



High-trigger loss-absorbing additional tier 1 capital instrument

Issuer	UBS AG
ISIN	- ¹
Issue Date	16.02.2024
Currency	USD
Nominal (million)	300
Interest Rate	Compounded Daily SOFR + 426 bps (with a minimum of zero)
Maturity Date	perpetual
First Call Date	01.03.2029

¹ UBS Group internal capital loan.

Termsheet – Additional Tier 1 Capital Loan

Lender	UBS Group AG (the Lender)
Borrower	UBS AG (the Borrower)
Instrument	Perpetual Write-Down Subordinated Floating Rate Loan (the Loan)
Regulatory Qualification	<p>Additional Tier 1 Capital, counted towards both the Going-Concern LR Requirement and the Going-Concern RWA Requirement, in each case, of the Borrower on a stand-alone basis and (to the extent applicable) of the Borrower Group (as defined below) on a consolidated basis.</p> <p>Additional Tier 1 Capital means, at any time, any item that qualifies as additional tier 1 capital (<i>zusätzliches Kernkapital</i>) under National Regulations at such time.</p> <p>Capital Adequacy Ordinance means the Swiss Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Dealers, which entered into force on 1 January 2013, and as amended from time to time, or any successor Swiss law or regulation.</p> <p>FINMA means the Swiss Financial Market Supervisory Authority FINMA or any successor thereto.</p> <p>Going-Concern LR Requirement means a requirement under National Regulations for systemically relevant banks (<i>systemrelevante Banken</i>) to hold a minimum amount of going-concern capital (<i>Eigenmittel zur ordentlichen Weiterführung der Bank</i>), which amount is set by reference to the leverage ratio (<i>Höchstverschuldungsquote</i>) of such bank.</p> <p>Going-Concern RWA Requirement means a requirement under National Regulations for systemically relevant banks (<i>systemrelevante Banken</i>) to hold a minimum amount of going-concern capital (<i>Eigenmittel zur ordentlichen Weiterführung der Bank</i>), which amount is set by reference to the risk weighted assets (<i>risikogewichtete Positionen</i>) of such bank.</p> <p>National Regulations means, at any time, (i) the Swiss national banking and capital adequacy laws, and (ii) the capital adequacy regulations promulgated by the Swiss Federal Council (<i>Bundesrat</i>) or the FINMA and the interpretation thereof by the FINMA or any other competent Swiss authority, in the case of each of clauses (i) and (ii), directly applicable to the Borrower and/or the Borrower Group (as defined below) at such time.</p>
Principal Amount	USD 300,000,000
Maturity	The Loan is a perpetual loan in respect of which there is no fixed repayment date. Unless previously repaid in accordance with the provisions described under " <i>Optional Repayment</i> " below and subject to a Contingent Write-down, the Loan is perpetual and may only be repaid in accordance with the provisions as described under " <i>Optional Repayment</i> " below.
Documentation	The Loan will be documented pursuant to a bilateral loan agreement. It is currently not envisaged to issue a security. However, the Borrower may, at any time and at its sole discretion, opt to issue a security to the Lender mirroring

the terms and conditions of this Loan. Following the issuance of such security, the Loan shall be deemed to have been replaced and superseded by the security.

Status

The Loan constitutes direct, unsecured and subordinated obligations of the Borrower. The rights and claims of the Lender against the Borrower under the Loan are subordinated as described below.

In the event of (i) a Bankruptcy Event or (ii) an order being made, or an effective resolution being passed, for the liquidation or winding-up of the Borrower (except, in any such case, a solvent liquidation or winding-up of the Borrower solely for the purposes of a reorganization, reconstruction or amalgamation of the Borrower or the substitution in place of the Borrower of a successor in business to the Borrower, the terms of which reorganization, reconstruction, amalgamation or substitution (x) have previously been approved by the Lender and (y) do not provide that the Loan shall become repayable in accordance with the terms and conditions of the Loan), the rights and claims of the Lender against the Borrower in respect of or arising under (including, without limitation, any damages awarded for breach of any obligation under) the Loan will, subject to any obligations that are mandatorily preferred by law, rank (A) junior to the rights and claims of all holders of Senior Obligations, (B) *pari passu* with the rights and claims of holders of Parity Obligations and (C) senior to the rights and claims of holders of Junior Obligations.

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

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

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

Junior Obligations means (i) all classes of share capital and participation securities (if any) of the Borrower and (ii) all other obligations (including any guarantee, credit support agreement or similar undertaking) of the Borrower that rank, or are expressed to rank, junior to claims in respect of the Loan and/or any Parity Obligation.

Parity Obligations means (i) all obligations of the Borrower in respect of Tier 1 Instruments (excluding any such obligations that rank, or are expressed to rank, junior to claims in respect of the Loan) and (ii) any other securities or obligations (including any guarantee, credit support agreement or similar undertaking) of the Borrower that rank, or are expressed to rank, *pari passu*

with claims in respect of the Loan and/or any Parity Obligation. For purposes of this definition,

- (i) **Tier 1 Instruments** means any and all (A) securities or other obligations (other than Tier 1 Shares) issued by the Borrower, or (B) shares, securities, participation securities or other obligations (other than Tier 1 Shares) issued by a subsidiary of the Borrower and having the benefit of a guarantee, credit support agreement or similar undertaking of the Borrower, each of which shares, securities, participation securities or other obligations described in subclauses (A) and (B) of this definition qualify, or are issued in respect of a security that qualifies, as Tier 1 Capital of the Borrower Group (as defined below) and/or the Borrower (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or unconsolidated (*Einzelinstitut*) basis.
- (ii) **Tier 1 Capital** means Additional Tier 1 Capital or any item that qualifies as common equity tier 1 capital pursuant to National Regulations.
- (iii) **Tier 1 Shares** means all classes of share capital and participation certificates (if any) of the Borrower or any subsidiary of the Borrower that qualify as common equity tier 1 capital of the Borrower Group (as defined below) and/or the Borrower under National Regulations on a consolidated (*Finanzgruppe*) or unconsolidated (*Einzelinstitut*) basis.

