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Additional Tier 1 Capital Instruments

Issuer	Vontobel Holding AG
ISIN	CH1224630090
Issue date	29.09.2023
Currency	USD
Nominal	200 M
Maturity	Perpetual
First call date	29.09.2031

Terms of the Bonds

The terms and conditions of the Perpetual Additional Tier 1 Subordinated Bonds (each a "**Condition**", and together the "**Terms of the Bonds**"), issued by Vontobel Holding AG, Gotthardstrasse 43, 8002 Zurich, Switzerland (the "**Issuer**"), are as follows:

1 Amount, Denomination, Reopening, Form, Custodianship and Transfer

- a) The initial aggregate nominal amount of the Tier 1 Bonds of USD 200,000,000 (*two hundred million U.S. Dollars*) is divided into bonds (each a "**Tier 1 Bond**" and, collectively, the "**Tier 1 Bonds**") with denominations of USD 200,000 (*two hundred thousand U.S. Dollars*) per Tier 1 Bond.
The holders of the Tier 1 Bonds are hereinafter referred to as the "**Holders**" and, individually, a "**Holder**".
- b) The Tier 1 Bonds are issued in uncertificated form as uncertificated securities (*Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations of 30 March 1911, as amended (*Schweizerisches Obligationenrecht, "CO"*).
- c) Such uncertificated securities will be entered into the main register (*Hauptregister*) of SIS or any other intermediary (SIS or any such other intermediary, the "**Intermediary**") in Switzerland recognized for such purposes. 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 Tier 1 Bonds will constitute intermediated securities (*Bucheffekten*; the "**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act of 3 October 2008, as amended (*Bucheffektengesetz*).
- d) So long as the Tier 1 Bonds are Intermediated Securities, the Tier 1 Bonds may only be transferred by the entry of the Tier 1 Bonds in a securities account of the transferee.
- e) The records of the Intermediary will determine the number of Tier 1 Bonds held through each participant of that Intermediary. In respect of Tier 1 Bonds held in the form of Intermediated Securities, the Holders will be the persons holding the Tier 1 Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Tier 1 Bonds for their own account in a securities account (*Effektenkonto*) which is in their name.
- f) The conversion of the uncertificated securities (*Wertrechte*) into a permanent global certificate (*Globalurkunde*) or individually certificated bonds (*Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Principal Paying Agent nor any other party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of, a permanent global certificate (*Globalurkunde*) or individually certificated bonds (*Wertpapiere*). No physical delivery of the Tier 1 Bonds shall be made.

2 Interest

- a) Interest Rate
 - (i) Initial Fixed Interest Rate
The Tier 1 Bonds will bear interest from (and including) 28 September 2023 (the "**Settlement Date**") to (but excluding) 29 September 2031 (the "**First Call Date**") at a fixed rate equal to 9.45 per cent *per annum* (the "**Fixed Interest Rate**"), payable quarterly in arrears on the 29th of each March, the 29th of each June, the 29th of each September and the 29th of each December (each an "**Interest Payment Date**") on the Prevailing Notional Amount, for the first time

on 29th December 2023 (long first coupon) and for the last time on the First Call Date.

(ii) Subsequent Fixed Interest Rate

As from (and including) the First Call Date, in respect of each successive 8-year period (the "**Relevant 8-Year Period**"), the first such period commencing on (but excluding) the First Call Date and ending on (but excluding) the 8th (eight) anniversary of that date (the "**Subsequent Reset Date**"), unless previously redeemed, the Tier 1 Bonds will bear interest on the Prevailing Notional Amount payable quarterly in arrears on each Interest Payment Date at the relevant Reset Rate being determined by the Calculation Agent as soon as practicable on the relevant Reset Determination Date.

Subject to Conditions 2(b), 2(c), 8 and 9 below, if interest is required to be paid on any date, it shall be calculated on a 30/360 basis, i.e., on the basis of a year consisting of (12) months of thirty (30) days each.

As used in this Condition 2:

"**H.15**" means the statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System, and "**most recent H.15**" means, in respect of any Reset Period, the H.15 published closest in time but prior to the close of business on the applicable Reset Determination Date;

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

"**Reset Date**" means the First Call Date and each Subsequent Reset Date;

"**Reset Determination Date**" means, in respect of any Reset Period, the second Business Day immediately preceding the Reset Date at the start of such Reset Period;

"**Reset Margin**" means the Margin;

"**Reset Period**" means the Relevant 8-Year Period;

"**Reset Rate**" means, in respect of a Reset Period, the greater of (i) the sum of the Reset Margin and the Treasury Yield for such Reset Period, and (ii) zero;

"**Treasury Yield**" means, in relation to any Reset Period, (i) the rate per annum corresponding to the semi-annual equivalent yield to maturity, that represents the average for the five consecutive New York Business Days ending on and including the applicable Reset Determination Date, appearing in the most recent H.15, and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, for 7-year maturities and 10-year maturities, under the caption "Treasury Constant Maturities" linearly interpolated to get to a 8-year rate (1/3 times the 10 year rate plus 2/3 time the 7y rate); or (ii) if the Treasury Yield for such Reset Period cannot be determined pursuant to the method described in clause (i) above, the rate determined by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the first Reset Date following the next succeeding Reset Determination Date, and

(B) the other maturing as close as possible to, but later than, the first Reset Date following the next succeeding Reset Determination Date, in each case as published in the most recent H.15; or (iii) subject to the immediately succeeding paragraph, if the Treasury Yield for such Reset Period cannot be determined pursuant to the methods described in clause (i) or (ii) above, the rate equal to the Treasury Yield for the last preceding Reset Period (or, in the case of the period up to the First Call Date, the Fixed Interest Rate minus the Margin), in each case, as determined by the Calculation Agent on the applicable Reset Determination Date.

