

# Summary and Securities Note

dated 26 November 2014

of

**UBS AG**

*(a corporation limited by shares established under the laws of Switzerland)*

acting through its London branch

UBS AG, London Branch  
*(the London branch of UBS AG)*



for the issue and public offer of

**up to 500,000 UBS Open End Certificates**

**linked to the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500®**

(the **"Underlying"** or, as the case may be, the **"Index"**)

The Securities will be consolidated and form a single series with the previously issued Securities.

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Valor: 20678598

This document comprises a securities note (the **"Securities Note"**) and a summary (the **"Summary"**) and, together with the registration document of UBS AG dated 19 May 2014, as supplemented by Supplement No. 1 dated 8 August 2014, Supplement No. 2 dated 25 August 2014 and Supplement No. 3 dated 24 November 2014, (the **"Registration Document"**), constitutes a prospectus (the **"Prospectus"**) according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission, as amended. The Securities Note contains information relating to the securities (the **"Securities"**, and each a **"Security"**) to be issued as well as offered to the public in the Federal Republic of Germany, the Republic of Austria, the Grand Duchy of Luxembourg, the Netherlands, the Republic of Italy, Norway, Sweden, Finland and the Kingdom of Spain, and the Summary comprises a summary of the Registration Document and the Securities Note.

In this document, unless otherwise specified, references to a **"Member State"** are references to a Member State of the European Economic Area, references to **"EUR"** or **"euro"** are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to **"USD"** or **"U.S. dollars"** are to United States dollars and references to **"CHF"** or **"Swiss Franc"** are to Swiss Franc.

**THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE**

ACCURACY OR THE ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "COMMODITY EXCHANGE ACT") OR BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). SEE "*SUBSCRIPTION AND SALE*".

AN INVESTMENT IN THE SECURITIES DOES NOT CONSTITUTE A PARTICIPATION IN A COLLECTIVE INVESTMENT SCHEME FOR SWISS LAW PURPOSES. THEREFORE, THE SECURITIES ARE NOT SUPERVISED OR APPROVED BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY FINMA ("FINMA") AND INVESTORS MAY NOT BENEFIT FROM THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES.

Potential investors in the Securities are explicitly reminded that an investment in Securities entails financial risks. Holders of Securities run the risk of losing all or part of the amount invested by them in the Securities. All potential investors in Securities are, therefore, advised to study the full contents of the Prospectus, in particular the risk factors.

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I. SUMMARY OF THE PROSPECTUSA. SUMMARY OF THE PROSPECTUS (IN THE ENGLISH LANGUAGE)

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This Summary contains all the Elements required to be included in a summary for this type of securities and Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Element	Section A – Introduction and warnings	
A.1	Warning.	<p><b>This Summary should be read as an introduction to the Prospectus. Any decision to invest in the Securities should be based on consideration of the Prospectus as a whole by the investor.</b></p> <p>Potential investors should be aware that where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the respective European Economic Area member state, have to bear the costs of translating the document before the legal proceedings are initiated.</p> <p>Those persons who are responsible for the summary including the translation thereof, or who have initiated the preparation of the summary can be held liable, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, all required key information.</p> <p>UBS AG, with registered offices at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, and Aeschenvorstadt 1, CH-4051 Basle, Switzerland, (the "<b>Issuer</b>") in its capacity as Issuer assumes responsibility for the content of this Summary (including any translation hereof) pursuant to section 5 paragraph 2b No. 4 of the German Securities Prospectus Act (<i>Wertpapierprospektgesetz</i>).</p>
A.2	<p>Consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries.</p> <p>Indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the prospectus is given.</p> <p>Any other clear and objective conditions attached to the consent</p>	<p>The Issuer consents to the use of the Prospectus in connection with a public offer of the Securities (a "<b>Public Offer</b>") by UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "<b>Manager</b>") on the following basis:</p> <p>(a) the Public Offer must occur as long as the Prospectus is valid in accordance with § 9 of the German Securities Prospectus Act (<i>Wertpapierprospektgesetz</i>, WpPG) (the "<b>Offer Period</b>"); and</p> <p>(b) the Public Offer may only be made in the Federal Republic of Germany, the Republic of Austria, the Grand Duchy of Luxembourg, the Netherlands, the Republic of Italy, Norway,</p>

<p>which are relevant for the use of the prospectus.</p> <p>Notice in bold informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</p>	<p>Sweden, Finland and the Kingdom of Spain (each a “Public Offer Jurisdiction”).</p> <p><b>The Manager will provide information to investors on the terms and conditions of the Public Offer of the Securities at the time such Public Offer is made by the Manager to the investor.</b></p>
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Element	Section B – Issuer	
B.1	Legal and commercial name of the issuer.	The legal and commercial name of the Issuer is UBS AG (“Issuer” or “UBS AG”; together with its subsidiaries, “UBS”, “UBS Group” or the “Group”).
B.2	Domicile, legal form, legislation and country of incorporation of the issuer.	UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland; and Aeschenvorstadt 1, CH-4051 Basle, Switzerland. UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basle City under the registration number CHE-101.329.561. UBS AG is incorporated in Switzerland and operates under the Swiss Code of Obligations and Swiss Federal Banking Law as an <i>Aktiengesellschaft</i> .
B.4b	A description of any known trends affecting the issuer or the industries in which it operates.	<p><b>Trend Information</b></p> <p>As stated in UBS AG's third quarter report issued on 28 October 2014 (including the Group's unaudited consolidated financial statements), at the start of the fourth quarter of 2014, many of the underlying challenges and geopolitical issues that the Group has previously highlighted remain and in some cases have intensified. A number of new concerns have arisen including the fear of risks related to the Ebola virus. The mixed outlook for global growth, the absence of sustained and credible improvements to unresolved issues in Europe, continuing U.S. fiscal and monetary policy issues and increasing geopolitical instability would make improvements in prevailing market conditions unlikely. Despite these ongoing challenges, the Group will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders.</p>
B.5	Description of the group and the issuer's position within the group.	<p>UBS AG is the parent company of the Group. Neither the business divisions of UBS nor the Corporate Center are separate legal entities. Currently, they primarily operate out of UBS AG, through its branches worldwide. Businesses also operate through local subsidiaries where necessary or desirable.</p> <p>UBS has commenced a share for share exchange offer to establish a group holding company. Upon completion of the initial settlement of the exchange offer, which is expected to take place on 28 November 2014, it is intended that UBS Group AG will become the parent company of UBS AG and the holding company of the Group.</p> <p>UBS has also announced that it intends to establish a banking subsidiary in Switzerland in mid-2015. The scope of this future subsidiary's business will include the Retail &amp; Corporate business division and the Swiss-booked business within the Wealth Management business division.</p> <p>In the UK, and in consultation with the UK and Swiss regulators, in May 2014 UBS Limited, UBS's UK bank subsidiary, implemented a</p>

		<p>modified business operating model under which UBS Limited bears and retains a greater degree of risk and reward in its business activities. This principally involves: UBS Limited retaining and managing credit risk as well as some market and other risks, UBS Limited taking a more independent role in managing its funding and liquidity requirements and it involved an increase in UBS Limited's total regulatory capital.</p> <p>In the US, UBS will comply with new rules for banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act that will require an intermediate holding company to own all of its operations other than US branches of UBS AG by 1 July 2016. As a result, UBS will designate an intermediate holding company to hold all US subsidiaries of UBS.</p>																																																																																																												
<b>B.9</b>	Profit forecast or estimate.	Not applicable; no profit forecast or estimate is included in this Prospectus.																																																																																																												
<b>B.10</b>	Qualifications in the audit report.	Not applicable. The auditor's reports on the audited historical financial information are unqualified.																																																																																																												
<b>B.12</b>	Selected historical key financial information.	<p>UBS AG derived the following selected consolidated financial data from (i) its annual report 2013 containing the audited consolidated financial statements of the Group, as well as additional unaudited consolidated financial data, as of or for the fiscal year ended 31 December 2013 (including comparative figures for the fiscal years ended 31 December 2012 and 2011), (ii) its report for the third quarter 2014, containing unaudited consolidated financial statements, as well as additional unaudited consolidated financial data, as of or for the nine months ended 30 September 2014 (from which comparative figures as of or for the nine months ended 30 September 2013 have been derived). UBS' consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and stated in Swiss francs (CHF).</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">As of or for the nine months ended</th> <th colspan="3">As of or for the year ended</th> </tr> <tr> <th><i>CHF million, except where indicated</i></th> <th>30.9.14</th> <th>30.9.13</th> <th>31.12.13</th> <th>31.12.12</th> <th>31.12.11</th> </tr> <tr> <th></th> <th colspan="2"><i>unaudited</i></th> <th colspan="3"><i>audited, except where indicated</i></th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>Group results</b></td> </tr> <tr> <td>Operating income</td> <td>21,281</td> <td>21,425</td> <td>27,732</td> <td>25,423</td> <td>27,788</td> </tr> <tr> <td>Operating expenses</td> <td>19,224</td> <td>18,602</td> <td>24,461</td> <td>27,216</td> <td>22,482</td> </tr> <tr> <td>Operating profit / (loss) before tax</td> <td>2,057</td> <td>2,823</td> <td>3,272</td> <td>(1,794)</td> <td>5,307</td> </tr> <tr> <td>Net profit / (loss) attributable to UBS shareholders</td> <td>2,609</td> <td>2,255</td> <td>3,172</td> <td>(2,480)</td> <td>4,138</td> </tr> <tr> <td>Diluted earnings per share (CHF)</td> <td>0.68</td> <td>0.59</td> <td>0.83</td> <td>(0.66)</td> <td>1.08</td> </tr> <tr> <td colspan="6"><b>Key performance indicators</b></td> </tr> <tr> <td colspan="6"><b>Profitability</b></td> </tr> <tr> <td>Return on equity (RoE) (%) <sup>1</sup></td> <td>7.1</td> <td>6.4</td> <td>6.7*</td> <td>(5.1)*</td> <td>9.1*</td> </tr> <tr> <td>Return on assets, gross (%) <sup>2</sup></td> <td>2.8</td> <td>2.5</td> <td>2.5*</td> <td>1.9*</td> <td>2.1*</td> </tr> <tr> <td>Cost / income ratio (%) <sup>3</sup></td> <td>90.3</td> <td>86.7</td> <td>88.0*</td> <td>106.6*</td> <td>80.7*</td> </tr> <tr> <td colspan="6"><b>Growth</b></td> </tr> <tr> <td>Net profit growth (%) <sup>4</sup></td> <td>15.7</td> <td>-</td> <td>-</td> <td>-</td> <td>(44.5)*</td> </tr> <tr> <td>Net new money growth for combined wealth management businesses (%) <sup>5</sup></td> <td>2.7</td> <td>3.6</td> <td>3.4*</td> <td>3.2*</td> <td>2.4*</td> </tr> <tr> <td colspan="6"><b>Resources</b></td> </tr> </tbody> </table>		As of or for the nine months ended		As of or for the year ended			<i>CHF million, except where indicated</i>	30.9.14	30.9.13	31.12.13	31.12.12	31.12.11		<i>unaudited</i>		<i>audited, except where indicated</i>			<b>Group results</b>						Operating income	21,281	21,425	27,732	25,423	27,788	Operating expenses	19,224	18,602	24,461	27,216	22,482	Operating profit / (loss) before tax	2,057	2,823	3,272	(1,794)	5,307	Net profit / (loss) attributable to UBS shareholders	2,609	2,255	3,172	(2,480)	4,138	Diluted earnings per share (CHF)	0.68	0.59	0.83	(0.66)	1.08	<b>Key performance indicators</b>						<b>Profitability</b>						Return on equity (RoE) (%) <sup>1</sup>	7.1	6.4	6.7*	(5.1)*	9.1*	Return on assets, gross (%) <sup>2</sup>	2.8	2.5	2.5*	1.9*	2.1*	Cost / income ratio (%) <sup>3</sup>	90.3	86.7	88.0*	106.6*	80.7*	<b>Growth</b>						Net profit growth (%) <sup>4</sup>	15.7	-	-	-	(44.5)*	Net new money growth for combined wealth management businesses (%) <sup>5</sup>	2.7	3.6	3.4*	3.2*	2.4*	<b>Resources</b>					
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Common equity tier 1 capital ratio (fully applied, %) <sup>6,7</sup>	13.7	11.9	12.8*	9.8*	-
Swiss SRB leverage ratio (phase-in, %) <sup>8</sup>	5.4	4.2	4.7*	3.6*	-
<b>Additional information</b>					
<b>Profitability</b>					
Return on tangible equity (%) <sup>9</sup>	8.3	7.6	8.0*	1.6*	11.9*
Return on risk-weighted assets, gross (%) <sup>10</sup>	12.4	11.5	11.4*	12.0*	13.7*
<b>Resources</b>					
Total assets	1,049,258	1,049,101	1,018,374* <sup>11</sup>	1,259,797	1,416,962
Equity attributable to UBS shareholders	50,824	47,403	48,002	45,949	48,530
Common equity tier 1 capital (fully applied) <sup>7</sup>	30,047	26,019	28,908	25,182*	-
Common equity tier 1 capital (phase-in) <sup>7</sup>	42,464	38,963	42,179	40,032*	-
Risk-weighted assets (fully applied) <sup>7</sup>	219,296	218,926	225,153*	258,113*	-
Risk-weighted assets (phase-in) <sup>7</sup>	222,648	222,306	228,557*	261,800*	-
Common equity tier 1 capital ratio (phase-in, %) <sup>6,7</sup>	19.1	17.5	18.5*	15.3*	-
Total capital ratio (fully applied, %) <sup>7</sup>	18.7	14.3	15.4*	11.4*	-
Total capital ratio (phase-in, %) <sup>7</sup>	24.9	21.8	22.2*	18.9*	-
Swiss SRB leverage ratio (fully applied, %) <sup>8</sup>	4.2	3.0	3.4*	2.4*	-
Swiss SRB leverage ratio denominator (fully applied) <sup>12</sup>	985,071	1,055,956	1,020,247*	1,206,214*	-
Swiss SRB leverage ratio denominator (phase-in) <sup>12</sup>	991,730	1,063,294	1,027,864*	1,216,561*	-
<b>Other</b>					
Invested assets (CHF billion) <sup>13</sup>	2,640	2,339	2,390	2,230	2,088
Personnel (full-time equivalents)	60,292	60,635	60,205*	62,628*	64,820*
Market capitalization	64,047	71,066	65,007*	54,729*	42,843*
Total book value per share (CHF)	13.54	12.58	12.74*	12.26*	12.95*
Tangible book value per share (CHF)	11.78	10.89	11.07*	10.54*	10.36*