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

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

Utilization Date 16 February 2024

Interest Subject to a Contingent Write-down, the Loan will bear interest on its principal amount from (and including) the Utilization Date at the applicable Floating Rate of Interest (as defined under "*Floating Rate of Interest*" below). Subject to a Contingent Write-down and/or cancellation in accordance with "*Optional Cancellation of Interest*" or "*Mandatory Cancellation of Interest*" below, interest on the Loan will be payable annually in arrears on 1 March of each year (each, such date as may be adjusted pursuant to the immediately succeeding sentence, an **Interest Payment Date**), for the first time on 1 March 2025. If any Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Subject to a Contingent Write-down, if the Borrower elects to repay the Loan pursuant to the provisions described under "*Optional Repayment*" below, interest on the Loan will accrue up to (but excluding) the due date for repayment and will cease to accrue on the due date for repayment; *provided, however,* that if the payment with respect to the Loan is improperly withheld or refused on such date, interest will continue to accrue on the principal amount of the Loan (both before and after judgment) at the relevant Floating Rate of Interest to (but excluding) the date on which the full amount of such payment has been received by the Lender.

The amount of interest payable on any date (including, for the avoidance of doubt, any Interest Payment Date) will be calculated on an Actual/360 day count basis.

Upon the occurrence of a Write-down Event, interest on the Loan will cease to accrue and any accrued and unpaid interest as at the time of such Write-down Event (whether or not due and payable) will be written down to zero in accordance with the provisions described under "*Contingent Write-down*" below.

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Zurich.

Floating Rate of Interest

The rate of interest applicable to the Loan for each Interest Period (the **Floating Rate of Interest**) will, subject as provided below, be the greater of (i) Compounded Daily SOFR for such Interest Period plus 426 basis points per annum, and (ii) zero, all as determined by the Borrower.

Compounded Daily SOFR means, in respect of any Interest Period, the rate calculated by the Borrower 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):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

d means the number of calendar days in the relevant Observation Period;

d₀ means the number of US Government Securities Business Days in the relevant Observation Period;

i means a series of whole numbers from 1 to d₀, each representing the relevant US Government Securities Business Days in chronological order from (and including) the first US Government Securities Business Day in the relevant Observation Period;

n_i means, for any US Government Securities Business Day i in the relevant Observation Period, the number of calendar days from (and including) such US Government Securities Business Day i to (but excluding) the first following US Government Securities Business Day; and

SOFR_i means, in respect of any US Government Securities Business Day i in the relevant Observation Period, the SOFR Reference Rate in respect of such US Government Securities Business Day i.

Interest Determination Date means, in relation to any Interest Period, the second US Government Securities Business Day prior to the day on which such Interest Period ends.

Interest Period means each period beginning on (and including) an Interest Payment Date (or, in the case of the first Interest Period, the Utilization Date) and ending on (but excluding) the next Interest Payment Date; *provided, however,* that, in the case of any Interest Period during which the Loan becomes due and payable on a date other than an Interest Payment Date, such Interest Period will end on but exclude such date on which the Loan becomes due and payable

Definitions for Compounded Daily SOFR

For purposes of the definition of Compounded Daily SOFR, the following terms have the following meaning:

Corresponding Tenor means, with respect to a SOFR Benchmark Replacement, a tenor (including overnight) having approximately the same

length (disregarding any applicable business day convention) as the applicable tenor for the then-current SOFR Benchmark.

ISDA Definitions means the 2021 ISDA Interest Rate Derivatives Definitions (including the relevant matrix and any successor matrix thereto) as published by the International Swaps and Derivatives Association, Inc. and as supplemented, amended and updated from time to time.

ISDA Fallback Adjustment means, with respect to any ISDA Fallback Rate, the spread adjustment, which may be a positive or negative value or zero, that would be applied to such ISDA Fallback Rate in the case of derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the then-current SOFR Benchmark for the applicable tenor.

ISDA Fallback Rate means, with respect to the then-current SOFR Benchmark, the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the SOFR Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

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

Observation Period means, in respect of any Interest Period, the period from (and including) the date falling two US Government Securities Business Days prior to the first day of such Interest Period to (but excluding) the date falling two US Government Securities Business Days prior to the last day of such Interest Period (but which last day is by definition excluded from such Interest Period).

Relevant SOFR Governmental Body means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

SOFR means, in respect of any US Government Securities Business Day, the daily secured overnight financing rate for such US Government Securities Business Day as provided by the Federal Reserve Bank of New York as the administrator of such rate (or any successor administrator of such rate).

SOFR Benchmark means SOFR, *provided* that if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR or such other then-current SOFR Benchmark, then "SOFR Benchmark" means the applicable SOFR Benchmark Replacement.

