is divided into Personal Banking and Corporate & Institutional Clients (CIC).

Asset Management

Asset Management is a large-scale and diversified global 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 Global Wealth Management clients around

the world. Asset Management offers clients a wide range of investment products and services in different asset classes in the form of segregated, pooled or advisory mandates, as well as registered investment funds in various jurisdictions. It covers the main asset management markets globally, and has a local presence grouped in four regions: the Americas; Europe, Middle East and Africa; Switzerland; and Asia Pacific.

Investment Bank

The Investment Bank provides a range of services to institutional, corporate and wealth management clients to help them raise capital, grow their businesses, invest and manage risks. It is focused on its traditional strengths in advisory services, capital markets, equities and foreign exchange, complemented by a targeted rates and credit platform. The Investment Bank uses its research and technology capabilities to support its clients as they adapt to the evolving market structures and changes in the regulatory, technological, economic and competitive landscapes. The Investment Bank delivers solutions to clients, using its intellectual capital and electronic platforms. It also provides services to Global Wealth Management, Personal & Corporate Banking and Asset Management. It has a global reach, with principal offices in the major financial hubs.

Structural changes made in UBS's Investment Bank came into effect on 1 January 2020. Corporate Client Solutions and Investor Client Services were renamed Global Banking and Global Markets, respectively. Global Banking has two product verticals – Capital Markets and Advisory – consistent with its global coverage model, and including corporate lending and associated hedging activities. Global Markets combines Equities and Foreign Exchange, Rates and Credit (FRC), into three product verticals: Execution & Platform, Derivatives & Solutions, and Financing.

Group Functions

Corporate Center has been renamed Group Functions and includes Group Treasury, Non-core and Legacy Portfolio ("NCL"), and Group Services. Over recent years, UBS has progressively aligned its support functions with the business divisions. The majority of these functions are either fully aligned or shared among business divisions, where they have full management responsibility. Group Treasury manages the structural risk of UBS's balance sheet, including interest rate risk, structural foreign exchange risk and collateral risk, as well as the risks associated with the Group's liquidity and funding portfolios. Group Treasury serves all business divisions through two main risk management areas, and its risk management is fully integrated into the Group's risk governance framework. NCL manages legacy positions from businesses exited by the Investment Bank. It is overseen by a committee chaired by the Group Chief Risk Officer. The portfolio also includes positions relating to legal matters arising from businesses that were transferred to it at the time of its formation.

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. 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 document are made on the basis of the opinion of UBS Group AG or the Group.

3.4 *Recent Developments*

3.4.1 *UBS's results as of and for the quarter and six months ended 30 June 2020, as presented in the Second Quarter 2020 Report*

Results 2Q20 compared with results 2Q19

Group: Profit before tax decreased by USD 177 million, or 10%, to USD 1,582 million, mainly driven by lower operating income. Operating income decreased by USD 129 million, or 2%, to USD 7,403 million, mainly reflecting a USD 260 million increase in net credit loss expenses, USD

163 million lower net fee and commission income, and a USD 64 million decrease in other income. This was partly offset by a USD 359 million increase in net interest income and other net income from financial instruments measured at fair value through profit or loss. Operating expenses increased by USD 48 million, or 1%, to USD 5,821 million, mainly reflecting higher personnel expenses, partly offset by lower general and administrative expenses. UBS recognized income tax expenses of USD 347 million for the second quarter of 2020, representing an effective tax rate of 21.9%, compared with USD 366 million for the second quarter of 2019.

As previously announced, beginning with the first quarter of 2020, UBS no longer reports adjusted results in its financial reports, as the effects of legacy cost programs have been phased out and all of UBS's financial targets are now based on reported results. UBS will continue to disclose restructuring and litigation expenses for each business division, as well as other material profit or loss items that management believes are neither representative of underlying business performance nor expected to routinely recur, in the "Group performance" sections of UBS's financial reports. Further, beginning with the first quarter of 2020, UBS has streamlined its business division expense reporting to better reflect how the Group is managed. It will no longer provide individual operating expense lines but will disclose costs at a total operating expense level for UBS's business divisions. It continues to provide more detailed information with regard to operating expenses at the Group level, and explain the drivers of changes in divisional operating expenses in its divisional management discussion and analysis. Also beginning with the first quarter of 2020, UBS is providing additional information in its business division management discussion and analysis, including extended regional information about operating income and expenses, as well as information about loan and mandate development. UBS has aligned its ultra high net worth client relationships with the regions and therefore do not separately report performance measures on its ultra high net worth client relationships any more.

Global Wealth Management: Profit before tax increased by USD 6 million, or 1%, to USD 880 million, reflecting lower operating expenses, which more than offset lower operating income. Total operating income decreased by USD 115 million, or 3%, to USD 3,942 million, mainly driven by lower recurring net fee income and higher credit loss expenses, partly offset by higher transaction-based and net interest income. Total operating expenses decreased by USD 121 million, or 4%, to USD 3,062 million. The decrease was mainly driven by lower financial advisor variable compensation, reflecting a decrease in compensable revenues in the Americas, lower costs for travel and marketing as a result of COVID-19-related restrictions, and a decrease in other personnel expenses as a result of lower headcount. Net new money inflows of USD 9 billion included the limited effects of seasonal tax outflows in the Americas of USD 0.4 billion, compared with USD 5.1 billion in the second quarter of 2019, as a result of the COVID-19-related extension of the tax due date in the US to July 2020. UBS therefore expects the larger part of seasonal tax outflows to affect net new money during the third quarter of 2020.

Personal & Corporate Banking: Profit before tax decreased by CHF 160 million, or 41%, to CHF 229 million, reflecting higher credit loss expenses and lower income, partly offset by lower operating expenses. Total operating income decreased by CHF 167 million, or 17%, to CHF 790 million, predominantly reflecting higher net credit loss expenses and lower transaction-based income. Total operating expenses decreased by CHF 7 million, or 1%, to CHF 561 million, mainly driven by lower variable compensation, reflecting lower operational performance.

Asset Management: Profit before tax increased by USD 33 million, or 27%, to USD 157 million, reflecting strong operating leverage, with higher operating income only partly offset by higher operating expenses. Total operating income increased by USD 49 million, or 10%, to USD 524 million. Total operating expenses increased by USD 16 million, or 5%, to USD 367 million, mainly driven by an increase in personnel expenses reflecting strong revenues. Net new money inflows were USD 19.2 billion. Excluding money market flows, net new money inflows were USD 8.8 billion.

Investment Bank: Profit before tax increased by USD 185 million, or 43%, to USD 612 million, driven by higher operating income, partly offset by higher operating expenses. Total operating income increased by USD 197 million, or 9%, to USD 2,268 million, reflecting higher revenues in Global Markets, partly offset by lower revenues in Global Banking and higher credit loss expenses. Total operating expenses increased by USD 12 million, or 1%, to USD 1,656 million, mainly driven by an increase in personnel expenses, reflecting strong revenues in Global Markets. This

was partly offset by reduced travel and legal expenses. Compared to the first quarter 2020, total RWA decreased by USD 5 billion, or 5%, to USD 98 billion. Credit and counterparty credit risk RWA decreased by USD 4 billion due to decreases in loans and loan commitments, as well as derivative exposures. This was partly offset by increased securities financing transaction exposures. Market risk RWA decreased by USD 1 billion, primarily driven by the removal of a model multiplier, as well as the impact of client activity and market conditions on stressed and regulatory value-at-risk ("VaR"). Also compared to the first quarter 2020, the leverage ratio denominator ("LRD") increased by USD 6 billion, or 2%, to USD 303 billion, mainly reflecting increased cash balances and trading portfolio valuations, partly offset by decreased derivative exposures, reflecting roll-offs and market-driven movements.

Group Functions recorded a loss before tax of USD 305 million, compared with a loss of USD 56 million. The Group Treasury result was negative USD 192 million, compared with positive USD 17 million. The Non-core and Legacy Portfolio result was negative USD 69 million, compared with positive USD 34 million. This included a credit loss expense of USD 20 million on an energy-related exposure, compared with an overall credit loss expense of USD 5 million in the prior-year quarter. Furthermore, the second quarter of 2019 included a gain of USD 38 million related to the settlement of a litigation claim and income of USD 14 million related to a claim on a defaulted counterparty position. Operating expenses increased by USD 16 million to USD 43 million. The Group Services result was negative USD 44 million, compared with negative USD 107 million. This mainly resulted from lower funding costs related to deferred tax assets.

Results 6M20 compared with results 6M19

Profit before tax increased by USD 286 million, or 9%, to USD 3,591 million.

Operating income increased by USD 587 million, or 4%, to USD 15,337 million, driven by USD 726 million higher net fee and commission income. Net brokerage fee income increased by USD 569 million due to higher levels of client activity in Global Wealth Management and the Investment Bank, and investment fund fees and fees for portfolio management and related services increased by USD 272 million, mainly reflecting higher average invested assets.

In addition, net interest income and other net income from financial instruments measured at fair value through profit or loss increased by USD 438 million, mainly driven by higher income in Global Markets business in the Investment Bank as a result of higher volumes and market volatility, and in Global Wealth Management, driven by higher net interest income, mainly reflecting growth in lending revenues, partly offset by lower deposit revenues as a result of lower US dollar interest rates, as well as higher transaction-based income as a result of elevated client activity levels. These effects were partly offset by a decrease in Group Functions, mainly reflecting losses in Group Treasury in relation to accounting asymmetries including hedge accounting, compared with positive income in the prior year, and higher negative income related to centralized Group Treasury risk management services. In addition, Non-core and Legacy Portfolio recognized valuation losses of USD 143 million on auction rate securities compared with valuation gains of USD 32 million recognized in the prior-year period. The decreases in Group Treasury and Non-core and Legacy Portfolio were partly offset by an increase in Group Services, mainly as a result of lower funding costs related to deferred tax assets.

The increases in net fee and commission income, net interest income and other net income from financial instruments measured at fair value through profit or loss were partly offset by a USD 507 million increase in net credit loss expenses.

Operating expenses increased by USD 302 million, or 3%, mainly reflecting a USD 408 million increase in personnel expenses, driven by higher expenses for variable compensation, and an increase in accruals for untaken vacation, as well as higher financial advisor compensation in Global Wealth Management. This was partly offset by a USD 166 million decrease in general and administrative expenses, mainly reflecting lower travel and entertainment expenses, outsourcing costs, and professional fees.

Risk management and control – key developments

The outbreak of COVID-19 and the associated market turbulences have caused widespread economic disruption. The related effects on credit risk, market risk, country risk and operational risk in the second quarter of 2020 are reflected in the following sections.

Credit risk: Credit loss expense / recovery – Total net credit loss expenses were USD 272 million during the second quarter of 2020, compared with USD 268 million during the first quarter of 2020, reflecting net expenses of USD 202 million related to stage 1 and 2 positions and net expenses of USD 70 million related to credit-impaired (stage 3) positions.

Stage 1 and 2 net credit loss expenses of USD 202 million were primarily driven by a net expense of USD 127 million from an update to the forward-looking scenarios, factoring in updated macroeconomic assumptions to reflect the effects of the COVID-19 pandemic, in particular updated GDP and unemployment assumptions. This also led to exposure movements from stage 1 to stage 2 as probabilities of default increased. The remaining stage 1 and 2 expenses of USD 75 million mainly reflect the effects of expert judgement overlays for selected exposures to Swiss large corporates and small and medium-sized entities, as well as remeasurements within UBS's loan book, mainly in the Investment Bank. These were partly offset by recoveries on energy-related exposures and securities financing transactions with a number of real estate investment trusts, where UBS had increased allowances in the first quarter of 2020.

Stage 3 net credit loss expenses were USD 70 million. In the Investment Bank, stage 3 net expenses of USD 22 million were driven by USD 38 million of expenses recognized across various positions, partly offset by recoveries on securities financing transactions with a number of real estate investment trusts, where UBS had increased allowances in the first quarter of 2020. In Group Functions, stage 3 expenses of USD 20 million arose from an energy-related exposure in the Non-core and Legacy Portfolio. In Global Wealth Management, stage 3 net expenses of USD 19 million primarily reflected USD 9 million on a single structured margin-lending position, with the remaining USD 10 million on a number of smaller positions across the portfolios. In Personal & Corporate Banking, stage 3 net expenses of USD 10 million arose primarily on two newly defaulted clients in the corporate lending portfolio.

Committed credit facilities – Drawings under committed credit facilities remained stable as UBS did not observe a marked increase in drawing of existing credit facilities by clients over the second quarter of 2020. UBS manage its credit risk on the aggregate of drawn and committed undrawn credit facilities and model full drawing of committed facilities in UBS's stress testing framework.

Loan underwriting – In the Investment Bank, new loan underwriting activity was slow during the quarter; but nevertheless, distributions progressed well. As of 30 June 2020, loan underwriting commitments totaled USD 5.2 billion on a notional basis (compared with USD 10.8 billion as of 31 March 2020). All of the loan underwriting commitments were mandated. In aggregate USD 1.9 billion of commitments have exceeded UBS's distribution target dates, due to challenging market conditions. Loan underwriting exposures are held for trading, with fair values reflecting the market conditions at the end of the quarter. Credit hedges are in place and fair value write-downs were more than offset by gains on credit hedges.

Exposures to the oil and gas sector – During the second quarter of 2020, oil prices recovered somewhat from the decline in the first quarter of the year; although they remain at low levels. UBS has significantly reduced its exposure to the oil and gas sector in recent years. As of 30 June 2020, total net lending exposure directly related to the production and supply of oil and gas totaled USD 1.4 billion, all of which is in the Investment Bank and Non-core and Legacy Portfolio. 70% of UBS's net exposure of USD 1.4 billion was with investment-grade-rated counterparties. In addition, UBS closely monitor its exposures related to its commodity trade finance activities within Personal & Corporate Banking. Risks in this business are mostly idiosyncratic non-financial risks.

Overall banking products exposures – Overall banking products exposure increased by USD 30 billion to USD 594 billion as of 30 June 2020. USD 10 billion of this increase related to balances at central banks, USD 7 billion to loans and advances to customers and USD 11 billion to loan commitments. The credit-impaired gross exposure decreased by USD 353 million to USD 3,854 million as of 30 June 2020. The decrease stemmed mainly from recoveries of securities financing

transactions and real estate investment trusts in the Investment Bank and Group Functions. In Personal & Corporate Banking, loans and advances to customers increased by USD 5.5 billion, mainly due to the Swiss government-backed lending program for small and medium-sized entities, as well as a few large loans to investment grade Swiss multi-nationals. In Global Wealth Management, the USD 4.5 billion increase of loans and advances to customers was mainly driven by higher volumes of Lombard loans. In the Investment Bank, loans and advances to customers decreased by USD 1.6 billion, mainly due to large corporate clients. Exposure related to traded products decreased by USD 10.0 billion over the second quarter of 2020, mainly driven by decreased market volatility.

Lombard and securities-based lending – After peaks in March, the number and volume of margin calls in Global Wealth Management for Lombard and securities-based lending returned to normal levels from mid-April onward. The average loan-to-value ("**LTV**") for the portfolio was approximately 50% as of 30 June 2020.

Swiss mortgage portfolio – Of UBS's total Swiss real estate portfolio of USD 156 billion, USD 141 billion related to Swiss residential real estate, USD 6 billion to commercial retail and office real estate, and a further USD 9 billion to industrial and other real estate. The residential portfolio consists of USD 116 billion for single-family homes (average LTV of 55%) and USD 24 billion in residential income-producing real estate (average LTV of 53%). In particular UBS is carefully monitoring the level of risk in its Swiss commercial retail and office real estate portfolio (average LTV of 47%) and its resilience to the economic impact of COVID-19. UBS has seen only a very limited number of requests for suspension of amortization payments in the first half of 2020 across UBS's mortgage portfolios.

Exposure to the Swiss economy and Swiss corporates – Within Personal & Corporate Banking, risks related to UBS's exposures to certain industry sectors has increased. Industries in focus with a negative outlook include tourism; culture, sports & education; and watches; as well as media and, to a lesser degree, retail. UBS's exposure to the tourism sector (including hotels, restaurants and transport) totalled USD 1.9 billion as of 30 June 2020, with hotels accounting for USD 0.9 billion of this exposure. UBS's exposure to the culture, sports & education sector was USD 0.9 billion, exposure to the media sector amounted to USD 0.3 billion, exposure to the watch sector was USD 0.2 billion, and exposure to the retail sector was USD 1.7 billion. Apart from a few large counterparties, UBS's exposures within these sectors is highly diversified across Switzerland.

Market risk: UBS continued to manage market risks at generally low levels of management value-at-risk ("**Var**"). Average management Var (1 day, 95% confidence level) was unchanged, at USD 14 million, compared with the first quarter of 2020.

There were no Group Var negative backtesting exceptions in the second quarter of 2020, and the total number of negative backtesting exceptions within the most recent 250-business-day window remained at 3. The FINMA Var multiplier derived from back testing exceptions for market risk RWA remained unchanged compared with the prior quarter, at 3.0. FINMA's freeze on back-testing exceptions did not affect this multiplier.

As of 30 June 2020, the interest rate sensitivity of UBS's banking book to a +1-basis-point parallel shift in yield curves was negative USD 26.6 million, compared with negative USD 26.4 million as of 31 March 2020. The change in the interest rate sensitivity was driven by a longer Swiss franc equity duration, partially offset by the tightening of funding spreads on own issuances. The reported interest rate sensitivity excludes the additional tier 1 ("**AT1**") capital instruments as per FINMA Pillar 3 disclosure requirements, with a sensitivity of USD 4.4 million per basis point, and UBS's equity, goodwill and real estate, with a modelled sensitivity of USD 21.7 million per basis point, of which USD 5.1 million and USD 16.3 million are attributable to the Swiss franc and the US dollar portfolios, respectively.

The most adverse of the six FINMA interest rate scenarios was the "Parallel up" scenario, which resulted in a change in the economic value of equity of negative USD 5.6 billion, representing a pro forma reduction of 10.4% of tier 1 capital, which is well below the regulatory outlier test of 15% of tier 1 capital. The immediate effect of the "Parallel up" scenario on tier 1 capital as of 30 June 2020 would be a reduction of 1.3%, or USD 0.7 billion, arising from the part of UBS's banking book that is measured at fair value through profit or loss and from the financial assets measured at

fair value through other comprehensive income. This scenario would, however, have a positive effect on net interest income.

Country risk: The COVID-19 pandemic, and its impact on growth, employment, debt dynamics and supply chains, has become the primary driver of country risk, and UBS expects this to be the case for at least the near future. In several countries, case numbers continue to rise, and in others there are concerns about the potential for further waves of the virus. UBS expects measures taken by governments and central banks that are intended to support their economies to give rise to increased sovereign risk.