\* unaudited

<sup>1</sup> Net profit / loss attributable to UBS shareholders (annualized as applicable) / average equity attributable to UBS shareholders. <sup>2</sup> Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. <sup>3</sup> Operating expenses / operating income before credit loss (expense) or recovery. <sup>4</sup> Change in net profit attributable to UBS shareholders from continuing operations between current and comparison periods / net profit attributable to UBS shareholders from continuing operations of comparison period. Not meaningful and not included if either the reporting period or the comparison period is a loss period. <sup>5</sup> Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. Figures for the periods ended 31 December 2013, 2012 and 2011 are derived from the accounting records of the Group. <sup>6</sup> Common equity tier 1 capital / risk-weighted assets. <sup>7</sup> Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are on a pro-forma basis. Numbers for 31 December 2012 are calculated on an estimated basis described below and are referred to as "pro-forma" in this prospectus. The term "pro-forma" as used in this prospectus does not refer to the term "pro forma financial information" within the meaning of Regulation (EC) 809/2004. Some of the models applied when calculating 31 December 2012 pro-forma information required regulatory approval and included estimates (as discussed with UBS's primary regulator) of the effect of new capital charges. These figures are not required to be presented, because Basel III requirements were not in effect on 31 December 2012. They are nevertheless included for comparison reasons, because the Basel III requirements were effective as of 1 January 2013. Information for 31 December 2011 is not available. <sup>8</sup> Swiss SRB Basel III common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). Information for 31 December 2011 is not available. <sup>9</sup> Net profit / loss attributable to UBS shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS shareholders less average goodwill and intangible assets. <sup>10</sup> Operating income before credit loss (expense) or recovery (annualized as applicable) / average risk-weighted assets. Based on Basel III risk-weighted assets (phase-in) for 2014 and 2013, on Basel 2.5 risk-weighted assets for 2012 and on Basel II risk-weighted assets for 2011. <sup>11</sup> On 1 January 2014, UBS adopted *Offsetting Financial Assets and Financial Liabilities* (Amendments to IAS 32, *Financial Instruments: Presentation*). The prior period balance sheet as of 31 December 2013 was restated to reflect the



	<p>effects of adopting these amendments to IAS 32. <sup>12</sup> The leverage ratio denominator is also referred to as "total adjusted exposure" and is calculated in accordance with Swiss SRB leverage ratio requirements. Data represent the average of the total adjusted exposure at the end of the three months preceding the end of the reporting period. The figure for the period ended 31 December 2012 is derived from the accounting records of the Group. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). Information for 31 December 2011 is not available. <sup>13</sup> Group invested assets includes invested assets for Retail &amp; Corporate.</p>
	<p>Material adverse change statement. There has been no material adverse change in the prospects of UBS AG or UBS Group since 31 December 2013.</p> <p>Significant changes statement. There has been no significant change in the financial or trading position of UBS Group or of UBS AG since 30 September 2014.</p>
<b>B.13</b>	<p>Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency</p> <p>Not applicable, no recent events particular to UBS AG have occurred, which are to a material extent relevant to the evaluation of the UBS AG's solvency.</p>
<b>B.14</b>	<p>Description of the group and the issuer's position within the group.</p> <p>Dependence upon other entities within the group.</p> <p>Please see element B.5</p> <p>UBS AG is the parent company of the UBS Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.</p>
<b>B.15</b>	<p>Issuer's principal activities.</p> <p>UBS AG with its subsidiaries draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS' business strategy is centered on its (in UBS' opinion) pre-eminent global wealth management businesses and its (in UBS' opinion) leading universal bank in Switzerland, completed by its Global Asset Management business complemented and its Investment Bank, with a focus on capital efficiency and businesses that offer (in UBS' opinion) a superior structural growth and profitability outlook. Headquartered in Zurich and Basle, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.</p> <p>According to Article 2 of the Articles of Association of UBS AG, dated 7 May 2014 ("<b>Articles of Association</b>"), the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad.</p>
<b>B.16</b>	<p>Direct or indirect shareholdings or control agreements of the issuer.</p> <p>The following are the most recent notifications of holdings in UBS AG's share capital filed in accordance with the Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, as amended, based on UBS AG's registered share capital at the time of the disclosure: (i) 18 September 2013, Government of Singapore Investment Corp disclosed a change of its corporate name to GIC Private Limited and a holding of 6.40%; (ii) 30 September 2011, Norges Bank (the Central Bank of Norway), 3.04%; (iii) 17 December 2009, BlackRock Inc., New York, USA, 3.45%.</p> <p>As of 30 September 2014, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.65%); Government of Singapore Investment Corp., Singapore (6.39%); the US securities clearing organization DTC (Cede &amp; Co.) New York, "The Depository Trust Company" (6.76%); and Nortrust Nominees Ltd., London (3.54%).</p>

Element	Section C – Securities	
C.1	Type and the class of the securities, security identification number.	<p><b>Type and Form of Securities</b> The Securities are derivative certificates, which are not capital protected.</p> <p>The Securities are issued as uncertificated securities (<i>Wertrechte</i>; "<b>Uncertificated Securities</b>") pursuant to article 973c of the Swiss Code of Obligations ("<b>CO</b>"). Uncertificated Securities are registered in the main register of a Swiss depository (<i>Verwahrungsstelle</i>; "<b>FISA Depository</b>") according to the Swiss Federal Act on Intermediated Securities ("<b>FISA</b>"). Upon (a) entering the Uncertificated Securities into the main register of a FISA Depository and (b) booking the Securities into a securities account at a FISA Depository, the Uncertificated Securities will constitute intermediated securities within the meaning of the FISA (<i>Bucheffekten</i>; "<b>Intermediated Securities</b>"). The Issuer will normally choose SIS SIX AG, Baslerstrasse 100, CH-4600 Olten, Switzerland, ("<b>SIS</b>" or the "<b>Clearing System</b>") as FISA Depository, but reserves the right to choose any other FISA Depository, including UBS AG.</p> <p>Intermediated Securities are transferred and otherwise disposed of in accordance with the provisions of the FISA and the relevant agreements with the respective FISA Depository (in particular, neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to articles 164 et seq. CO without the prior written consent of the Issuer).</p> <p>The holders of the Securities shall at no time have the right to demand (a) conversion of Uncertificated Securities into physical securities and/or (b) delivery of physical securities. For the avoidance of doubt and regardless of such conversion, Uncertificated Securities will at any time constitute Intermediated Securities.</p> <p><b>Security identification number(s) of the Securities</b> ISIN: CH0206785989 WKN: UA1LHD Valor: 20678598</p>
C.2	Currency of the securities.	U.S. dollars (the " <b>Redemption Currency</b> ")
C.5	Restrictions on the free transferability of the securities.	Not applicable; no restrictions on the free transferability of the Securities apply.
C.8	Rights attached to the securities, including ranking and limitations to those rights.	<p><b>Governing law of the Securities</b> The Securities are governed by Swiss law.</p> <p><b>Rights attached to the Securities</b> The Securities provide, subject to the Conditions of the Securities, Securityholders, upon exercise, with a claim for payment of the Redemption Amount in the Redemption Currency. During their term, the Securities do not generate any regular income (e.g. dividends or interest).</p> <p><b>Limitation of the rights attached to the Securities</b> Under the conditions set out in the Conditions of the Securities, the Issuer is entitled to terminate the Securities and to make certain adjustments to the Conditions of the Securities.</p> <p><b>Status of the Securities</b> The Securities will constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking <i>pari passu</i> among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.</p>

C.11	Admission to trading on a regulated market or other equivalent markets.	The Securities are listed at SIX Swiss Exchange (“SIX”) and admitted to trading on the platform of SIX Structured Products Exchange AG.
C.15	Influence of the underlying on the value of the securities.	<p>The value of the UBS Open End Certificates during their term depends on the performance of the Underlying. In case the level of the Underlying increases, the value of the UBS Open End Certificates is likely to increase. In case the level of the Underlying decreases, the value of the the UBS Open End Certificates is likely to decrease.</p> <p>In particular, the Redemption Amount, if any, to be received by the Securityholder upon exercise of the UBS Open End Certificates depends on the performance of the Underlying. Therefore, the UBS Open End Certificates allow investors to participate, considering the Management Fee, in the positive development of the Underlying. Conversely, investors in UBS Open End Certificates also participate in the negative development of the Underlying.</p> <p>Upon exercise of the UBS Open End Certificates by either the Securityholder or the Issuer, Securityholders receive on the Maturity Date a Redemption Amount in the Redemption Currency, the amount of which depends on the Settlement Price of the Underlying. The Redemption Amount is calculated by reducing the Settlement Price by a Management Fee and multiplying the result by the Conversion Ratio.</p> <p>During their term, the UBS Open End Certificates do not generate any regular income (e.g. dividends or interest).</p>
C.16	Expiration or maturity date, the exercise date or final reference date.	<p>The Maturity Date means the fifth Banking Day after (i) the relevant Valuation Date and (ii) in the case of a Termination or a Termination for Tax Reasons, as the case may be, by the Issuer after the Termination Date or the Tax Termination Date, as the case may be.</p> <p>The Valuation Date means (i) in the case of an exercise by the Securityholder, subject to an effective exercise procedure, the 22 February of the next succeeding calendar year and (ii) in the case of an Redemption by the Issuer, the Redemption Date.</p> <p>The Exercise Date means each 22 February of a calendar year, starting on 22 February 2014.</p>
C.17	Settlement procedure of the derivative securities.	<p>Payments shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer agree to be subject, be made in accordance with the relevant regulation and operating procedure applicable to and/or issued by the Clearing System (the “CA Rules”) to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.</p> <p>The Issuer shall be discharged from its redemption obligations or any other payment obligations under the Securities by delivery to the Clearing System in the manner described above.</p>
C.18	A description of how the return on derivative securities takes place.	Securityholders will receive on the relevant Maturity Date payment of the Redemption Amount.
C.19	Exercise price or final reference price of	The Settlement Price of the Underlying equals the Price of the Underlying on the Valuation Date at the Valuation Time.