SOFR Benchmark Replacement means, with respect to the then-current SOFR Benchmark, the first alternative set forth in the order presented below that can be determined by the Borrower as of the SOFR Benchmark Replacement Date with respect to the then-current SOFR Benchmark:

- (a) the sum of (x) the alternate rate of interest that has been selected or recommended by the Relevant SOFR Governmental Body as the replacement for the then-current SOFR Benchmark for the applicable Corresponding Tenor and (y) the SOFR Benchmark Replacement Adjustment; or
- (b) the sum of (x) the ISDA Fallback Rate and (y) the SOFR Benchmark Replacement Adjustment; or
- (c) the sum of (x) the alternate rate of interest that has been selected by the Borrower as the replacement for the then-current SOFR Benchmark for the applicable Corresponding Tenor, *provided* that, (i)

if the Borrower determines that there is an industry-accepted replacement rate of interest for the then-current SOFR Benchmark for US dollar-denominated floating rate notes at such time, it shall select such industry-accepted rate, and (ii) otherwise, it shall select such rate of interest that it has determined is most comparable to the then-current SOFR Benchmark, and (y) the SOFR Benchmark Replacement Adjustment.

SOFR Benchmark Replacement Adjustment means, with respect to any SOFR Benchmark Replacement, the first alternative set forth in the order below that can be determined by the Borrower as of the SOFR Benchmark Replacement Date with respect to the then-current SOFR Benchmark:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment, which may be a positive or negative value or zero, that has been selected or recommended by the Relevant SOFR Governmental Body for the applicable Unadjusted SOFR Benchmark Replacement;
- (b) if the applicable Unadjusted SOFR Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment;
- (c) the spread adjustment, which may be a positive or negative value or zero, that has been selected by the Borrower to be applied to the applicable Unadjusted SOFR Benchmark Replacement in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to the Borrower as a result of the replacement of the then-current SOFR Benchmark with such Unadjusted SOFR Benchmark Replacement for purposes of determining the SOFR Reference Rate, which spread adjustment shall be consistent with any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, applied to such Unadjusted SOFR Benchmark Replacement where it has replaced the then-current SOFR Benchmark for US dollar-denominated floating rate notes at such time.

For purposes of this definition, **Unadjusted SOFR Benchmark Replacement** means the SOFR Benchmark Replacement excluding the SOFR Benchmark Replacement Adjustment.

SOFR Benchmark Replacement Date means, with respect to the then-current SOFR Benchmark, the earliest to occur of the following events with respect thereto:

- (a) in the case of clause (a) or (b) of the definition of the term "SOFR Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark; or
- (b) in the case of clause (c) of the definition of the term "SOFR Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the SOFR Benchmark Replacement Date occurs on the same day as, but earlier than, the Specified Time in respect of any determination, the SOFR Benchmark Replacement Date will be deemed to have occurred prior to the Specified Time for such determination.

SOFR Benchmark Transition Event means, with respect to the then-current SOFR Benchmark, the occurrence of one or more of the following events with respect thereto:

- (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark announcing that such

administrator has ceased or will cease to provide the SOFR Benchmark, permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark;

- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark, the central bank for the currency of the SOFR Benchmark, an insolvency official with jurisdiction over the administrator for the SOFR Benchmark, a resolution authority with jurisdiction over the administrator for the SOFR Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark, which states that the administrator of the SOFR Benchmark has ceased or will cease to provide the SOFR Benchmark permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark; or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark announcing that the SOFR Benchmark is no longer representative.

SOFR Reference Rate means, in respect of any US Government Securities Business Day,

- (a) a rate equal to SOFR in respect of such US Government Securities Business Day appearing on the New York Federal Reserve's Website at or about the Specified Time on the US Government Securities Business Day immediately following such US Government Securities Business Day; or
- (b) if SOFR in respect of such US Government Securities Business Day does not appear as specified in clause (a) above, unless the Borrower determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR at or prior to the Specified Time on the US Government Securities Business Day immediately following such US Government Securities Business Day, SOFR in respect of the last US Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or
- (c) if SOFR in respect of such US Government Securities Business Day does not appear as specified in clause (a) above and the Borrower determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then-current SOFR Benchmark at or prior to the Specified Time on the US Government Securities Business Day immediately following such US Government Securities Business Day (or, if the then-current SOFR Benchmark is not SOFR, at or prior to the Specified Time on the Alternative Relevant Date), then (subject to the subsequent operation of this clause (c)) from (and including) the US Government Securities Business Day immediately following such US Government Securities Business Day (or the Alternative Relevant Date, as applicable) (the **Affected US Government Securities Business Day**), "SOFR Reference Rate" means, in respect of any US Government Securities Business Day, the applicable SOFR Benchmark Replacement for such US Government Securities Business Day appearing on, or obtained from, the Alternative Relevant Source at the Alternative Specified Time on the Alternative Relevant Date,

in each case, as determined by the Borrower.

Specified Time means 3:00 p.m. New York City time.

US Government Securities Business Day means any day that is not a Saturday or a Sunday and is not a day on which the Securities Industry and Financial Markets Association or any successor organization recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US government securities.