Notwithstanding the foregoing, if the Treasury Yield cannot be determined by the Calculation Agent for any Reset Period (such Reset Period, the "**Affected Reset Period**") pursuant to the methods described in clause (i) or (ii) above, then the Replacement Rate Agent will determine in its sole discretion (acting in good faith and in a commercially reasonable manner) whether to use a substitute or successor rate for the purpose of determining the Treasury Yield for the Affected Reset Period and each Reset Period thereafter. If the Replacement Rate Agent determines to use a substitute or successor rate pursuant to the immediately preceding sentence, it shall select such rate that it has determined is most comparable to the rate described in clause (i) above (the "**Existing Rate**"), provided that if it determines that there is an appropriate industry-accepted successor rate to the Existing Rate, it shall use such industry-accepted successor rate. If the Replacement Rate Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "**Replacement Rate**"), for purposes of determining the Treasury Yield, (i) the Replacement Rate Agent shall determine (A) the method for obtaining the Replacement Rate (including any alternative method for determining the Replacement Rate if such substitute or successor rate is unavailable on the relevant Reset Determination Date), which method shall be consistent with industry-accepted practices for the Replacement Rate, and (B) any adjustment factor as may be necessary 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 Existing Rate with the Replacement Rate, which adjustment factor shall be consistent with any industry-accepted practices for the Replacement Rate where the Replacement Rate has replaced the Existing Rate for U.S. dollar-denominated notes at such time, (ii) references to the Treasury Yield in these Conditions shall be deemed to be references to the Replacement Rate, including any alternative method for determining such rate and any adjustment factor as described in sub-clause (i) above, (iii) if the Replacement Rate Agent determines that (1) changes to the definitions of Business Day, Reset Determination Date and/or (2) any other technical changes to any provision of this Condition 2 are necessary in order to implement the Replacement Rate as the Treasury Yield (including any alternative method for determining such rate and any adjustment factor described in sub-clause (A) or (B), respectively, above) in a manner substantially consistent with market practice (or, if the Replacement Rate Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Agent determines that no market practice for use of the Replacement Rate exists, in such other manner as the Replacement Rate Agent determines is reasonably necessary), such definitions and other provisions will be amended pursuant to Condition 12 to reflect such changes, and (iv) the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 14 and the Principal Paying Agent specifying the Replacement Rate, as well as the details described in sub-clause (i) above and the amendments implemented pursuant to Condition 12. Any determination to be made by the Replacement Rate Agent pursuant to this Condition 2, including any determination

with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be made in the sole discretion of the Replacement Rate Agent acting in good faith and in a commercially reasonable manner.

b) Discretionary Interest

Subject to the Tier 1 Bonds being recognized as Additional Tier 1 Capital in whole or in part, the Issuer may, at its sole discretion but subject to Condition 2 (c) below, elect to cancel all or part of any payment of interest which is otherwise to be paid on an Interest Payment Date or the Redemption Date (if any) by giving notice of such election to the Holders in accordance with Condition 14, and to the Principal Paying Agent, (i) in the case of interest otherwise due on an Interest Payment Date, not more than thirty (30) nor less than ten (10) Business Days prior to the relevant Interest Payment Date, or (ii) in the case of interest due on the Redemption Date, on the relevant Redemption Notice Date.

Any interest which is not paid, in accordance with this Condition 2(b), shall not accumulate or be payable at any time thereafter, and such non-payment will not constitute an event of default by the Issuer for the purpose of these Terms of the Bonds or any other purpose, and the Holders shall have no right thereto whether in a liquidation, dissolution, insolvency or bankruptcy of the Issuer or otherwise.

If the Issuer determines, after consultation with the Regulator, that the full Prevailing Notional Amount of the Tier 1 Bonds does not qualify, or no longer qualifies – even partially - as Additional Tier 1 Capital, (A), the Issuer shall not, to the extent permitted under National Regulations and subject to Mandatory Interest Cancellation events below, exercise its discretion pursuant to this Condition 2(b) to cancel any interest payments due on the Tier 1 Bonds on any Interest Payment Date following the occurrence of such determination, and (B) the Issuer shall give notice to the Holders in accordance with Condition 14 as soon as practicable after such determination stating that the Issuer may no longer exercise its discretion pursuant to this Condition 2(b) to cancel any interest payments as from the date of such notice.

c) Mandatory Interest Cancellation

The Issuer shall be prohibited from making, in whole or in part, any payment of interest on the Tier 1 Bonds on the relevant Interest Payment Date or the Redemption Date (if any) if and to the extent that on such Interest Payment Date or Redemption Date (if any) (the "**Mandatory Interest Cancellation**"):

(i) the amount of such interest otherwise due, together with (x) any interest payments or distributions to be paid or made during the Relevant Period on Parity Securities, and (y) any Distribution to be paid or made with respect to the financial year ended immediately prior to such Interest Payment Date or Redemption Date (excluding any such interest payments or distributions which (A) are not required to be made out of Distributable Items or (B) have already been provided for, by way of deduction, in calculating the amount of Distributable Items), in aggregate would exceed the amount of Distributable Items as at such Interest Payment Date or Redemption Date; or

(ii) the Issuer is prohibited, by National Regulations or an order of the Regulator, from declaring or making any distributions or other payments, in whole or in part, on, or relating to, the Tier 1 Bonds or any Parity Securities.

In the event where (x) Mandatory Interest Cancellation only applies in part, and (y) the Issuer elects to make such interest payment that is not prohibited to be made, the interest payable on the Tier 1 Bonds shall be made pro rata with the interest payments or distributions on Parity Securities to be paid or made during the Relevant Period.

Any interest which is not paid, in accordance with this Condition 2(c), shall not accumulate or be payable at any time thereafter, and such non-payment will not

constitute an event of default by the Issuer for the purpose of these Terms of the Bonds or any other purpose, and the Holders shall have no right thereto whether in a liquidation, dissolution or insolvency of the Issuer or otherwise.

d) Restrictions following non-payment of Interest

If, on any Interest Payment Date, payment of interest to be made on such date is not made in full on the Prevailing Notional Amount by reason of Condition 2(b) or 2(c):

- (i) The board of directors of the Issuer shall not directly or indirectly recommend or, if proposed by shareholders, shall recommend to reject to the shareholders of the Issuer, that any Distribution (other than in the form of Shares or other capital stock) be paid or made on any Shares or other capital stock of the Issuer; and
- (ii) The Issuer shall not directly or indirectly, redeem, purchase or otherwise acquire any Shares or other capital stock of the Issuer other than in relation to (a) transactions in securities effected by or for the account of customers of the Issuer or any of its Subsidiaries or in connection with the distribution or trading of, or market making in respect of such securities; (b) the satisfaction by the Issuer or any of its Subsidiaries of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Issuer or any of its Subsidiaries; (c) a reclassification of the capital stock of the Issuer or of any of its Subsidiaries or the exchange or conversion of one class or series of such capital stock for another class or series of such capital stock; or (d) the purchase of shares or fractional rights to shares of the capital stock of the Issuer or any of its Subsidiaries pursuant to the provisions of any outstanding securities of the Issuer or any Subsidiary being converted or exchanged for shares of the capital stock of the Issuer in order to fulfil its obligations under such outstanding securities;

in each case until the earliest of (x) the interest due and payable on any Interest Payment Date in respect of the then Prevailing Notional Amount of all outstanding Tier 1 Bonds having been paid in full to the Holders; or (y) all the Tier 1 Bonds having been redeemed or purchased and cancelled in full in accordance with Condition 3; or (z) the Prevailing Notional Amount of the Tier 1 Bonds having been reduced to zero in accordance with Condition 8 or Condition 9.