UBS remains watchful of developments in Europe and political changes in a number of countries. Its direct exposure to peripheral European countries is limited, although UBS has significant country risk exposure to major European economies, including the UK, Germany and France. The UK's process of withdrawing from the EU remains an area of concern. UBS continues to monitor potential trade policy disputes, as well as the economic and political climate in Hong Kong. A number of emerging markets are facing economic, political and market pressures. Separately, UBS's direct exposure to Thailand decreased from USD 3.9 billion to USD 1.4 billion over the second quarter of 2020, as a loan underwriting transaction was de-risked as planned through syndication.

Operational risk: The global focus on the control and containment of COVID-19 continues; for the firm, all regions are operating without significant business disruption. Market volumes stabilized during the second quarter of 2020, allowing UBS to reduce the operational backlogs experienced in the first quarter of 2020. The pandemic is leading to changes in the way firms work, with longer-term implications on non-financial risk. The drivers of these risks are market conditions leading to intensified client interaction, combined with new working arrangements (including at third-party suppliers) and employees operating under increased levels of stress. UBS continues to take measures that it believes are appropriate to monitor and manage these risks.

UBS remains focused on the safety and well-being of its staff, the operational resilience of the firm and the operational continuity needed to serve its clients. To maintain its operations while complying with governmental requirements imposed in many of UBS's principal locations, and to protect the health of its employees, UBS has enabled around 90,000 internal and external staff to work remotely, including client coverage and trading staff where permitted by applicable regulations. Global return to office protocols have been established and will be implemented on a local/regional level in line with government rules and regulations. Remote working arrangements can lead to increased conduct risk, inherent risk of fraudulent activities and potential increases in the number of suspicious transactions, as well as unauthorized trades, and risk of market abuse or manipulation, and have also increased information security risks (in particular, regarding client identifying data and unpublished price-sensitive information). UBS has taken measures to adapt employee conduct monitoring and supervision processes to address the changes to conduct risks, and has not observed a meaningful increase in the number of incidents.

UBS has continued programs to educate clients and employees on fraud risk and has updated its protocols for interaction to mitigate this risk. UBS has also implemented additional monitoring and analytics to closely track fraud risk and is keeping a close eye on emerging trends to deploy further mitigating activity as necessary.

The trend of increased sophistication of COVID-19-themed cyberattacks observed in the first quarter of 2020 continued and UBS has maintained enhanced monitoring for COVID-19 related cyber threats. Regular communications were and are provided to remind employees about associated risks, including hints and tips for staying cybersafe when working remotely. To date, UBS believes that its security controls have been effective, with no significant cyber incidents affecting the firm during the second quarter of 2020.

In addition to COVID-19 impacts, financial crime (including money laundering, terrorist financing, sanctions violations, fraud, bribery and corruption) continues to present a major risk, as technological innovation and geopolitical developments increase the complexity of doing business and high regulatory attention persists. UBS continues to prioritize efforts to meet the developing nature of these risks and to invest heavily in its detection capabilities and core systems as part of UBS's financial crime prevention program, with a focus on improving these to meet regulatory expectations.

The Office of the Comptroller of the Currency issued a Cease and Desist Order against the firm in May 2018 related to UBS's US branch know-your-customer and anti-money laundering ("AML") programs. As a response, the firm initiated an extensive program that seeks to ensure sustainable remediation of US-relevant Bank Secrecy Act / AML issues across all US legal entities. In addition to the significant improvement measures introduced in 2019, UBS has also focused on strategic enhancements in the areas of AML / know-your-customer and sanctions on a global scale.

Balance sheet, liquidity and funding management – key developments

As of 30 June 2020, balance sheet assets totalled USD 1,064 billion, a decrease of USD 34 billion compared with 31 March 2020. Total assets excluding derivatives and cash collateral receivables on derivative instruments increased by USD 35 billion to USD 881 billion, mainly driven by increases in other financial assets measured at amortized cost and fair value, cash and balances at central banks, trading portfolio assets, and lending assets, as well as non-financial assets and financial assets for unit-linked investment contracts. This was partly offset by decreases in securities financing transactions at amortized cost.

In the second quarter of 2020, the UBS Group liquidity coverage ratio ("LCR") increased 16 percentage points to 155%, remaining above the 110% Group LCR minimum requirement communicated by FINMA. The LCR increase was primarily driven by higher average HQLA balances due to increased debt issuances, lower net funding consumption by the business divisions and higher customer deposit balances in Global Wealth Management. In addition, net cash outflows increased due to reduced average net inflows from secured financing transactions and higher average outflows from customer deposits, partly offset by higher average inflows from derivative transactions.

As of 30 June 2020, UBS's estimated pro forma net stable funding ratio ("NSFR") was 118%, an increase of 4 percentage points compared with 31 March 2020, primarily reflecting a USD 19 billion increase in available stable funding, mainly driven by increases in deposits and debt issued. The calculation of UBS's pro forma NSFR includes estimates of the effect of the Basel Committee on Banking Supervision rules and will be refined when NSFR rule-making is completed in Switzerland and as regulatory interpretations evolve and new models and associated systems are enhanced.

Capital management – key developments

UBS's CET1 capital ratio increased 0.5 percentage points to 13.3%, reflecting a USD 1.5 billion increase in CET1 capital. CET1 leverage ratio (excluding the above-mentioned FINMA exemption) increased from 3.84% to 3.92% in the second quarter of 2020, as the aforementioned increase in CET1 capital more than offset the USD 18 billion increase in the LRD. UBS's gone concern loss-absorbing capacity ratio decreased from 14.6% to 14.0%, driven by the aforementioned decrease in gone concern loss-absorbing capacity. UBS's gone concern leverage ratio decreased from 4.4% to 4.1%, mainly due to the aforementioned decrease in gone concern loss-absorbing capacity as well as the increase of the LRD.

During the second quarter of 2020, RWA increased by USD 0.2 billion to USD 286.4 billion, reflecting increases from model updates of USD 4.6 billion and currency effects of USD 2.1 billion as well as regulatory add-ons of USD 1.5 billion, partly offset by decreases in asset size and other movements of USD 4.6 billion and methodology and policy changes of USD 3.4 billion. Also during the second quarter of 2020, the LRD increased by USD 18 billion to USD 974 billion, driven by asset size and other movements of USD 9 billion and currency effects of USD 9 billion.

Refer to the "*Capital management*" section of the Annual Report 2019 and of the Second Quarter 2020 Report, which provides more information about UBS's strategy, objectives and governance for capital management, on the Swiss systemically relevant bank ("SRB") capital framework and on Swiss SRB going and gone concern requirements, as well as information on FINMA's COVID-19-related temporary exemption.

3.4.2 *Business and strategic developments*

UBS's response to COVID-19

The COVID-19 pandemic has required UBS's ongoing focus on safeguarding the well-being of its employees and their families, serving UBS clients, and preserving operational continuity.

UBS's employees and external workforce have continued to work from home to a substantial degree, with around 90,000 internal and external staff being able to access UBS's systems remotely. Restrictions around office-based work have been adapted and partially lifted toward the end of the second quarter of 2020 based on UBS's thorough assessments of country-, location- and job-specific circumstances, as well as on governmental requirements.

UBS demonstrated sustained resilience in the second quarter, underscoring the benefits of its integrated and diversified business model, disciplined risk management and ongoing investment in technology and infrastructure. The measures UBS has implemented to adapt to the COVID-19 pandemic have proven largely effective in addressing the relevant challenges and operational risks and some of these measures represent an acceleration of longer-term plans.

UBS is actively engaged in lending activities to support its clients and the economy, and UBS is involved in the execution of government-backed programs to assist businesses. UBS has continued to provide loans under the loan guarantee program in Switzerland that was established by the Swiss Federal Council in March 2020 to support small and medium-sized entities (SMEs). As of 17 July 2020, UBS has processed more than 24,000 applications from clients under this program and have committed CHF 2.7 billion of loans up to CHF 0.5 million, which are 100% guaranteed by the Swiss government, and CHF 0.5 billion of loans between CHF 0.5 million and CHF 20 million, which are 85% government-guaranteed. CHF 1.5 billion (47%) has been drawn under the program. UBS remains committed to donating any potential profits in relation to the government-backed lending program to COVID-19 relief efforts; however, as previously communicated, it does not expect any such profits in 2020.

Credit impairments and expected credit losses under IFRS 9 have remained at elevated levels during the second quarter of 2020, as a result of continued and forecasted adverse economic conditions. While the pandemic-related credit loss expenses UBS has recognized to date reflect its outlook and forecast as of the end of the second quarter of 2020, given the continued uncertainty related to the effects of the COVID-19 pandemic on businesses and the economy, it is reasonable to expect elevated credit loss expenses to persist year on year during the second half of 2020, although at lower levels than seen in the first half of 2020.

3.4.3 *Accounting, regulatory, legal and other developments*

COVID-19-related regulatory and legal developments

In May 2020, FINMA published guidance related to regulatory exemptions that were provided in the first quarter of 2020 in light of the COVID-19 pandemic. Based on such guidance, the temporary exemption that permits banks to exclude central bank sight deposits from the LRD for the purpose of calculating going concern ratios has been extended for all banks from 1 July 2020 until 1 January 2021.

The loan guarantee program that was set up by the Swiss Federal Council in March 2020 to provide liquidity to Swiss SMEs via Swiss banks permits the issuance of new credit lines until 31 July 2020. The Swiss Federal Council issued a draft law in July 2020 with a planned duration until 31 December 2032, seeking to transpose the loan guarantee program created under the emergency law in March 2020 into a federal law. The law will include provisions to terminate temporary measures early.

US regulatory authorities temporarily eased the supplementary leverage ratio ("SLR") requirements for subsidiary banks of bank holding companies and intermediate holding companies in May 2020. UBS Americas Holding LLC has been subject to SLR requirements for local US reporting since 1 April 2020. The relief also permits exclusion of US Treasury securities and deposits at Federal Reserve Banks from the SLR denominator through March 2021.

The EU has adjusted the Capital Requirements Regulation, with no significant impact on UBS Group AG.

Brexit

Following the UK's withdrawal from the EU, negotiations are continuing on the future EU–UK relationship ahead of the end of the transition period, which is scheduled to expire on 31 December 2020.

The UK and EU had both committed to complete the various equivalence assessments under existing financial services legislation by June 2020, but no further information from the EU and UK authorities about the outcome of those assessments has been released. It is unclear whether and when the EU and the UK will grant equivalence to each other.

Should the UK exit the transition period without at least the majority of equivalence determinations in place, significant market disruption may result. UBS Europe SE's exposures to UK central counterparties ("CCPs") would need to be migrated to an EU CCP before the end of the transition period. In addition, a number of market structure issues remain unresolved, including the operation of derivatives and share trading obligations under the EU's Markets in Financial Instruments Directive II.

Developments related to the transition away from IBORs

The UK PRA and the FCA have confirmed that the deadline for transitioning away from LIBOR remains the end of 2021. Her Majesty's Treasury has also announced that the FCA will be given additional powers to ensure a smooth wind-down of LIBOR and deal with complex legacy contracts that cannot transition from LIBOR. While the end-of-2021 deadline remains, various national working groups have deferred interim transition milestones in response to the progress being made by the market and increased challenges introduced by COVID-19.

Across various markets, UBS has a substantial number of contracts linked to interbank offered rates. The new, risk-free alternative reference rates ("ARRs") do not currently provide a term structure, which will require a change in the contractual terms of products currently indexed on terms other than overnight. With the exception of the Sterling Overnight Interbank Average (SONIA) rate, liquidity in ARRs remains low. Following two market-wide consultations undertaken by the International Swaps and Derivatives Association, a key milestone for the derivatives markets is the publication of a revised fallback clause.

UBS has established a cross-divisional, cross-regional governance structure and change program to address the scale and complexity of the transition. UBS is committed to timely, orderly transition by the end of 2021; however, some contracts based on legacy IBORs will likely remain beyond 2021. In May 2020, UBS launched its Swiss Average Rate Overnight (SARON) mortgage in the Swiss market.

Refer to the "*Recent developments*" section of the Second Quarter 2020 Report, as well as to the "*Regulatory and legal developments*" in the "*Our strategy, business model and environment*" section of the Annual Report 2019 for further information on key accounting, regulatory, legal and other developments.

3.5 *Trend Information*

As indicated in the Second Quarter 2020 Report, while measures to contain the COVID-19 pandemic have had initial success in some countries, there has been material disruption to many businesses as well as increased unemployment. The timing and path of recovery is likely to vary widely based on effectiveness of efforts to control the spread of COVID-19 and economic stimulus measures in different countries as well as increasing geopolitical tensions and political uncertainties. The range of possible outcomes remains very wide, and making reliable predictions about the timing and shape of any potential economic recovery remains difficult. Given the continued uncertainty related to the pandemic, it is reasonable to expect elevated Group credit loss expenses in the second half of 2020, but below those seen in the first half of the year. The majority of UBS's credit exposures are either with its Global Wealth Management clients or in Switzerland, and are of high quality. Switzerland's effective crisis management measures will help it withstand

this shock to the economy. Higher market levels at the start of the quarter will benefit recurring fee income. UBS's ongoing actions to improve net interest income, including loan growth, should partly offset higher liquidity costs incurred to respond to the current environment, in addition to US dollar interest rate headwinds. Going forward, the pandemic, along with seasonality, may have an impact on client activity levels. UBS remains focused on supporting its employees, clients and the economies in which it operates while executing on its strategic plans and maintaining disciplined approach to managing risks across the firm.

Refer to "Our environment" and "Risk factors" in the "Our strategy, business model and environment" section of the Annual Report 2019 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 requirements regarding corporate governance. In addition, as a foreign company with shares listed on the New York Stock Exchange, UBS Group AG complies with all relevant corporate governance standards applicable to foreign private issuers.

UBS Group AG operates under a strict dual board structure. The Board of Directors ("**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 ("**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, ensuring a separation of power. This structure establishes checks and balances and preserves the institutional independence of the BoD from the day-to-day 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.

4.1 ***Board of Directors***

The BoD consists of at least six and a maximum of twelve members. All the members of the BoD are elected individually by the shareholders at the Annual General Meeting ("**AGM**") for a term of office of one year, which expires after the completion of the next AGM. Shareholders also elect the Chairman and the members of the Compensation Committee every year based on proposals from the BoD. The BoD's proposal for election must be such that three-quarters of the BoD members will be independent. Independence is determined in accordance with the FINMA circular 2017/1, the New York Stock Exchange rules and the rules and regulations of other securities exchanges on which UBS Group AG shares are listed, if any, applying the strictest standard. The Chairman does not need to be independent.

The BoD has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. It decides on UBS's strategy and the necessary financial and human resources upon recommendation of the Group CEO and sets the UBS's values and standards to ensure that its obligations to shareholders and other stakeholders are met.

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 members of the BoD as of the date of this Base Prospectus are listed below.

| Member and business address | Title | Term of office | Current principal activities outside UBS Group AG |
|------------------------------------|--------------|-----------------------|---|
| Axel A. Weber | Chairman | 2021 | Chairman of the Board of Directors of UBS AG; board member of the Swiss Bankers Association; Trustees Board |

| Member and business address | Title | Term of office | Current principal activities outside UBS Group AG |
|--|---|-----------------------|--|
| UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | | | member of Avenir Suisse; board member of the Swiss Finance Council; Chairman of the board of the Institute of International Finance; member of the European Financial Services Round Table; member of the European Banking Group; member of the International Advisory Councils of the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission; member of the International Advisory Panel, Monetary Authority of Singapore; member of the Group of Thirty, Washington, D.C.; Chairman of the Board of Trustees of DIW Berlin; Advisory Board member of the Department of Economics, University of Zurich; member of the Trilateral Commission. |
| Jeremy Anderson UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Vice-Chairman and Senior Independent Director | 2021 | Vice-Chairman of the Board of Directors of UBS AG; board member of Prudential plc; trustee of the UK's Productivity Leadership Group; trustee of Kingham Hill Trust; trustee of St. Helen Bishopsgate. |
| William C. Dudley UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | Member of the Board of Directors of UBS AG; senior research scholar at the Griswold Center for Economic Policy Studies at Princeton University; member of the Board of Trelant LLC; member of the Group of Thirty; member of the Council on Foreign Relations; member of the Bretton Woods Committee's Advisory Council. |
| Reto Francioni UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | Member of the Board of Directors of UBS AG; professor at the University of Basel; board member of Coca-Cola HBC AG (Senior Independent Non-Executive Director, chair of the nomination committee); Chairman of the board of Swiss International Air Lines AG; board member of MedTech Innovation Partners AG; executive director and member of myTAMAR GmbH. |
| Fred Hu UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | Member of the Board of Directors of UBS AG; 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; board member of Hong Kong Exchanges and Clearing Ltd.; founder |

| Member and business address | Title | Term of office | Current principal activities outside UBS Group AG |
|---|--------------|---------------------------|---|
| | | | and chairman of Primavera Capital Group; board member of China Asset Management; board member of Minsheng Financial Leasing Co.; trustee of the China Medical Board; Governor of the Chinese International School in Hong Kong; co-chairman of the Nature Conservancy Asia Pacific Council; director and member of the Executive Committee of China Venture Capital and Private Equity Association Ltd.; Global Advisory Board member of the Council on Foreign Relations. |
| Mark Hughes UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | Member of the Board of Directors of UBS AG; chair of the Board of Directors of the Global Risk Institute; visiting lecturer at the University of Leeds; senior advisor to McKinsey & Company. |
| Nathalie Rachou UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | Member of the Board of Directors of UBS AG; member of the Board of Euronext N.V.; member of the Board of Veolia Environnement SA. |
| Julie G. Richardson UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | 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 Vereit, Inc. (chair of the compensation committee); member of the board of Datalog (chair of the audit committee). |
| Beatrice Weder di Mauro UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | Member of the Board of Directors of UBS AG; professor of international economics at the Graduate Institute Geneva (IHEID); president of the Centre for Economic Policy Research in London; Research Professor and Distinguished Fellow at the Emerging Markets Institute at INSEAD in Singapore; Supervisory Board member of Robert Bosch GmbH; board member of Bombardier Inc.; member of the Foundation Board of the International Center for Monetary and Banking Studies (ICMB); member of the Franco-German Council of Economic Experts. |
| Dieter Wemmer UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | Member of the Board of Directors of UBS AG; board member of Ørsted A/S (chair of the audit and risk committee); member of the Berlin Center of Corporate Governance. |

| Member and business address | Title | Term of office | Current principal activities outside UBS Group AG |
|--|--------------|-----------------------|---|
| Jeanette Wong UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Member | 2021 | Member of the Board of Directors of UBS AG; board member of EssilorLuxottica; board member of Jurong Town Corporation; board member of PSA International; board member of FFMC Holdings Pte. Ltd. and of Fullerton Fund Management Company Ltd.; member of the Management Advisory Board of NUS Business School; member of the Global Advisory Board, Asia, University of Chicago Booth School of Business; member of the Securities Industry Council; member of the Board of Trustees of the National University of Singapore. |

4.1.2 *Organisational principles and structure*

Following each AGM, the BoD meets to appoint one or more Vice Chairmen, a Senior Independent Director, the BoD committee members (other than the members of the Compensation Committee, who are elected by the shareholders) and their respective Chairpersons. At the same meeting, the BoD appoints a Group Company Secretary, who acts as secretary to the BoD and its committees.