Benchmark Replacement

If the SOFR Benchmark Replacement is at any time required to be used pursuant to clause (c) of the definition of the term "SOFR Reference Rate", then,:

- (a) the Borrower will determine:
 - (i) the SOFR Benchmark Replacement with respect to the then-current SOFR Benchmark in accordance with the definition thereof; and
 - (ii) the method for determining the rate described in subclause (a)(x), (b)(x) or (c)(x), as applicable, of the definition of the term "SOFR Benchmark Replacement" (including (w) the page, section or other part of a particular information service on or source from which such rate appears or is obtained (the **Alternative Relevant Source**), (x) the time at which such rate appears on, or is obtained from, the Alternative Relevant Source (the **Alternative Specified Time**), (y) the day on which such rate will appear on, or is obtained from, the Alternative Relevant Source in respect of each US Government Securities Business Day (the **Alternative Relevant Date**), and (z) any alternative method for determining such rate if is unavailable at the Alternative Specified Time on the applicable Alternative Relevant Date), which method shall be consistent with industry-accepted practices for such rate;
- (b) from (and including) the Affected US Government Securities Business Day, references to the Specified Time in the terms and conditions of the Loan shall be deemed to be references to the Alternative Specified Time.

Optional Cancellation of Interest

The Borrower may, at its discretion, elect to cancel all or part of any payment of interest that is otherwise scheduled to be paid on an Interest Payment Date. This provision is without prejudice to the provisions described under "*Mandatory Cancellation of Interest*" below. Non-payment of any amount of interest by the Borrower to the Lender will constitute evidence of cancellation of the relevant payment, whether or not notice of cancellation has been given by the Borrower.

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

If the Borrower determines, after consultation with the FINMA, that the Loan does not, or will cease to, fully qualify as Additional Tier 1 Capital, (A) the Borrower shall not, to the extent permitted under National Regulations, exercise its discretion pursuant to the provisions described above to cancel any interest payments due on the Loan on any Interest Payment Date following the occurrence of such determination, and (B) the Borrower shall give notice to the Lender as soon as practicable after such determination stating that the

Borrower may no longer exercise its discretion pursuant to the provisions described above to cancel any interest payments as from the date of such notice.

**Mandatory
Cancellation of
Interest**

The Borrower will be prohibited from making, in whole or in part, any payment of interest on the Loan on the relevant Interest Payment Date if and to the extent that:

- (A) the amount of Distributable Items as at such Interest Payment Date is less than the sum of
- (1) the amount of such interest payment, plus
 - (2) all other payments (other than redemption payments) made by the Borrower on the Loan and on or in respect of any Parity Obligations or Junior Obligations since the balance sheet date of the Relevant Accounts and prior to such Interest Payment Date, plus
 - (3) all payments (other than redemption payments) payable by the Borrower on such Interest Payment Date on or in respect of any Parity Obligations or Junior Obligations,
- in the case of each clauses (1), (2) and (3), excluding any portion of such payments already accounted for in determining the amount of such Distributable Items; and/or
- (B) the Borrower is not, or will not immediately after the relevant payment of interest be, in compliance with all applicable minimum capital adequacy requirements of the National Regulations on a consolidated (*Finanzgruppe*) or unconsolidated (*Einzelinstitut*) basis (for the avoidance of doubt, it being understood that such minimum requirements will reflect any reduction in such requirements granted by the FINMA to the Borrower Group (as defined below) or the Borrower, respectively, pursuant to the Capital Adequacy Ordinance); and/or
- (C) the FINMA has required the Borrower not to make such interest payment.

The Borrower shall give notice to the Lender as soon as practicable following any determination that interest is required to be cancelled pursuant to this provision or, where no such prior determination is made, promptly following any Interest Payment Date on which interest was scheduled to be paid if such interest is being cancelled in accordance with this provision. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or give the Lender any rights as a result of such failure.

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

Relevant Accounts means, in respect of any Interest Payment Date, the most recent audited unconsolidated annual financial statements of the Borrower prepared in accordance with the Swiss Code.

Non-Cumulative Interest And No Event of Default Any interest cancelled (in whole or in part) in accordance with the provisions under "*Optional Cancellation of Interest*" or "*Mandatory Cancellation of Interest*" above will not accumulate or be payable at any time thereafter. Non-payment of interest so cancelled will not constitute a default or an Event of Default by the Borrower for any purpose, and the Lender shall have no right thereto whether in a liquidation, dissolution or insolvency of the Borrower or otherwise.

Taxation All payments in respect of the Loan shall be made without withholding or deduction for any taxes or duties of whatever nature imposed or levied by or on behalf of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having the power to tax, unless the withholding or deduction is required by law. In that event, the Borrower will pay such additional amounts (**Additional Amounts**) as may be necessary in order that the net amounts received by the Lender shall equal the amounts which would have been receivable in the absence of any withholding or deduction.

Tax Jurisdiction means Switzerland.

Optional Repayment The Borrower may, in its sole discretion, repay the Loan, in whole but not in part, upon giving prior notice to the Lender, which notice will be irrevocable and specify the date fixed for repayment (the **Repayment Date**):

- (i) at any time on or after 1 March 2029, at the Loan's principal amount together with any accrued and unpaid interest thereon to (but excluding) the Repayment Date; or
- (ii) upon the occurrence of a Tax Event at any time after the Utilization Date, at the Loan's principal amount, together with any accrued and unpaid interest thereon to (but excluding) such Repayment Date; or
- (iii) upon the occurrence of a Regulatory Event at any time after the Utilization Date, at the Loan's principal amount, together with any accrued and unpaid interest thereon to (but excluding) such Repayment Date,

provided that, (A) in the case of any repayment described in clauses (i) or (ii) above, the FINMA has approved such repayment (if such approval is then required) and (B) no Trigger Event or Viability Event has occurred prior to the relevant Repayment Date.