	the underlying.	
C.20	Type of the underlying and where the information on the underlying can be found.	<p><b>Type of Underlying:</b></p> <p>The UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&amp;P 500® (the “<b>Index</b>”) is an index as maintained, calculated and published by UBS AG, London Branch (the “<b>Index Sponsor</b>”). The Index uses a strictly rules-based methodology to implement a market timing strategy based on the proprietary UBS Dynamic Equity Risk Indicator in order to rotate in and out of equity investments.</p> <p>Information about the past and the further performance of the Underlying and its volatility can be obtained upon request from the Issuer.</p>

Element		Section D – Risks
		<p>The purchase of Securities is associated with certain risks. <b>The Issuer expressly points out that the description of the risks associated with an investment in the Securities describes only the key risks which were known to the Issuer at the date of the Prospectus.</b></p>
D.2	Key information on the key risks that are specific and individual to the issuer.	<p>The Securities entails an issuer risk, also referred to as debtor risk or credit risk for prospective investors. An issuer risk is the risk that UBS AG becomes temporarily or permanently unable to meet its obligations under the Securities.</p> <p><b>General insolvency risk</b></p> <p>Each investor bears the general risk that the financial situation of the Issuer could deteriorate. The debt or derivative securities of the Issuer will constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, in particular in the case of insolvency of the Issuer, rank <i>pari passu</i> with each other and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. <b>In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.</b></p> <p>UBS as Issuer is subject to various risks within its business activities. Such risks comprise in particular the following types of risks, where all of these risks might have adverse effects on the value of the Securities:</p> <ul style="list-style-type: none"> <li>• Effect of downgrading of the Issuer’s rating</li> <li>• Regulatory and legislative changes may adversely affect UBS’s business and ability to execute its strategic plans</li> <li>• A decreased capital strength could have an adverse affect on the implementation of UBS's strategy, its client franchise and competitive position</li> <li>• UBS may not be successful in executing its announced strategic plans</li> <li>• A deterioration of UBS's reputation could have an adverse affect to the success of its business</li> <li>• Material legal and regulatory risks arise in the conduct of UBS's business</li> <li>• Performance in the financial services industry is affected by market conditions and the macroeconomic climate</li> </ul>

		<ul style="list-style-type: none"> <li>• UBS holds legacy and other risk positions that may be adversely affected by conditions in the financial markets; legacy risk positions may be difficult to liquidate</li> <li>• UBS's global presence subjects it to risk from currency fluctuations</li> <li>• UBS is dependent upon UBS's risk management and control processes to avoid or limit potential losses in UBS's trading and counterparty credit businesses</li> <li>• Valuations of certain positions rely on models; models have inherent limitations and may use inputs which have no observable source</li> <li>• UBS is exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of its Wealth Management business division</li> <li>• Liquidity and funding management are critical to UBS's ongoing performance</li> <li>• Operational risks may affect UBS's business</li> <li>• UBS might be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees</li> <li>• UBS's financial results may be negatively affected by changes to accounting standards</li> <li>• UBS's financial results may be negatively affected by changes to assumptions supporting the value of UBS's goodwill</li> <li>• The effects of taxes on UBS's financial results are significantly influenced by changes in UBS's deferred tax assets and final determinations on audits by tax authorities</li> </ul>
D.6	Key information on the risks that are specific and individual to the securities.	<p>Potential investors of the Securities should recognise that the Securities <b>constitute a risk investment</b> which can lead to a <b>total loss</b> of their investment in the Securities. Securityholders will incur a loss, if the amounts received in accordance with the Conditions of the Securities is below the purchase price of the Securities (including the transaction costs). Each investor in the Securities bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a <b>total loss</b> of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the <b>risks of loss</b> connected with the Securities.</p> <p><b>Security specific Risks</b></p> <p>1. <b><u>Special risks related to specific features of the Security structure</u></b> Prior to investing in the Securities, potential investors should note that the following special features of the Securities may have a negative impact on the value of the Securities or, as the case may be, on any amount, if any, payable according to the Conditions of the Securities and that the Securities accordingly have special risk profiles:</p> <p><b><u>Determination of the relevant Settlement Price</u></b> Prospective investors should note in case of an exercise of the Securities in accordance with the exercise procedure described in the</p>

		<p>Conditions of the Securities, the Valuation Date relevant for determining the Settlement Price will, subject to the Conditions of the Securities, be the 22 February of the immediately succeeding calendar year. Any negative performance of the Price of the Underlying between the exercise of the Securities by the Securityholder and the determination of the Price of the Underlying on the relevant Valuation Date are borne by the Securityholders.</p> <p><b><u>No pre-defined term of the Securities</u></b> The Securities have - in contrast to securities with a fixed term - no pre-determined expiration date, and thus no defined term. As a result, the Securityholder's right vested in those Securities, must be exercised by the respective Securityholder on a specific Exercise Dates in accordance with the exercise procedure described in the Conditions of the Securities, if the Security Right is to be asserted. In the event that the required Exercise Notice is not duly received on the relevant Exercise Date, the Securities cannot be exercised until the next exercise date stated in the Conditions of the Securities.</p> <p><b>2. <u>Termination and Redemption at the option of the Issuer</u></b> Potential investors in the Securities should furthermore be aware that the Issuer is under certain circumstances entitled to terminate and redeem the Securities in total. In case the Issuer terminates and redeems the Securities, the Securityholder is entitled to demand the payment of an amount in relation to this redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the relevant termination date.</p> <p>The Securityholder, therefore, bears the risk of not participating in the performance of the Underlying to the expected extent and during the expected period and, therefore, receives less than its capital invested.</p> <p>In the case of a termination of the Securities by the Issuer, the Securityholder bears the risk of a reinvestment, <i>i.e.</i> the investor bears the risk that it will have to re-invest the Termination Amount, if any, paid by the Issuer in the case of termination at market conditions, which may be less favourable than those existing prevailing at the time of the acquisition of the Securities.</p> <p><b>3. <u>Possible fluctuations in the level of the Underlying after termination of the Securities</u></b> In the event that the term of the Securities is terminated by the Issuer, potential investors of the Securities should note that any adverse fluctuations in the level of the Underlying between the announcement of the termination by the Issuer and the determination of the price of the Underlying relevant for the calculation of the then payable Termination Amount are borne by the Securityholders.</p> <p><b>4. <u>Adverse impact of adjustments of the Security Right</u></b> It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlying, which potentially lead to changes to the Underlying or result in the underlying concept of the Underlying being changed. In such case, the Issuer shall be entitled to effect adjustments according to the Conditions of the Securities to account for these events or measures. The adjustments to the Underlying might have a negative impact on the value of the Securities.</p> <p><b>5. <u>Determinations by the Calculation Agent</u></b> The Calculation Agent has certain discretion under the Conditions of</p>
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		<p>the Securities (i) to determine whether certain events have occurred (in particular, the occurrence of a Market Disruption in accordance with the Conditions of the Securities), (ii) to determine any resulting adjustments and calculations, (iii) also to make adjustments to the Underlying and (iv) to postpone valuations or payments under the Securities. The Calculation Agent will make any such determination at its reasonable discretion (in accordance with § 317 of the BGB) and in a commercially reasonable manner. Potential investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any determination made by, the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.</p> <p><b>6. <u>Trading in the Securities / Illiquidity</u></b></p> <p>It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid.</p> <p>Even though the Securities are listed at SIX Swiss Exchange (“SIX”) and admitted to trading on the platform of SIX Structured Products Exchange AG, no assurance is given that any such admission or listing will be maintained. The fact that the Securities are admitted to trading or listed does not necessarily denote greater liquidity than if this were not the case. If the Securities are not listed or traded on any exchange, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities, if any, may be adversely affected. The liquidity of the Securities, if any, may also be affected by restrictions on the purchase and sale of the Securities in some jurisdictions. Additionally, the Issuer has the right (but no obligation) to purchase Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.</p> <p>In addition, it cannot be excluded that the number of Securities actually issued and purchased by investors is less than the intended Issue Size of the Securities. Consequently, there is the risk that due to the low volume of Securities actually issued the liquidity of the Securities is lower than if all Securities were issued and purchased by investors.</p> <p>The Manager intends, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager makes no firm commitment to the Issuer to provide liquidity by means of bid and offer prices for the Securities, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. <b>Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.</b></p> <p><b>7. <u>Taxation in relation to the Securities</u></b></p> <p>Potential investors should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and</p>
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		<p>redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.</p> <p><b>8. <u>Changes in Taxation in relation to the Securities</u></b>  The considerations concerning the taxation of the Securities set forth in the Securities Note reflect the opinion of the Issuer on the basis of the legal situation identifiable as of the date of the Securities Note. However, a different tax treatment by the fiscal authorities and tax courts cannot be excluded. Each investor should seek the advice of his or her personal tax consultant before deciding whether to purchase the Securities. Potential investors should be aware that the legal situation identifiable as of the date of the Securities Note may change, possibly with retroactive effect.</p> <p>Neither the Issuer nor the Manager assumes any responsibility vis-à-vis the Securityholders for the tax consequences of an investment in the Securities.</p> <p><b>9. <u>Potential conflicts of interest</u></b>  The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Underlying, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.</p> <p>Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Underlying; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the Underlying, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.</p> <p>Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.</p> <p><b><u>Underlying specific Risks</u></b>  The Securities issued under the Prospectus are linked to an index. The amounts payable on redemption under the Securities will be determined by reference to the price or value of the Underlying. Accordingly, investing in the Securities also involves certain risks that are related to the Underlying and investors should review carefully the Prospectus to understand the effect on the Securities of such linkage to the Underlying.</p> <p>The purchase of, or investment in, the Securities involves substantial risks. These Securities are not conventional securities and carry various unique</p>
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		<p>investment risks which potential investors should understand clearly before investing in the Securities. Potential investors in such Securities should be familiar with this type of securities and should fully review all documentation, read and understand the Prospectus and be aware of the nature and extent of the exposure to risk of loss.</p> <p>Investing in the Securities, hence, also involves certain risks that are related to the Underlying:</p> <p><b>1. <u>General risks related to the Underlying</u></b> Investors should be aware that some risks are related to the Underlying in general:</p> <p><b>Risk of fluctuations in value</b> The performance of the Underlying is subject to fluctuations. Therefore, Securityholders cannot foresee what consideration they can expect to receive for the Securities they hold on a certain day in the future. When the Securities are redeemed, exercised or otherwise disposed of on a certain day, they may be worth a lot less than if they were disposed of at a later or earlier point in time.</p> <p><b>Uncertainty about future performance</b> It is not possible to reliably predict the future performance of the Underlying. Likewise, the historical data of the Underlying does also not allow for any conclusions to be drawn about the future performance of the Underlying and the Securities.</p> <p><b>No warranties or representations regarding the future performance of the Underlying</b> The Issuer does not give any explicit or tacit warranty or representation regarding the future performance of the Underlying. In addition, the issuer or the sponsor of the Underlying does not assume any obligation to consider the interests of the Issuer of the Securities or the Securityholders for any reason whatsoever.</p> <p><b>No rights of ownership in the Underlying</b> Potential investors should be aware that the Underlying will not be held by the Issuer for the benefit of the Securityholders, and that Securityholders will not obtain any rights of ownership (including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights) with respect to any Underlying to which the Securities are related. Neither the Issuer nor any of its affiliates is under any obligation whatsoever to acquire or hold any Underlying.</p> <p><b>2. <u>Specific risks related to the Underlying</u></b> In addition, the following risks are specifically related to the Underlying:</p> <p>Investors should be aware that some risks are related to the Underlying. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in the Index.</p> <p>These risks include risks related to a direct investment in the index components, the dependence on the value of the index components, the influence of the Issuer or the index sponsor on the Index, the adverse effect of fees on the index and currency exchange risk contained in the index. Potential investors should seek respective advice and familiarise themselves with the specific risk profile of the Index and seek the advice of a professional, if necessary.</p>
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	Risk warning to the effect that investors may lose the value of their entire investment or part of it.	Each investor in the Securities bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a <b>total loss</b> of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the <b>risks of loss</b> connected with the Securities.
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Element	Section E – Offer	
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.	Not applicable. Reasons for the offer and use of proceeds is not different from making profit and/or hedging certain risks.
E.3	Terms and conditions of the offer.	<p>On 1 March 2013, UBS AG, acting through its London Branch, has issued up to 150,000 UBS Open End Certificates linked to the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&amp;P 500<sup>®</sup> with the International Security Identification Number CH0206785989 (the "<b>Existing Securities</b>"). The Issue Price per Existing Security was USD 66.80.</p> <p>The object of this Prospectus are additional UBS Open End Certificates (the "<b>Additional Securities</b>" or the "<b>Securities</b>") with the International Security Identification Number CH0206785989, issued by UBS AG, acting through its London Branch, in accordance with Swiss law and in the size of up to 500,000 Securities. The Additional Securities to be issued on 28 November 2014 (the "<b>Issue Date in relation to the Additional Securities</b>") will be consolidated and form a single series with the Existing Securities.</p> <p>It has been agreed that, on or after the Issue Date in relation to the Additional Securities the Manager may purchase the Additional Securities and shall place them for sale under terms subject to change in the Public Offer Jurisdictions.</p> <p>As of 28 November 2014 (the "<b>Start of the public offer of the Additional Securities</b>"), the Additional Securities may be purchased from the Manager during normal banking hours. Such offer of the Additional Securities is made on a continuous basis. There will be no subscription period. The selling price per Additional Security is based on the prevailing market situation and the price of the Underlying and is adjusted on a continual basis. The level of the selling price can be requested at the Manager. The selling price per Additional Security is payable upon delivery of the purchased Securities (the "<b>Payment Date</b>").</p> <p>After the Payment Date, the appropriate number of Securities is credited to the investor's account in accordance with the rules of the corresponding Clearing System.</p>
E.4	Interest that is material to the issue/offer including conflicting interests.	<p><b>Any interest, including conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities</b></p> <p>The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Underlying, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as</p>