The BoD permanent committees comprise the Audit Committee, the Compensation Committee, the Corporate Culture and Responsibility Committee, the Governance and Nominating Committee, and the Risk Committee. The BoD may set up other committees, including so-called *ad hoc* committees, if it deems such other committees appropriate or necessary, such as the Special Committee and the Strategy Committee.

4.2 *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 members of the EB as of the date of this Base Prospectus are listed below. In addition, UBS announced Ralph Hamers will join the EB as of 1 September 2020 and will succeed Sergio P. Ermotti as President of the EB effective 1 November 2020.

| Member and business address | Function | Current principal activities outside UBS Group AG |
|--|-------------------------------|---|
| Sergio P. Ermotti UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Group Chief Executive Officer | Member of the Executive Board and President of the Executive Board of UBS AG; Chairman of the UBS Optimus Foundation board; member of the Board of Swiss Re Ltd.; Chairman of the Fondazione Ermotti, Lugano; board member of the Swiss-American Chamber of Commerce; board member of the Global Apprenticeship Network; member of the Institut International D'Etudes Bancaires; member of the Saïd Business School Global Leadership Council, University of Oxford. |

| Member and business address | Function | Current principal activities outside UBS Group AG |
|--|--|---|
| Christian Bluhm UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Group Chief Risk Officer | Member of the Executive Board and Chief Risk Officer of UBS AG; board member of UBS Switzerland AG; member of the Foundation Board of the UBS Pension Fund; member of the Foundation Board – International Financial Risk Institute. |
| Markus U. Diethelm UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Group General Counsel | Member of the Executive Board and General Counsel of UBS AG; chairman of the Swiss-American Chamber of Commerce's legal committee; Chairman of the Swiss Advisory Council of the American Swiss Foundation; member of the Supervisory Board of the Fonds de Dotation LUMA / Arles. |
| Kirt Gardner UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Group Chief Financial Officer | Member of the Executive Board and Chief Financial Officer of UBS AG; board member of UBS Business Solutions AG. |
| Suni Harford UBS AG, 1285 Avenue of the Americas, New York, NY 10019 USA | President Asset Management | Member of the Executive Board, President Asset Management of UBS AG; chairman of the Board of Directors of UBS Asset Management AG; member of the Leadership Council of the Bob Woodruff Foundation; member of the Board of UBS Optimus Foundation. |
| Robert Karofsky UBS AG, 1285 Avenue of the Americas, New York, NY 10019, USA | Co-President Investment Bank | Member of the Executive Board and co-President Investment Bank of UBS AG; president and board member of UBS Securities LLC; trustee of the UBS Americas Inc. Political Action Committee. |
| Sabine Keller-Busse UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Group Chief Operating Officer and President UBS Europe, Middle East and Africa | Member of the Executive Board, Chief Operating Officer and President UBS Europe, Middle East and Africa of UBS AG; member of the Supervisory Board of UBS Europe SE; board member of UBS Business Solutions AG; member of the Foundation Council of the UBS International Center of Economics in Society; vice-chairman of the Board of Directors of SIX Group (Chairman of the nomination & compensation committee); Foundation Board member of the UBS Pension Fund; board member of the University Hospital Zurich Foundation. |
| Iqbal Khan UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Co-President Global Wealth Management | Member of the Executive Board and co-President Global Wealth Management of UBS AG; board member of Room To Read Switzerland. |
| Edmund Koh UBS AG, One Raffles Quay North Tower, | President UBS Asia Pacific | Member of the Executive Board and President UBS Asia Pacific of UBS AG; member of the Singapore Ministry of Finance's Committee on the Future Economy Sub-Committee; member of the |

| Member and business address | Function | Current principal activities outside UBS Group AG |
|--|--|---|
| Singapore 048583 | | Financial Centre Advisory Panel of the Monetary Authority of Singapore; member of the Asian Bureau of Finance and Economic Research; member of the Board of Trustees of the Wealth Management Institute, Singapore; board member of Next50 Limited; trustee of the Cultural Matching Fund; board member of Medico Suites (S) Pte Ltd; board member of Medico Republic (S) Pte Ltd; Council member of the KidSTART program of Early Childhood Development Agency Singapore. |
| Axel P. Lehmann UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | President Personal & Corporate Banking and President UBS Switzerland | President of the Executive Board of UBS Switzerland AG; co-Chair of the Global Future Council on Financial and Monetary Systems of the World Economic Forum; Adjunct professor and Chairman of the board of the Institute of Insurance Economics at the University of St. Gallen; member of the HSG Advisory Board of the University of St. Gallen; Vice Chairman of the Swiss Finance Institute Foundation Board; member of the IMD Foundation Board, Lausanne; member of the Board and Board Committee, Zurich Chamber of Commerce; member of the Swiss-American Chamber of Commerce Chapter Doing Business in USA. |
| Tom Naratil UBS AG, 1285 Avenue of the Americas, New York, NY 10019 USA | Co-President Global Wealth Management and President UBS Americas | Member of the Executive Board and co-President Global Wealth Management and President UBS Americas of UBS AG; CEO and board member of UBS Americas Holding LLC; board member of the American Swiss Foundation; member of the Board of Consultants for the College of Nursing at Villanova University. |
| Piero Novelli UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Co-President Investment Bank | Member of the Executive Board and co-President Investment Bank of UBS AG. |
| Markus Ronner UBS Group AG, Bahnhofstrasse 45, CH-8001 Zurich | Group Chief Compliance and Governance Officer | Member of the Executive Board and Chief Compliance and Governance Officer of UBS AG. |

4.3 **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 is not aware of potential conflicts of interests between any duties to the Issuer of the members of the BoD and the EB 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 AGMs of 3 May 2018, 2 May 2019 and 29 April 2020, Ernst & Young AG, Aeschengraben 9, 4002 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.

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, anyone directly or indirectly, or acting in concert with third parties, holding shares in a company listed in Switzerland or holding derivative rights related to shares of such a company must notify the company and the SIX Swiss Exchange if the holding reaches, falls below or exceeds one of the following thresholds: 3, 5, 10, 15, 20, 25, 33 1/3, 50 or 66 2/3% of voting rights, 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 and the SIX Swiss Exchange if they reach, exceed or fall below the threshold percentages.

According to disclosure notifications filed with UBS Group AG and the SIX Swiss Exchange, the following entities hold 3% or more of the total share capital of UBS Group AG: on 10 February 2016, MFS Investment Management, Boston, disclosed a holding of 3.05%; on 24 July 2019, Norges Bank, Oslo, disclosed a holding of 3.01%; on 20 September 2019, Artisan Partners Limited Partnership, Milwaukee, disclosed a holding of 3.02%; and on 26 May 2020, BlackRock Inc., New York, disclosed a holding of 4.70%. In accordance with the applicable provisions, the percentages indicated above were calculated in relation to the total share capital of UBS Group AG reflected in the Articles of Association at the time of the respective disclosure notification.

Voting rights may be exercised without any restrictions by shareholders entered into the share register if they expressly render a declaration of beneficial ownership according to the provisions of the Articles of Association. Special provisions exist for the registration of fiduciaries and nominees. Fiduciaries and nominees are entered in the share register with voting rights up to a total of 5% of all shares issued if they agree to disclose, upon UBS Group AG's request, beneficial owners holding 0.3% or more of all UBS Group AG shares issued. An exception to the 5% voting limit rule is in place for securities clearing organisations such as The Depository Trust Company in New York.

Additionally, as of 30 June 2020, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS Group AG: Chase Nominees Ltd., London (10.10%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (5.40%); and Nortrust Nominees Ltd., London (5.01%).

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 30 June 2020, UBS held a total of 271,876,346 treasury shares, or 7.05% 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 2019 is available in the "*UBS Group AG consolidated financial statements*" section of the Annual Report 2019. 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 International Financial Reporting Standards, as 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 Functions. 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*

Both the consolidated financial statements and the standalone financial statements of UBS Group AG for the financial year 2019 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 2019. Their report on the standalone financial statements of UBS Group AG can be found in the Standalone Financial Statements.

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 2019, which are incorporated by reference into this document.

7.3 *Interim Financial Information*

Reference is also made to the First Quarter 2020 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 2020; and the Second Quarter 2020 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 six months ended 30 June 2020. 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 (which for purposes of this section may refer to UBS Group AG and / or one or more of its subsidiaries, as applicable) 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. There are also situations where the Group may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which the Group believes it should be exonerated. 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. The Group makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against the Group, but are nevertheless expected to be, based on the Group's experience with similar asserted claims. If any of those

conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to such matters could be significant. Developments relating to a matter that occur after the relevant reporting period, but prior to the issuance of financial statements, which affect management's assessment of the provision for such matter (because, for example, the developments provide evidence of conditions that existed at the end of the reporting period), are adjusting events after the reporting period under IAS 10 and must be recognized in the financial statements for the reporting period.

Specific litigation, regulatory and other matters are described below, 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. 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.

In the case of certain matters below, UBS states that it has established a provision, and for the other matters, it makes no such statement. When UBS makes this statement and it expects disclosure of the amount of a provision to prejudice seriously its position with other parties in the matter because it would reveal what UBS believes to be the probable and reliably estimable outflow, UBS does not disclose that amount. In some cases UBS is subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which UBS does not state whether it has established a provision, either: (a) it has not established a provision, in which case the matter is treated as a contingent liability under the applicable accounting standard; or (b) it has established a provision but expects disclosure of that fact to prejudice seriously its position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which UBS has established provisions, UBS is able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which it is able to estimate expected timing is immaterial relative to its current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in "Note 16a Provisions" of the UBS Group AG's interim unaudited consolidated financial statements included in the Second Quarter 2020 Report. It is not practicable to provide an aggregate estimate of liability for UBS's litigation, regulatory and similar matters as a class of contingent liabilities. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, that have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Although UBS therefore cannot provide a numerical estimate of the future losses that could arise from litigation, regulatory and similar matters, UBS believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions. Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. For example, the non-prosecution agreement UBS entered into with the US Department of Justice ("**DOJ**"), Criminal Division, Fraud Section in connection with submissions of benchmark interest rates, including, among others, the British Bankers' Association London Interbank Offered Rate ("**LIBOR**"), was terminated by the DOJ based on its determination that UBS had committed a US crime in relation to foreign exchange matters. As a consequence, UBS AG pleaded guilty to one count of wire fraud for conduct in the LIBOR matter, paid a fine and was subject to probation, which ended in January 2020.

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 authorizations 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, authorizations or participations, could have material consequences for UBS.

The risk of loss associated with litigation, regulatory and similar matters is a component of operational risk for purposes of determining capital requirements. Information concerning UBS's capital requirements and the calculation of operational risk for this purpose is included in the "Capital management" section of the Second Quarter 2020 Report.

Provisions for litigation, regulatory and similar matters by business division and in Group Functions¹

| <i>USD million</i> | Global Wealth Management | Personal & Corporate Banking | Asset Management | Investment Bank | Group Functions | UBS |
|---|---|---|-----------------------------|----------------------------|----------------------------|--------------|
| Balance as of 31 December 2019 | 782 | 113 | 0 | 255 | 1,325 | 2,475 |
| Balance as of 31 March 2020 | 747 | 112 | 0 | 205 | 934 | 1,998 |
| Increase in provisions recognized in the income statement | 20 | 0 | 0 | 1 | 0 | 20 |
| Release of provisions recognized in the income statement | (12) | (6) | 0 | 0 | 0 | (18) |
| Provisions used in conformity with designated purpose | (33) | 0 | 0 | (1) | 0 | (33) |
| Foreign currency translation / unwind of discount | 9 | 2 | 0 | 2 | 0 | 14 |
| Balance as of 30 June 2020 | 732 | 108 | 0 | 207 | 934 | 1,980 |

¹ Provisions, if any, for matters described in this section are recorded in Global Wealth Management (item 3 and item 4) and Group Functions (item 2). Provisions, if any, for the matters described in items 1 and 6 of this section are allocated between Global Wealth Management and Personal & Corporate Banking, and provisions, if any, for the matters described in this section in item 5 are allocated between the Investment Bank and Group Functions.

1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. It is possible that the implementation of automatic tax information exchange and other measures relating to cross-border provision of financial services could give rise to further inquiries in the future. UBS has received disclosure orders from the Swiss Federal Tax Administration ("FTA") to transfer information based on requests for international administrative assistance in tax matters. The requests concern a number of UBS account numbers pertaining to current and former clients and are based on data from 2006 and 2008. UBS has taken steps to inform affected clients about the administrative assistance proceedings and their procedural rights, including the right to appeal. The requests are based on data received from the German authorities, who seized certain data related to UBS clients booked in Switzerland during their investigations and have apparently shared this data with other European countries. UBS expects additional countries to file similar requests.

The Swiss Federal Administrative Court ruled in 2016 that, in the administrative assistance proceedings related to a French bulk request, UBS has the right to appeal all final FTA client data disclosure orders. On 30 July 2018, the Swiss Federal Administrative Court granted UBS's appeal by holding the French administrative assistance request inadmissible. The FTA filed a final appeal with the Swiss Federal Supreme Court. On 26 July 2019, the Supreme Court reversed the decision of the Federal Administrative Court. In December 2019, the court released its written decision. The decision requires the FTA to obtain confirmation from the French authorities that transmitted data will be used only for the purposes stated in their request before transmitting any data. The stated purpose of the original request was to obtain information relating to taxes owed by account holders. Accordingly, any information transferred to the French authorities must not be passed to criminal authorities or used in connection with the ongoing case against UBS discussed in this item. In February 2020, the FTA ordered that UBS would not be granted party status in the French administrative assistance proceedings. UBS appealed this decision to the Federal Administrative Court. On 15 July, the Federal Administrative Court upheld the FTA's decision, holding that UBS does not have party status in these proceedings. UBS has ten days to appeal this decision to the Swiss Supreme Court.

Since 2013, UBS (France) S.A., UBS AG and certain former employees have been under investigation in France for alleged complicity in unlawful solicitation of clients on French territory, regarding the laundering of proceeds of tax fraud, and banking and financial solicitation by

unauthorized persons. In connection with this investigation, the investigating judges ordered UBS AG to provide bail ("**caution**") of EUR 1.1 billion and UBS (France) S.A. to post bail of EUR 40 million, which was reduced on appeal to EUR 10 million.

A trial in the court of first instance took place from 8 October 2018 until 15 November 2018. On 20 February 2019, the court announced a verdict finding UBS AG guilty of unlawful solicitation of clients on French territory and aggravated laundering of the proceeds of tax fraud, and UBS (France) S.A. guilty of aiding and abetting unlawful solicitation and laundering the proceeds of tax fraud. The court imposed fines aggregating EUR 3.7 billion on UBS AG and UBS (France) S.A. and awarded EUR 800 million of civil damages to the French state. UBS has appealed the decision. Under French law, the judgment is suspended while the appeal is pending. The trial originally scheduled for 2 June 2020 has been rescheduled to 8-24 March 2021. The Court of Appeal will retry the case de novo as to both the law and the facts, and the fines and penalties can be greater than or less than those imposed by the court of first instance. A subsequent appeal to the Cour de Cassation, France's highest court, is possible with respect to questions of law.

UBS believes that based on both the law and the facts the judgment of the court of first instance should be reversed. UBS believes it followed its obligations under Swiss and French law as well as the European Savings Tax Directive. Even assuming liability, which it contests, UBS believes the penalties and damage amounts awarded greatly exceed the amounts that could be supported by the law and the facts. In particular, UBS believes the court incorrectly based the penalty on the total regularized assets rather than on any unpaid taxes on those assets for which a fraud has been characterized and further incorrectly awarded damages based on costs that were not proven by the civil party. Notwithstanding that UBS believes it should be acquitted, UBS's balance sheet at 30 June 2020 reflected provisions with respect to this matter in an amount of EUR 450 million (USD 506 million at 30 June 2020). The wide range of possible outcomes in this case contributes to a high degree of estimation uncertainty. The provision reflected on UBS's balance sheet at 30 June 2020 reflects UBS's best estimate of possible financial implications, although it is reasonably possible that actual penalties and civil damages could exceed the provision amount.

In 2016, UBS was notified by the Belgian investigating judge that it is under formal investigation ("**inculpé**") regarding the laundering of proceeds of tax fraud, of banking and financial solicitation by unauthorized persons, and of serious tax fraud. In 2018, tax authorities and a prosecutor's office in Italy asserted that UBS is potentially liable for taxes and penalties as a result of its activities in Italy from 2012 to 2017. In June 2019, UBS entered into a settlement agreement with the Italian tax authorities under which it paid EUR 101 million to resolve the claims asserted by the authority related to UBS AG's potential permanent establishment in Italy. In October 2019, the Judge of Preliminary Investigations of the Milan Court approved an agreement with the Milan prosecutor under Article 63 of Italian Administrative Law 231 under which UBS AG, UBS Switzerland AG and UBS Monaco have paid an aggregate of EUR 10.3 million to resolve claims premised on the alleged inadequacy of historical internal controls. No admission of wrongdoing was required in connection with this resolution.

UBS's balance sheet at 30 June 2020 reflected provisions with respect to matters described in this item 1 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

2. Claims related to sales of residential mortgage-backed securities and mortgages

From 2002 through 2007, prior to the crisis in the US residential loan market, UBS was a substantial issuer and underwriter of US residential mortgage-backed securities ("**RMBS**") and was a purchaser and seller of US residential mortgages.

Since 2014, the US Attorney's Office for the Eastern District of New York has sought information from UBS pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), related to UBS's RMBS business from 2005 through 2007. On 8 November 2018, the DOJ filed a civil complaint in the District Court for the Eastern District of New York. The complaint seeks unspecified civil monetary penalties under FIRREA related to UBS's issuance,

underwriting and sale of 40 RMBS transactions in 2006 and 2007. UBS moved to dismiss the civil complaint on 6 February 2019. On 10 December 2019, the district court denied UBS's motion to dismiss.