A **Tax Event** is deemed to have occurred if the Borrower in making any payments on the Loan (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 Loan, in the case of each of subclauses (A) and (B), under the laws or regulations of a Tax Jurisdiction or any political subdivision thereof or any authority of or in a Tax Jurisdiction or any political subdivision thereof having the power to impose, levy, collect, withhold or assess taxes, including, without limitation, any treaty to which a Tax Jurisdiction is a party, or any generally published application or interpretation of such laws (including, without limitation, a decision of any court or tribunal, any generally published application or interpretation of such laws by any relevant tax authority or any generally published pronouncement by any relevant tax authority), and the Borrower cannot avoid the foregoing by taking measures reasonably available to it.

A **Regulatory Event** will have occurred if the Loan ceases to be eligible in full to be (A) treated as Additional Tier 1 Capital of the Borrower on a standalone basis or (to the extent applicable) of the Borrower Group (as defined below) on a consolidated basis, and/or (B) counted towards either the Going-Concern LR Requirement or the Going-Concern RWA Requirement (or both) of the

Borrower on a standalone basis or (to the extent applicable) of the Borrower Group (as defined below) on a consolidated basis.

Contingent Write-down

If the Borrower has given a Write-down Notice in accordance with the provisions described under "*Trigger Event*" or "*Viability Event*" below, then on the relevant Write-down Date:

- (i) the full principal amount of, and any accrued and unpaid interest (whether or not due and payable) on, the Loan will automatically be written down to zero, the Loan will be cancelled and all references to the principal amount of the Loan in the terms and conditions of the Loan will be construed accordingly;
- (ii) the Lender will be automatically deemed to have irrevocably waived its right to receive, and will no longer have any rights against the Borrower with respect to, repayment of the principal amount of, and payment of any accrued and unpaid interest on, the Loan written down pursuant to clause (i) above (*bedingter Forderungsverzicht*); and
- (iii) all rights of the Lender for payment of any amounts under or in respect of the Loan (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) will become null and void, irrespective of whether such amounts have become due and payable prior to the relevant Write-down Notice Date or the Write-down Date.

Contingent Write-down means the events described in clauses (i) through (iii) above.

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

Write-down Notice means, with respect to any Contingent Write-down, the relevant Trigger Event Write-down Notice or Viability Event Write-down Notice, as applicable.

Write-down Notice Date means, with respect to any Contingent Write-down, the date of the relevant Write-down Notice.

Trigger Event

A **Trigger Event** is deemed to have occurred if the Borrower gives the Lender a Trigger Event Write-down Notice in accordance with the provisions described below.

If, with respect to any Notification Date, the Trigger CET1 Ratio as of such Notification Date is less than the Write-down Threshold, the Borrower shall (subject to the provisions described below), give a Trigger Event Write-down Notice to the Lender (x) if such Notification Date is an Ordinary Notification Date, within five Business Days of such Ordinary Notification Date (such fifth Business Day, the **Trigger Breach Determination Date**, and the date of such notice, the **Ordinary Trigger Event Notice Date**), and (y) if such Notification Date is an Extraordinary Notification Date, on such Extraordinary Notification Date (the **Extraordinary Trigger Event Notice Date**).

If the Borrower is required to give a Trigger Event Write-down Notice as described above, and on the relevant Notification Date any High-Trigger Contingent Capital is outstanding with respect to which either (x) no High-Trigger Write-down|Conversion Notice has been given prior to the Trigger Event Notice Date or (y) a High-Trigger Write-down|Conversion Notice has been given prior to the Trigger Event Notice Date, but the Trigger Event Write-down Date is scheduled to occur prior to the relevant High-Trigger Write-down|Conversion Date,

- (i) in the case of clause (x) above, the Borrower will postpone giving such Trigger Event Write-down Notice until the date on which a High-Trigger Write-down|Conversion Notice has been given with respect to all such outstanding High-Trigger Contingent Capital and such date will be deemed to be the Trigger Event Notice Date; and
- (ii) in the case of clauses (x) and (y) above, if the Trigger Event Write-down Date is scheduled to occur prior to the High-Trigger Write-down|Conversion Date (or, in the case of more than one High-Trigger Write-down|Conversion Date, the latest High-Trigger Write-down|Conversion Date), the Trigger Event Write-down Date will be postponed to the High-Trigger Write-down|Conversion Date (or the latest High-Trigger Write-down|Conversion Date, as applicable) and such postponement shall be specified in such Trigger Event Write-down Notice.

If (A) the Borrower is required to give a Trigger Event Write-down Notice pursuant to the second paragraph above in relation to an Ordinary Notification Date, and (B) prior to the earlier of the Ordinary Trigger Event Notice Date and the Trigger Breach Determination Date, the FINMA, upon the request of the Borrower, has agreed in writing that a Contingent Write-down is not required as a result of actions taken by the UBS Group or circumstances or events (including any capital injections from UBS Group AG or any other member of the UBS Group), in each case, that have had, or imminently will have, the effect of restoring the CET1 Ratio as of the Balance Sheet Date relating to the relevant Ordinary Notification Date, after giving pro forma effect to such actions, circumstances or events, to a level above the Write-down Threshold that the FINMA and the Borrower deem, in their sole discretion, to be adequate at such time, the Borrower (x) shall not give such Trigger Event Write-down Notice pursuant to the second paragraph above in relation to the relevant Ordinary Notification Date, and (y) shall give notice to the Lender on or prior to the Trigger Breach Determination Date, which notice shall state that no Contingent Write-down will occur in relation to the relevant Ordinary Notification Date.