		<p>well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.</p> <p>Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Underlying; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the Underlying, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.</p> <p>Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.</p> <p>Save for the Manager regarding its relevant fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue / the offer of the Securities and, save for the conflicts of interests above, no further conflicts of interests exist.</p>
<p><b>E.7</b></p>	<p>Estimated expenses charged to the investor by the issuer or the offeror.</p>	<p>Not applicable; no expenses are charged to the investor by the Issuer or the Manager.</p>

**B. SUMMARY OF THE PROSPECTUS (IN THE GERMAN LANGUAGE)****ZUSAMMENFASSUNG**

Zusammenfassungen bestehen aus bestimmten Offenlegungspflichten, den sogenannten "Punkten". Diese Punkte sind in den Abschnitten A - E enthalten und nummeriert (A.1 – E.7).

Diese Zusammenfassung enthält alle Punkte, die für eine Zusammenfassung dieses Typs von Wertpapieren und Emittent erforderlich sind. Da einige Punkte nicht adressiert werden müssen, kann es Lücken in der Nummerierungsreihenfolge geben.

Auch wenn ein Punkt aufgrund des Typs von Wertpapieren und Emittent erforderlich sein kann, besteht die Möglichkeit, dass zu diesem Punkt keine relevanten Informationen gegeben werden können. In diesem Fall wird eine kurze Beschreibung des Punktes mit der Erwähnung "Entfällt" eingefügt.

Punkt	Abschnitt A – Einleitung und Warnhinweise	
A.1	Warnung.	<p><b>Diese Zusammenfassung ist als Einführung in den Prospekt zu verstehen. Anleger sollten jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Prospekts stützen.</b></p> <p>Potenzielle Anleger sollten sich darüber im Klaren sein, dass für den Fall, dass vor einem Gericht Ansprüche auf Grund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben könnte.</p> <p>Diejenigen Personen, die die Verantwortung für die Zusammenfassung, einschließlich deren Übersetzung, übernommen haben, oder von denen der Erlass der Zusammenfassung ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.</p> <p>Die UBS AG, mit registrierten Sitz in Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz, (die "<b>Emittentin</b>") in ihrer Funktion als Emittentin übernimmt für den Inhalt dieser Zusammenfassung (einschließlich einer Übersetzung hiervon) gemäß § 5 Abs. 2b Nr. 4 WpPG (Wertpapierprospektgesetz) die Verantwortung.</p>
A.2	Zustimmung des Emittenten oder der für die Erstellung des Prospekts verantwortlichen Person zur Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre	Die Emittentin stimmt einer Verwendung des Prospekts im Zusammenhang mit einem öffentlichen Angebot der Wertpapiere (das " <b>Öffentliches Angebot</b> ") durch UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich (der " <b>Manager</b> ") auf folgender Grundlage zu:

	<p>Angabe der Angebotsfrist, innerhalb deren die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre erfolgen kann und für die die Zustimmung zur Verwendung des Prospekts erteilt wird</p>	<p>(a) das Öffentliche Angebot findet während der Gültigkeit dieses Prospekts gemäß § 9 des Wertpapierprospektgesetzes (die "Angebotsfrist") statt; und</p>
	<p>Alle sonstigen klaren und objektiven Bedingungen, an die die Zustimmung gebunden ist und die für die Verwendung des Prospekts relevant sind</p>	<p>(b) das Öffentliche Angebot wird ausschließlich in der Bundesrepublik Deutschland, der Republik Österreich, dem Großherzogtum Luxemburg, den Niederlanden, der Republik Italien, Norwegen, Schweden, Finnland und dem Königreich Spanien (jeweils eine "Jurisdiktion des Öffentlichen Angebots") gemacht.</p>
	<p>Deutlich hervorgehobener Hinweis für die Anleger, dass Informationen über die Bedingungen des Angebots eines Finanzintermediärs von diesem zum Zeitpunkt der Vorlage des Angebots zur Verfügung zu stellen sind</p>	<p><b>Informationen über die Bedingungen des Angebots des Managers sind von diesem zum Zeitpunkt der Vorlage des Angebots zur Verfügung zu stellen.</b></p>

Punkt	Abschnitt B – Emittentin	
B.1	<p>Juristische und kommerzielle Bezeichnung der Emittentin.</p>	<p>Die juristische und kommerzielle Bezeichnung der Emittentin ist UBS AG ("Emittentin" oder "UBS AG"; gemeinsam mit ihren Tochtergesellschaften, "UBS", "UBS Gruppe" oder die "Gruppe").</p>
B.2	<p>Sitz, Rechtsform, geltendes Recht und Land der Gründung der Emittentin.</p>	<p>Die registrierten Sitze und wesentlichen Geschäftsstellen der UBS AG in der Schweiz sind: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz. Die UBS AG ist im Handelsregister des Kantons Zürich und des Kantons Basel-Stadt unter der Nummer CHE-101.329.561 eingetragen. Die UBS AG wurde in der Schweiz gegründet und unterliegt als Aktiengesellschaft dem schweizerischem Obligationenrecht und den schweizerischen bankenrechtlichen Bestimmungen.</p>
B.4b	<p>Alle bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.</p>	<p><b>Trendinformation</b>                  Wie im am 28. Oktober 2014 publizierten dritten Quartalsbericht 2014 von UBS (einschließlich ungeprüften konsolidierten Finanzangaben) dargestellt, bleiben zu Beginn des vierten Quartals 2014 viele der bereits früher erwähnten Herausforderungen grundsätzlicher und geopolitischer Natur unverändert bestehen und haben sich in einigen Fällen verschärft. Es sind einige neue Bedenken entstanden, darunter die befürchteten Risiken im Zusammenhang mit dem Ebola-Virus. Die durchwachsenen Perspektiven</p>

		für das globale Wachstum, das Fehlen nachhaltiger und glaubwürdiger Fortschritte bei den ungelösten Problemen in Europa, offene Fragen im Zusammenhang mit der amerikanischen Fiskal- und Geldpolitik sowie erhöhte geopolitische Instabilität würden Ergebnisverbesserungen unter den herrschenden Marktbedingungen unwahrscheinlich machen. Ungeachtet dieser anhaltenden Herausforderungen wird die UBS mit der Umsetzung ihrer Strategie fortfahren, um so den langfristigen Erfolg des Unternehmens sicherzustellen und für die Aktionäre nachhaltige Renditen zu erwirtschaften.
<b>B.5</b>	Beschreibung der Gruppe und Stellung der Emittentin innerhalb dieser Gruppe.	<p>Die UBS AG ist die Muttergesellschaft von UBS. Weder die Unternehmensbereiche von UBS noch das Corporate Center sind rechtlich selbstständige Einheiten; derzeit führen sie in erster Linie vielmehr ihre Geschäftsaktivitäten durch die weltweiten Niederlassungen des Stammhauses aus. Die Geschäfte werden wo nötig oder wünschenswert auch durch lokale Tochtergesellschaften geführt.</p> <p>Die UBS hat mit einem Aktientauschangebot begonnen, um eine Konzernholdinggesellschaft, die UBS Group AG, zu etablieren. Mit der Komplettierung der Abwicklung des initialen Umtauschangebots, die für den 28. November 2014 erwartet wird, ist es beabsichtigt, dass die UBS Group AG die Muttergesellschaft der UBS AG und die Holdinggesellschaft der Gruppe wird. UBS hat ebenfalls angekündigt, dass sie beabsichtigt bis Mitte 2015 eine neue Tochterbank in der Schweiz zu gründen. Der Umfang des Geschäfts dieser künftigen Tochtergesellschaft wird den Geschäftsbereich Retail &amp; Corporate sowie das in der Schweiz gebuchte Geschäft innerhalb des Wealth Management-Geschäftsbereichs umfassen.</p> <p>In Großbritannien und in Absprache mit den britischen und Schweizer Regulierungsbehörden hat die UBS Limited, UBS' britische Tochterbank, ein überarbeitetes Geschäftsmodell implementiert, nach welchem UBS Limited bei ihrer Geschäftstätigkeit ein höheres Risiko trägt und eine höhere Vergütung erhält. Dies führt für UBS Limited grundsätzlich dazu, dass es das Kreditrisiko, gewisse Marktrisiken und andere Risiken beibehält und verwaltet, die UBS Limited eine unabhängigere Rolle bei der Verwaltung ihrer Finanzausstattung und Liquiditätsanforderungen einnimmt und UBS Limited ihr aufsichtsrechtliches Eigenkapital erhöht.</p> <p>In den USA wird UBS den neuen Regeln für ausländische Banken gemäss dem Dodd-Frank Wall Street Reform and Consumer Protection Act entsprechen. Zu diesem Zweck wird eine Zwischenholdinggesellschaft erforderlich sein, unter der alle Geschäfte der UBS AG mit Ausnahme ihrer US Zweigniederlassungen bis zum 1. Juli 2016 zusammengefasst werden. Sämtliche US Tochtergesellschaften von UBS werden folglich unter einer eigenen Zwischenholdinggesellschaft zusammengefasst.</p>
<b>B.9</b>	Gewinnprognosen oder -schätzungen.	Entfällt; es sind in dem Prospekt keine Gewinnprognosen oder -schätzungen enthalten.
<b>B.10</b>	Art etwaiger Beschränkungen im Bestätigungsvermerk.	Entfällt. Die Bestätigungsvermerke der geprüften historischen Finanzinformationen sind uneingeschränkt.
<b>B.12</b>	Ausgewählte wesentliche historische Finanzinformationen.	UBS AG hat die nachstehenden ausgewählten konsolidierten Finanzdaten (i) aus dem Geschäftsbericht für das Geschäftsjahr 2013, der die geprüften konsolidierten Finanzangaben des UBS Konzerns sowie zusätzliche ungeprüfte konsolidierte Finanzdaten für das am 31. Dezember 2013 endende Geschäftsjahr enthält (einschließlich Vergleichszahlen für die Geschäftsjahre endend am 31. Dezember 2012 und 2011) und (ii) aus dem dritten Quartalsbericht 2014, der die ungeprüften konsolidierten Finanzangaben des UBS Konzerns sowie zusätzliche ungeprüfte