UBS's balance sheet at 30 June 2020 reflected a provision with respect to matters described in this item 2 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of this matter cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

3. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC ("**BMIS**") investment fraud, UBS AG, UBS (Luxembourg) S.A. (now UBS Europe SE, Luxembourg branch) and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including FINMA and the Luxembourg Commission de Surveillance du Secteur Financier. Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds faced severe losses, and the Luxembourg funds are in liquidation. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members.

In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees, seeking amounts totalling approximately EUR 2.1 billion, which includes amounts that the funds may be held liable to pay the trustee for the liquidation of BMIS ("**BMIS Trustee**").

A large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff fraud. The majority of these cases have been filed in Luxembourg, where decisions that the claims in eight test cases were inadmissible have been affirmed by the Luxembourg Court of Appeal, and the Luxembourg Supreme Court has dismissed a further appeal in one of the test cases.

In the US, the BMIS Trustee filed claims against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2 billion. In 2014, the US Supreme Court rejected the BMIS Trustee's motion for leave to appeal decisions dismissing all claims except those for the recovery of approximately USD 125 million of payments alleged to be fraudulent conveyances and preference payments. In 2016, the bankruptcy court dismissed these claims against the UBS entities. In February 2019, the Court of Appeals reversed the dismissal of the BMIS Trustee's remaining claims, and the US Supreme Court subsequently denied a petition seeking review of the Court of Appeals' decision. The case has been remanded to the Bankruptcy Court for further proceedings.

4. Puerto Rico

Declines since 2013 in the market prices of Puerto Rico municipal bonds and of closed-end funds ("**funds**") that are sole-managed and co-managed by UBS Trust Company of Puerto Rico and distributed by UBS Financial Services Incorporated of Puerto Rico ("**UBS PR**") have led to multiple regulatory inquiries, as well as customer complaints and arbitrations with aggregate claimed damages of USD 3.4 billion, of which claims with aggregate claimed damages of USD 2.6 billion have been resolved through settlements, arbitration or withdrawal of the claim. The claims have been filed by clients in Puerto Rico who own the funds or Puerto Rico municipal bonds and/or who used their UBS account assets as collateral for UBS non-purpose loans; customer complaint and arbitration allegations include fraud, misrepresentation and unsuitability of the funds and of the loans.

A shareholder derivative action was filed in 2014 against various UBS entities and current and certain former directors of the funds, alleging hundreds of millions of US dollars in losses in the

funds. In 2015, defendants' motion to dismiss was denied and a request for permission to appeal that ruling was denied by the Puerto Rico Supreme Court. In 2014, a federal class action complaint also was filed against various UBS entities, certain members of UBS PR senior management and the co-manager of certain of the funds, seeking damages for investor losses in the funds during the period from May 2008 through May 2014. Following denial of the plaintiffs' motion for class certification, the case was dismissed in October 2018.

In 2014 and 2015, UBS entered into settlements with the Office of the Commissioner of Financial Institutions for the Commonwealth of Puerto Rico, the SEC and the Financial Industry Regulatory Authority in relation to their examinations of UBS's operations.

In 2011, a purported derivative action was filed on behalf of the Employee Retirement System of the Commonwealth of Puerto Rico ("**System**") against over 40 defendants, including UBS PR, which was named in connection with its underwriting and consulting services. Plaintiffs alleged that defendants violated their purported fiduciary duties and contractual obligations in connection with the issuance and underwriting of USD 3 billion of bonds by the System in 2008 and sought damages of over USD 800 million. In 2016, the court granted the System's request to join the action as a plaintiff, but ordered that plaintiffs must file an amended complaint. In 2017, the court denied defendants' motion to dismiss the amended complaint.

Beginning in 2015, certain agencies and public corporations of the Commonwealth of Puerto Rico ("**Commonwealth**") defaulted on certain interest payments on Puerto Rico bonds. In 2016, US federal legislation created an oversight board with power to oversee Puerto Rico's finances and to restructure its debt. The oversight board has imposed a stay on the exercise of certain creditors' rights. In 2017, the oversight board placed certain of the bonds into a bankruptcy-like proceeding under the supervision of a Federal District Judge. These events, further defaults or any further legislative action to create a legal means of restructuring Commonwealth obligations or to impose additional oversight on the Commonwealth's finances, or any restructuring of the Commonwealth's obligations, may increase the number of claims against UBS concerning Puerto Rico securities, as well as potential damages sought.

In May 2019, the oversight board filed complaints in Puerto Rico federal district court bringing claims against financial, legal and accounting firms that had participated in Puerto Rico municipal bond offerings, including UBS, seeking a return of underwriting and swap fees paid in connection with those offerings. UBS estimates that it received approximately USD 125 million in fees in the relevant offerings.

In August 2019 and February 2020, three US insurance companies that insured issues of Puerto Rico municipal bonds sued UBS and seven other underwriters of Puerto Rico municipal bonds. The actions collectively seek recovery of an aggregate of USD 955 million in damages from the defendants. The plaintiffs in these cases claim that defendants failed to reasonably investigate financial statements in the offering materials for the insured Puerto Rico bonds issued between 2002 and 2007, which plaintiffs argue they relied upon in agreeing to insure the bonds notwithstanding that they had no contractual relationship with the underwriters.

UBS's balance sheet at 30 June 2020 reflected provisions with respect to matters described in this item 4 in amounts that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provisions that UBS has recognized.

5. Foreign exchange, LIBOR and benchmark rates, and other trading practices

Foreign exchange-related regulatory matters: Beginning in 2013, numerous authorities commenced investigations concerning possible manipulation of foreign exchange markets and precious metals prices. As a result of these investigations, UBS entered into resolutions with the UK Financial Conduct Authority ("**FCA**"), the US Commodity Futures Trading Commission ("**CFTC**"), FINMA, the Board of Governors of the Federal Reserve System ("**Federal Reserve Board**") and the Connecticut Department of Banking, the DOJ's Criminal Division and the European Commission. UBS has ongoing obligations under the Cease and Desist Order of the

Federal Reserve Board and the Office of the Comptroller of the Currency (as successor to the Connecticut Department of Banking), and to cooperate with relevant authorities and to undertake certain remediation measures. UBS has also been granted conditional immunity by the Antitrust Division of the DOJ and by authorities in other jurisdictions in connection with potential competition law violations relating to foreign exchange and precious metals businesses. Investigations relating to foreign exchange matters by certain authorities remain ongoing notwithstanding these resolutions.

Foreign exchange-related civil litigation: Putative class actions have been filed since 2013 in US federal courts and in other jurisdictions against UBS and other banks on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. UBS has resolved US federal court class actions relating to foreign currency transactions with the defendant banks and persons who transacted in foreign exchange futures contracts and options on such futures under a settlement agreement that provides for UBS to pay an aggregate of USD 141 million and provide cooperation to the settlement classes. Certain class members have excluded themselves from that settlement and have filed individual actions in US and English courts against UBS and other banks, alleging violations of US and European competition laws and unjust enrichment.

In 2015, a putative class action was filed in federal court against UBS and numerous other banks on behalf of persons and businesses in the US who directly purchased foreign currency from the defendants and alleged co-conspirators for their own end use. In March 2017, the court granted UBS's (and the other banks') motions to dismiss the complaint. The plaintiffs filed an amended complaint in August 2017. In March 2018, the court denied the defendants' motions to dismiss the amended complaint.

In 2017, two putative class actions were filed in federal court in New York against UBS and numerous other banks on behalf of persons and entities who had indirectly purchased foreign exchange instruments from a defendant or co-conspirator in the US, and a consolidated complaint was filed in June 2017. In March 2018, the court dismissed the consolidated complaint. In October 2018, the court granted plaintiffs' motion seeking leave to file an amended complaint. UBS and 11 other banks have reached an agreement with the plaintiffs to settle the class action for a total of USD 10 million. The settlement is subject to court approval.

LIBOR and other benchmark-related regulatory matters: Numerous government agencies, including the SEC, the CFTC, the DOJ, the FCA, the UK Serious Fraud Office, the Monetary Authority of Singapore, the Hong Kong Monetary Authority, FINMA, various state attorneys general in the US and competition authorities in various jurisdictions, have conducted investigations regarding potential improper attempts by UBS, among others, to manipulate LIBOR and other benchmark rates at certain times. UBS reached settlements or otherwise concluded investigations relating to benchmark interest rates with the investigating authorities. UBS has ongoing obligations to cooperate with the authorities with whom UBS has reached resolutions and to undertake certain remediation measures with respect to benchmark interest rate submissions. UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ and the Swiss Competition Commission ("WEKO"), in connection with potential antitrust or competition law violations related to certain rates. However, UBS has not reached a final settlement with WEKO, as the Secretariat of WEKO has asserted that UBS does not qualify for full immunity.

LIBOR and other benchmark-related civil litigation: A number of putative class actions and other actions are pending in the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending in the US and in other jurisdictions are a number of other actions asserting losses related to various products whose interest rates were linked to LIBOR and other benchmarks, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. The complaints allege manipulation, through various means, of certain benchmark interest rates, including USD LIBOR, Euroyen TIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR, SGD SIBOR and SOR and Australian BBSW, and seek unspecified compensatory and other damages under varying legal theories.

USD LIBOR class and individual actions in the US: In 2013 and 2015, the district court in the USD LIBOR actions dismissed, in whole or in part, certain plaintiffs' antitrust claims, federal racketeering claims, CEA claims, and state common law claims. Although the Second Circuit vacated the district court's judgment dismissing antitrust claims, the district court again dismissed antitrust claims against UBS in 2016. Certain plaintiffs have appealed that decision to the Second Circuit. Separately, in 2018, the Second Circuit reversed in part the district court's 2015 decision dismissing certain individual plaintiffs' claims and certain of these actions are now proceeding. UBS entered into an agreement in 2016 with representatives of a class of bondholders to settle their USD LIBOR class action. The agreement has received preliminary court approval and remains subject to final approval. In 2018, the district court denied plaintiffs' motions for class certification in the USD class actions for claims pending against UBS, and plaintiffs sought permission to appeal that ruling to the Second Circuit. In July 2018, the Second Circuit denied the petition to appeal of the class of USD lenders and in November 2018 denied the petition of the USD exchange class. In December 2019, UBS entered into an agreement with representatives of the class of USD lenders to settle their USD LIBOR class action. The agreement has received final court approval. In January 2019, a putative class action was filed in the District Court for the Southern District of New York against UBS and numerous other banks on behalf of US residents who, since 1 February 2014, directly transacted with a defendant bank in USD LIBOR instruments. The complaint asserts antitrust claims. The defendants moved to dismiss the complaint in August 2019. On 26 March 2020 the court granted defendants' motion to dismiss the complaint in its entirety. Plaintiffs have appealed the dismissal.

Other benchmark class actions in the US: In 2014, the court in one of the Euroyen TIBOR lawsuits dismissed certain of the plaintiffs' claims, including a federal antitrust claim, for lack of standing. In 2015, this court dismissed the plaintiffs' federal racketeering claims on the same basis and affirmed its previous dismissal of the plaintiffs' antitrust claims against UBS. In 2017, this court also dismissed the other Yen LIBOR / Euroyen TIBOR action in its entirety on standing grounds, as did the court in the CHF LIBOR action. Also in 2017, the court in the EURIBOR lawsuit dismissed the case as to UBS and certain other foreign defendants for lack of personal jurisdiction. Plaintiffs in the other Yen LIBOR, Euroyen TIBOR and the EURIBOR actions have appealed the dismissals. In April 2020, the appeals court reversed the dismissal of the Yen LIBOR / Euroyen TIBOR complaint. The EURIBOR action remains on appeal. In October 2018, the court in the SIBOR / SOR action dismissed all but one of plaintiffs' claims against UBS. Plaintiffs in the CHF LIBOR and SIBOR / SOR actions filed amended complaints following the dismissals, and the courts granted renewed motions to dismiss in July 2019 (SIBOR / SOR) and in September 2019 (CHF LIBOR). Plaintiffs in both actions have appealed. In November 2018, the court in the BBSW lawsuit dismissed the case as to UBS and certain other foreign defendants for lack of personal jurisdiction. Following that dismissal, plaintiffs in the BBSW action filed an amended complaint in April 2019, which UBS and other defendants named in the amended complaint have moved to dismiss. In February 2020, the court in the BBSW action granted in part and denied in part defendants' motions to dismiss the amended complaint. The court dismissed the GBP LIBOR action in August 2019, and plaintiffs appealed the dismissal in September 2019.

Government bonds: Putative class actions have been filed since 2015 in US federal courts against UBS and other banks on behalf of persons who participated in markets for US Treasury securities since 2007. A consolidated complaint was filed in 2017 in the US District Court for the Southern District of New York alleging that the banks colluded with respect to, and manipulated prices of, US Treasury securities sold at auction and in the secondary market and asserting claims under the antitrust laws and for unjust enrichment. Defendants' motions to dismiss the consolidated complaint are pending. Similar class actions have been filed concerning European government bonds and other government bonds.

UBS and reportedly other banks are responding to investigations and requests for information from various authorities regarding government bond trading practices. As a result of its review to date, UBS has taken appropriate action.

Government sponsored entities ("GSE") bonds: Starting in February 2019, class action complaints were filed in the US District Court for the Southern District of New York against UBS and other banks on behalf of plaintiffs who traded GSE bonds. A consolidated complaint was filed alleging collusion in GSE bond trading between 1 January 2009 and 1 January 2016. In December 2019,

UBS and eleven other defendants agreed to settle the class action for a total of USD 250 million. The settlement is subject to court approval.

With respect to additional matters and jurisdictions not encompassed by the settlements and orders referred to above, UBS's balance sheet at 30 June 2020 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

6. Swiss retrocessions

The Federal Supreme Court of Switzerland ruled in 2012, in a test case against UBS, that distribution fees paid to a firm for distributing third-party and intra-group investment funds and structured products must be disclosed and surrendered to clients who have entered into a discretionary mandate agreement with the firm, absent a valid waiver.

FINMA has issued a supervisory note to all Swiss banks in response to the Supreme Court decision. UBS has met the FINMA requirements and has notified all potentially affected clients.

The Supreme Court decision has resulted, and may continue to result, in a number of client requests for UBS to disclose and potentially surrender retrocessions. Client requests are assessed on a case-by-case basis. Considerations taken into account when assessing these cases include, among other things, the existence of a discretionary mandate and whether or not the client documentation contained a valid waiver with respect to distribution fees.

UBS's balance sheet at 30 June 2020 reflected a provision with respect to matters described in this item 6 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence, as in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

8. Material Contracts

Except as otherwise disclosed in this Base 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.

9. Share capital

As reflected in its Articles of Association most recently registered with the Commercial Register of the Canton of Zurich, UBS Group AG has (i) fully paid and issued share capital of CHF 385,905,539.50, divided into 3,859,055,395 registered shares with a par value of CHF 0.10 each (article 4), and (ii) conditional capital in the amount of CHF 50,170,583.00, comprising a maximum of 501,705,830 registered shares with a par value of CHF 0.10 each (article 4a).

DESCRIPTION OF THE SENIOR DEBT FISCAL AGENCY AGREEMENT

The Registered Notes will be the subject of a senior debt fiscal agency agreement dated as of 26 July 2019 (as amended, supplemented or otherwise modified from time to time, the "**Senior Debt Fiscal Agency Agreement**"), among UBS Group AG, Deutsche Bank Trust Company Americas (the "Fiscal Agent"), in its capacity as fiscal agent, as paying agent, as registrar and as calculation agent (in connection with the Floating Rate Notes), and UBS AG in its capacity as Swiss paying agent. The Senior Debt Fiscal Agency Agreement is governed by New York law. The Fiscal Agent, along with the Calculation Agent and any Paying Agent, is the agent of the Issuer, is not a trustee for the Holders and does not have the same responsibilities or duties to act for those Holders as would a trustee or other fiduciary.

The receipt by the Fiscal Agent of due and punctual payment of funds due under the Registered Notes from the Issuer will release the Issuer from such payment obligations under the Registered Notes, to the extent of such payment, even if such payment is not ultimately received by the Holders.

Each party to the Senior Debt Fiscal Agency Agreement agrees, and each Holder of the Registered Notes by its acceptance of the Registered Notes will be deemed to have agreed, that in any suit for the enforcement of any right or remedy under the Senior Debt Fiscal Agency Agreement or in any suit against the Fiscal Agent for any action taken, suffered or omitted by it as Fiscal Agent (other than a suit by the Issuer, the Fiscal Agent or a Holder or group of Holders holding more than ten percent in principal amount of the outstanding Registered Notes of the Relevant Series, or a suit for the enforcement of the payment of the principal of or interest on any Registered Note on or after the maturity of such Registered Note) that a court may require the filing by any party litigant of an undertaking to pay the costs of such suit and may assess reasonable costs, including reasonable attorneys' fees, against any party litigant.

The Senior Debt Fiscal Agency Agreement and the Registered Notes will not impose any duties or liability, cost or expense upon the Fiscal Agent whatsoever with respect to the exercise of any Swiss Resolution Power or the ordering of any Restructuring Protective Measures. To the extent that any consent, approval or authorisation of the Swiss Resolution Authority or any other Person is required for the Issuer's or the Fiscal Agent's performance under the Registered Notes or the Senior Debt Fiscal Agency Agreement, neither the Fiscal Agent nor any other agent shall have any duty or obligation to determine whether such consent, approval or authorisation is required or any duty or obligation to obtain such consent, approval or authorisation. The Fiscal Agent will comply with any reasonable requests of the Issuer in order to facilitate the delivery of any required consent, approval or authorisation from the Swiss Resolution Authority.

The Fiscal Agent shall not be liable to any Holder or Indirect Holder for taking any action, or abstaining from taking any action, in connection with the Fiscal Agent's implementation of any exercise of any Swiss Resolution Power and/or ordering of any Restructuring Protective Measures. See Condition 16 (*Swiss Resolution Power and Restructuring Protective Measures*) for more information on Swiss Resolution Powers and Restructuring Protective Measures and their effect on the Notes.

The Notes are not being registered with the SEC and are offered pursuant to exemptions from registration under Rule 144A and Regulation S. The Senior Debt Fiscal Agency Agreement is not, and is not required to be, qualified under the Trust Indenture Act of 1939, as amended. The Notes are not insured by the United States Federal Insurance Deposit Corporation or any other governmental agency.

A copy of the Senior Debt Fiscal Agency Agreement is available for inspection at the office of the Fiscal Agent located at 60 Wall Street, 24th Floor, Mail Stop: NYC60-2407, New York, New York 10005, USA.

