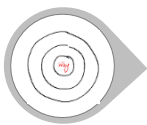


Total Reward Principles

Human Resources

The Total Reward Principles are fully aligned with our purpose and support our strategic imperatives. In the short to medium term, they also enable UBS to drive the economic and cultural integration of Credit Suisse and the long-term value creation of the combined firm. These guiding principles underpin our approach to compensation and define our compensation framework.



Support our purpose and strategy

Our compensation approach supports the firm's purpose and strategy, fosters engagement among employees and aligns their long-term interests with those of clients and stakeholders



Attract, retain and connect a diverse, talented workforce

We embrace a culture of diversity, equity, and inclusiveness. Pay at UBS is fair, reflects equal treatment and is competitive. In this way, our investment in a connected workforce supports the sustainability of the organization



Apply a pay-for-performance approach to promote development and our ways of working

The setting of clear objectives as well as a thorough evaluation of what was achieved and how it was achieved, combined with effective communication, promotes clarity, accountability and establishes a strong link between pay and performance. This approach emphasizes our Behaviors, which are Accountability with integrity, Collaboration and Innovation



Reinforce sustainable growth and support long term value creation

Compensation is appropriately balanced between fixed and variable elements and delivered over an adequate period to support our growth ambitions and sustainable performance



Support risk awareness and appropriate risk-taking

Our compensation structure encourages employees to have a focus on risk management and behave consistently with the firm's risk framework and appetite, thereby anticipating and managing risks effectively to protect our capital and reputation

Support our purpose and strategy

Compensation can positively influence employee behavior, motivation and the firm's culture. Therefore, our goal is to have a compensation approach that is fully aligned with our purpose and supports our strategic imperatives. This aims to ensure that the interests of our employees are aligned with those of our clients and other stakeholders, and encourages employees to live our strong and inclusive culture that is grounded in our three keys to success: our Pillars, Principles and Behaviors.

Our compensation approach supports our capital strength, risk management, and provides for simplification and efficiency. It encourages employees to focus on client centricity, connectivity and sustainable impact in everything they do. Moreover, we reward behaviors that help build and protect the firm's reputation, specifically Accountability with integrity, Collaboration and Innovation.

Attract, retain and connect a diverse, talented workforce

We firmly believe that diversity, equity, and inclusion are fundamental to achieving our purpose. To connect for a better world, providing equal support to all our employees, with their diverse experiences, perspectives and backgrounds, is critical to our success. We endeavor to attract, retain and connect diverse and talented professionals to build a sense of belonging and to advance our goals.

Our policies and practices are impartial and are designed to ensure that employees are appropriately rewarded for their contribution..

- We apply a holistic Total Reward approach, and generally, total compensation consists of fixed compensation, local market based benefits and, where applicable, a discretionary performance award. Fixed compensation generally consists of a base salary, reflecting an individual's level of skill, role and experience, as well as local market practice. Role-based allowances may also be provided, as

applicable.

- Annual performance award levels can fluctuate considerably from year to year, particularly for senior revenue producers and highly paid employees. Performance awards may be split between cash awards and deferred awards granted in equity, contingent capital, and/or other instruments.
- Certain benefits are offered to employees, such as health insurance or retirement benefits. These are set in the context of local market practice. We globally support the well-being of our employees and their diverse needs.
- Overall pay levels are aligned to pay competitively for comparable roles and performance.

Apply a pay-for-performance approach to promote development and our ways of working

Our compensation principles reflect a pay-for-performance approach that considers a number of factors, including Group, division, team and individual performance, as well as a distinct assessment of Behaviors that help build and protect the firm's reputation.

Employees must have a clear understanding of what their objectives are and receive regular and effective feedback on their performance. Therefore, we set aspirational financial and non-financial objectives at the beginning of the year aligned to strategic priorities, provide continuous feedback throughout the year to increase our focus on improvement and development, and assess employees' performance against set objectives at the end of the year.

We believe that how we deliver results is as important as the results themselves. Therefore, when assessing performance, we consider not only what was achieved but also how it was achieved.

Employees are assessed also on a relative basis against their peers within the firm. Our performance management enables UBS to fairly differentiate performance, and consequently provide compensation, in an objective, transparent and disciplined manner. It further aims to promote flexibility and agile ways of working supporting cross-functional collaboration in the organization and a continuous feedback culture.

Reinforce sustainable growth and support long term value creation

Across UBS and in all the markets in which we operate, the sustainable performance and achievement of strategic growth ambitions is a key component of reward.

Our performance award pools reflect Group and business division performance, and we also consider factors such as industry peers, market competitiveness of our results and pay position, as well as progress against our strategic objectives, including returns, risk-weighted assets and cost efficiency.

Employees with regulatory-driven deferral requirements or total compensation above certain thresholds are subject to a mandatory deferral approach. Under this approach, a substantial portion of the annual variable performance award is deferred and generally vests over a five-year period.

The deferred amount increases at higher marginal rates in line with the value of the performance award in order to keep

employees focused on delivering long-term sustainable profitability and strategic growth ambitions while also encouraging continued responsible business conduct.

Support risk awareness and appropriate risk-taking

Our compensation policies and programs are designed to:

- support sustainable performance, growth ambitions and appropriate risk-taking, including sound conduct and risk management practices
- promote an environment where we are all risk managers, detecting emerging risks early, managing risk diligently, courageously raising concerns, protecting the reputation of our firm and enhancing the quality of our financial results.

We look at the firm's risk profile and culture, the extent to which operational risks and audit issues have been identified and resolved, and the success of risk reduction initiatives including significant events. Performance award process incorporates risk aspects across pool funding, allocation, delivery and deferral. Having a risk category in the performance objectives supports risk anticipation for employees.

Employees are rewarded for achievement against a range of financial and non-financial objectives, including their management of risk, and not only on the basis of individual performance. Gains, as well as losses, are examined when considering an employee's track record of performance and risk management, and in the context of market conditions. UBS's performance measurement will be adjusted for activities and future risks that are not adequately reflected in annual profits to consider the time horizon of risk.

Compensation for control functions is determined separately from the revenue areas that they oversee, supervise or monitor. Their performance award pool is based on the performance of the Group as a whole, how effectively the function has performed and our market position. Control functions, including Group Risk Control and Legal are involved in designing and implementing our compensation policy. To further promote sustainable performance, all of our deferred compensation plans include employment conditions and malus conditions. These enable the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions. In addition, forfeiture is triggered in cases where employment has been terminated for cause.

Support the economic and cultural integration

The Total Reward Principles support the economic and cultural integration of Credit Suisse into UBS to realize the long-term value creation of the combined firm.

To support the operational stability, manage risks and protect the client franchise of Credit Suisse, we support integration-focused awards. Incentives reflect pay for performance with a link to near-term integration requirements to achieve sustainable growth and long-term economic performance. These reflect both internal equity and external competitiveness as well as supporting risk awareness, appropriate risk taking and compliance with our Code of Conduct.

Group Human Resources is accountable for monitoring adherence to these Total Reward Principles. Further information and references to specific policies / guidelines are available in Employee Handbooks and on HR website.

This document provides a summary only and may be supplemented by more detailed global or local policies. At UBS we are committed to full and proper disclosure of our remuneration policies, of which these Principles form a part, and we provide an annual advisory vote to shareholders at our AGM.

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