	konsolidierte Finanzdaten für die neun Monate endend am oder per 30. September 2014 enthält (einschließlich Vergleichszahlen für die neun Monate endend am oder per 30. September 2013), entnommen bzw. abgeleitet. Die konsolidierten Finanzangaben wurden in Einklang mit den vom International Accounting Standards Board („IASB“) herausgegebenen International Financial Reporting Standards („IFRS“) erstellt und sind in Schweizer Franken (CHF) aufgeführt.				
		Für den Neunmonatszeitraum endend am oder per		Für das Geschäftsjahr endend am oder per	
<i>Mio. CHF (Ausnahmen sind angegeben)</i>	30.9.14	30.9.13	31.12.13	31.12.12	31.12.11
	<i>ungeprüft</i>		<i>geprüft (Ausnahmen sind angegeben)</i>		
<b>UBS-Konzern</b>					
Geschäftsertrag	21.281	21.425	27.732	25.423	27.788
Geschäftsaufwand	19.224	18.602	24.461	27.216	22.482
Ergebnis vor Steuern	2.057	2.823	3.272	(1.794)	5.307
Den UBS-Aktionären zurechenbares Konzernergebnis	2.609	2.255	3.172	(2.480)	4.138
Verwässertes Ergebnis pro Aktie (CHF)	0,68	0,59	0,83	(0,66)	1,08
<b>Kennzahlen zur Leistungsmessung</b>					
<b>Profitabilität</b>					
Eigenkapitalrendite (RoE) (%) <sup>1</sup>	7,1	6,4	6,7*	(5,1)*	9,1*
Rendite auf Aktiven, brutto (%) <sup>2</sup>	2,8	2,5	2,5*	1,9*	2,1*
Verhältnis von Geschäftsaufwand / Geschäftsertrag (%) <sup>3</sup>	90,3	86,7	88,0*	106,6*	80,7*
<b>Wachstum</b>					
Wachstum des Ergebnisses (%) <sup>4</sup>	15,7	-	-	-	(44,5)*
Wachstum der Nettoneugelder für die kombinierten Wealth-Management-Einheiten (%) <sup>5</sup>	2,7	3,6	3,4*	3,2*	2,4*
<b>Ressourcen</b>					
Harte Kernkapitalquote (CET1) (vollständig umgesetzt, %) <sup>6,7</sup>	13,7	11,9	12,8*	9,8*	-
Leverage Ratio für Schweizer SRB (stufenweise umgesetzt, %) <sup>8</sup>	5,4	4,2	4,7*	3,6*	-
<b>Zusätzliche Informationen</b>					
<b>Profitabilität</b>					
Rendite auf Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte (%) <sup>9</sup>	8,3	7,6	8,0*	1,6*	11,9*
Rendite auf risikogewichteten Aktiven, brutto (%) <sup>10</sup>	12,4	11,5	11,4*	12,0*	13,7*
<b>Ressourcen</b>					
Total Aktiven	1.049.258	1.049.101	1.018.374* <sup>11</sup>	1.259.797	1.416.962
Den UBS-Aktionären zurechenbares Eigenkapital	50.824	47.403	48.002	45.949	48.530
Hartes Kernkapital (CET1) (vollständig umgesetzt) <sup>7</sup>	30.047	26.019	28.908	25.182*	-
Hartes Kernkapital (CET1) (stufenweise umgesetzt) <sup>7</sup>	42.464	38.963	42.179	40.032*	-
Risikogewichtete Aktiven (vollständig umgesetzt) <sup>7</sup>	219.296	218.926	225.153*	258.113*	-
Risikogewichtete Aktiven (stufenweise umgesetzt) <sup>7</sup>	222.648	222.306	228.557*	261.800*	-
Harte Kernkapitalquote (CET1) (stufenweise umgesetzt, %) <sup>6,7</sup>	19,1	17,5	18,5*	15,3*	-
Gesamtkapitalquote (vollständig umgesetzt,	18,7	14,3	15,4*	11,4*	-

%) <sup>7</sup>					
Gesamtkapitalquote (stufenweise umgesetzt, %) <sup>7</sup>	24,9	21,8	22,2*	18,9*	-
Leverage Ratio für Schweizer SRB (vollständig umgesetzt, %) <sup>8</sup>	4,2	3,0	3,4*	2,4*	-
Leverage Ratio Denominator für Schweizer SRB (vollständig umgesetzt) <sup>12</sup>	985.071	1.055.956	1.020.247*	1.206.214*	-
Leverage Ratio Denominator für Schweizer SRB (stufenweise umgesetzt) <sup>12</sup>	991.730	1.063.294	1.027.864*	1.216.561*	-
<b>Übrige</b>					
Verwaltete Vermögen (Mrd. CHF) <sup>13</sup>	2.640	2.339	2.390	2.230	2.088
Personalbestand (auf Vollzeitbasis)	60.292	60.635	60.205*	62.628*	64.820*
Börsenkaptalisierung	64.047	71.066	65.007*	54.729*	42.843*
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals pro Aktie (CHF)	13,54	12,58	12,74*	12,26*	12,95*
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals abzüglich Goodwill und anderer immaterieller Vermögenswerte pro Aktie (CHF)	11,78	10,89	11,07*	10,54*	10,36*

\* ungeprüft

<sup>1</sup> Das den UBS-Aktionären zurechenbare Konzernergebnis (gegebenenfalls annualisiert) / Das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital. <sup>2</sup> Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Total durchschnittliche Aktiven. <sup>3</sup> Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken. <sup>4</sup> Veränderung des aktuellen den UBS-Aktionären zurechenbaren Konzernergebnisses aus fortzuführenden Geschäftsbereichen gegenüber einer Vergleichsperiode / Das den UBS-Aktionären zurechenbare Konzernergebnis aus fortzuführenden Geschäftsbereichen in einer Vergleichsperiode. Besitzt keine Aussagekraft und wird nicht ausgewiesen, falls für die laufende Periode oder die Vergleichsperiode ein Verlust verzeichnet wird. <sup>5</sup> Nettoneugelder für die kombinierten Wealth-Management-Einheiten seit Periodenbeginn (gegebenenfalls annualisiert) / Verwaltete Vermögen zu Beginn der Periode. Die Informationen per Jahresende 2013, 2012 und 2011 stammen aus der Buchführung des Konzerns. <sup>6</sup> Hartes Kernkapital (CET1) / Risikogewichtete Aktiven. <sup>7</sup> Basiert auf den Basel-III-Richtlinien, soweit auf systemrelevante Banken (SRB) anwendbar, die am ersten Januar 2013 in der Schweiz in Kraft traten. Die auf einer vollständigen Umsetzung basierenden Informationen berücksichtigen die Auswirkungen der neuen Kapitalabzüge wie auch den Wegfall der nicht anrechenbaren Kapitalinstrumente in vollem Umfang. Die auf einer stufenweisen Umsetzung basierenden Informationen reflektieren diese Auswirkungen schrittweise während der Übergangsperiode. Die Zahlen per 31. Dezember 2012 sind Pro-forma-basiert. Zahlen per 31. Dezember 2012 sind auf Grundlage der unten beschriebenen Schätzungen berechnet und werden in diesem Prospekt als „pro-forma“ bezeichnet. Der in diesem Prospekt verwendete Begriff „pro-forma“ bezieht sich nicht auf den in der Verordnung (EG) 809/2004 verwendeten Begriff „Pro forma-Finanzinformationen“. Einige bei der Berechnung der Pro-forma-Informationen angewandten Modelle erforderten eine regulatorische Bewilligung und enthielten Schätzungen (gemäss Diskussion mit primärer Aufsichtsstelle von UBS) der Auswirkung der neuen Eigenkapitalanforderungen. Diese Zahlen müssen nicht dargestellt werden, da die Basel III-Anforderungen am 31. Dezember 2012 noch nicht in Kraft waren. Sie werden jedoch aus Vergleichszwecken aufgeführt, da die Basel III-Anforderungen am 1. Januar 2013 wirksam waren. Zahlen per 31. Dezember 2011 sind nicht verfügbar. <sup>8</sup> Hartes Kernkapital (CET1) gemäß Basel III für Schweizer SRB und verlustabsorbierendes Kapital / Adjustiertes Gesamtengagement (Leverage Ratio Denominator). Die Schweizer Leverage Ratio für SRB trat am ersten Januar 2013 in Kraft. Die Zahlen per 31. Dezember 2012 sind Pro-forma-basiert (siehe Fussnote 7 oben). Zahlen per 31. Dezember 2011 sind nicht verfügbar. <sup>9</sup> Das den UBS-Aktionären zurechenbare Konzernergebnis vor Abschreibungen und Wertminderung auf Goodwill und andere immaterielle Vermögenswerte (gegebenenfalls annualisiert) / das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte. <sup>10</sup> Total Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Durchschnittliche risikogewichtete Aktiven. Für 2014 und 2013 basieren die risikogewichteten Aktiven (stufenweise umgesetzt) auf den Basel-III-Richtlinien. Für 2012 basieren die risikogewichteten Aktiven auf den Basel-2.5-Richtlinien. Für 2011 basieren die risikogewichteten Aktiven auf den Basel-II-Richtlinien. <sup>11</sup> Per 1. Januar 2014 führte UBS *Saldierung finanzieller Vermögenswerte und finanzieller Verbindlichkeiten* (Änderungen von IAS 32, *Finanzinstrumente: Darstellung*) ein. Die Vergleichsbilanz per 31. Dezember 2013 wurde angepasst, um den Auswirkungen der Übernahme der Änderungen von IAS 32 Rechnung zu tragen. <sup>12</sup> Der Leverage Ratio Denominator, auch bezeichnet als «adjustiertes Gesamtengagement», wird in Übereinstimmung mit den Anforderungen für die Leverage Ratio für Schweizer SRB berechnet. Die Zahlen widerspiegeln den Durchschnitt des adjustierten Gesamtengagements am Ende der drei Monate, die dem Ende der Berichtsperiode vorangehen. Die Informationen für Schweizer SRB zum "Leverage Ratio Denominator" auf einer vollständig Basis per Jahresende 2012 stammen aus der Buchführung des Konzerns. Die Zahlen per 31. Dezember 2012 sind Pro-forma-basiert (siehe Fussnote 7 oben). Zahlen per 31. Dezember 2011 sind nicht verfügbar. <sup>13</sup> Verwaltete Vermögen des Konzerns beinhalten Vermögen unter der Verwaltung von Retail & Corporate.