MEETINGS OF HOLDERS AND AMENDMENT UNDER SWISS LAW

By operation of law, the provisions on bondholder meetings contained in article 1157 et seq. of the Swiss Code of Obligations apply in relation to meetings of Holders to consider matters affecting their interests as Holders of the Notes. The Holders of each Series of 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 Base 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 of the relevant Series. 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 of the Notes of the relevant Series, with the second publication to be made at least ten days prior to such meeting. In the case of Registered Notes, Holders must also be invited to any such meeting by registered letter since such Notes are issued in registered form. 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. In the case of Registered Notes of any Series, so long as such Notes are represented by one or more Global Certificates deposited with the custodian for the Depositary, although the Holders are the only Persons entitled to participate in, and vote at, any meeting of the Holders, the Holder of a Global Certificate may (i) grant written proxies to the relevant Indirect Holders or any other Person to vote at such meeting in respect of each Note represented by such Global Certificate or (ii)(A) obtain instructions from the relevant Indirect Holders in respect of any meeting of Holders, (B) vote at such meeting of Holders in respect of each Note represented by such Global Certificate in accordance with the instructions received from the relevant Indirect Holder and (C) abstain from representing any Note represented by such Global Certificate at a meeting of Holders for which it has not received an instruction from the relevant Indirect Holder. Holders or their representatives that wish to participate at the meeting of Holders must provide a certificate from their depositary 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 of the relevant Series of Notes, 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 relevant Series of 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 of the relevant Series is required for specific resolutions exhaustively listed in article 1170 of the Swiss Code of Obligations. Most importantly for the Notes, this requirement applies to resolutions to amend, or forfeit Holders' rights under, the Conditions in any of the following ways:

- approval of a moratorium on interest on the Notes for up to five years, with the option to extend such moratorium up to two more times for up to an additional five years per extension;
- forfeiture of up to five years' worth of interest on the Notes within a seven-year period;
- 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 of the Notes 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;

- approval of a stay with respect to, or an extension of the Maturity Date of, the Notes (or portions thereof) if the Notes are due or maturing within five years for up to ten years, with the option to extend such period for up to an additional five years;
- approving the early redemption of the Notes (either in whole or in part);
- granting of a priority lien for new capital raised for the Issuer; and/or
- 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 of a particular Series of Notes 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 of a particular Series of Notes, 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 of the relevant Series (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 of the relevant Series) 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 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 of the relevant Series 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 of the relevant Series is required to (1) revoke or modify the authority conferred on a Holders' representative, if any, or (2) 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 relevant Series of Notes that is 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).

Subject to the mandatory provisions of Swiss law described above, the General Terms and Conditions permit the Issuer to make, without the consent or approval of the Holders, such amendments to the terms and the conditions of the Notes that in its opinion are of a formal, minor or technical nature or made to correct a manifest or proven error, or that in its opinion are not materially prejudicial to the interests of the Holders. The Issuer must notify the Holders of any such amendment in accordance with the applicable Terms and Conditions of the Notes, which notice will state the date on which such amendment will be effective.

PRO FORMA PRICING SUPPLEMENT

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes described herein 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 European Economic Area (the "EEA") or in the United Kingdom (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 (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes described herein or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling such Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]⁴

[MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes described herein has led to the conclusion that (i) the target market for such Notes is eligible counterparties and professional clients only, each as defined in [MiFID II][Directive 2014/65/EU (as amended, "MiFID II")] and (ii) all channels for distribution of such Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending such Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

[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 Securities and Futures Act (Chapter 289) of Singapore) (as modified or amended from time to time, the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes described herein are ["prescribed capital markets products "]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

[The Issuer is neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia (the "Australian Banking Act") and 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. The Notes described herein are not "protected accounts" or "deposit liabilities" within the meaning of the Australian Banking Act and an investment in such 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). The Notes described herein may only be issued, offered for sale or transferred in, or into, Australia in circumstances that would not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act 2001 (Cth) of Australia 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).]

Pricing Supplement dated [as of] []

UBS Group AG

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the
Senior Debt Programme**

PART A – CONTRACTUAL TERMS

⁴ Include this legend where Part B paragraph 4(ix) (*Prohibition of sales to EEA and UK retail investors*) of the Pricing Supplement specifies "Applicable".

Terms used but not defined herein have the meanings assigned to such terms in the General Terms and Conditions of the Notes set forth in the Base Prospectus dated 24 July 2020[, as supplemented by the Supplement[s] thereto dated *[insert date(s)]*] (the "**Base Prospectus**"), which constitutes a base prospectus for purposes of article 45 of the Swiss Financial Services Act of 15 June 2018 (the "**FinSA**"). This document constitutes the Pricing Supplement for the Tranche of Notes described herein and the final terms for such Notes within the meaning of article 45(3) of the FinSA. This Pricing Supplement must be read in conjunction with the Base Prospectus, which together constitute the prospectus with respect to the Tranche of Notes described herein for purposes of the FinSA.

Full information on the Issuer and the offer of the Tranche of Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus (including the documents incorporated by reference therein) and this Pricing Supplement 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).

[In the case of Registered Notes, insert: The Notes have not been registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or any state securities law, and are being offered in the United States only to qualified institutional buyers pursuant to Rule 144A under the US Securities Act and to non-US persons (as defined in Regulation S under the US Securities Act) located outside the United States in offshore transactions in accordance with Regulation S under the US Securities Act.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote guidance for completing this Pricing Supplement.]

- | | | |
|----|--|---|
| 1. | Issuer: | UBS Group AG |
| 2. | (i) Series Number: | <i>[number/year (e.g. 1/00)]</i> |
| | (ii) Tranche Number: | <i>[number (e.g. 1)]</i> |
| | (iii) Date on which the Notes become fungible: | [Not Applicable] / [The Notes will be consolidated, form a single Series and be interchangeable for trading purposes with <i>[provide issue amount, maturity date/issue date of earlier Tranches]</i> on the [Issue Date] / <i>[specify date]</i>] |
| 3. | Specified Currency: | [] |
| 4. | Aggregate Principal Amount: | |
| | (i) Series: | [] |
| | (ii) Tranche: | [] |
| 5. | Issue Price: | [] per cent. of the Aggregate Principal Amount [plus accrued interest from [and including/but excluding] <i>[insert date]</i> (in the case of fungible issues only, if applicable)] |
| 6. | Original Issue Discount: | [No] / [Yes. <i>[insert description of tax consequences of a Note with original issue discount]</i>] |
| 7. | (i) Specified Denominations: | The Notes are issued in minimum denominations of <i>[currency/amount (e.g. US\$200,000)]</i> and integral multiples of <i>[currency/amount (e.g. US\$1,000)]</i> in excess thereof |

- (ii) Calculation Amount: [currency/amount]
8. (i) Issue Date: [day/month/year]
- (ii) Interest Commencement Date: [The Issue Date] / [day/month/year] / ⁵ [Not Applicable]
9. Maturity Date: [day/month/year] / [The Interest Payment Date falling in or nearest to [specify month and year]]
10. Interest Basis: [Fixed Rate] / [Fixed Rate/Fixed Rate] / [Floating Rate] / [Fixed Rate/Floating Rate] / [Zero Coupon Accreting]
11. Change of Interest Basis: [Not Applicable] / ⁶[The Notes will bear interest at the Initial Rate of Interest from (and including/but excluding) the Issue Date to (but excluding/and including) the Reset Date. From (and including/but excluding) the Reset Date to (but excluding/and including) the Maturity Date, the Notes will bear interest at a rate of interest that is the sum of the Reset Reference Rate and the Reset Margin (*see further particulars specified in paragraph 15 below*)] / ⁷[Interest will be payable on a Fixed Rate basis from (and including/but excluding) the Issue Date to (but excluding/and including) the Floating Rate Commencement Date and on a Floating Rate basis from (and including/but excluding) the Floating Rate Commencement Date to (but excluding/and including) the Maturity Date (*see further particulars specified in paragraph 17 below*)] / [specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
12. Early Redemption:
- (i) Tax Event: At the Issuer's option upon a Tax Event, as more particularly described in Condition 6 (*Redemption and Purchase*)
- (ii) Issuer Call: [Not Applicable] / [Applicable]
- (iii) Make-Whole Redemption: [Not Applicable] / [Applicable]
- (iv) Ineligibility Event: [Not Applicable] / [Applicable]
13. Status of the Notes: Senior, as more particularly described in Condition 4 (*Status of the Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions: [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining subclauses of this clause 14)

⁵ For Zero Coupon Accreting Notes.

⁶ For Fixed Rate/Fixed Rate Notes.

⁷ For Fixed Rate/Floating Rate Notes.

- (i) Fixed Rate of Interest: [] per cent. per annum
 - (ii) Interest Payment Dates: [], as adjusted in accordance with the Business Day Convention]
 - (iii) Business Day Convention: [Not Applicable] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention] / [Floating Rate Convention] / [Eurodollar Convention] / [other]
 - (iv) Fixed Coupon Amount: ⁸[] per Calculation Amount
 - (v) Broken Amount: [] per Calculation Amount, payable on the Interest Payment Date falling [in] / [on] []
[insert particulars of any initial or final broken interest amounts that do not correspond with the Fixed Coupon Amount(s)]
 - (vi) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual] / [Actual/360] / [30/360] / [Actual/365 (Fixed)] / [other – give details]
 - (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes, if different from those set out in the General Terms and Conditions: [give details] / [Not Applicable]
15. Fixed Rate/Fixed Rate Note Provisions: [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining subclauses of this clause 15)*
- (i) Initial Rate of Interest: [] per cent. per annum
 - (ii) Reset Date: []
 - (iii) Reset Reference Rate: [] / [1-year [insert currency] Mid-Swap Rate (as defined below)]
- "1-year [insert currency] Mid-Swap Rate"** means
- (a) the annual mid-swap rate for [insert currency] swap transactions having a term of one year commencing on the Reset Date, expressed as a percentage, that appears on the Relevant Page as of the Relevant Time on the Reset Determination Date; or
 - (b) if such rate does not appear on the Relevant Page as of the Relevant Time on such Reset Determination Date, the Reset Reference

⁸ For Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to adjustment, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Fixed Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resulting figure to the nearest HK\$0.01 (HK\$0.005 being rounded upwards)".

Bank Rate on the Reset Determination Date.

For purposes of the definition of the term "1-year [*insert currency*] Mid-Swap Rate", the following terms have the following meanings:

"1-year Mid-Swap Rate Quotations" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating [*insert currency*] interest rate swap transaction that:

- (a) has a term of one year commencing on the Reset Date;
- (b) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (c) has a floating leg based on [] (calculated on an [Actual/360 day] count basis);

"Reset Reference Bank Rate" means the percentage determined on the basis of the 1-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Issuer at approximately the Relevant Time on the Reset Determination Date. If at least three 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). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards). If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be [] per cent. per annum; and

"Reset Reference Banks" means five leading swap dealers in the interbank market for [*insert currency*] swap transactions with an equivalent maturity to the Reset Period, as selected by the Issuer (after consultation with UBS AG).]

- (iv) Reset Determination Date: [Two Business Days prior to the Reset Date] / []
- (v) Relevant Page: []
- (vi) Relevant Time: []
- (vii) Reset Margin: [] [per cent. per annum]

- (viii) Interest Payment Dates: [], as adjusted in accordance with the Business Day Convention]
- (ix) Business Day Convention: [Not Applicable] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention] / [Floating Rate Convention] / [Eurodollar Convention] / [other]
- (x) Fixed Coupon Amount: ⁹[] per Calculation Amount, payable on the Interest Payment Dates up to (and including) the Reset Date
- (xi) Broken Amount: [] per Calculation Amount, payable on the Interest Payment Date falling [in] / [on] []
[insert particulars of any initial or final broken interest amounts that do not correspond with the Fixed Coupon Amount(s)]
- (xii) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual] / [Actual/360] / [30/360] / [Actual/365 (Fixed)] / [other – give details]
- (xiii) Other terms relating to the method of calculating interest for Fixed Rate/Fixed Rate Notes, if different from those set out in the General Terms and Conditions: [give details] / [Not Applicable]
16. Floating Rate Note Provisions: [Applicable] / [Not Applicable]
(If not applicable, delete the remaining subclauses of this clause 16)
- (i) Specified Interest Payment Date(s): [[]], as adjusted in accordance with the Business Day Convention]] / [Not Applicable]
- (ii) Specified Period(s): [], as adjusted in accordance with the Business Day Convention] / [Not Applicable]
- (iii) Business Day Convention: [Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention] / [Floating Rate Convention] / [Eurodollar Convention] / [other] / [Not Applicable]
- (iv) Calculation Agent (including Specified Office): [insert name of Calculation Agent]
[insert Specified Office] /

[UBS AG
Bahnhofstrasse 45
8001 Zurich]

⁹ For Hong Kong dollar denominated Fixed Rate/Fixed Rate Notes where the Interest Payment Dates are subject to adjustment, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the applicable Fixed Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resulting figure to the nearest HK\$0.01 (HK\$0.005 being rounded upwards)".

Switzerland] /

[Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
Mail Stop: NYC60-2407
New York, New York 10005
USA]

[*other*]

(v) Reference Rate: [[*maturity*] [*currency*] (*if applicable*)] [BSW] / [CDOR] / [EURIBOR] / [HIBOR] / [JPY TSR] / [LIBOR] / [NIBOR] / [SOFR] / [SOR] / [STIBOR] / [US Federal Funds Rate] / [SARON Compounded] / [*other*]

(vi) ¹⁰ [Interest Determination Date(s): With respect to any Interest Period, the day falling [two London business days] / [] prior to (a) in the case of the first Interest Period, the Issue Date, and (b) otherwise, the Interest Payment Date on which such Interest Period commences.

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

(vii) ¹¹[Relevant Page: []]

(viii) ¹²[Relevant Time: []]

(ix) ¹³[Reference Banks: []]

(x) Margin(s): [+/-][] per cent. per annum

(xi) Minimum Floating Rate of Interest: [] / [Not Applicable]

(xii) Maximum Floating Rate of Interest: [] / [Not Applicable]

(xiii) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual] / [Actual/360] / [30/360] / [Actual/365 (Fixed)] / [*other – give details*]

(xiv) Other terms relating to the method of calculating interest for Floating Rate Notes (e.g., fallback provisions, rounding provisions, denominator), if [*give details*] / [Not Applicable]

¹⁰ Delete in the case SOFR Notes.

¹¹ Delete in the case of SARON Notes and SOFR Notes or if the Reference Rate is US Federal Funds Rate.

¹² Not required to be included if the Reference Rate is LIBOR, EURIBOR, SARON Compounded, SOFR or US Federal Funds Rate and the default in the General Terms and Conditions applies.

¹³ Only to be included for Reference Rates other than LIBOR, EURIBOR, SARON Compounded, SOFR and US Federal Funds Rate, if applicable.

different from those set out in the
General Terms and Conditions:

17. Fixed Rate/Floating Rate Note Provisions: [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining subclauses of this clause 17)*
- (i) Fixed Rate of Interest: [] per cent. per annum
 - (ii) Interest Payment Dates on and prior to the Floating Rate Commencement Date: [] until (and including) the Floating Rate Commencement Date[, as adjusted in accordance with the Business Day Convention]
 - (iii) Fixed Coupon Amount: ¹⁴[] per Calculation Amount
 - (iv) Broken Amount: [] per Calculation Amount, payable on the Interest Payment Date falling [in] / [on] []
[insert particulars of any initial or final broken interest amounts that do not correspond with the Fixed Coupon Amount(s)]
 - (v) Floating Rate Commencement Date: []
 - (vi) Specified Interest Payment Date(s): [[] [and the Maturity Date] [, as adjusted in accordance with the Business Day Convention]] / [Not Applicable]
 - (vii) Specified Period(s): [][, as adjusted in accordance with the Business Day Convention] / [Not Applicable]
 - (viii) Reference Rate: [[maturity] [currency] (if applicable)] [BBSW] / [CDOR] / [EURIBOR] / [HIBOR] / [JPY TSR] / [LIBOR] / [NIBOR] / [SOFR] / [SOR] / [STIBOR] / [US Federal Funds Rate] / [SARON Compounded] / [other]
 - (ix) ¹⁵Interest Determination Date(s): ¹⁶With respect to any Interest Period, the day falling [] / [two London business days] prior to (a) in the case of the first Interest Period, the Floating Rate Commencement Date, and (b) otherwise, the Interest Payment Date on which such Interest Period commences.
- ["London business day"** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in [] and are open for general business (including, without limitation, dealing in foreign exchange and foreign currency deposits) in London.]]

¹⁴ For Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to adjustment, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Fixed Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resulting figure to the nearest HK\$0.01 (HK\$0.005 being rounded upwards)".

¹⁵ Delete in the case of SOFR Notes.

¹⁶ Delete in the case of SARON Notes.

¹⁷[With respect to any Interest Period, the [fifth] Zurich Banking Day prior to (a) in the case of the first Interest Period, the Floating Rate Commencement Date, and (b) otherwise, the day on which such Interest Period ends.]]

- (x) ¹⁸Relevant Page: []
- (xi) ¹⁹[Relevant Time: []]
- (xii) ²⁰[Reference Banks: []]
- (xiii) Margin(s): [+/-][] per cent. per annum
- (xiv) Minimum Floating Rate of Interest: [] / [Not Applicable]
- (xv) Maximum Floating Rate of Interest: [] / [Not Applicable]
- (xvi) Business Day Convention: Fixed Rate of Interest: Not Applicable
Floating Rate of Interest: [Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention] / [Floating Rate Convention] / [Eurodollar Convention] / [other]
- (xvii) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual] / [Actual/360] / [30/360] / [Actual/365 (Fixed)] / [other – give details]
- (xviii) Calculation Agent (including Specified Office): [*insert name of Calculation Agent*]
[*insert Specified Office*] /
[UBS AG
Bahnhofstrasse 45
8001 Zurich
Switzerland] /
[Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
Mail Stop: NYC60-2407
New York, New York 10005
USA]
[other]
- (xix) Other terms relating to the method of calculating interest for Fixed Rate/Floating Rate Notes, if different from those set out in [*give details*] / [Not Applicable]

¹⁷ Insert in the case of SARON Notes.

¹⁸ Delete in the case of SARON Notes and SOFR Notes or if the Reference Rate is US Federal Funds Rate.

¹⁹ Not required to be included if the Reference Rate is LIBOR, EURIBOR, SARON Compounded, SOFR or US Federal Funds Rate and the default in the General Terms and Conditions applies.