3 Redemption, Purchase and Cancellation

a) No Fixed Redemption Date

The Tier 1 Bonds are perpetual securities in respect of which there is no fixed redemption date. Unless previously redeemed or purchased and cancelled as provided in these Terms of the Bonds, each Tier 1 Bond is perpetual and shall only be redeemed or purchased as specified in this Condition 3.

The Tier 1 Bonds will not be redeemable at any time at the option of the Holders.

b) Conditions to Redemption and Purchase

Any redemption or purchase of the Tier 1 Bonds under these Conditions, other than a redemption following a Regulatory Event, is subject to:

- (i) the prior approval in writing of the Regulator, if then required;
- (ii) as at the Redemption Notice Date and the Redemption Date (or as applicable, the date of purchase), neither a Write-down Trigger Event having occurred and being continuing nor a Viability Event having occurred; and
- (iii) (a) the Issuer, both at the time of, and immediately following the redemption or purchase of the Tier 1 Bonds, being in compliance with the Capital Requirements or (b) the Issuer issues a sufficient amount of capital that is at least equivalent.

- c) **Redemption at the Option of the Issuer**
Subject to Condition 3(b), the Issuer may elect, in its sole discretion, to redeem the Tier 1 Bonds, in whole but not in part, on the First Call Date or on any Reset Date thereafter, by giving not less than thirty (30) days' notice (which notice shall be irrevocable) (the date on which such notice has been given, the "**Optional Redemption Notice Date**") to the Holders in accordance with Condition 14 and notifying the date fixed for redemption (the "**Optional Redemption Date**"), at their Prevaling Notional Amount together with any accrued interest, but unpaid to (but excluding) the Optional Redemption Date.

- d) **Redemption upon a Tax Event**
Upon the occurrence of a Tax Event, but subject to Condition 3(b), the Issuer may, at any time, redeem the Tier 1 Bonds, in whole but not in part, by giving not less than thirty (30) days' notice (which notice shall be irrevocable) (the date on which such notice has been given, the "**Tax Event Redemption Notice Date**") to the Holders in accordance with Condition 14 and notifying the date fixed for redemption (the "**Tax Event Redemption Date**"), at their Prevaling Notional Amount together with any accrued, but unpaid interest to (but excluding) the Tax Event Redemption Date.

Notwithstanding the foregoing, the Issuer shall deliver to the Principal Paying Agent and the Holders' Representative (if any) a certificate signed by two Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem in accordance with this Condition 3(d) is satisfied and the reasons therefor, and such certificate shall be conclusive and binding on the Holders. Prior to the publication of any notice of redemption pursuant to this Condition 3(d) the Issuer shall deliver an opinion of a nationally recognised law firm or independent tax adviser (which may be an accounting firm) in Switzerland experienced in such matters, of recognised standing to the Principal Paying Agent and, if appointed, to the Holders' Representative (if any) to the effect that the circumstances entitling the Issuer to exercise its rights of redemption under this Condition 3(d) have arisen.

A "**Tax Event**" means the receipt by the Issuer of an opinion of a nationally recognised law firm or other tax advisor (which may be an accounting firm) in Switzerland experienced in such matters stating that there is more than an insubstantial risk that (a) the Issuer is not, or will not be, able to any longer obtain a tax deduction for Swiss corporate income tax purposes for any payment of interest in respect of the Tier 1 Bonds, as a result of which the Issuer is, or will be, subject to more than a *de minimis* amount of additional taxes, or (b) the Issuer is, or will become, obliged to deduct or withhold taxes (other than a withholding tax caused by FATCA) in respect of any payments of interest in respect of the Tier 1 Bonds, and in each of cases (a) and (b) this cannot be avoided by the Issuer taking such reasonable measures available to it without any material adverse effect on, or material cost to, the Issuer (as determined by the Issuer in its sole discretion).

- e) **Redemption upon a Regulatory Event**
Upon the occurrence of a Regulatory Event, the Issuer may, at any time, redeem the Tier 1 Bonds, in whole but not in part, by giving not less than thirty (30) days' notice (which notice shall be irrevocable; the date on which such notice has been given, the "**Regulatory Event Redemption Notice Date**") to the Holders in accordance with Condition 14 and notifying the date fixed for redemption (the "**Regulatory Event Redemption Date**"), at their Prevaling Notional Amount together with any accrued, but unpaid interest to (but excluding) the Regulatory Event Redemption Date.

Notwithstanding the foregoing, the Issuer shall deliver to the Principal Paying Agent and the Holders' Representative (if any) a certificate signed by two Authorised Signatories stating that the relevant requirement or circumstance giving

rise to the right to redeem in accordance with this Condition is satisfied and the reasons therefor, and such certificate shall be conclusive and binding on the Holders.

A "**Regulatory Event**" is deemed to have occurred if (i) the Issuer is notified in writing by the Regulator to the effect that the Tier 1 Bonds are not, or cease to be, eligible to be treated as Additional Tier 1 Capital in whole or in part and/or (ii) the National Regulations are amended with the effect that the Tier 1 Bonds are not eligible to be treated as Additional Tier 1 Capital in whole or in part..

f) Purchases

Subject to Condition 3(b), the Issuer or any of its Subsidiaries may, either directly or indirectly, at any time purchase Tier 1 Bonds at any price, in the open market or otherwise subject to any prevailing limits or conditions under the National Regulations. The Regulator's approval is not required for purchases in accordance with market making in the Tier 1 Bonds. Any purchase shall be made in accordance with applicable laws and regulations, including applicable stock exchange regulations. Such Tier 1 Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation as set out in Condition 3 (g) below.

g) Cancellation

All Tier 1 Bonds which are redeemed or purchased and surrendered in accordance with this Condition 3 shall forthwith be cancelled. All Tier 1 Bonds so cancelled cannot be reissued or resold.

4 Payments

The amounts required for payments with respect to the Tier 1 Bonds will be made available in good time in freely disposable USD which will be placed at the free disposal of the Principal Paying Agent on behalf of the Holders. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled to any additional sum in relation thereto.

Upon receipt of the funds in Switzerland and under the same conditions as received, the Principal Paying Agent will arrange for payment to the Holders.

The Issuer undertakes that payments shall be made in freely disposable USD without collection cost to the Holders, and, unless otherwise provided for by applicable law, without any restrictions and whatever the circumstances may be, irrespective of nationality, residence or domicile of the Holders and without requiring any affidavit or the fulfilment of any other formality.