Erklärung hinsichtlich wesentlicher Verschlechterung.	Seit dem 31. Dezember 2013 sind keine wesentlichen Verschlechterungen in den Aussichten der UBS AG oder der UBS Gruppe eingetreten
Beschreibung wesentlicher Veränderungen der	Seit dem 30. September 2014 hat sich keine wesentliche Veränderung der Finanzlage oder der Handelsposition der UBS Gruppe oder der UBS AG ergeben.



	Finanzlage oder Handelsposition.	
<b>B.13</b>	Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der Emittentin, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.	Entfällt; es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der UBS AG, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.
<b>B.14</b>	Beschreibung der Gruppe und Stellung der Emittentin innerhalb dieser Gruppe.  Abhängigkeit von anderen Unternehmen der Gruppe.	Siehe Punkt B.5  Die UBS AG ist die Muttergesellschaft (sog. Stammhaus) der UBS Gruppe. Als solches ist sie, bis zu einem gewissen Grad, von bestimmten Tochtergesellschaften abhängig.
<b>B.15</b>	Haupttätigkeiten der Emittentin.	Seit über 150 Jahren betreut UBS private, institutionelle und Firmenkunden weltweit ebenso wie Retailkunden in der Schweiz. Die Geschäftsstrategie der UBS konzentriert sich auf ihr (nach Ansicht der UBS) herausragendes globales Wealth Management sowie ihre (nach Ansicht der UBS) führende Universalbank in der Schweiz, ergänzt durch ihr Global Asset Management und ihre Investment Bank. Dabei liegt der Schwerpunkt auf Kapitaleffizienz und auf Geschäftsbereichen mit überdurchschnittlichen (nach Ansicht der UBS) strukturellen Wachstums- und Renditeaussichten. UBS hat ihren Hauptsitz in Zürich und Basel und ist in mehr als 50 Ländern und an allen wichtigen Finanzplätzen präsent.  Gemäß Artikel 2 der Statuten der UBS AG vom 7. Mai 2014 (" <b>Statuten</b> ") ist der Zweck der UBS AG der Betrieb einer Bank. Ihr Geschäftskreis umfasst alle Arten von Bank-, Finanz-, Beratungs-, Dienstleistungs- und Handelsgeschäften in der Schweiz und im Ausland.
<b>B.16</b>	Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse an der Emittentin	Laut den letzten eingereichten Dokumenten zur Offenlegung des Aktienbesitzes an UBS AG's Aktienkapital gemäß dem revidierten Schweizer Bundesgesetz über die Börsen und den Effektenhandel vom 24. März 1995 (i) hat am 18. September 2013 die Government of Singapore Investment Corp eine Namensänderung in GIC Private Limited und eine Beteiligung von 6,40% bekannt gegeben; (ii) besitzt Norges Bank (die norwegische Zentralbank), Oslo, per 30. September 2011 einen Anteil von 3,04%; (iii) verfügte BlackRock Inc., New York, per 17. Dezember 2009 über einen Anteil von 3,45%.  Laut dem Aktienregister der UBS AG per 30. September 2014 verfügten die folgende Aktionäre (die entweder in eigenem Namen oder als sog. Legitimationsaktionäre für andere Investoren oder wirtschaftlich Berechtigte handeln) über eine Beteiligung von mindestens 3% am gesamten Aktienkapital von UBS AG: Chase Nominees Ltd., London (11,65%); Government of Singapore Investment Corp., Singapore (6,39%); die US Wertpapier-Abwicklungsorganisation DTC (Cede & Co.) New York, "The Depository Trust Company" (6,76%); und Nortrust Nominees Ltd., London (3,54%).

Punkt	Abschnitt C – Wertpapiere	
C.1	Art und Gattung der Wertpapiere, einschließlich jeder Wertpapierkennung.	<p><b>Art und Gattung der Wertpapiere</b> Die Wertpapiere sind derivative Zertifikate, die nicht kapitalgeschützt sind.</p> <p>Die Wertpapiere werden als Wertrechte („<b>Wertrechte</b>“) im Sinne von Art. 973c des Schweizerischen Obligationenrechts („<b>OR</b>“) ausgegeben. Die Wertrechte werden in dem Hauptregister einer Schweizer Verwahrungsstelle („<b>Verwahrungsstelle</b>“) im Sinne des Bundesgesetzes über die Bucheffekten („<b>BEG</b>“) registriert. Durch (a) die Eintragung der Wertrechte in das Hauptregister der Verwahrungsstelle und (b) die Einbuchung der Wertpapiere in das Effektenkonto einer Verwahrungsstelle begründen die Wertrechte Bucheffekten im Sinn des BEG („<b>Bucheffekten</b>“). Die Emittentin wird üblicherweise SIS SIX AG, Baslerstrasse 100, CH-4600 Olten, Schweiz, („<b>SIS</b>“ oder das „<b>Clearingsystem</b>“) als Verwahrungsstelle einsetzen, behält sich aber das Recht vor, andere Verwahrungsstelle einschließlich der UBS AG einzusetzen.</p> <p>Bucheffekte werden gemäß den Bestimmungen der Verwahrungsstelle und den maßgeblichen Verträgen mit der Verwahrungsstelle übertragen (dabei dürfen insbesondere weder die Bucheffekten noch Rechte an den Bucheffekten ohne vorherige schriftliche Zustimmung der Emittentin durch Zession gemäß den Artikeln 164 ff. OR übertragen werden).</p> <p>Die Wertpapiergläubiger haben zu keinem Zeitpunkt das Recht, (a) die Umwandlung von Wertrechten in physische Wertpapiere und/oder (b) die Lieferung von physischen Wertpapieren zu verlangen. Zur Klarstellung und ungeachtet der Umwandlung begründen Wertrechte stets Bucheffekten.</p> <p><b>Wertpapier-Kennnummer(n) der Wertpapiere</b> ISIN: CH0206785989 WKN: UA1LHD Valor: 20678598</p>
C.2	Währung der Wertpapieremission.	U.S. Dollars (die „ <b>Auszahlungswährung</b> “)
C.5	Beschränkungen der freien Übertragbarkeit der Wertpapiere.	Entfällt; die freie Übertragbarkeit der Wertpapiere ist nicht beschränkt.
C.8	Mit den Wertpapieren verbundene Rechte, einschließlich der Rangordnung und Beschränkungen dieser Rechte.	<p><b>Maßgebliches Recht der Wertpapiere</b> Die Wertpapiere unterliegen Schweizer Recht.</p> <p><b>Mit den Wertpapieren verbundene Rechte</b> Die Wertpapiere berechtigen die Wertpapiergläubiger vorbehaltlich der Bedingungen der Wertpapiere bei Ausübung, zu einem Anspruch auf Zahlung des Auszahlungsbetrags in der Auszahlungswährung. Während der Laufzeit der Wertpapiere erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).</p> <p><b>Beschränkungen der mit den Wertpapieren verbundenen Rechten.</b> Die Emittentin ist unter den in den Bedingungen der Wertpapiere festgelegten Voraussetzungen zur Kündigung der Wertpapiere und zu Anpassungen der Bedingungen der Wertpapiere berechtigt.</p> <p><b>Status der Wertpapiere</b> Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender</p>

		gesetzlicher Vorschriften Vorrang zukommt.
C.11	Antrag auf Zulassung zum Handel an einem geregelten Markt oder anderen gleichwertigen Märkten.	Die Wertpapiere sind an der SIX Swiss Exchange ("SIX") notiert und zum Handeln auf der Handelsplattform SIX Structured Products Exchange AG zugelassen.
C.15	Einfluss des Basiswerts auf den Wert der Wertpapiere.	<p>Der Wert der UBS Open End Zertifikate während ihrer Laufzeit hängt von der Entwicklung des Basiswerts ab. Im Fall, dass der Kurs des Basiswerts steigt, wird auch der Wert der UBS Open End Zertifikate wahrscheinlich steigen. Im Fall, dass der Kurs des Basiswerts fällt, wird auch der Wert der UBS Open End Zertifikate wahrscheinlich fallen.</p> <p>Insbesondere hängt der bei Ausübung der UBS Open End Zertifikate gegebenenfalls an die Wertpapiergläubiger zu zahlende Auszahlungsbetrag von Entwicklung des Basiswerts ab. Daher können Anleger mit den UBS Open End Zertifikaten, unter Berücksichtigung der Management Gebühr, an der positiven Kursentwicklung des Basiswerts partizipieren. Im Gegenzug nehmen Anleger mit den UBS Open End Zertifikaten aber auch an der negativen Kursentwicklung des Basiswerts teil.</p> <p>Bei Ausübung der UBS Open End Zertifikate durch den Wertpapiergläubiger oder die Emittentin erhalten Wertpapiergläubiger am Fälligkeitstag einen Auszahlungsbetrag in der Auszahlungswährung, dessen Höhe vom Abrechnungskurs des Basiswerts abhängt. Der Auszahlungsbetrag wird errechnet, indem die Management Gebühr vom Abrechnungskurs des Basiswerts abgezogen und dieses Ergebnis mit dem Bezugsverhältnis multipliziert wird.</p> <p>Während der Laufzeit der UBS Open End Zertifikate erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).</p>
C.16	Verfalltag oder Fälligkeitstermin — Ausübungstermin oder letzter Referenztermin.	<p>Der Fälligkeitstag entspricht dem fünften Bankgeschäftstag nach (i) dem maßgeblichen Bewertungstag und (ii) im Fall einer Kündigung bzw. einer Steuer-Kündigung durch die Emittentin nach dem Kündigungstag bzw. nach dem Steuer-Kündigungstag.</p> <p>Der Bewertungstag entspricht (i) im Fall der Ausübung der Wertpapiere durch den Wertpapiergläubiger, vorbehaltlich eines wirksamen Ausübungsverfahrens, dem 22. Februar des darauffolgenden Kalenderjahres bzw. (ii) im Fall einer Tilgung durch die Emittentin dem Tilgungstag.</p> <p>Der Ausübungstag entspricht jeweils dem 22. Februar eines Kalenderjahres, erstmals am 22. Februar 2014.</p>
C.17	Abrechnungsverfahren für die derivativen Wertpapiere.	<p>Zahlungen werden in jedem Fall vorbehaltlich sämtlicher anwendbarer steuerlicher oder sonstiger Gesetze und Vorschriften im Zusammenhang mit der Zahlung oder sonstiger Gesetze und Vorschriften, denen sich die Emittentin unterwirft, in Übereinstimmung mit den Vorschriften und Verfahren, die auf das Clearingsystem Anwendung finden und/oder von diesem herausgegeben werden (die "CS-Regeln") dem Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der betreffenden Kontoinhaber bei dem Clearingsystem bereitgestellt</p> <p>Die Emittentin wird mit der vorstehend beschriebenen Leistung an das Clearingsystem von den ihr unter diesen Bedingungen der Wertpapiere obliegenden Tilgungsverpflichtungen bzw. sonstigen Zahlungsverpflichtungen befreit.</p>
C.18	Tilgung der	Die Wertpapiergläubiger erhalten an dem maßgeblichen Fälligkeitstag die

	derivativen Wertpapiere.	Zahlung des Auszahlungsbetrags.
C.19	Ausübungspreis oder endgültiger Referenzpreis des Basiswerts.	Der Abrechnungskurs des Basiswerts entspricht dem Kurs des Basiswerts an dem Bewertungstag zur Bewertungszeit.
C.20	Art des Basiswerts und Angabe des Ortes, an dem Informationen über den Basiswert erhältlich sind.	<p><b>Art des Basiswerts:</b></p> <p>Der UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&amp;P 500® (der "Index") ist ein Index, der von der UBS AG, Niederlassung London (der "Index Sponsor") verwaltet, berechnet und veröffentlicht wird. Der Index nutzt eine streng regelbasierte Methode, um eine Markttiming-Strategie umzusetzen, die auf dem proprietären UBS Dynamic Equity Risk Indicator basiert und über die jeweilige Positionierung im Aktienmarkt entscheidet.</p> <p>Informationen zur historischen und zukünftigen Wertentwicklung des Basiswerts und seiner Volatilität sind auf Anfrage von der Emittentin erhältlich.</p>