²⁰ Only to be included for Reference Rates other than LIBOR, EURIBOR, SARON Compounded, SOFR and US Federal Funds Rate, if applicable.

the General Terms and Conditions:

18. Zero Coupon Accreting Note Provisions: [Applicable] / [Not Applicable]

(If not applicable, delete the remaining subparagraphs of this clause 18)

(a) Accrual Yield: [] per cent. per annum

(b) Amortised Face Amount: with respect to the Issue Date and each one-year anniversary thereafter, the amount specified in the table below applicable on such date:

| <u>Date</u> | <u>Amortised Face Amount</u> | <u>Price</u> |
|-------------------------------|--|---------------|
| Issue Date | [] per Calculation Amount | [] per cent. |
| [] | [] per Calculation Amount | [] per cent. |
| [] | [] per Calculation Amount | [] per cent. |
| [] | [] per Calculation Amount | [] per cent. |
| <i>(repeat as applicable)</i> | | |
| Maturity Date | [] per Calculation Amount ²¹ | [] per cent. |

Where the Amortised Face Amount is to be calculated as of any other date, such Amortised Face Amount will be equal to the sum of (i) the Amortised Face Amount as of the most recent preceding date set forth in the table above (the "**Last Annual Amortised Face Amount**") and (ii) the product of (a) the Amortised Face Amount as of the next succeeding date set forth in the table above minus the Last Annual Amortised Face Amount and (b) the Day Count Fraction and rounding the resultant figure to the nearest *[insert sub-unit of Specified Currency]*, with one-half *[insert sub-unit of Specified Currency]* being rounded upwards.

For purposes of this subparagraph (b), "**Day Count Fraction**" means, in respect of the calculation of the Amortised Face Amount as of any date not specified in the table above (the "**Calculation Date**"), [the number of days from (but excluding) the date of the Last Annual Amortised Face Amount to (and including) the Calculation Date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the actual number of days

²¹ This should match the Final Redemption Amount.

elapsed in such incomplete month) divided by 360][insert other day count fraction].

Any reference in the Terms and Conditions of the Notes to the principal amount of any Note on any date is a reference to the Amortised Face Amount of such Note on such date.

- (c) Other formula or basis for calculating any interest pursuant to Condition 5(e): [] / [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

19. Issuer Call: [Not Applicable] / [Applicable]
- (If not applicable, delete the remaining subclauses of this clause 19)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [[] per Calculation Amount] / ²²[the Amortised Face Amount as of the applicable Optional Redemption Date or, if the Optional Redemption Amount is improperly withheld or refused when due, the Amortised Face Amount as of the Relevant Date]
- (iii) Notice period for notice to the Holders if different from that set out in the General Terms and Conditions: [Not less than 15 and no more than 35 days' prior notice] / []
20. Make-Whole Redemption: ²³[Not Applicable] / [Applicable]
- (If not applicable, delete the remaining subclauses of this clause 20)*
- (i) Make-Whole Redemption Date(s): []
- (ii) Par Redemption Date: [] / [Optional Redemption Date] / [Not Applicable]
- (iii) Reference Bond(s): [] / [Not Applicable]
- (iv) Reinvestment Margin: []
- (v) Reinvestment Rate Determination Date: []
- (vi) Quotation Time: []
- (vii) Notice period for notice to the Holders if different from that set out in the General Terms and Conditions: [Not less than 15 and no more than 35 days' prior notice] / []
21. Ineligibility Issuer Call: [Not Applicable] / [Applicable]

²² For Zero Coupon Accreting Notes.

²³ This will always be "Not Applicable" for Zero Coupon Accreting Notes.

(If not applicable, delete the remaining subclauses of this clause 21)

- (i) Ineligibility Event Redemption Date(s): []
 - (ii) Ineligibility Event Redemption Amount: [[] per Calculation Amount] / ²⁴[the Amortised Face Amount as of the applicable Ineligibility Event Redemption Date or, if the Ineligibility Event Redemption Amount is improperly withheld or refused when due, the Amortised Face Amount as of the Relevant Date]
 - (iii) Notice period for notice to the Holders if different from that set out in the General Terms and Conditions: [Not less than 15 and no more than 35 days' prior notice] / []
22. Final Redemption Amount: [] per Calculation Amount
23. Tax Redemption Amount: [[] per Calculation Amount] / ²⁵[the Amortised Face Amount as of the applicable Early Redemption Date or, if the Tax Redemption Amount is improperly withheld or refused when due, the Amortised Face Amount as of the Relevant Date]
24. Terms or conditions different from those set out in the General Terms and Conditions: [Not Applicable] / [give details]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Uncertificated Notes:²⁶
- Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the Uncertificated Notes into, or the delivery of, a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).]
- [Registered Notes:²⁷
- Registered Global Certificates, deposited with [the Fiscal Agent as custodian for, and registered in the name of Cede & Co. as nominee for, DTC] / []]
26. ²⁸[Notices to Holders: [describe notice details]]
27. Fiscal Agent (including Specified Office): [Not Applicable] /
- [insert name of Fiscal Agent]
[insert Specified Office] /

²⁴ For Zero Coupon Accreting Notes.

²⁵ For Zero Coupon Accreting Notes.

²⁶ In the case of Series offered only on a Regulation S basis.

²⁷ In the case of combination 144A/Regulation S offerings.

²⁸ Only in the case of Notes that will not be listed on the SIX Swiss Exchange.

[Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
Mail Stop: NYC60-2407
New York, New York 10005
USA]

[*other*]

28. Principal Paying Agent (including Specified Office) [Not Applicable]/

[UBS AG
Bahnhofstrasse 45
8001 Zurich
Switzerland] /

[*other*]

29. ²⁹[Registrar (including Specified Office): [*insert name of Registrar*]
[*insert Specified Office*] /

[Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
Mail Stop: NYC60-2407
New York, New York 10005
USA] /

[*other*]

30. Business Days: [*insert financial centres*]

[*insert currency or currencies, if applicable*] /

[*other definition – give details*]

31. Other terms or conditions different from those set out in the General Terms and Conditions: [Not Applicable] / [*give details*]

²⁹ In the case of Registered Notes only.

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING AND LISTING

- (i) Listing: [SIX Swiss Exchange] [and Tokyo Stock Exchange (TOKYO PRO-BOND Market)] / [Not Applicable]

[in the case of a listing on the Taipei Exchange in Taiwan, insert:

Application will be made by the Issuer to the Taipei Exchange (the "TPEX") in the Republic of China ("Taiwan" or "ROC") for the listing of the Notes on the TPEX. Application will be made for the Notes to be admitted to trading on the TPEX with effect from the Issue Date.

The TPEX is not responsible for the content of this Pricing Supplement, the Base Prospectus or any supplement or amendment thereto and no representation is made by the TPEX to the accuracy or completeness of this Pricing Supplement, the Base Prospectus or any supplements or amendments thereto. The TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Pricing Supplement and the Base Prospectus or any supplements or amendments thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.]

[in the case of a listing on the TOKYO PRO-BOND Market of the Tokyo Stock Exchange, insert:

Application has also been made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on the TOKYO PRO-BOND Market of the Tokyo Stock Exchange with effect from one Tokyo Business Day following the Issue Date.

"Tokyo Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Tokyo.]

[in the case of any other secondary listing, insert details]

- (ii) Admission trading: to [The first day of trading on the SIX Swiss Exchange will be [date]. Application for definitive admission to trading and listing on the SIX Swiss Exchange will be made as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. The last day of trading on the SIX Swiss Exchange is expected to be [date].] / [Not Applicable]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)

- (iii) Minimum trading size: [] / [Not Applicable]

(Required only if multiple denominations can be traded)

2. RATINGS

Ratings: The Notes have been rated:

[S&P*: []]

[Moody's *: []]

[Fitch*: []]

[[Other]*: []]

**The exact legal name of the rating agency entity providing the rating should be specified – for example "S&P Global Ratings Europe Limited", rather than just Standard and Poor's*

[Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)

[In the case of Registered Notes, insert: A SECURITIES RATING IS NOT A RECOMMENDATION TO BUY, SELL OR HOLD SECURITIES AND MAY BE REVISED OR WITHDRAWN AT ANY TIME]

[In Australia, credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**") and is a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in Australia in which the person may be located. Anyone in Australia who is not such a person is not entitled to receive the Base Prospectus or this Pricing Supplement and anyone who receives the Base Prospectus or this Pricing Supplement must not distribute it to any person in Australia who is not entitled to receive it.]

3. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: The Issuer will use the net proceeds of the issuance of the Notes for general corporate purposes, including providing funds to its subsidiaries from time to time. The Issuer may provide these funds to other members of the Group, and such members may provide such funds so received to other members of the Group, from time to time in the form of senior or subordinated debt, in the form of equity contributions, or otherwise, including on terms that may constitute "loss absorbing capital" of subsidiaries of the Issuer.

- (ii) Estimated net proceeds: []

4. DISTRIBUTION

- (i) Method of distribution: of [Syndicated] / [Non-syndicated]

- (ii) If syndicated, names [Not Applicable] / [give names]
and address] of
Managers:

[Certain Managers are not US registered broker-dealers. Such Managers will not effect any offers or sales of any Notes in the United States unless it is through one or more US registered broker-dealers as permitted by applicable securities laws and the regulations of FINRA.]

[[] [is/are] restricted in [its/their] US securities dealings under the United States Bank Holding Company Act and may not underwrite, subscribe, agree to purchase or procure purchasers to purchase notes that are offered or sold in the United States. Accordingly, [] shall not be obligated to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase notes that may be offered or sold by other underwriters in the United States. [Each of] [] shall offer and sell the Notes constituting part of its allotment outside the United States.]

- (iii) Date of Subscription []
Agreement:

- (iv) Stabilising Manager []
(if any):

- (v) If non-syndicated, [UBS AG London Branch]
name and address:

- (vi) US selling restrictions: Reg. S Compliance Category 2 [; Rule 144A]

- (vii) [ERISA: Eligible: [Yes] / [No] *[insert description of restrictions on sales]*]

- (viii) Additional selling [Not Applicable] / *[insert any applicable selling restrictions (and if such selling restrictions replace those set forth in the Base Prospectus, so note), including, if applicable, those set forth below:*

[in case of Tokyo Stock Exchange (TOKYO PRO-BOND Market) listing:

Japan:

- (1) The Notes may not be sold, transferred or otherwise disposed to any person other than the Professional Investors, Etc. (Tokutei Tōshikatō) as defined in Article 2, Paragraph 3, Item 2(b)(2) of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") (the "**Professional Investors, Etc.**"), except for the transfer of the Notes to the following:

- (a) the Issuer, or any officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50 per cent. of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "**Voting Rights Held by All the Shareholders, Etc.**" (*SouKabunushi Tou no Giketsuken*)) (as defined in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (hereinafter such Officer shall be referred to as the "**Specified Officer**" (*Tokutei*

Yakuin)), or to a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50 per cent. of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer (the "**Controlled Juridical Person, Etc.**") (*Hi-Shihai Houjin Tou*) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50 per cent. of the Voting Rights Held by All the Shareholders, Etc. are jointly held by the Specified Officer and the Controlled Juridical Person, Etc. (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or

- (b) a company that holds shares or equity pertaining to voting rights exceeding 50 per cent. of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.
- (2) When (i) a solicitation of an offer to acquire the Notes or (ii) an offer to sell or a solicitation of an offer to purchase the Notes (collectively, "**Solicitation of the Note Trade**") is made, the following matters shall be notified from the person who makes such Solicitation of the Note Trade to the person to whom such Solicitation of the Note Trade is made in accordance with the FIEA and regulations there-under (as amended from time to time):
- (a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Note Trade;
 - (b) the Notes fall, or will fall, under the Securities for Professional Investors (*Tokutei Tousehika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
 - (c) any acquisition or purchase of the Notes by such person pursuant to any Solicitation of the Note Trade is conditional upon such person (i) (in the case of a solicitation of an offer to acquire the Notes to be newly issued) (x) entering into an agreement providing for the restriction on transfer of the Notes as set forth in paragraph (1) above with each of the Issuer and the person making such Solicitation of the Note Trade, or (y) agreeing to comply with the transfer restriction as set forth in paragraph (1) above, or (ii) (in the case of an offer to sell or a solicitation of an offer to purchase the Notes already issued) entering into an agreement providing for the restriction on transfer of the Notes as set forth in paragraph (1) above with the

person making such Solicitation of the Note Trade;

- (d) Article 4, Paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Notes as provided in Article 4, Paragraph 2 of the FIEA;
- (e) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Notes and the Issuer Filing Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made available for the Professional Investors, Etc. by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (<http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html> or any successor website) in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of Tokyo Stock Exchange, Inc.; and
- (f) the Issuer Filing Information, Etc. will be provided to the holders of the Notes or made public pursuant to Article 27-32 of the FIEA.]

[in the case of a listing on the Taipei Exchange in Taiwan pursuant to the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds, insert:

The section titled "Taiwan" set forth under "Selling Restrictions" in the Base Prospectus is replaced in its entirety by the following:

Taiwan

The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional institutional investors" ("**Professional Institutional Investors**") as defined under Paragraph 2 of Article 4 of the Financial Consumer Protection Act of the ROC, which as of the date of this Pricing Supplement includes: (i) overseas or domestic banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3 of Article 2 of the Organization Act of the Financial Supervisory Commission (the "FSC") of the ROC, (ii) overseas or domestic fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Future Trading Act or the ROC Trust Enterprise Act, or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions

recognised by the FSC of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to Professional Institutional Investors.]]

- (ix) [Australian selling and transfer restrictions: The Notes may only be transferred in, or into, Australia, if the offer or invitation giving rise to the transfer of such Notes:
- (a) is for an aggregate consideration payable by each transferee in Australia of at least A\$500,000 (or its equivalent in an alternate currency, in either case disregarding monies lent by the transferor or its associates to the transferee);
 - (b) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
 - (c) does not constitute an offer or invitation to a "retail client" as defined for the purposes of section 761G of the Corporations Act.]³⁰
- (x) Prohibition of sales to EEA and UK retail investors: [Applicable] / [Not Applicable]

5. OPERATIONAL INFORMATION

- CUSIP: []
- ISIN Code: []
- Common Code: []
- Swiss Security Number: []
- Relevant Clearing System(s): [Not Applicable] / [DTC] / [SIS] / [Euroclear Bank SA/NV] / [Clearstream Banking, S.A.] / [Clearstream Banking AG] / [other] [give name(s), address(es) and number(s)]
- Delivery: Delivery [against/free of] payment
- Settlement Date: [] / [(in the case of 144A offering with settlement other than T+2) It is expected that delivery of the Notes will be made against payment therefor on or about [], which will be the [] Business Day following the date of the pricing of the Notes. Under Rule 15c6-1 of the US Exchange Act, trades in the secondary market generally are required to settle in two Business Days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or on the next [] Business Days will be required, by virtue of the fact that the Notes initially will settle on T+[], to specify alternative settlement arrangements to prevent a failed settlement.]
- ³¹[Swiss Paying Agent: [UBS AG
[Bahnhofstrasse 45
8001 Zurich
Switzerland]] /

³⁰ Include if the Notes will be offered in Australia.

³¹ Include in the case of SIX listed Notes.

[other]]

Names and addresses of additional Paying Agent(s) (if any) (including Specified Office(s)): [Not Applicable] / [insert name of Paying Agent] [insert Specified Office] /

[UBS AG
[Bahnhofstrasse 45
8001 Zurich
Switzerland]] /

[other]

6. ³²**[REPRESENTATIVE]**

In accordance with article 58a of the Listing Rules of the SIX Swiss Exchange in their version dated 8 November 2019, and in force as of 2 January 2020, the Issuer has appointed [UBS AG] / [], located at [Bahnhofstrasse 45, 8001 Zurich, Switzerland] / [], as its recognised representative to file the application with SIX Exchange Regulation AG in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Tranche of Notes described herein on the SIX Swiss Exchange.]

7. **NO MATERIAL CHANGE**

Except as disclosed in the Base Prospectus, no material changes have occurred in the Issuer's assets and liabilities, financial position or profits and losses since [insert date of latest annual or interim financial statements].

8. **AUTHORISATION**

The issue of the Tranche of Notes described herein was duly authorised by the [] of the Issuer on [].

9. **RESPONSIBILITY**

The Issuer accepts responsibility for the content of the Base Prospectus and this Pricing Supplement and declares that the information contained in the Base Prospectus, together with this Pricing Supplement, is, to the best of its knowledge, correct and no material facts or circumstances have been omitted therefrom.

Signed on behalf of UBS Group AG, as Issuer:

By:

By:

[In the case of Registered Notes, insert: **THE NOTES HAVE NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OR ANY STATE SECURITIES LAW, AND ARE BEING OFFERED IN THE UNITED STATES ONLY TO QUALIFIED INSTITUTIONAL BUYERS PURSUANT TO RULE 144A UNDER THE US SECURITIES ACT AND TO NON-US PERSONS (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT) LOCATED OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S UNDER THE US SECURITIES ACT.**

THIS COMMUNICATION DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION TO ANY

³² Include in the case of SIX listed Notes.

PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.]

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, the United States, Taiwan and Australia 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 Base 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 Base 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 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

Neither payments of interest on, nor the repayment of principal of, the Notes by the Issuer will, at present, be subject to Swiss federal withholding tax.

On 3 April 2020, the Swiss Federal Council proposed draft legislation and opened the consultation procedure regarding the reform of the Swiss withholding tax regime, which had previously been suspended. A main aspect of the draft legislation is the exemption of Swiss-domiciled legal entities and foreign investors from withholding tax on Swiss domestic interest-based investments. In essence, the draft legislation would replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. Broadly, this paying agent-based regime would (i) subject all interest payments made through paying agents in Switzerland to individuals resident in Switzerland to Swiss withholding tax and (ii) exempt from Swiss withholding tax interest payments to all other persons, including to Swiss-domiciled legal entities and foreign investors (other than for indirect interest payments via foreign and domestic collective investments vehicles). If such a new paying agent-based regime were to be enacted and were to result in the deduction or withholding of Swiss withholding tax on any interest payments in respect of the Notes, the Notes would not be entitled to receive any Additional Amounts as a result of such deduction or withholding under the terms of the Notes.

Stamp Taxes

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

Purchases or sales of Notes with a maturity in excess of 12 months where a Swiss or a Liechtenstein domestic bank or a Swiss or a Liechtenstein domestic securities dealer (as defined in the Swiss federal stamp duty law) is a party, or acts as an intermediary, to the transaction may be subject to Swiss federal stamp duty on dealings in securities at a rate of up to 0.15 per cent. of the purchase price of the Notes. Where both the seller and the purchaser of the Notes are non-residents of Switzerland or the Principality of Liechtenstein, no Swiss federal stamp duty on dealing in securities is payable.