The receipt by the Principal Paying Agent of the due and punctual payment of the funds in USD as above provided shall release the Issuer of its payment obligations under the Tier 1 Bonds to the extent of such payments.

If, at any time during the life of the Tier 1 Bonds, the Principal Paying Agent shall resign or become incapable of acting as Principal Paying Agent as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Principal Paying Agent may be substituted by a duly licensed major Swiss bank or the duly licensed Swiss branch or subsidiary of a major foreign bank chosen by the Issuer. In the event of such a replacement of the Principal Paying Agent, all references to the Principal Paying Agent shall be deemed to refer to such replacement. Notice of such a replacement shall be published in accordance with Condition 14.

5 Statute of Limitations

In accordance with Swiss law, claims for interest payments shall become time-barred after a period of five (5) years and claims for the repayment or redemption of Tier 1 Bonds after a period of ten (10) years, calculated from their respective due dates.

6 Taxation

All payments with respect to the Tier 1 Bonds (whether in respect of principal, redemption amount, interest or otherwise) are subject in all cases to all applicable taxes and deductions and the Issuer and its agents may deduct any taxes or duties of whatever nature imposed or levied pursuant to applicable fiscal or other laws, regulations, directive or agreements from payments with respect to Tier 1 Bonds. At the time of the issuance, the payment of interest under the Tier 1 Bonds is exempt from Swiss withholding tax.

7 Status and Subordination of the Tier 1 Bonds

a) Status

The Tier 1 Bonds constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves. The rights and claims of the Holders are subordinated as described in Condition 7(b).

b) Subordination

In the event of an order being made, or an effective resolution being passed, for the liquidation, dissolution or any proceeding for the avoidance of insolvency of, or against, the Issuer, the Tier 1 Bonds and any obligations of a Holder against the Issuer under the Tier 1 Bonds shall rank (i) junior to all present and future claims of all holders of unsubordinated obligations of the Issuer and all other subordinated obligations of the Issuer except the claims of all holders of Parity Securities, (ii) *pari passu* among themselves and with the claims of all holders of Parity Securities, and (iii) senior to Equity Capital and any other equivalent items of capital.

8 Contingent and Subsequent Write-down upon the occurrence of a Write-down Trigger Event

a) Contingent Write-down

If a Contingent Write-down has not previously occurred and a Write-down Trigger Event has occurred and is continuing on the relevant Subsequent Trigger Test Date, the claims of the Holders against the Issuer to receive repayment of the Original Notional Amount on the Redemption Date (if any) shall be reduced by the relevant Write-down Amount (as set out in Condition 8(c)) with effect as of the relevant Write-down Date) and the Holders shall no longer have any rights whatsoever (including, but not limited to, any right to receive interest payments) against the Issuer with respect to the relevant Write-down Amount (such reduction, a "**Contingent Write-down**") (*bedingte Aufhebung einer Forderung durch Übereinkunft*). If the Write-down Amount is equal to the Original Notional Amount, the claims of the Holders are reduced to zero and the Tier 1 Bonds shall be cancelled.

"**Subsequent Trigger Test Date**" means, in respect of a Write-Down Trigger Event, the earlier of:

(i) the date falling ten (10) Business Days after the date of publication of the Relevant Report; and

(ii) the date on which the Regulator, in its written notification, instructs or requests the Issuer to proceed with the write-down.

b) Subsequent Write-down

If, following a Contingent Write-down, a further Write-down Trigger Event has occurred and is continuing on the relevant Subsequent Trigger Test Date, the claims of the Holders against the Issuer to receive repayment of the Prevailing Notional Amount on the Redemption Date (if any) shall be further reduced by the relevant Write-down Amount (as set out in Condition 8(c)) with effect as of the relevant Write-down Date, and the Holders shall no longer have any rights whatsoever (including, but not limited to, any right to receive interest payments) against the Issuer with respect to the relevant Write-down Amount (such further reduction, a "**Subsequent Write-down**") (*bedingte Aufhebung einer Forderung*

durch Übereinkunft). If the Write-down Amount is equal to the Prevailing Notional Amount, the claims of the Holders are reduced to zero and the Tier 1 Bonds shall be cancelled.

c) Write-down Amount

"Write-down Amount" means the amount required to be deducted from the Original Notional Amount or the Prevailing Notional Amount, as the case may be, as determined by the Issuer in consultation with the Regulator after a Write-down Trigger Event has occurred and is continuing on the relevant Subsequent Trigger Test Date, as will (together with any substantially concurrent conversion, write-off or write-down of holders' claims in respect of any other capital instruments of the Issuer that, pursuant to their terms or by operation of law, are capable of being converted into equity, written off or written down at that time (including capital instruments with a write-down, write-off or conversion threshold equal to or higher than the Write-down Threshold Ratio)) restore the CET1 Ratio back to a level equal to or, if required in writing by the Regulator, higher than the Write-down Threshold Ratio, provided that, for the avoidance of doubt, the maximum Write-down Amount shall be equal to the Original Notional Amount or the Prevailing Notional Amount, as the case may be.

d) Write-down Trigger Event

A **"Write-down Trigger Event"** shall occur on the Business Day following the publication of a Relevant Report (an **"Initial Trigger Test Date"**) during the period from (and including) the Settlement Date to (but excluding) the Redemption Notice Date (if any) if the CET1 Ratio as per the relevant Cut-off Date of such Relevant Report is less than the Write-down Threshold Ratio and the Issuer delivers to the Principal Paying Agent and the Holders' Representative (if any) within five (5) Business Days from the Initial Trigger Test Date a certificate signed by two Authorised Signatories certifying that the CET1 Ratio as per the Cut-off Date of such Relevant Report is less than the Write-down Threshold Ratio.

Such Write-down Trigger Event shall be continuing on the Subsequent Trigger Test Date unless the Regulator, at the request of the Issuer, has agreed on or prior to the Subsequent Trigger Test Date but after the Initial Trigger Test Date, that a write-down of the Original Notional Amount or Prevailing Notional Amount, as the case may be, is not required as a result of actions taken by the Issuer, circumstances or events which have had, or imminently will have, the effect of restoring the CET1 Ratio as per the Subsequent Trigger Test Date to a level above the Write-down Threshold Ratio.

If the Write-down Trigger Event is continuing on the Subsequent Trigger Test Date, the Issuer shall give notice to the Holders in accordance with Condition 14 and the Holders' Representative (if any), on the Business Day following the Subsequent Trigger Test Date (the **"Write-down Trigger Event Notice Date"**), a certificate signed by two Authorised Signatories designating the Write-down Amount and the Write-down Date (the **"Write-down Trigger Event Notice"**), provided, however, that the Write-down Date shall be no later than twenty (20) Business Days after the Write-down Trigger Event Notice Date.