Punkt	Abschnitt D – Risiken	
		Der Erwerb von Wertpapieren ist mit bestimmten Risiken verbunden. <b>Die Emittentin weist ausdrücklich darauf hin, dass die Beschreibung der mit einer Anlage in die Wertpapiere verbundenen Risiken nur die wesentlichen Risiken beschreibt, die der Emittentin zum Datum des Prospekts bekannt waren.</b>
D.2	Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind.	<p>Die Wertpapiere beinhalten ein sog. Emittentenrisiko, das auch als Schuldnerisiko oder Kreditrisiko der Investoren bezeichnet wird. Das Emittentenrisiko ist das Risiko, dass die UBS AG zeitweise oder andauernd nicht in der Lage ist, ihren Verpflichtungen unter den Wertpapieren nachzukommen.</p> <p><b>Allgemeines Insolvenzrisiko</b>                  Jeder Investor trägt allgemein das Risiko, dass sich die finanzielle Situation der Emittentin verschlechtern könnte. Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die - auch im Fall der Insolvenz der Emittentin - untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt. Die durch die Wertpapiere begründeten Verbindlichkeiten der Emittentin sind nicht durch ein System von Einlagensicherungen oder eine Entschädigungseinrichtung geschützt. <b>Im Falle der Insolvenz der Emittentin könnte es folglich sein, dass Anleger einen Totalverlust ihrer Investition in die Wertpapiere erleiden.</b></p> <p>UBS als Emittentin unterliegt in ihrer Geschäftsaktivitäten verschiedenen Risiken. Diese Risiken umfassen insbesondere Risiken der folgenden Arten, wobei sämtliche dieser Risiken nachteilige Auswirkungen auf den Wert der Wertpapiere haben können:</p> <ul style="list-style-type: none"> <li>• Auswirkung einer Herabstufung des Ratings der Emittentin</li> <li>• Aufsichtsrechtliche und gesetzliche Veränderungen können die Geschäfte von UBS sowie die Fähigkeit von UBS, die strategischen Pläne umzusetzen, nachteilig beeinflussen</li> </ul>

		<ul style="list-style-type: none"> <li>• Eine verringerte Kapitalstärke der UBS könnte nachteilige Auswirkungen auf die Umsetzung ihrer Strategie und den Erhalt ihrer Kundenbasis und Wettbewerbsfähigkeit haben</li> <li>• UBS kann ihre angekündigten strategischen Pläne möglicherweise nicht erfolgreich umsetzen</li> <li>• Eine Verschlechterung ihres guten Rufs könnte sich nachteilig auf den Erfolg der Geschäfte der UBS auswirken</li> <li>• Aus der Geschäftstätigkeit der UBS können wesentliche rechtliche und regulatorische Risiken erwachsen</li> <li>• Die Ergebnisse der Finanzdienstleistungsbranche hängen von den Marktbedingungen und vom makroökonomischen Umfeld ab</li> <li>• UBS hält Legacy- und andere Risikopositionen, die von den Bedingungen an den Finanzmärkten beeinträchtigt werden könnten; Legacy-Risikopositionen könnten schwierig zu liquidieren sein</li> <li>• Aufgrund ihrer globalen Präsenz unterliegt UBS Risiken, die sich aus Währungsschwankungen ergeben</li> <li>• UBS ist auf ihre Risikomanagement- und -kontrollprozesse angewiesen, um mögliche Verluste bei Handelsgeschäften der UBS sowie Kreditgeschäften mit Gegenparteien zu verhindern oder zu begrenzen</li> <li>• Bewertungen bestimmter Positionen hängen von Modellen ab, die naturgemäß ihre Grenzen haben und die unter Umständen Daten aus nicht beobachtbaren Quellen anwenden</li> <li>• UBS ist möglichen Abflüssen von Kundenvermögen in ihrem Vermögensverwaltungsgeschäft und Veränderungen ausgesetzt, welche die Profitabilität des Unternehmensbereichs Wealth Management der UBS beeinträchtigen können</li> <li>• Liquiditätsbewirtschaftung und Finanzierung sind für die laufende Performance der UBS von größter Bedeutung</li> <li>• Operationelle Risiken können das Geschäft der UBS beeinträchtigen</li> <li>• UBS könnte außerstande sein, Ertrags- oder Wettbewerbschancen zu identifizieren und zu nutzen, oder bei der Gewinnung und Bindung qualifizierter Mitarbeiter scheitern</li> <li>• Die Finanzergebnisse der UBS könnten durch geänderte Rechnungslegungsstandards beeinträchtigt werden</li> <li>• Die Finanzergebnisse der UBS könnten durch geänderte Annahmen bezüglich des Werts des Goodwills der UBS beeinträchtigt werden</li> <li>• Die Steuerauswirkungen auf das Finanzergebnis der UBS werden erheblich durch Änderungen in den latenten Steueransprüchen der UBS und die endgültige Festsetzung in Steuerprüfungen beeinflusst</li> </ul>
<p><b>D.6</b></p>	<p>Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind.</p>	<p>Potenzielle Erwerber sollten sich darüber im Klaren sein, dass es sich bei Wertpapieren um eine <b>Risikoanlage</b> handelt, die mit der Möglichkeit von <b>Totalverlusten</b> hinsichtlich des eingesetzten Kapitals verbunden ist. Wertpapiergläubiger erleiden einen Verlust, wenn die gemäß den Bedingungen der Wertpapiere erhaltenen Beträge unter dem Kaufpreis der</p>