Income Taxation on Principal or Interest

(i) 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 of Notes 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.

(ii) 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. Any capital gain or loss realised on the sale or other disposition of such Notes or any loss realised following a UBS Group Restructuring Event will be considered a tax-free capital gain respectively a non-tax-deductible loss.

(iii) 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 any loss realised following a UBS Group Restructuring Event 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, inter alia, frequent dealings and leveraged transactions in securities.

Automatic Exchange of Information in Tax Matters

On 19 November 2014, Switzerland signed the Multilateral Competent Authority Agreement (the "MCAA"). The MCAA is based on article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of Automatic Exchange of Information (the "AEOI"). The Federal Act on the International Automatic Exchange of Information in Tax Matters (the "AEOI Act") entered into force on 1 January 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have, and will be, concluded on the basis of guaranteed reciprocity, compliance with the principle of speciality (i.e., the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection.

Switzerland has concluded a multilateral AEOI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEOI agreements with several non-EU countries.

Based on such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets, including, as the case may be, Bonds, 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 a EU member state or in the UK 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 "*United States – FATCA*".

United States

The following is a summary of certain US federal income tax considerations that may be relevant to a beneficial owner of Notes. This section applies to a holder only if the holder acquires Notes in an initial offering at the offering price for the Notes, and the holder holds its Notes as capital assets for tax purposes. This section does not apply to a holder if it is a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies,
- a trader in securities that elects to use a mark-to-market method of accounting for such holder's securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a holder that owns Notes that are a hedge or that are hedged against interest rate or currency risks,
- a holder that owns Notes as part of a straddle or conversion transaction for tax purposes,
- a holder that purchases or sells Notes as part of a wash sale for tax purposes, or
- a US Holder (as defined below) whose functional currency for tax purposes is not the US dollar.

This section only deals with Notes that are denominated in US dollars, are due to mature 30 years or less from the date on which they are issued, are issued without premium, and are issued with no more than a *de minimis* amount of original issue discount ("**OID**"). The United States federal income tax consequences of owning Notes that are denominated in other currencies, are due to mature more than 30 years from their issue date or are issued with premium or more than a *de minimis* amount of OID will be discussed in an applicable Pricing Supplement. In addition, this section does not address Notes that provide for contingencies that could cause the Notes to be treated as contingent payment debt instruments for United States federal income tax purposes or Notes that are issued for more than one offering price. The tax treatment of any such Notes will be discussed in an applicable Pricing Supplement.

This section is based on the US Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations under the Code, administrative and judicial interpretations thereof, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the Notes, the US federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Notes should consult its tax advisor with regard to the US federal income tax treatment of an investment in the Notes.

No rulings have been sought from the US Internal Revenue Service (the "**IRS**") regarding the matters discussed herein, and there can be no assurance that the IRS or a court will agree with the views expressed herein. Investors should consult their tax advisors to determine the tax consequences to them of acquiring, owning and disposing of Notes, including the application to their particular situation of the US tax considerations discussed below, as well as the application of state, local, non-US or other tax laws and the proper characterisation of the Notes for tax purposes.

Characterisation of the Notes

No statutory, judicial or administrative authority directly addresses the characterisation of the Notes or instruments similar to the Notes for US federal income tax purposes. As a result, significant aspects of the US tax consequences of an investment in the Notes are uncertain. In the opinion of the Issuer's US tax counsel, Sullivan & Cromwell LLP, however, the Notes should be treated as debt instruments for US federal income tax purposes, and the Issuer intends, absent a change in law, to so treat the Notes. In general, under the Code, the characterisation of an instrument for US tax purposes as debt or equity of a corporation by its

Issuer as of the time of issuance is binding on a holder unless the holder discloses on its tax return that it is taking an inconsistent position. The Issuer's characterisation, however, is not binding on the IRS.

Except as stated under "*US Holders—Possible Alternative Treatment of the Notes*" below, the following discussion assumes that the Notes will be treated as debt instruments for US federal income tax purposes.

US Holders

A holder is a US Holder if it is a beneficial owner of a Note and is:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a US court can exercise primary supervision over the trust's administration and one or more United States persons are authorised to control all substantial decisions of the trust.

If a holder is not a US Holder, this discussion does not apply to it and it should refer to "*Non-US Holders*" below.

Payments of Interest

Interest payments on a Note will be taxable to a US Holder as ordinary income at the time that such payments are accrued or are received in accordance with the US Holder's method of tax accounting. Interest payments will be treated as foreign source income for purposes of calculating a US Holder's foreign tax credit limitation. The limitation on foreign taxes eligible for the US foreign tax credit is calculated separately with respect to each specific class of income. The rules relating to foreign tax credits and the timing thereof are complex. US Holders should consult their own tax advisors regarding the availability of a foreign tax credit in their particular situation.

Sale or Other Disposition of Notes

Upon the sale or other disposition of a Note, a US Holder generally will recognise gain or loss equal to the difference between the amount realised on the sale or other disposition, excluding any amounts attributable to accrued but unpaid interest (which will be treated as interest payments) and the US Holder's tax basis in such Note. A US Holder's tax basis in a Note generally will equal the cost of such Note to such holder. Gain or loss recognised by a US Holder generally will be long-term capital gain or loss if the US Holder has held the Note for more than one year at the time of disposition.

Long-term capital gains recognised by a non-corporate US Holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. Capital gain or loss, if any, recognised by a US Holder generally will be treated as US-source income or loss for US foreign tax credit purposes. The deductibility of capital losses is subject to significant limitations.

Issuer Substitution

The Issuer can under certain circumstances cause a Substitute Issuer to be the obligor under the Notes as described in Condition 15 (Issuer Substitution). Depending on the circumstances, such an exchange may be considered a taxable disposition of the Notes resulting in gain or loss as described above under "*Sale or Other Disposition of Notes*". US Holders should consult their own tax advisors regarding the tax consequences of such an exchange, including the possible application of rules that would prevent recognition of loss on the exchange or the possible application of the rules pertaining to OID as defined in the Code, which may require a US Holder to include in gross income (as ordinary income) on a constant-yield basis the excess of the stated principal amount of the new securities over their issue price if such amount exceeds a de minimis threshold.

Write-down, Cancellation or Conversion into Equity of the Issuer by the Swiss Resolution Authority

The Swiss Resolution Authority may take certain actions in respect of the Notes, including the write-down and cancellation and/or conversion into equity of the Issuer of some or all of the principal and/or accrued

interest on the Notes, as described in Condition 16 (Swiss Resolution Power and Restructuring Protective Measures). No statutory, judicial or administrative authority directly addresses the US federal income tax treatment of a write-down or cancellation of some or all of the principal and/or accrued interest on the Notes, including whether a US Holder would be entitled to a deduction for loss at the time it occurs. US Holders may, for example, be required to wait to take a deduction until there is an actual or deemed sale, exchange or other taxable disposition of the remaining Notes for which recognition of losses is permitted under the Code. The conversion of the Notes into equity of the Issuer may be a taxable disposition resulting in gain or loss as described above under "*Sale or Other Disposition of Notes*". US Holders should consult their own advisers regarding the tax consequences to them of a write-down and cancellation and/or conversion into equity of the Issuer of their Notes by the Swiss Resolution Authority.

Possible Alternative Treatment of the Notes

It is possible that the Notes should be treated for US tax purposes as equity of the Issuer, in which case interest payments on the Notes generally would be reported as dividends paid on the stock of the Issuer for US tax purposes. Subject to the discussion below regarding "passive foreign investment companies", such dividends may be eligible to be treated as "qualified dividends" taxable to a non-corporate US Holder at a maximum rate of 20 per cent., although there is uncertainty as to the eligibility for such treatment of instruments that are treated as equity for US tax purposes but have the legal form of debt.

If the Issuer is classified as a "passive foreign investment company" ("**PFIC**") for US tax purposes, then US Holders may be subject to certain adverse tax consequences if the Notes are treated as equity of the Issuer for US tax purposes. Based on the Issuer's audited and unaudited consolidated financial statements, the Issuer believes that it was not treated as a PFIC for US tax purposes with respect to its 2019 taxable year. In addition, based on such financial statements and current expectations regarding the value and nature of its assets and income, the Issuer does not anticipate that it will be a PFIC for the 2020 taxable year.

Prospective investors should consult their own tax advisors regarding the tax consequences to them if the Notes were treated as equity of the Issuer for US tax purposes, including the availability of the reduced dividend tax rate for interest payments on the Notes and the risk that the Issuer could be classified as a PFIC for US tax purposes.

Specified Foreign Financial Assets

Owners of "specified foreign financial assets" with an aggregate value in excess of US\$50,000 (and in some cases, a higher threshold) are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a foreign financial institution, as well as securities issued by a foreign issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. US Holders who fail to report the required information could be subject to substantial penalties. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Non-US Holders

Subject to the discussion below under the heading "*Information Reporting and Backup Withholding*" and "*Foreign Account Tax Compliance Act*", a holder of a Note that is not a US Holder should generally not be subject to US federal income tax by withholding or otherwise on payments of interest (including Additional Amounts) or principal on a Note, or gain realised in connection with the sale, or other disposition of a Note unless such gain is effectively connected with a trade or business conducted by the non-US holder in the United States or unless the non-US holder is a non-resident alien individual and is present in the US for 183 days or more during the taxable year in which such gain is realised and certain other conditions exist.

Information Reporting and Backup Withholding

Information returns will be required to be filed with the IRS with respect to payments of principal and interest on a Note made to certain holders (including certain US Holders and certain holders that are not US Holders) and to the payment of proceeds from the sale of a Note to certain holders. In addition, certain holders may be subject to backup withholding tax in respect of such payments if they do not provide

accurate identification information on the applicable IRS Form W-8 or W-9 or certification of exempt status or otherwise comply with the applicable backup withholding requirements.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder's US federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS in the manner required. Holders should consult their tax advisors as to their qualification for exemption from information reporting and/or backup withholding.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the 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 payment". 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.

Taiwan

Interest on the Notes

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the Notes. ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax ("**AMT**") is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the Income Basic Tax Act (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over five years to offset against capital gains of same category of income for the purposes of calculating their AMT.

Australia

Australian Interest Withholding Tax

Under Australian laws as presently in effect, so long as the Issuer continues to be a non-resident of Australia and the Notes are not attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under Notes should not be subject to Australian interest withholding tax imposed under Division 11A of Part III of the Income Tax Assessment Acts 1936 and 1997 of Australia (together, the "**Australian Tax Act**").

Other Australian Tax Matters

Under Australian laws in effect as at the date of this Base Prospectus:

- *stamp duty and other taxes* – no ad valorem stamp, issue, registration or similar taxes are payable in any Australian State or Territory on the issue, transfer or redemption of any Notes;
- *other withholding taxes on payments in respect of Notes* – so long as the Issuer continues to be a non-resident of Australia and the Notes are not issued at or through a permanent establishment of the Issuer in Australia, the tax file number requirements of Part VA of the Australian Tax Act and section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**TAA**") should not apply to the Issuer;
- *supply withholding tax* – payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the TAA; and
- *goods and services tax ("**GST**")* – neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia. Furthermore, the payment of principal or interest by the Issuer under the Notes would not give rise to any GST liability in Australia.

If you are in any doubt as to your tax position you should consult your professional tax adviser.

ERISA MATTERS

The US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") imposes certain requirements on "employee benefit plans" within the meaning of Section 3(3) of ERISA that are subject to Title I of ERISA, including entities such as collective investment funds, partnerships and separate accounts whose underlying assets include the assets of such employee benefit plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to such ERISA Plans. ERISA also imposes limits on transactions between ERISA Plans and service providers and other parties in interest to such ERISA Plans.

Each ERISA Plan fiduciary should consider ERISA and the regulations and guidance thereunder when considering an investment in the Notes. Moreover, fiduciaries of ERISA Plans, as well as other "plans" within the meaning of and subject to Section 4975 of the Code, including individual retirement accounts, "Keogh" plans and entities whose underlying assets are treated as assets of such plans (together with ERISA Plans, "**Plans**"), should consider, among other items, the issues described below when deciding whether to acquire the Notes.

Fiduciary Duty of Investing ERISA Plans

Under ERISA, any person who exercises discretionary authority or control respecting the management or disposition of the assets of an ERISA Plan is generally considered to be a fiduciary of such ERISA Plan. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirements of investment prudence and diversification and the requirement that a ERISA Plan's investments be consistent with the documents and instruments governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan, taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

When evaluating the prudence of an acquisition of the Notes, the ERISA Plan fiduciary should consider the US Department of Labor (the "**DOL**") regulation on investment duties. ERISA requires the fiduciary of an ERISA Plan to maintain the indicia of ownership of the ERISA Plan's assets within the jurisdiction of the US district courts. An ERISA Plan fiduciary should also consider ERISA's rules relating to delegation of control.

Prohibited Transactions

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the plan (collectively, "**Parties In Interest**"). A violation of these "prohibited transaction" rules may result in excise tax or other liabilities under ERISA and Section 4975 of the Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption. Therefore, a fiduciary of an employee benefit plan should also consider whether an investment in Notes might constitute or give rise to a prohibited transaction under ERISA and the Code.

The Issuer may be considered a Party In Interest with respect to many Plans. The types of transactions between Plans and Parties In Interest that are prohibited include: (i) sales, exchanges or leases of property; (ii) loans or other extensions of credit; and (iii) the furnishing of goods and services. Special caution should be exercised, therefore, before Notes are purchased by a Plan. In particular, the fiduciary of the Plan should consider whether exemptive relief is available under an applicable administrative or statutory exemption. The DOL has issued five prohibited transaction class exemptions ("**PTCEs**") that could apply to exempt the purchase, sale and holding of Notes from the prohibited transaction provisions of ERISA and the Code depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Those class exemptions are PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts), and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers). In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide a limited exemption for the purchase and sale of securities, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan pays no more and receives no less than adequate consideration in connection with the transaction.

Prospective investors should consult with their advisers regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these class exemptions or any other exemption will be available with respect to any particular transaction involving the Notes or that, if an exemption is available, it will cover all aspects of any particular transaction.

Similar Plans

Employee benefit plans that are "governmental plans" within the meaning of Section 3(32) of ERISA, certain "church plans" within the meaning of Section 3(33) of ERISA and "non-US plans" described in Section 4(b)(4) of ERISA (such plans, "**Similar Plans**"), while not subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to any US federal, state, local, non-US or other law or regulation that is substantially similar to the foregoing provisions of ERISA and the Code (such laws or regulations, "**Similar Laws**"). Fiduciaries of any such Similar Plans should consult with their counsel before purchasing any Notes.

Representations and Warranties

By its purchase or holding of any Notes or any interest therein, the purchaser, including any fiduciary purchasing on behalf of a Plan, transferee or holder thereof will be deemed to have represented and agreed that either: (a) it is not and for so long as it holds the Notes or any interest therein will not be (and is not acquiring the Notes directly or indirectly with the assets of a person who is or while the Notes are held will be) a Benefit Plan Investor or a Similar Plan which is subject to any Similar Law; or (b) its purchase and holding of the Notes shall not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a Similar Plan, a violation of any Similar Law).

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing Notes on behalf of or with the assets of any Benefit Plan Investor or Similar Plan consult with their counsel regarding the consequences under ERISA and the Code of the acquisition of Notes and the availability of exemptive relief under any available exemptions. Purchasers of Notes have exclusive responsibility for ensuring that their purchase and holding of Notes do not violate the fiduciary and prohibited transaction rules of Title I of ERISA, Section 4975 of the Code or any applicable Similar Law. The sale of any Notes to a Benefit Plan Investor or Similar Plan is in no respect a representation by the Transaction Parties that such an investment meets all relevant legal requirements with respect to investments by any such Benefit Plan Investor or Similar Plan generally or any particular Benefit Plan Investor or Similar Plan, or that such investment is appropriate for such Benefit Plan Investors or Similar Plans generally or any particular Benefit Plan Investor or Similar Plan. Any offering is not directed to any particular purchaser, nor does it address the needs of any particular purchaser. None of the Transaction Parties shall provide any advice or recommendation with respect to the management of any purchase of the Notes or the advisability of acquiring, holding, disposing or exchanging of the Notes.

SELLING RESTRICTIONS

Subject to all legal and regulatory requirements, Notes may be issued from time to time by the Issuer to any one or more of UBS AG London Branch, UBS Securities LLC and UBS AG (the "**Dealers**") or to any other person. The arrangements under which Notes may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers are set out in (i) a dealer agreement for the issuance of uncertificated notes dated 24 July 2020 (the "**Uncertificated Notes Dealer Agreement**") and (ii) a dealer agreement for the issuance of registered notes dated 24 July 2020 (the "**Registered Notes Dealer Agreement**" and, together with the Uncertificated Notes Dealer Agreement, the "**Dealer Agreements**" and each a "**Dealer Agreement**"), in each case as made between the Issuer and the Dealers and as such Dealer Agreement may be amended or supplemented or superseded from time to time. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the Pricing Supplement as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Pricing Supplement. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Pricing Supplement as "Syndicated", the obligations of those Dealers to subscribe for the relevant Notes will, except in the case of those Notes denominated in Swiss francs and those Notes issued pursuant to the Registered Notes Dealer Agreement (where the obligations will be several and not joint), be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers will be set out in the relevant Pricing Supplement. Any such agreement for the issue and subscription of Notes will, *inter alia*, cover the price of the Notes, any commissions or other deductibles in respect of the Notes, the Form of the Notes, any other commercial terms of the issue and subscription of the Notes themselves, and any syndication or underwriting of the issue. Each Dealer Agreement makes provision for the resignation or renewal of existing Dealers and the appointment of additional or other Dealers, either generally in respect of the Programme or in relation to a particular Series or Tranche of Notes.

UNITED STATES

(Regulation S Category 2; Rule 144A eligible if so specified in the relevant Pricing Supplement)

United States of America

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Uncertificated Notes

The Notes are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the Code (as defined below) and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the relevant 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 Securities Act.

Registered Notes

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the relevant Dealer Agreement, it will offer, sell or deliver the Notes as part of their distribution at any time only in accordance with Rule 903 of Regulation S or Rule 144A.

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as provided in the Dealer Agreement, it has not offered and sold Notes and will not offer and sell Notes as part of its distribution at any time except in accordance with Rule 903 of Regulation S or Rule 144A under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Registered 144A Notes Dealer Agreement provides that the Dealers may directly or may, through their respective US broker dealer affiliates, arrange for the offer and resale of the Notes in the United States only to qualified institutional buyers in reliance on Rule 144A.