If the Write-down Trigger Event is not continuing on the Subsequent Trigger Test Date, the Issuer shall deliver to the Principal Paying Agent and the Holders' Representative (if any), on the Business Day following the Subsequent Trigger Test Date, a certificate signed by two Authorised Signatories confirming that the Write-down Trigger Event is not continuing on the Subsequent Trigger Test Date and therefore a write-down of the Tier 1 Bonds shall not occur at that time.

"Write-down Threshold Ratio" means 7.00 per cent.

e) No interest on Write-down Amount, no event of default

Following a Contingent Write-down or a Subsequent Write-down, the Tier 1 Bonds shall not carry any interest on any Write-down Amount and interest will only accrue on the resulting Prevailing Notional Amount. For the avoidance of doubt, neither a Contingent Write-down nor any Subsequent Write-down shall constitute an event of default by the Issuer for any purpose.

- f) No Contingent Write-down or Subsequent Write-down
In accordance with Condition 8(d), no Contingent Write-down or Subsequent Write-down shall occur if, notwithstanding the CET1 Ratio being below the Write-down Threshold Ratio, the Regulator, at the request of the Issuer, has agreed, on or prior to the publication of the Relevant Report, that a Contingent Write-down or Subsequent Write-down, as the case may be, shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the CET1 Ratio to a level above the Write-down Threshold Ratio.

9 Write-off upon the occurrence of a Viability Event

If a Viability Event has occurred, the claims of the Holders against the Issuer to receive repayment of the Prevailing Notional Amount on the Redemption Date (if any) shall be reduced to zero with effect as of the relevant Write-down Date. The Holders shall no longer have any rights whatsoever (including, but not limited to, any right to receive interest payments) against the Issuer with respect to the Tier 1 Bonds (*bedingte Aufhebung einer Forderung durch Übereinkunft*) and the Tier 1 Bonds shall be cancelled. For the avoidance of doubt, a Viability Event shall not constitute an event of default by the Issuer for any purpose.

A "**Viability Event**" means that either:

- (i) the Regulator has notified the Issuer in writing that it has determined that the write-down of the Tier 1 Bonds, together with the conversion, write-down or write-off of holders' claims in respect of any other instruments that, pursuant to their terms or by operation of laws are capable of being converted into equity, written down or written off at that time, because customary measures to improve the Issuer's capital adequacy are at the time inadequate or unfeasible, is an essential requirement to prevent the Issuer from becoming insolvent, bankrupt or unable to pay a material part of its debts as they fall due, or from ceasing to carry on its business; or
- (ii) customary measures to improve the Issuer's capital adequacy being at the time inadequate or unfeasible, the Issuer or a Subsidiary has received an irrevocable commitment of extraordinary support directly or indirectly from the Public Sector (beyond customary transactions and arrangements in the ordinary course of business) that has, or imminently will have, the effect of improving the Issuer's capital adequacy and without which, in the determination of the Regulator, the Issuer 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.

"**Public Sector**" means the federal or central government or central bank in the Issuer's country of incorporation.

No later than three (3) Business Days after the occurrence of a Viability Event, the Issuer shall give notice to the Holders in accordance with Condition 14 and to the Holders' Representative (if any) stating that a Viability Event has occurred and designating the Write-down Date (the "**Viability Event Notice**" and, the date on which such notice is given, the "**Viability Event Notice Date**"), provided, however, that the Write-down Date shall be no later than ten (10) Business Days after the Viability Event Notice Date.

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 Settlement Date, that alone or together with any other law(s) or

regulation(s) has, the effect that a Viability Event could cease to apply to the Tier 1 Bonds without giving rise to a Regulatory Event, then the Issuer shall give notice to the Holders no later than five (5) Business Days after of such determination stating that such provisions shall cease to apply from the date of such notice, and from the date of such notice, such provisions shall cease to apply to the Tier 1 Bonds.

10 Substitution of the Issuer

The Issuer may without the consent of the Holders at any time substitute for itself in respect of all rights and obligations arising under or in connection with the Tier 1 Bonds any Swiss entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the "**New Issuer**"), provided that:

- a) the Regulator has approved the substitution of the Issuer;
- b) such substitution does not give rise to a Tax Event, Regulatory Event or Write-down Trigger Event;
- c) the New Issuer is in a position to fulfil all payment obligations arising from or in connection with the Tier 1 Bonds in freely convertible and transferable legal tender of Switzerland without any additional need to deduct or withhold any taxes or duties at source and to transfer without restriction all amounts required to be paid under the Tier 1 Bonds to the Principal Paying Agent;
- d) the New Issuer has obtained all necessary governmental authorisations of the country of its domicile or its deemed residence for tax purposes; and
- e) the Issuer has issued an irrevocable, subordinated guarantee as per article 111 CO subordinated to the same level as the Issuer's payment obligations under the Tier 1 Bonds in respect of the obligations of the New Issuer under the Tier 1 Bonds. If a Holders' Representative is appointed, such guarantee has to be in form and content satisfactory to the Holders' Representative.

Notice of any substitution shall be published in accordance with Condition 14.

In the event of such substitution, any reference to the Issuer shall be deemed to refer to the New Issuer or the Issuer acting as guarantor, as the case may be, and the Issuer shall have power to make such consequential amendments to the Terms of the Bonds as are necessary to reflect the substitution and the granting of the guarantee.

11 Meetings of Holders and modifications

- a) The Tier 1 Bonds will not be publicly offered in Switzerland and hence the Articles 1157 et seq. CO shall not apply.
- b) The Holders' Representative (if any) or the Issuer may at any time convene a meeting of the Holders (a "**Holders' Meeting**").

Holders who wish that a Holders' Meeting should be convened and who represent at least ten (10) percent of the aggregate notional amount of all Tier 1 Bonds then outstanding and who are entitled to participate and to vote in accordance with paragraphs (g) and (i) of this Condition 11 may at any time require the Issuer to convene a Holders' Meeting who shall convene such a meeting as soon as commercially possible upon receipt of such request.

- c) The costs for such Holders' Meeting shall be borne by the Issuer.
- d) A Holders' Meeting, (i) to the extent permitted by law, (ii) subject to approval by the Regulator, unless the Issuer, in its sole discretion, is of the view that no such approval is required or desirable, and (iii) in a manner to not jeopardise the qualification of the Tier 1 Bonds as Additional Tier 1 Capital, may consider any matter affecting the interests of the Holders' Meeting (other than matters on which the Holders' Representative (if any) has previously exercised its rights contained in Condition 12 (*Amendment to the Terms of the Bonds*)), including any modification of, or arrangement in respect of the Terms of the Bonds.

