UBS

UBS MTF Market Notice

Transfer of UBS MTF Operator from UBS AG London Branch to UBS MTF Limited

11 March 2021

Dear Member,

We are writing to advise you of upcoming changes that we are making to our legal structure to further segregate UBS MTF from the Investment Bank.

Transfer of UBS MTF Operation to UBS MTF Limited (formerly UBS O'Connor Limited)

Subject to regulatory approval, UBS plans to transfer the operation of UBS MTF from its current operator, UBS AG, London Branch (**UBS AGLB**) to a separate company within UBS Group, **UBS MTF Limited.** UBS MTF Limited will be a wholly owned subsidiary of UBS AG. This entity is an FCA- regulated UK incorporated company registered in England and Wales with Company Number 02140296 and LEI 54930036444TZ5UWTY74.

In connection with the proposed transfer, UBS MTF Limited has submitted a Variation of Permission application to the FCA to reflect the fact that it is being repurposed as an entity dedicated solely to the operation of UBS MTF.

Timing of Transfer

The transfer of the operation to AGLB is subject to regulatory approval and is expected to take place on or around **1 April 2021**.

What do you need to do?

Following the change of operator, UBS MTF proposes to issue new payment instructions for future invoices and payment for these will be accepted in pounds sterling (GBP) only. We will be in touch with you separately about this.

There is nothing further that Members need to do as a result of this change of operator. In particular, there is no need to re-execute your Membership Agreement. Pursuant to Clause 9.2 of the Membership Agreement, UBS AGLB will assign and transfer all its rights and obligations under that Agreement to UBS MTF Limited. Any continued activity by you through UBS MTF after the date of transfer will be contracted with UBS MTF Limited, and not with UBS AGLB, and your continued dealings with or through UBS MTF after that date will represent an acknowledgement by you that UBS MTF Limited is your contractual counterpart under the Agreement rather than UBS AGLB. All other arrangements and functionality will remain unchanged.

We would encourage you to read the information provided below that should address a number of the questions and concerns that you might have.

If you have any queries regarding this notice please contact the UBS MTF Supervisors at +44 207 568 2052 or ubs_mtf@ubs.com.

UBS MTF Management

What does this mean for my UBS MTF Membership?

Your membership of UBS MTF will remain as it is today, except that your contractual relationship will change from UBS AGLB to UBS MTF Limited at the time of the transfer.

What is UBS MTF Limited?

UBS MTF Limited (formerly UBS O'Connor Limited) is an existing UK-incorporated, FCA-regulated company which will be a wholly owned subsidiary of UBS AG. The entity has submitted a Variation of Permission application to the FCA to operate UBS MTF which will be its sole activity going forward. The transfer of UBS MTF to UBS MTF Limited is conditional upon regulatory approval, including the variation of permission.

Are there any operational changes required?

No, there are no operational changes involved for Members.

Will there be any change in the offering of UBS MTF following the transfer of operation to UBS MTF Limited?

No. UBS MTF will operate as it does today.

Will relationships with CCPs change?

UBS MTF will be transferring its relationship with the current three CCPs to UBS MTF Limited; there should be no change to Members' relationships or arrangements with their CCP(s) as a result of this transfer.

What will happen to "in-flight" transactions at the time of the transfer?

There will be no "in-flight" transactions as the change will happen between UBS MTF close and re-opening the following day. In any event, the settlement of transactions matched on UBS MTF is matter for Members and the CCPs which will be unaffected.

Are there any legal documentation changes required as a result of this transfer?

No. The Membership Agreement between UBS AGLB and individual Members will not need to be re-executed. Pursuant to Clause 9.2 of the Membership Agreement, USB AGLB will assign and transfer all its rights and obligations under that Agreement to UBS MTF Limited. Any continued activity by you through UBS MTF after the date of transfer will be contracted with UBS MTF Limited, and not with UBS AGLB, and your continued dealings with or through UBS MTF after that date will represent an acknowledgement by you that UBS MTF Limited is your contractual counterpart under the Agreement rather than UBS AGLB.

The UBS MTF Rulebook and other documentation will be updated to reflect this transfer, and to finalise changes made as a result of the UK's recent withdrawal from the European Union. These will be announced in a further Trading Notice shortly.

What about stamp duty liabilities?

UBS MTF will ensure that it registers UBS MTF Limited as the operator of UBS MTF with the UK and Irish tax authorities to secure the necessary recognition. Members remain responsible for their tax liabilities (see Rulebook section 3.2-3.3).

Is there anything else that I need to do to effect this change?

No, you do not need to make any changes as a result of this transfer of the operation of UBS MTF to UBS MTF Limited.

Will I be dealing with the same people at UBS after the transfer to UBS AGLB?

Yes; your usual contacts at UBS MTF will remain as they are today following the transfer to UBS MTF Limited.