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

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

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

BIS Risk Weighted Assets means, as of any Balance Sheet Date, the aggregate amount, in the Presentation Currency, of risk-weighted assets of the Borrower Group or the Borrower, as applicable, as of such Balance Sheet Date, as determined by the Borrower pursuant to the BIS Regulations applicable to the Borrower Group or the Borrower, respectively, as of such Balance Sheet Date, and as disclosed in the Quarterly Financial Accounts or the Reviewed Interim Measurement. For the avoidance of doubt, the term "risk-weighted assets" as used in this definition has the meaning assigned to such term in the BIS Regulations in effect as of the relevant Balance Sheet Date.

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

CET1 Capital means, as of any Balance Sheet Date, the aggregate amount, in the Presentation Currency, of items that constitute common equity tier 1 capital of the Borrower Group or the Borrower, as applicable, as of such Balance Sheet Date, less any deductions from common equity tier 1 capital required to be made, in each case as determined by the Borrower pursuant to the BIS Regulations applicable to the Borrower as of such Balance Sheet Date, and as disclosed in the Quarterly Financial Accounts or the Reviewed Interim Measurement. For the avoidance of doubt, the term "common equity tier 1 capital" as used in this definition has the meaning assigned to such term in the BIS Regulations in effect as of the relevant Balance Sheet Date.

CET1 Ratio means, as of any Balance Sheet Date, the CET1 Capital as of such Balance Sheet Date, divided by the BIS Risk Weighted Assets as of such Balance Sheet Date, expressed as a percentage, such ratio (or the components thereof) as determined by the Borrower and as disclosed in the Quarterly Financial Accounts or the Reviewed Interim Measurement.

Extraordinary Notification Date means the Business Day on which a Reviewed Interim Measurement is notified to the Lender upon the instruction of the FINMA, after the FINMA has determined that the conditions for issuing a Trigger Event Write-down Notice in accordance with the provisions described under "*Trigger Event*" have been met.

High-Trigger Amount means, as of any Notification Date, the sum of (i) the maximum portion of the aggregate principal amount, in the Presentation Currency, of all High-Trigger Contingent Capital, if any, outstanding on the relevant Balance Sheet Date that could be converted into equity and/or fully or partially written down, or otherwise operate to increase the CET1 Capital, if a High-Trigger Write-down/Conversion Notice were delivered in accordance with the terms thereof, and (ii) the maximum portion of the aggregate principal amount, in the Presentation Currency, of all High-Trigger Contingent Capital, if any, issued after the relevant Balance Sheet Date, but prior to such Notification Date, that could be converted into equity and/or fully or partially written down, or otherwise operate to increase the CET1 Capital, if a High-Trigger Write-down/Conversion Notice were delivered in accordance with the terms thereof, in the case of each of clauses (i) and (ii), as determined by the Borrower. For purposes of clause (ii) of this definition and, in the case of an Extraordinary Notification Date, clause (i) of this definition, the aggregate principal amount of any High-Trigger Contingent Capital that is not denominated in the Presentation Currency will be converted into the Presentation Currency at the applicable prevailing exchange rate on the last Business Day preceding the relevant Notification Date, as determined by the Borrower. In the case of an Ordinary Notification Date, for purposes of clause (i) of this definition, the aggregate principal amount of any High-Trigger Contingent Capital that is not denominated in the Presentation Currency will be converted into the Presentation Currency at the applicable exchange rate used for such purposes in the relevant Quarterly Financial Accounts.

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

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

Notification Date means an Ordinary Notification Date or an Extraordinary Notification Date, as the case may be.

Ordinary Notification Date means each Business Day on which Quarterly Financial Accounts are notified to the Lender, which date shall fall no later than ten Business Days after the day on which the Auditor has made its report relating to the relevant Quarterly Financial Accounts available to the Borrower.

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

Quarterly Financial Accounts means (i) in case the Borrower establishes consolidated financial statements for the Borrower Group pursuant to National Regulations, such consolidated financial statements of the Borrower Group (including the notes thereto) in respect of a calendar quarter, or (ii) if no consolidated financial statements are established for the Borrower Group, the financial statements of the Borrower (including the notes thereto) in respect of a calendar quarter, which, in each case, have been reviewed by the Auditor in accordance with the International Standards on Auditing; *provided, however*, that, if the financial statements of the Borrower Group or the Borrower, as applicable, in respect of the last quarter of any year are not so reviewed, the term "Quarterly Financial Accounts" in respect of such quarter will mean instead the annual financial statements of the Borrower Group or the Borrower, as applicable (including the notes thereto) in respect of such year, which have been audited by the Auditor in accordance with the International Standards on Auditing for such year, or (iii) in the event that the Borrower or (to the extent applicable) the Borrower Group does not establish quarterly financial statements as described in clause (i) or (ii) of this definition, respectively, the financial disclosures established by the Borrower or the Borrower Group, respectively, pursuant to and in compliance with FINMA Circular 2016/01 "Capital Adequacy Disclosures Banks", as amended from time to time, or pursuant to and in compliance with any successor circular or regulation applicable to the Borrower or the Borrower Group, respectively, *provided* that such financial disclosures are established for each financial quarter and the interim earnings included in such disclosures have been reviewed by the Auditor in accordance with International Standards on Auditing.