- e) Notice convening a Holders' Meeting shall be given at least twenty (20) days prior to the proposed date thereof. Such notice shall be given to the Issuer and the Holders' Representative (if any), respectively, and to the Holders in accordance with Condition 14 (*Notices*). It shall state generally the nature of the business to be transacted at such Holders' Meeting. If an Extraordinary Resolution (as defined below) is being proposed, the wording of the proposed resolution or resolutions shall be indicated. The notice shall specify the day, hour and place of the Holders' Meeting and also the formal requirements referred to in para. (g) of this Condition 11. The Issuer (at its head office) and the Principal Paying Agent (at its head office) will make a copy of such notice available for inspection by the Holders during normal business hours.
- f) All Holders' Meetings shall be held in Zurich, Switzerland. A chairman (the "**Chairman**") shall be nominated by the Issuer after consultation with the Holders' Representative (if any) in writing. If no person has been so nominated or if the nominated person is not be present at the Holders' Meeting within thirty (45) minutes after the time fixed for holding the Holders' Meeting, the Holders present shall choose the Chairman instead.

The Chairman shall lead and preside over the Holders' Meeting. Among others, it shall be his duty to determine the presence of persons entitled to vote and to inquire if the necessary quorum (as set forth below) is present. He shall instruct the Holders as to the procedure of the Holders' Meeting and the resolutions to be considered. He shall sign the minutes referred to in paragraph (n) of this Condition 11.

A declaration by the Chairman that a resolution has been supported or supported by a particular majority in accordance with para. (h) and (j) of this Condition 11 or not supported or not supported by a particular majority in accordance with para. (h) and (j) of this Condition 11 shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- g) Each person who produces a certificate by a bank in respect of such Tier 1 Bond relating to that Holders' Meeting is entitled to attend and to vote on the resolutions proposed at such Holders' Meeting. Bank certificates shall be dated before the date of the Holders' Meeting and confirm that the respective Tier 1 Bonds are deposited in a securities account (*Effektenkonto*) with that bank and will remain so deposited with such bank until and including the date of the Holders' Meeting and that the Bank has not issued any other such certificate with respect to such Tier 1 Bonds.
- h) The presence quorum necessary in order to vote on resolutions proposed at a Holders' Meeting shall be persons entitled under para. (g) and (i) of this Condition 11 holding or representing persons holding in the aggregate at least the following percentages of the aggregate notional amount of all Tier 1 Bonds then outstanding:

Each Ordinary Resolution: twenty-five (25) percent
 Each Extraordinary Resolution: sixty-six (66) percent

The terms Ordinary Resolution and Extraordinary Resolution are defined below.
 If within thirty (45) minutes after the time fixed for any Holders' Meeting a sufficient quorum is not present, the Holders' Meeting shall be dissolved.

- i) Holders' voting rights shall be determined according to the principal amount of outstanding Tier 1 Bonds held, with each of Tier Bond being entitled to one vote.
 Tier 1 Bonds held by or on behalf of the Issuer or any other natural person or legal entity,
 - (i) which directly or indirectly owns or controls more than fifty (50) percent of the equity share capital of the Issuer, or
 - (ii) of which, in the case of a legal entity, more than fifty (50) percent of the equity share capital is controlled by the Issuer directly or indirectly, or

(iii) where the Issuer is in a position to exercise, directly or indirectly, a control over the decisions or actions of such natural person or legal entity or representative thereof, irrespective of whether or not the latter is affiliated to the Issuer,

shall not be entitled to vote at a Holders' Meeting.

j) A resolution shall be validly passed if approved by at least the following percentages of votes cast at a duly convened Holders' Meeting held in accordance with this Condition 11:

Each Ordinary Resolution: fifty-one (51) percent

Each Extraordinary Resolution: sixty-six (66) percent

Every proposal submitted to a Holders' Meeting shall be decided upon a poll.

k) Any resolution which is not an Extraordinary Resolution in accordance with para. (l) of this Condition 11 shall be deemed to be an "**Ordinary Resolution**".

l) An "**Extraordinary Resolution**" shall be necessary to decide on the following matters at a Holders' Meeting:

- to postpone the maturity beyond the stated maturity of the principal of any Bonds, or
- to reduce the amount of principal payable on any Bonds, or
- to change the date of interest payment on any Bonds, or
- to change the rate of interest, or the method of computation of interest (other than in accordance with Condition 12 (*Amendment to the Terms of the Bonds*) for which no Holders' consent shall be required), on any Tier 1 Bonds, or
- to change any provision for payment contained in the Terms of the Bonds or the place or the currency of repayment of the principal of any Tier 1 Bonds or interest on any Bonds, or
- to amend or modify or waive the whole or any parts of para. (g), (h), (i), (j) or (l) of this Condition 11, or
- to create unequal treatment between Holders of the same class, or
- to convert the Bonds into equity, or
- to change the choice of law and the jurisdiction clause contained in Condition 16 (*Governing law and Jurisdiction*).

The above-mentioned list of issues for which an Extraordinary Resolution shall be necessary is exclusive.

m) Any resolution approved at a Holders' Meeting held in accordance with this Condition 11 shall be conclusive and binding on the Issuer and on all present or future Holders, whether present or not at the Holders' Meeting, regardless of whether such Holders have approved such resolution. The Holders shall not be entitled to any improvement of their position vis-à-vis the Issuer pursuant to resolution approved at a Holders' Meeting without prior written approval of the Issuer and the Regulator. Any resolution approved at a Holders' Meeting, shall become effective only after written approval of the Regulator, unless the Issuer, in its sole discretion, is of the view that no such approval is required or desirable. Any resolution approved at a Holders' Meeting, which increased the obligations of the Issuer under the Terms of the Bonds shall become effective only after written approval of the Issuer.

n) Minutes of all resolutions and proceedings at a Holders' Meeting shall be made and signed by the Chairman pursuant to para. (f) of this Condition 11.

12 Amendment to the Terms of the Bonds

a) Notwithstanding Condition 11, (i) the Issuer may, subject to mandatory provisions of Swiss law, without the consent or approval of the Holders, make such amendments

to the Terms of the Bonds as it considers necessary or desirable to give effect to any Alternative Reference Rate or calculation of interest as determined pursuant to Condition 2 (b) and (ii) the Issuer (if a Holders' Representative is appointed, in agreement with the Holders' Representative), subject to mandatory provisions of Swiss law, without the consent or approval of the Holders, to make such amendments to the Terms of the Bonds as it considers necessary or desirable to give effect to any other changes 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.