Rule 144A Notes

Any purchaser of Rule 144A Notes, by accepting delivery of this Base Prospectus and the Rule 144A Notes, will be deemed to have represented, agreed and acknowledged as follows:

- (i) It (A) is a qualified institutional buyer, (B) is acquiring the Rule 144A Notes for its own account or for the account of one or more qualified institutional buyers, (C) is not formed for the purpose of investing in the Rule 144A Notes or the Issuer and (D) is aware, and each beneficial owner of such Rule 144A Notes has been advised, that the sale of the Rule 144A Notes to it is being made in reliance on Rule 144A.
- (ii) The Rule 144A Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a qualified institutional buyer purchasing for its own account or for the account of one or more qualified institutional buyers, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) in accordance with another exemption from the registration requirements of the Securities Act (provided that prior to such transfer, the Issuer or the Fiscal Agent may require an opinion of counsel and other certifications or documents evidencing that such transfer is in compliance with the Securities Act), in each case in accordance with any applicable securities laws of any State of the United States and it will, and each subsequent holder of the Rule 144A Notes is required to, notify any purchaser of the Rule 144A Notes from it of the resale restrictions on the Rule 144A Notes.
- (iii) The Rule 144A Notes and any Registered Definitive Certificates offered in reliance on Rule 144A or exchanged for Rule 144A Notes ("**Rule 144A Certificates**") will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE US STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**QIB**")) PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES OTHER THAN (1) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE

SECURITIES ACT (PROVIDED THAT PRIOR TO SUCH TRANSFER, THE ISSUER OR THE FISCAL AGENT MAY REQUIRE AN OPINION OF COUNSEL AND OTHER CERTIFICATIONS OR DOCUMENTS EVIDENCING THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT), IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH NOTES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED NOTES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER, HOLDER OR SUBSEQUENT TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT, AND IS NOT ACTING DIRECTLY OR INDIRECTLY ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING DIRECTLY OR INDIRECTLY ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF SECTION 3(3) OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE, "PLAN ASSETS" WITHIN THE MEANING OF THE US DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OF SUCH PLAN DESCRIBED IN (I) OR (II) FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (AND EACH, A "**BENEFIT PLAN INVESTOR**"), AND NO PORTION OF THE ASSETS USED TO ACQUIRE THIS NOTE (OR ANY INTEREST HEREIN) CONSTITUTES "PLAN ASSETS" OF ANY BENEFIT PLAN INVESTOR, OR (IV) A "GOVERNMENTAL PLAN" WITHIN THE MEANING OF SECTION 3(32) OF ERISA, A "NON-US PLAN" DESCRIBED IN SECTION 4(B)(4) OF ERISA, A CERTAIN "CHURCH PLAN" WITHIN THE MEANING OF SECTION 3(33) OF ERISA THAT HAS MADE NO ELECTION UNDER SECTION 410(D) OF THE CODE OR OTHER EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR (SUCH PLANS, "**SIMILAR PLANS**") BUT IS SUBJECT TO ANY US FEDERAL, STATE, LOCAL, NON-US OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (SUCH LAWS OR REGULATIONS, "**SIMILAR LAWS**"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A SIMILAR PLAN, A VIOLATION OF ANY SIMILAR LAW).

BY ACCEPTANCE OF ANY DIRECT OR BENEFICIAL INTEREST IN THE NOTES, EACH HOLDER AND EACH BENEFICIAL OWNER OF NOTES ACKNOWLEDGES, AGREES TO BE BOUND BY, AND CONSENTS TO THE EXERCISE OF, ANY SWISS RESOLUTION POWER (AS DEFINED IN THE TERMS AND CONDITIONS (AS DEFINED BELOW)) WITH RESPECT TO UBS GROUP AG THAT RESULTS IN THE WRITE-DOWN AND CANCELLATION OF THE ENTIRE, OR A PORTION OF THE, PRINCIPAL AMOUNT OF,

AND/OR ACCRUED INTEREST ON, THE NOTES AND/OR CONVERSION INTO EQUITY OF UBS GROUP AG OF THE ENTIRE, OR A PORTION OF THE, PRINCIPAL AMOUNT OF, AND/OR ACCRUED INTEREST ON, THE NOTES, IRRESPECTIVE OF WHETHER SUCH CLAIMS HAVE ALREADY BECOME DUE AND PAYABLE PRIOR TO THE OCCURRENCE OF SUCH ACTION. BY ACCEPTANCE OF ANY DIRECT OR BENEFICIAL INTEREST IN THE NOTES, EACH HOLDER AND EACH BENEFICIAL OWNER OF NOTES FURTHER ACKNOWLEDGES, AGREES TO BE BOUND BY, AND CONSENTS TO THE ORDERING OF, ANY RESTRUCTURING PROTECTIVE MEASURES (AS DEFINED IN THE TERMS AND CONDITIONS) THAT RESULTS IN THE DEFERMENT OF PAYMENT OF PRINCIPAL AND/OR INTEREST UNDER THE NOTES. BY ACCEPTANCE OF ANY DIRECT OR BENEFICIAL INTEREST IN THE NOTES, EACH HOLDER AND EACH BENEFICIAL OWNER OF NOTES FURTHER ACKNOWLEDGES AND AGREES THAT ITS RIGHTS ARE SUBJECT TO, AND, IF NECESSARY, WILL BE ALTERED WITHOUT SUCH HOLDER'S OR OWNER'S CONSENT, INCLUDING BY MEANS OF AN AMENDMENT OR MODIFICATION TO THE NOTES AND THE TERMS AND CONDITIONS OF THE NOTES, SO AS TO GIVE EFFECT TO ANY SUCH EXERCISE OF SWISS RESOLUTION POWER OR ANY SUCH ORDERING OF RESTRUCTURING PROTECTIVE MEASURES.

BY ACCEPTANCE OF ANY DIRECT OR BENEFICIAL INTEREST IN THE NOTES, EACH HOLDER AND EACH BENEFICIAL OWNER OF NOTES THAT ACQUIRES ITS NOTES OR BENEFICIAL INTEREST THEREIN IN THE SECONDARY MARKET SHALL BE DEEMED TO ACKNOWLEDGE, AGREE TO BE BOUND BY AND CONSENT TO THE PROVISIONS SPECIFIED IN THE TERMS AND CONDITIONS TO THE SAME EXTENT AS THE HOLDERS OF THE NOTES AND BENEFICIAL OWNERS OF NOTES THAT ACQUIRE THE NOTES UPON THEIR INITIAL ISSUANCE, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE ACKNOWLEDGEMENT AND AGREEMENT TO BE BOUND BY AND CONSENT TO THE TERMS AND CONDITIONS, INCLUDING THOSE TERMS AND PROVISIONS RELATING TO ANY SWISS RESOLUTION POWER AND ANY RESTRUCTURING PROTECTIVE MEASURES (EACH AS DEFINED IN THE TERMS AND CONDITIONS).

- (iv) It understands that the Issuer, the Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Rule 144A Notes is no longer accurate, it shall promptly notify the Issuer and the relevant Dealer(s). If it is acquiring any Notes for the account of one or more qualified institutional buyers, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Upon the transfer, exchange or replacement of a Rule 144A Note or a Rule 144A Registered Global Certificate bearing the legend referred to above, or upon specific request for removal of the legend, the Issuer will deliver only Rule 144A Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the relevant Registrar an opinion reasonably satisfactory to the Issuer of United States counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required to maintain compliance with the provisions of such laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes issued as Registered Notes

Each purchaser of Regulation S Notes issued as Registered Notes and sold pursuant to Regulation S and each subsequent purchaser of such Regulation S Notes in resales, by accepting delivery of this Base Prospectus and the Regulation S Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) It is, or at the time Regulation S Notes are purchased will be, the beneficial owner of such Regulation S Notes and (a) it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

- (ii) It understands that such Regulation S Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that it will not offer, sell, pledge or otherwise transfer such Regulation S Notes to, or for the account or benefit of, a US Person (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of (x) the day on which such Notes are first offered to persons other than distributors (as defined in Regulation S) and (y) the day on which the closing of the offering of such Notes occurs, except in either case in accordance with Regulation S or Rule 144A, and it will have sent to each broker-dealer to which it sells Regulation S Notes in reliance on Regulation S during such 40 day period, a confirmation or other notice detailing the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S.
- (iii) It understands that the Regulation S Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend in or substantially in the following form:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB OR (2) IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH NOTES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED NOTES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER, HOLDER OR SUBSEQUENT TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT, AND IS NOT ACTING DIRECTLY OR INDIRECTLY ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING DIRECTLY OR INDIRECTLY ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF SECTION 3(3) OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE, "PLAN ASSETS" WITHIN THE MEANING OF THE US DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OF ANY PLAN DESCRIBED IN (I) OR (II) FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (AND EACH, A "**BENEFIT PLAN INVESTOR**"), AND NO PORTION OF THE ASSETS USED TO ACQUIRE THIS NOTE (OR ANY INTEREST HEREIN) CONSTITUTES "PLAN ASSETS" OF ANY BENEFIT PLAN INVESTOR, OR (IV) A "GOVERNMENTAL PLAN" WITHIN THE MEANING OF

SECTION 3(32) OF ERISA, A "NON-US PLAN" DESCRIBED IN SECTION 4(B)(4) OF ERISA, A CERTAIN "CHURCH PLAN" WITHIN THE MEANING OF SECTION 3(33) OF ERISA THAT HAS MADE NO ELECTION UNDER SECTION 410(D) OF THE CODE OR OTHER EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR (SUCH PLANS, "**SIMILAR PLANS**") BUT IS SUBJECT TO ANY US FEDERAL, STATE, LOCAL, NON-US OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (SUCH LAWS OR REGULATIONS, "**SIMILAR LAWS**"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A SIMILAR PLAN, A VIOLATION OF ANY SIMILAR LAW).

BY ACCEPTANCE OF ANY DIRECT OR BENEFICIAL INTEREST IN THE NOTES, EACH HOLDER AND EACH BENEFICIAL OWNER OF NOTES ACKNOWLEDGES, AGREES TO BE BOUND BY, AND CONSENTS TO THE EXERCISE OF, ANY SWISS RESOLUTION POWER (AS DEFINED IN THE TERMS AND CONDITIONS (AS DEFINED BELOW)) WITH RESPECT TO UBS GROUP AG THAT RESULTS IN THE WRITE-DOWN AND CANCELLATION OF THE ENTIRE, OR A PORTION OF THE, PRINCIPAL AMOUNT OF, AND/OR ACCRUED INTEREST ON, THE NOTES AND/OR CONVERSION INTO EQUITY OF UBS GROUP AG OF THE ENTIRE, OR A PORTION OF THE, PRINCIPAL AMOUNT OF, AND/OR ACCRUED INTEREST ON, THE NOTES, IRRESPECTIVE OF WHETHER SUCH CLAIMS HAVE ALREADY BECOME DUE AND PAYABLE PRIOR TO THE OCCURRENCE OF SUCH ACTION. BY ACCEPTANCE OF ANY DIRECT OR BENEFICIAL INTEREST IN THE NOTES, EACH HOLDER AND EACH BENEFICIAL OWNER OF NOTES FURTHER ACKNOWLEDGES, AGREES TO BE BOUND BY, AND CONSENTS TO THE ORDERING OF, ANY RESTRUCTURING PROTECTIVE MEASURES (AS DEFINED IN THE TERMS AND CONDITIONS) THAT RESULTS IN THE DEFERMENT OF PAYMENT OF PRINCIPAL AND/OR INTEREST UNDER THE NOTES. BY ACCEPTANCE OF ANY DIRECT OR BENEFICIAL INTEREST IN THE NOTES, EACH HOLDER AND EACH BENEFICIAL OWNER OF NOTES FURTHER ACKNOWLEDGES AND AGREES THAT ITS RIGHTS ARE SUBJECT TO, AND, IF NECESSARY, WILL BE ALTERED WITHOUT SUCH HOLDER'S OR OWNER'S CONSENT, INCLUDING BY MEANS OF AN AMENDMENT OR MODIFICATION TO THE NOTES AND THE TERMS AND CONDITIONS OF THE NOTES, SO AS TO GIVE EFFECT TO ANY SUCH EXERCISE OF SWISS RESOLUTION POWER OR ANY SUCH ORDERING OF RESTRUCTURING PROTECTIVE MEASURES.

BY ACCEPTANCE OF ANY DIRECT OR BENEFICIAL INTEREST IN THE NOTES, EACH HOLDER AND EACH BENEFICIAL OWNER OF NOTES THAT ACQUIRES ITS NOTES OR BENEFICIAL INTEREST THEREIN IN THE SECONDARY MARKET SHALL BE DEEMED TO ACKNOWLEDGE, AGREE TO BE BOUND BY AND CONSENT TO THE PROVISIONS SPECIFIED IN THE TERMS AND CONDITIONS TO THE SAME EXTENT AS THE HOLDERS OF THE NOTES AND BENEFICIAL OWNERS OF NOTES THAT ACQUIRE THE NOTES UPON THEIR INITIAL ISSUANCE, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE ACKNOWLEDGEMENT AND AGREEMENT TO BE BOUND BY AND CONSENT TO THE TERMS AND CONDITIONS, INCLUDING THOSE TERMS AND PROVISIONS RELATING TO ANY SWISS RESOLUTION POWER AND ANY RESTRUCTURING PROTECTIVE MEASURES (EACH AS DEFINED IN THE TERMS AND CONDITIONS).

- (iv) It understands that the Issuer, the Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Regulation S Notes is no longer accurate, it shall promptly notify the Issuer and the relevant Dealer(s). If it is acquiring any Notes for the account of one or more qualified institutional buyers, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

Unless the applicable Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA and UK retail investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed, supplemented, modified and/or replaced by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area or in the UK. For the purposes of this provision:

- (a) 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 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; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA and UK retail investors" as "Not Applicable", in relation to each Member State of the European Economic Area and the United Kingdom (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed, supplemented, modified and/or replaced by the pricing supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

SELLING RESTRICTIONS ADDRESSING ADDITIONAL UNITED KINGDOM SECURITIES LAWS

In relation to each Tranche of Notes, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

- (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
- (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the "FSMA") by the Issuer;

- (b) *Financial Promotion*: 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 any Notes in circumstances in which Section 21(1) of the FSMA does not or would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) *General Compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

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 Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Base 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 offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) 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;
- (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
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

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 Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, that it will not offer or sell any Notes directly or indirectly, 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 Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree 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 Base 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 Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

TAIWAN

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to be represent and agree, that the Notes (i) have not been, and will not be registered or filed with, or approved by, the Financial Supervisory Commission of ROC and/or other regulatory authority of the ROC pursuant to the relevant securities laws and regulations, and (ii) may not be sold, issued or offered within the ROC through a public offering or in circumstances that constitute an offer with the meaning of the Securities and Exchange Act of the ROC or relevant laws and regulations that requires a registration or filing with, or approval of, the Financial Supervisory Commission of the ROC and/or any other regulatory authority of the ROC. No person or entity in the ROC has been authorised to offer or sell the Notes in the ROC.

HONG KONG

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- 1. it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") other than (a) to "professional investors" as defined in 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 "**Companies Ordinance**") or

which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

2. 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 of 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.

FRANCE

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, any Notes in France to qualified investors (*investisseurs qualifiés*), as defined in Article L.411-2 1° of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Base Prospectus, any Pricing Supplement or any other offering material relating to the Notes.

PEOPLE'S REPUBLIC OF CHINA

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus, or the Notes or any material or information contained or incorporated by reference in this Base Prospectus relating to the Notes, have not been, and will not be submitted to, or approved/verified by or registered with the China Securities Regulatory Commission ("CSRC") or other relevant governmental and regulatory authorities in the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan (the "PRC")) pursuant to relevant laws and regulations. Accordingly, the Notes may not be offered or sold directly or indirectly in the PRC and the Base Prospectus may not be supplied to the public in the PRC or used in connection with any offer for subscription or sale of the Notes in the PRC directly or indirectly. The material or information contained or incorporated by reference in the Base Prospectus relating to the Notes does not constitute 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 in by PRC investors that are authorised to engage in the purchase of securities of the type being offered or sold.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree with the Issuer that it has not made, and will not make, any offers, promotions, solicitations for sales of or for, as the case may be, any Notes in the PRC, except where permitted by the CSRC, the People's Bank of China and other competent authorities or where the activity otherwise is permitted under the PRC law. PRC investors should note that they themselves are responsible for informing themselves about observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verifications and/or registrations from all relevant governmental authorities (including but not limited to the CSRC, the People's Bank of China and/or the State Administration of Foreign Exchange), and complying with all the applicable PRC regulations, including but not limited to any relevant PRC foreign exchange regulations and/or outbound investment regulations.

AUSTRALIA

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**")) in relation to the Programme or any Notes has been (or will be) lodged with the Australian Securities and Investments Commission ("**ASIC**").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 Base Prospectus or any other offering material or advertisement relating to any 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.

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 Base Prospectus (including any amendment or supplement hereto) 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 Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of Notes made pursuant to Rule 144A.

GENERAL

Persons into whose hands this Base Prospectus comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of any Notes under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer nor any Dealer shall have responsibility therefor. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, but without limiting the generality of the preceding paragraph, and subject to any amendment or supplement which may be agreed with the Issuer in respect of any particular Series or Tranche, each purchaser of Notes must comply with the restrictions described above, except to the extent that, as a result of changes in, or in the official interpretation of, any applicable legal or regulatory requirements, non-compliance would not result in any breach of the requirements set forth in the preceding paragraph.

GENERAL INFORMATION

1. The update of the Programme was authorised by the Group Treasurer of the Issuer on 23 July 2019. The Issuer has obtained or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
2. Except as otherwise disclosed in this Base 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.
3. Except as otherwise disclosed in this Base 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 30 June 2020.
4. Based on article 39 of the Articles of Association, the Issuer's shareholders elect the auditors for a term of office of one year. At the AGMs of 2 May 2019 and 29 April 2020, Ernst & Young were elected as auditors for the consolidated and standalone financial statements of the Issuer for a one-year term. Ernst & Young is a member of EXPERTsuisse, and the Swiss Expert Association for Audit, Tax and Fiduciary.
5. As long as any Notes are admitted to trading on the SIX Swiss Exchange, at least one Paying Agent will be maintained in Zurich.
6. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers 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. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. For the purpose of this paragraph the term "affiliates" include also parent companies.
7. The language of this Base 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 under applicable law.
8. The Legal Entity Identifier ("LEI") code of the Issuer is 549300SZJ9VS8SGXAN81.

REGISTERED OFFICE OF THE ISSUER

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Switzerland

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DEALERS

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FISCAL AGENT

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UBS AG
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To the Issuer as to Swiss law
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Switzerland

To the Issuer as to New York law

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125 Broad Street
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