Reviewed Interim Measurement means an interim measurement of the CET1 Ratio, with respect to which the Auditor has performed procedures in accordance with the International Standard on Related Services (and relevant

Swiss standards and practices) applicable to agreed-upon procedures engagements.

Trigger CET1 Ratio means, as of any Notification Date, (i) the sum of (x) the CET1 Capital as of the relevant Balance Sheet Date and (y) the High-Trigger Amount as of such Notification Date, divided by (ii) the BIS Risk Weighted Assets as of the relevant Balance Sheet Date, expressed as a percentage.

Trigger Event Write-down Notice means, with respect to any Notification Date, a notice (i) stating that (x) the Trigger CET1 Ratio as of such Notification Date is less than the Write-down Threshold, and (y) a Contingent Write-down will take place and (ii) specifying the date on which the Contingent Write-down will take place, which date shall, subject to postponement pursuant to the provisions described above, be no later than 10 Business Days after the date of such notice (the **Trigger Event Write-down Date**).

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

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

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

Write-down Threshold means 7 per cent.

Viability Event

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

- (i) the FINMA has notified the Borrower in writing that it has determined a write-down of the Loan, together with the conversion or write down, as applicable, of holders' claims in respect of all other capital instruments issued by, or other capital obligations (whether qualifying fully or partially for capital treatment) of, any member of the Borrower Group that, pursuant to their terms or by operation of law, are capable of being converted into equity or written down at that time, is, because customary measures to improve the Borrower's capital adequacy (including any capital injections from UBS Group AG or any other member of the UBS Group) are at the time inadequate or infeasible, an essential requirement to prevent the Borrower from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business; or
- (ii) customary measures to improve the Borrower's capital adequacy being at the time inadequate or infeasible, the Borrower has received an irrevocable commitment of direct or indirect extraordinary support from the Public Sector (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving the Borrower's capital adequacy and without which, in the determination of (and as notified in writing by) the FINMA, the Borrower would have become insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business.

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

Subject to the provisions described under "*Alternative Loss Absorption*" below, upon the occurrence of a Viability Event, (A) the Borrower shall give notice to the Lender within three days of the date on which such Viability Event occurred, which notice shall (x) state that a Viability Event has occurred and a Contingent Write-down will take place and (y) specify the date on which the Contingent Write-down will take place, which date shall be no later than 10 Business Days after the date of such notice (such specified date, the **Viability Event Write-down Date**, and such notice, a **Viability Event Write-down Notice**), and (B) a Contingent Write-down will occur on the Viability Event Write-down Date in accordance with the provisions governing a Contingent Write-down.

Public Sector means the government of, or a governmental agency or the central bank in, the country of incorporation of the Borrower.

Alternative Loss Absorption

In the event of the implementation of any new, or amendment to or change in the interpretation of any existing, laws or components of National Regulations, in each case occurring after the Utilization Date, that alone or together with any other law(s) or regulation(s) has, in the joint determination of the Borrower and the FINMA, the effect that the provisions described under "*Viability Event*" above could cease to apply to the Loan without giving rise to a Regulatory Event, then the Borrower shall give notice to the Lender no later than five Business Days after such joint determination stating that such provisions will cease to apply from the date of such notice (the **Alternative Loss Absorption Date**), and from the date of such notice, such provisions will cease to apply to the Loan.

Amendment

- (a) If a Tax Event or a Regulatory Event has occurred, the Borrower may, without the consent of the Lender, amend the terms and conditions of the Loan so that it remains or becomes, a Compliant Instrument, *provided* that
- (i) neither a Tax Event, nor a Regulatory Event arises as a result of such amendment;
 - (ii) the FINMA has approved such amendment (if such approval is then required);
 - (iii) the Borrower has given the Lender prior notice of such amendment, which notice (the "**Amendment Notice**") will, subject to clause (iv) below, be irrevocable, and state the date on which such amendment will be effective (the "**Amendment Effective Date**"); and
 - (iv) no Trigger Event or Viability Event has occurred prior to the relevant Amendment Effective Date.

Compliant Instrument means a loan granted to, or a security issued by, the Borrower or any of its subsidiaries that have economic terms not materially less favorable to the Lender than the terms and conditions of the Loan (as reasonably determined by the Borrower), provided that