- b) The Issuer shall notify the Holders of any amendments made pursuant to clause (b) of this Condition 12 in accordance with Condition 14 (*Notices*), which notice shall state the date on which such amendment will be effective.
- c) Any amendment made in accordance with this Condition 12 will be binding on the Holders in accordance with its terms.

13 No set-off

No Holder may set off obligations against the Issuer with claims he has under the Tier 1 Bonds against the Issuer.

14 Notices

All notices regarding the Tier 1 Bonds shall be sent to the Holders' Representative (if any) and be published by the Issuer on the website [www.vontobel.com] (or a successor website of the Issuer) and (i) if and for so long as the Tier 1 Bonds are listed on the SIX Swiss Exchange, on the website of the SIX Swiss Exchange (where notices are currently published under the address <https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/>).

15 Listing

The Tier 1 Bonds will not be listed on the date they are issued. Should the Bonds be admitted to trading and listing of the Tier 1 Bonds on SIX Swiss Exchange, the Issuer will use reasonable endeavours to maintain such listing up to (i) the Redemption Date, if any, pursuant to Condition 3, or (ii) to a Write-down Date, if any, on which the Prevailing Notional Amount of the Tier 1 Bonds is reduced to zero, pursuant to Condition 8 or 9, as the case may be.

16 Governing Law and Jurisdiction

The Terms of the Bonds and the Tier 1 Bonds shall be governed by and construed in accordance with the substantive laws of Switzerland, excluding its rules on conflict of laws.

Any dispute arising out of or in connection with the Terms of the Bonds and the Tier 1 Bonds shall be submitted to the exclusive jurisdiction of the courts of the City of Zurich (Zurich 1), Switzerland.

17 Principal Paying Agent and Calculation Agent

The Issuer is entitled to appoint, vary or terminate the appointment of the Principal Paying Agent or the Calculation Agent and/or approve any change in the specified office through which the Principal Paying Agent or the Calculation Agent acts, provided that there will at all times be a Principal Paying Agent and a Calculation Agent.

The Issuer may appoint any of its affiliates or any other person as Calculation Agent, so long as such affiliate or other person is a bank or financial institution that is experienced in the calculations and determinations to be made by the Calculation Agent under Condition 2.

The Principal Paying Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency with, any Holder.

18 Holders' Representative

The Issuer or a Holders' Meeting may appoint a financial institution or a reputable professional services or trustee firm as Holders' Representative as representative of the

Holders (in case of conflict between the appointment by the Issuer and the Holder's Meeting, the appointment by the Holders' Meeting shall prevail) and in such capacity the Holders' Representative will or may in such capacity also act on behalf of or for the benefit of the Holders but only in such cases stated explicitly in these Terms of the Bonds. In any other cases, the Holders' Representative is not obliged to take or to consider any actions on behalf of or for the benefit of the Holders.

If, at any time during the life of the Tier 1 Bonds, a Holders' Representative shall resign or become incapable of acting as Holders' Representative as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Holders' Representative may be substituted by a financial institution or a reputable professional services or trustee firm appointed by the Issuer or a Holders' Meeting (in case of conflict between the appointment by the Issuer and the Holder's Meeting, the appointment by the Holders' Meeting shall prevail). In the event of such a replacement of the Holders' Representative, all references to the Holders' Representative shall be deemed to refer to such replacement. Notice of such a replacement shall be published in accordance with Condition 14 (*Notices*).

The Issuer shall notify Holders as soon as practicable following the appointment of a Holders' Representative in accordance with Condition 14.

19 Severability

If at any time one or more of the provisions of the Terms of Bonds is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

20 Definitions

1. "**Additional Tier 1 Capital**" has the meaning ascribed to it under the National Regulations.
2. "**Adjustment Spread**" means, with respect to any Alternative Reference Rate determined in accordance with the provisions of paragraph (b) of Condition 2, a spread (which may be positive or negative), or a formula or methodology for calculating such a spread, applied to such Alternative 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 with such Alternative Reference Rate.
3. "**Authorised Signatories**" means any two signatories of the Issuer with joint signatory power according to the entry of the Issuer in the commercial register.
4. "**Business Day**" means any day (other than Saturday or Sunday) on which banks are open the whole day for business in Zurich, Switzerland.
5. "**Calculation Agent**" means Bank Vontobel AG in its function as calculation agent or any person appointed as replacement in accordance with Condition 17.
6. "**Capital Requirements**" means the capital requirements applicable to the Issuer pursuant to the National Regulations.
7. "**CET1 Capital**" means the aggregate reported amount in USD of all items constituting common equity tier 1 capital of the Issuer's Group on a consolidated basis, less any deductions from such common equity tier 1 capital, in each case within the meaning ascribed to these terms under the National Regulations.
8. "**CET1 Ratio**" means, as at the relevant Cut-off Date and expressed as a percentage, the CET1 Capital of the Issuer's Group divided by the Risk Weighted Positions, each (or their constituents) as disclosed in the Issuer's Relevant Reports.
9. "**CO**" has the meaning set out in Condition 1(b).
10. "**Condition**" has the meaning set out in the Preamble.