- (i) such loan or security (A) includes terms that provide for the same interest rate and principal from time to time applying to the Loan, (B) ranks *pari passu* with the Loan and (C) preserves any existing rights under the terms and conditions of the Loan to any accrued

and unpaid interest that has not been satisfied; and

- (ii) where such loan is extended to, or such security is issued by, a subsidiary of Borrower, the Borrower has irrevocably and unconditionally guaranteed to the Lender, on a subordinated basis corresponding *mutatis mutandis* to the provisions described under "*Status*", the due and punctual payment of all amounts due and payable by such subsidiary under, or in respect of, such loan or security pursuant to article 111 of the Swiss Code.
- (b) If the SOFR Benchmark Replacement is at any time required to be used pursuant to clause (c) of the definition of the term "SOFR Reference Rate" and the Borrower has determined the SOFR Benchmark Replacement with respect to the then-current SOFR Benchmark as described under "*Benchmark Replacement*" above, then, if the Borrower determines that (x) changes to the definitions of Business Day, Compounded Daily SOFR, Interest Determination Date, Interest Payment Date, Interest Period, Observation Period, SOFR Reference Rate or US Government Securities Business Day or (y) any other technical changes to any other provision of the terms and conditions of the Loan (including any day count fraction or business day convention) are necessary in order to implement the SOFR Benchmark Replacement (including any alternative method described in subclause (a)(ii)(z) of the provisions described under "*Benchmark Replacement*" above) as the SOFR Benchmark in a manner substantially consistent with market practice (or, if the Borrower decides that adoption of any portion of such market practice is not administratively feasible or if the Borrower determines that no market practice for use of the SOFR Benchmark Replacement exists, in such other manner as the Borrower determines is reasonably necessary), the Borrower may, without the consent of the Lender, amend such definitions or other provisions of the terms and conditions of the Loan to reflect such changes, and shall promptly give notice to the Lender specifying such amendments to the terms and conditions of the Loan. Any amendment made by the Borrower pursuant to this clause (b) will be binding on the Lender in accordance with its terms.
- (c) Any amendment made pursuant to clause (a) or clause (b) above will be binding on the Lender in accordance with its terms.

Assignment

The Lender may, at any time and without having to obtain consent from the Borrower, transfer (*Vertragsübertragung*) its rights and obligations under this Loan in whole, but not in part, to any other member of the UBS Group. After giving effect to any such transfer, all references herein to the Lender shall be deemed to be references to such transferee.

Set-off

Subject to applicable law, the Lender, by acceptance of any direct or beneficial interest in the Loan, 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 Borrower in respect of, or arising in connection with, the Loan.

Events of Default

- (a) If any of the following events occurs, such occurrence will constitute an "**Event of Default**":
 - (i) the Borrower fails to pay the principal amount of the Loan if and when the same becomes due and payable under the terms and conditions

of the Loan, and such failure continues unremedied for a period of 30 days; or

- (ii) the Borrower fails to pay any interest on the Loan if and when the same becomes due and payable under the terms and conditions of the Loan, and such failure continues unremedied for a period of 30 days; or
- (iii) the Borrower fails to observe or perform any other covenant, condition, or agreement contained in the terms and conditions of the Loan and such failure either (A) is incapable of remedy or (B) continues unremedied for a period of 60 days after written notice thereof from the Lender to the Borrower; or
- (iv) a Bankruptcy Event;

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

- (b) Upon the occurrence of an Event of Default relating to any failure of the Borrower to meet any payment obligation under the terms and conditions of the Loan and subject to the provisions described under "*Contingent Write-down*", (i) such payment obligation (and such payment obligation only) will be immediately deemed a due and payable (*fällige*) payment obligation of the Borrower, and (ii) if (A) the Lender has formally requested payment of such payment obligation, (B) such payment obligation has not been fulfilled within the statutory period under Swiss law commencing after the date of such formal request and (C) a writ of payment (*Zahlungsbefehl*) has been issued with respect to such payment obligation pursuant to the DEBA, the Lender may institute proceedings against the Borrower in Switzerland (but not elsewhere) to enforce its rights with respect to such payment obligation under the DEBA.
- (c) If a debt collection or insolvency proceeding with respect to the Borrower is instituted in Switzerland in accordance with clause (b) of this provision, the Borrower shall not (i) after having received the writ of payment (*Zahlungsbefehl*) relating to the relevant payment obligation, argue or plead that such payment obligation is not due and payable by the Issuer, or (ii) prior to the declaration of bankruptcy (or similar proceeding under Swiss insolvency laws), make any payment to the Lender under or in connection with the Loan.
- (d) In the case of any Event of Default arising under clause (a)(iii) of this provision and subject to the provisions described under "*Contingent Write-down*" above, the Lender may seek specific performance or damages with respect to such Event of Default pursuant to the Swiss Code if so entitled thereunder. Any such damage claim of the Lender will rank junior to the rights and claims of all holders of Senior Obligations.
- (e) In the case of any Event of Default arising under clause (a)(iv) of this provision and subject to the provisions described under "*Contingent Write-down*" above, the Lender may, by written notice to the Borrower, declare the principal amount of the Loan, together with any accrued and unpaid interest thereon, immediately due and payable, without presentment, demand, protest or other notice of any kind.

- (f) No remedy against the Borrower other than those described in this provision will be available to the Lender in connection with the Borrower's obligations under the terms and conditions of the Loan, whether for the recovery of amounts owing under the terms and conditions of the Loan or in respect of any breach by the Borrower of any of its other obligations under the terms and conditions of the Loan or otherwise. In particular, the Lender may not declare (i) the principal amount of the Loan due and payable prior to any Repayment Date, or (ii) any interest on the Loan due and payable prior to the relevant Interest Payment Date, except, in the case of each of subclauses (i) and (ii) of this clause (f), pursuant to clause (e) of this provision.

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

**Governing Law
and Jurisdiction**

The Loan and all non-contractual obligations arising out of or in connection with the Loan shall be governed by and construed in accordance with the substantive laws of Switzerland.

The courts of the Canton of Zurich (venue being the City of Zurich) shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Loan, including any non-contractual obligations arising out of or in connection with the Loan.