11. "**Contingent Write-down**" has the meaning set out in Condition 8(a).
12. "**Cut-off Date**" means the cut-off date for the calculation of the CET1 Ratio in the Relevant Report.
13. "**Distributable Items**" means with respect to any Interest Payment Date, the aggregate of all reserves (including reserves generated by profits or by equity contributions), all as appearing in the Relevant Accounts for the financial year ended immediately before the Interest Payment Date, of the Issuer which may, pursuant to Swiss corporate law and the National Regulations as amended from time to time, be distributed to shareholders (with or without prior reclassification).
14. "**Distribution**" means any dividend or distribution to shareholders in respect of the Shares or capital stock, whether of cash, assets or other property (including a spin-off), and however, described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account and including any distribution or payment to shareholders in respect of the Shares or capital stock upon or in connection with a reduction of capital.
15. "**Equity Capital**" means the share capital (*Aktienkapital*) and participation capital (*Partizipationskapital*) (if any) of the Issuer.
16. "**FINMA**" means the Swiss Financial Market Supervisory Authority FINMA (*Eidgenössische Finanzmarktaufsicht FINMA*).
17. "**First Call Date**" has the meaning set out in Condition 2(a)(i).
18. "**Holder**" and " **Holders**" have the meaning set out in Condition 1(a).
19. " **Holders' Representative**" means a financial institution or a reputable professional services or trustee firm that may be appointed (and having consented to such appointment) by the Issuer or a Holders' Meeting in accordance with Condition 18 in its function as Holders' representative or any person appointed as replacement in accordance with Condition 18.
20. "**Initial Trigger Test Date**" has the meaning set out in Condition 8(d).
21. "**Interest Payment Date**" has the meaning set out in Condition 2(a)(i).
22. "**Intermediary**" has the meaning set out in Condition 1(c).
23. "**Intermediated Securities**" has the meaning set out in Condition 1(c).
24. "**Issuer**" has the meaning set out in the Preamble.
25. "**Issuer's Group**" means the Issuer together with such of its Subsidiaries as are subject, together with the Issuer to capital adequacy requirements on a consolidated level under the National Regulations.
26. "**Mandatory Interest Cancellation**" has the meaning set out in Condition 2(c).
27. "**Margin**" means 485 bps *per annum*.
28. "**National Regulations**" means, as in effect from time to time, the prevailing national banking and capital adequacy laws and regulations in Switzerland that are applicable to the Issuer's Group (including, without limitation, the Circulars of the FINMA based thereon).
29. "**New Issuer**" has the meaning set out in Condition 10.
30. "**Optional Redemption Date**" has the meaning set out in Condition 3(c).
31. "**Optional Redemption Notice Date**" has the meaning set out in Condition 3(c).
32. "**Original Notional Amount**" means the initial principal amount of a Tier 1 Bond as of the Settlement Date.
33. "**Parity Securities**" means (i) all obligations of the Issuer in respect of Tier 1 Instruments and (ii) any other obligations of the Issuer that rank, or are expressed to rank, *pari passu* with the Tier 1 Bonds.

34. "**Prevailing Notional Amount**" means the principal amount of each Tier 1 Bond outstanding at any given time, accounting for any Contingent Write-down, Subsequent Write-down or write-off following a Viability Event that may have occurred.
35. "**Principal Paying Agent**" means Bank Vontobel AG in its function as principal paying agent or any person appointed as replacement in accordance with Condition 4 or 17.
36. "**Public Sector**" has the meaning set out in Condition 9.
37. "**Redemption Date**" means the Optional Redemption Date, the Tax Event Redemption Date or the Regulatory Event Redemption Date.
38. "**Redemption Notice Date**" means the Optional Redemption Notice Date, the Tax Event Redemption Notice Date or the Regulatory Event Redemption Notice Date.
39. "**Regulator**" means the national regulator having the leading authority to supervise and regulate the Issuer's Group at the relevant time, being at the Settlement Date FINMA.
40. "**Regulatory Event**" has the meaning set out in Condition 3(e)
41. "**Regulatory Event Redemption Date**" has the meaning set out in Condition 3(e).
42. "**Regulatory Event Redemption Notice Date**" has the meaning set out in Condition 3(e).
43. "**Relevant Accounts**" means the audited unconsolidated financial statements of the Issuer for any financial year for which a set of such financial statements has been published.
44. "**Relevant 8-Year Period**" has the meaning set out in Condition 2(a)(ii).
45. "**Relevant Period**" means the Issuer's current financial year.
46. "**Relevant Report**" means (i) any of the Issuer's annual reports or interim reports (*Zwischenberichte*, such interim reports currently consisting of the semi-annual reports (*Halbjahresberichte*)), excluding any press releases or other communications relating to or in connection with such reports or respective results, or (ii) any special report prepared by the Issuer for the purpose of calculating the CET1 Ratio, which report may be commissioned by the Regulator at any time.
47. "**Replacement Rate Agent**" means an independent financial institution or other independent financial adviser adequately experienced in the US capital markets, in each case, appointed by the Issuer at its own expense.
48. "**Risk Weighted Positions**" means the aggregate reported amount, in USD, of all risk weighted positions of the Issuer's Group on a consolidated basis as calculated pursuant to the National Regulations.
49. "**Settlement Date**" has the meaning set out in Condition 2(a)(i).
50. "**Shares**" means the registered shares of currently CHF 1.00 (one Swiss franc) nominal value each of the Issuer.
51. "**SIS**" means SIX SIS Ltd, the Swiss clearing and settlement organisation, having its registered office currently at Baslerstrasse 100, 4600 Olten, Switzerland, or any successor organisation accepted by SIX Swiss Exchange.
52. "**SIX Swiss Exchange**" means SIX Swiss Exchange Ltd, having its registered office currently at Pfingstweidstrasse 110, 8005 Zürich, Switzerland, or any successor organization.
53. "**Subsequent Trigger Test Date**" has the meaning set out in Condition 8(a).
54. "**Subsidiary**" means a direct or indirect subsidiary within the meaning of applicable Swiss law, the financial statements of which are consolidated with those of the Issuer in accordance with applicable law or accounting principles.

55. "**Subsequent Write-down**" has the meaning set out in Condition 8(b).
56. "**Tax Jurisdiction**" means Switzerland.
57. "**Taxes**" has the meaning assigned to such term in clause (a) of Condition 6 (*Taxation*).
58. "**Tax Event**" has the meaning set out in Condition 3(d)
59. "**Tax Event Redemption Date**" has the meaning set out in Condition 3(d)
60. "**Tax Event Redemption Notice Date**" has the meaning set out in Condition 3(d).
61. "**Terms of the Bonds**" has the meaning set out in the Preamble.
62. "**Tier 1 Bond**" and "**Tier 1 Bonds**" have the meaning set out in Condition 1(a).
63. "**Tier 1 Capital**" has the meaning ascribed to it under the National Regulations.
64. "**Tier 1 Instruments**" means any and all securities or other obligations issued by the Issuer that qualify, or are issued in respect of securities that qualify, in whole or in part as Tier 1 Capital, but excluding Equity Capital.
65. "**USD**" or "**U.S. Dollar**" means the lawful currency of the United States of America.
66. "**Viability Event**" has the meaning set out in Condition 9.
67. "**Viability Event Notice**" has the meaning set out in Condition 9.
68. "**Viability Event Notice Date**" has the meaning set out in Condition 9.
69. "**Write-down Amount**" has the meaning set out in Condition 8(c).
70. "**Write-down Date**" means the date on which the relevant Contingent Write-down or Subsequent Write-down shall become effective as specified in the relevant Write-down Trigger Event Notice, or the date on which the Prevailing Notional Amount shall be written down to zero as specified in the Viability Event Notice.
71. "**Write-down Threshold Ratio**" has the meaning set out in Condition 8(d).
72. "**Write-down Trigger Event**" has the meaning set out in Condition 8(d).
73. "**Write-down Trigger Event Notice**" has the meaning set out in Condition 8(d).
74. "**Write-down Trigger Event Notice Date**" has the meaning set out in Condition 8(d).