		<p>Wertpapiere (einschließlich etwaiger Transaktionskosten) liegt. Investoren in die Wertpapiere tragen das Risiko der Verschlechterung der finanziellen Situation der Emittentin und der daraus folgenden möglichen Unfähigkeit der Emittentin, ihren Verpflichtungen unter den Wertpapieren nachzukommen. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, Verluste des eingesetzten Kapitals bis hin zum <b>Totalverlust</b> hinzunehmen. Alle an einem Erwerber der Wertpapiere interessierten Anleger sollten ihre jeweiligen wirtschaftlichen Verhältnisse überprüfen, um sicherzustellen, dass sie in der Lage sind, die mit dem Wertpapier verbundenen <b>Verlustrisiken</b> zu tragen.</p> <p><b>Wertpapierspezifische Risikohinweise</b></p> <p>1. <b><u>Spezielle Risiken im Zusammenhang mit besonderen Merkmalen der Wertpapierstruktur</u></b>  Potenzielle Erwerber der Wertpapiere müssen vor einer Investition in die Wertpapiere beachten, dass die folgenden Besonderheiten der Wertpapiere nachteilige Auswirkungen auf den Wert der Wertpapiere bzw. die Höhe des nach den Bedingungen der Wertpapiere gegebenenfalls zu zahlenden Geldbetrags haben können und dementsprechend besondere Risikoprofile aufweisen:</p> <p><b><u>Bestimmung des maßgeblichen Abrechnungskurs</u></b>  Potenziellen Erwerbern der Wertpapiere sollte bewusst sein, dass im Fall einer Ausübung der Wertpapiere in Übereinstimmung mit dem in den Bedingungen der Wertpapiere festgelegten Ausübungsverfahren der für die Bestimmung des Abrechnungskurs maßgebliche Bewertungstag, vorbehaltlich der Bedingungen der Wertpapiere, dem 22. Februar des darauffolgenden Kalenderjahres entspricht. Mögliche negative Entwicklungen der Kurse des Basiswerts nach dem Zeitpunkt der Ausübung durch den Wertpapiergläubiger bis zur Ermittlung der für die Berechnung des Abrechnungskurs maßgeblichen Kurs des Basiswerts am entsprechenden Bewertungstag gehen zu Lasten der Wertpapiergläubiger.</p> <p><b><u>Keine festgelegte Laufzeit der Wertpapiere</u></b>  Die Wertpapiere haben - im Gegensatz zu Wertpapieren mit einer festen Laufzeit - keinen festgelegten Verfalltag und dementsprechend keine festgelegte Laufzeit. Das in den Wertpapieren verbriefte Wertpapierrecht der Wertpapiergläubiger muss dementsprechend durch den jeweiligen Wertpapiergläubiger in Übereinstimmung mit dem in den Bedingungen der Wertpapiere festgelegten Ausübungsverfahren zu einem bestimmten Ausübungstag ausgeübt werden, um das Wertpapierrecht geltend zu machen. Wenn die Ausübungserklärung nicht fristgerecht zu diesem Ausübungstermin vorliegt, kann eine erneute Ausübung erst wieder zu dem nächsten in den Bedingungen der Wertpapiere vorgesehenen Termin erfolgen.</p> <p>2. <b><u>Kündigung und Tilgung der Wertpapiere durch die Emittentin</u></b>  Potenziellen Erwerbern der Wertpapiere sollte bewusst sein, dass die Emittentin unter bestimmten Voraussetzungen die Möglichkeit hat, die Wertpapiere insgesamt zu kündigen und zu tilgen. Wenn die Emittentin die Wertpapiere kündigt und tilgt, hat der Wertpapiergläubiger das Recht, die Zahlung eines Geldbetrags in Bezug auf die Tilgung zu verlangen. Der Wertpapiergläubiger hat jedoch keinen Anspruch auf irgendwelche weiteren Zahlungen auf die Wertpapiere nach dem maßgeblichen Kündigungstag.</p> <p>Der Wertpapiergläubiger trägt damit das Risiko, dass er an der Wertentwicklung des Basiswerts nicht in dem erwarteten Umfang</p>
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		<p>und über den erwarteten Zeitraum partizipieren und damit auch weniger als sein eingesetztes Kapital zurückerhalten kann.</p> <p>Im Falle einer Kündigung der Wertpapiere durch die Emittentin trägt der Wertpapiergläubiger zudem das Wiederanlagerisiko. Dies bedeutet, dass er den durch die Emittentin im Falle einer Kündigung gegebenenfalls ausgezahlten Kündigungsbetrag möglicherweise nur zu ungünstigeren Marktkonditionen als denen, die beim Erwerb der Wertpapiere vorlagen, wiederanlegen kann.</p> <p><b>3. <u>Mögliche Kursschwankungen des Standes des Basiswerts nach Beendigung der Laufzeit der Wertpapiere</u></b> Soweit die Laufzeit der Wertpapiere durch die Emittentin durch Kündigung gemäß den Bedingungen der Wertpapiere beendet wird, müssen potenzielle Erwerber der Wertpapiere beachten, dass ungünstige Schwankungen des Standes des Basiswerts nach dem Zeitpunkt der Kündigungserklärung bis zur Ermittlung des für die Berechnung des dann zahlbaren Kündigungsbetrag verwendeten Standes des Basiswerts zu Lasten der Wertpapiergläubiger gehen.</p> <p><b>4. <u>Nachteilige Auswirkungen von Anpassungen des Wertpapierrechts</u></b> Es kann nicht ausgeschlossen werden, dass gewisse Ereignisse eintreten oder (von Dritten, mit Ausnahme der Emittentin) in Bezug auf den Basiswert Maßnahmen ergriffen werden, die möglicherweise zu Änderungen an dem Basiswert führen oder darin resultieren, dass das dem Basiswert zu Grunde liegende Konzept geändert wird. Die Emittentin ist gemäß den Bedingungen der Wertpapiere berechtigt, Anpassungen der Bedingungen der Wertpapiere vorzunehmen, um diese Ereignisse oder Maßnahmen zu berücksichtigen. Diese Anpassungen des Basiswerts können sich negativ auf den Wert der Wertpapiere auswirken.</p> <p><b>5. <u>Festlegungen durch die Berechnungsstelle</u></b> Die Berechnungsstelle hat nach Maßgabe der Bedingungen der Wertpapiere bestimmte Ermessensfreiheiten (i) bei der Feststellung, ob bestimmte Ereignisse (insbesondere in Übereinstimmung mit den Bedingungen der Wertpapiere eine Marktstörung) eingetreten sind, (ii) bei der Feststellung der sich daraus ergebenden Anpassungen und Berechnungen, (iii) hinsichtlich der Anpassungen des Basiswerts, (iv) hinsichtlich des Verschiebens von Bewertungen oder Zahlungen in Bezug auf die Wertpapiere. Die Berechnungsstelle nimmt solche Feststellungen (gemäß § 317 BGB) nach ihrem billigen Ermessen und in wirtschaftlich angemessener Weise vor. Potenziellen Anlegern sollte bewusst sein, dass eine von der Berechnungsstelle vorgenommene Feststellung sich auf den Wert der Wertpapiere und die Erträge daraus auswirken kann. Die Ausübung eines solchen Ermessens oder die Vornahme einer Berechnung durch die Berechnungsstelle ist, außer in Fällen offensichtlichen Irrtums, für die Emittentin und die Wertpapiergläubiger endgültig, abschließend und bindend.</p> <p><b>6. <u>Handel in den Wertpapieren / Mangelnde Liquidität</u></b> Es lässt sich nicht voraussagen, ob und inwieweit sich ein Sekundärmarkt für die Wertpapiere entwickelt, zu welchem Preis die Wertpapiere in diesem Sekundärmarkt gehandelt werden und ob dieser Sekundärmarkt liquide sein wird oder nicht.</p> <p>Obwohl die Wertpapiere an der SIX Swiss Exchange ("SIX") notiert und zum Handeln auf der Handelsplattform SIX Structured Products Exchange AG zugelassen sind, besteht keine Gewähr dafür, dass eine solche Zulassung oder ein solches Listing aufrecht</p>
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		<p>erhalten wird. Der Umstand, dass die Wertpapiere zum Handel zugelassen oder gelistet werden, bedeutet nicht zwangsläufig eine größere Liquidität, als wenn dies nicht der Fall wäre. Sofern die Wertpapiere an keiner Börse gelistet oder gehandelt werden, können Preisinformationen im Hinblick auf die Wertpapiere schwieriger zu erhalten sein und die Liquidität der Wertpapieren (sofern vorhanden) kann ungünstig beeinflusst werden. Die gegebenenfalls bestehende Liquidität der Wertpapiere kann ebenfalls durch Beschränkung des Kaufs und Verkaufs der Wertpapiere in bestimmten Ländern beeinflusst werden. Die Emittentin ist zudem berechtigt, jedoch nicht verpflichtet, jederzeit Wertpapiere zu einem beliebigen Kurs im offenen Markt oder im Bietungsverfahren oder durch Privatvereinbarung zu erwerben. Alle derart erworbenen Wertpapiere können gehalten, wiederverkauft oder zur Entwertung eingereicht werden.</p> <p>Darüber hinaus kann nicht ausgeschlossen werden, dass die Anzahl der tatsächlich emittierten und von Anlegern erworbenen Wertpapieren geringer ist als das Ausgabevolumen der Wertpapiere. Es besteht deshalb das Risiko, dass aufgrund einer geringen Anzahl tatsächlich emittierter Wertpapiere die Liquidität der Wertpapiere geringer ist, als sie bei einer Ausgabe und des Erwerbs sämtlicher Wertpapiere durch Anleger wäre.</p> <p>Der Manager beabsichtigt, unter gewöhnlichen Marktbedingungen regelmäßig Ankaufs- und Verkaufskurse für die Wertpapiere einer Emission zu stellen. Der Manager hat sich jedoch nicht aufgrund einer festen Zusage gegenüber der Emittentin zur Stellung von Liquidität mittels Geld- und Briefkursen hinsichtlich der Wertpapiere verpflichtet und übernimmt bzw. Übernehmen keinerlei Rechtspflicht zur Stellung derartiger Kurse oder hinsichtlich der Höhe oder des Zustandekommens derartiger Kurse. <b>Potenzielle Erwerber sollten deshalb nicht darauf vertrauen, das jeweilige Wertpapier zu einer bestimmten Zeit oder einem bestimmten Kurs veräußern zu können.</b></p> <p>7. <b><u>Besteuerung der Wertpapiere</u></b>  Potentielle Investoren sollten sich vergegenwärtigen, dass sie gegebenenfalls verpflichtet sind, Steuern oder andere Gebühren oder Abgaben nach Maßgabe der Rechtsordnung und Praktiken desjenigen Landes zu zahlen, in das die Wertpapiere übertragen werden oder möglicherweise auch nach Maßgabe anderer Rechtsordnungen. In einigen Rechtsordnungen kann es zudem an offiziellen Stellungnahmen der Finanzbehörden oder Gerichtsentscheidungen in Bezug auf innovative Finanzinstrumente wie den hiermit angebotenen Wertpapieren fehlen. Potentiellen Investoren wird daher geraten, sich nicht auf die in dem Basisprospekt enthaltene summarische Darstellung der Steuersituation zu verlassen, sondern sich in Bezug auf ihre individuelle Steuersituation hinsichtlich des Kaufs, des Verkaufs und der Rückzahlung der Wertpapiere von ihrem eigenen Steuerberater beraten zu lassen. Nur diese Berater sind in der Lage, die individuelle Situation des potentiellen Investors angemessen einzuschätzen.</p> <p>8. <b><u>Änderung der Grundlage der Besteuerung der Wertpapiere</u></b>  Die in der Wertpapierbeschreibung ausgeführten Überlegungen hinsichtlich der Besteuerung der Wertpapiere geben die Ansicht der Emittentin auf Basis der zum Datum der Wertpapierbeschreibung geltenden steuerrechtliche Situation wieder. Folglich sollten Anleger vor der Entscheidung über einen Kauf der Wertpapiere ihre persönlichen Steuerberater konsultieren.</p>
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		<p>Potentielle Investoren sollten sich vergegenwärtigen, dass sich die zum Datum der Wertpapierbeschreibung geltende steuerrechtliche Situation, möglicherweise auch rückwirkend, ändern kann.</p> <p>Weder die Emittentin noch der Manager übernehmen gegenüber den Wertpapiergläubigern die Verantwortung für die steuerlichen Konsequenzen einer Anlage in die Wertpapiere.</p> <p><b>9. <u>Potenzielle Interessenkonflikte</u></b></p> <p>Die Emittentin und mit ihr verbundene Unternehmen können sich von Zeit zu Zeit für eigene Rechnung oder für Rechnung eines Kunden an Transaktionen beteiligen, die mit den Wertpapieren in Verbindung stehen. Diese Transaktionen sind möglicherweise nicht zum Nutzen der Wertpapiergläubiger und können positive oder negative Auswirkungen auf den Wert des Basiswerts und damit auf den Wert der Wertpapiere haben. Mit der Emittentin verbundene Unternehmen können außerdem Gegenparteien bei Deckungsgeschäften bezüglich der Verpflichtungen der Emittentin aus den Wertpapieren werden. Daher können hinsichtlich der Pflichten bei der Ermittlung der Kurse der Wertpapiere und anderen damit verbundenen Feststellungen sowohl unter den mit der Emittentin verbundenen Unternehmen als auch zwischen diesen Unternehmen und den Anlegern Interessenkonflikte auftreten. Zudem können die Emittentin und mit ihr verbundene Unternehmen gegebenenfalls in Bezug auf die Wertpapiere zusätzlich eine andere Funktion ausüben, zum Beispiel als Berechnungsstelle, Zahl- und Verwaltungsstelle und/oder als Index Sponsor.</p> <p>Die Emittentin und mit ihr verbundene Unternehmen können darüber hinaus weitere derivative Instrumente in Verbindung mit dem Basiswert ausgeben; die Einführung solcher miteinander im Wettbewerb stehenden Produkte kann sich auf den Wert der Wertpapiere auswirken. Die Emittentin und mit ihr verbundene Unternehmen können nicht-öffentliche Informationen in Bezug auf den Basiswert erhalten, und weder die Emittentin noch eines der mit ihr verbundenen Unternehmen verpflichtet sich, solche Informationen an einen Wertpapiergläubiger zu veröffentlichen.</p> <p>Im Zusammenhang mit dem Angebot und Verkauf der Wertpapiere kann die Emittentin oder ein mit ihr verbundenes Unternehmen, direkt oder indirekt, Gebühren in unterschiedlicher Höhe an Dritte, zum Beispiel Vertriebspartner oder Anlageberater, zahlen oder Gebühren in unterschiedlichen Höhen einschließlich solcher im Zusammenhang mit dem Vertrieb der Wertpapiere von Dritten erhalten. Potenzielle Erwerber sollten sich bewusst sein, dass die Emittentin die Gebühren teilweise oder vollständig einbehalten kann. Über die Höhe dieser Gebühren erteilt bzw. erteilen die Emittentin bzw. der Manager auf Anfrage Auskunft.</p> <p><b>Basiswertspezifische Risikohinweise</b></p> <p>Die unter dem Prospekt begebenen Wertpapiere sind an einen Index gebunden. Die im Rahmen der Wertpapiere bei Tilgung zu zahlenden Beträge werden unter Bezugnahme auf den Preis oder Wert des Basiswerts bestimmt. Dementsprechend ist eine Anlage in die Wertpapiere auch mit bestimmten Risiken verbunden, die sich auf den Basiswert beziehen, und sollten Anleger den Prospekt sorgfältig prüfen, um sich die Auswirkungen einer solchen Kopplung an den Basiswert auf die Wertpapiere bewusst zu machen.</p> <p>Der Kauf von oder die Anlage in an einen Basiswert gekoppelte Wertpapiere beinhaltet wesentliche Risiken. Diese Wertpapiere sind keine</p>
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	<p>herkömmlichen Wertpapiere und mit verschiedenen besonderen Anlagerisiken verbunden, über die sich potenzielle Anleger vor einer Anlage vollständig im Klaren sein sollten. Potenzielle Anleger in diese Wertpapiere sollten mit dieser Art von Wertpapieren vertraut sein, und alle Unterlagen vollständig überprüfen, den Prospekt lesen und verstehen sowie sich über die Art und den Umfang des Exposure in Bezug auf das Verlustrisiko im Klaren sein.</p> <p>Eine Investition in die Wertpapiere ist daher mit Risiken verbunden, die mit dem Basiswert zusammenhängen:</p> <p><b>1. <u>Allgemeine Risiken im Zusammenhang mit dem Basiswert</u></b> Anleger sollten sich bewusst machen, dass mit dem Basiswert allgemeine Risiken verbunden sind:</p> <p><b>Risiko von Wertschwankungen</b> Die Wertentwicklung des Basiswerts ist Schwankungen unterworfen. Daher können die Wertpapiergläubiger nicht vorhersehen, welche Gegenleistung sie zu einem bestimmten in der Zukunft liegenden Tag für die Wertpapiere erwarten können. Es können bei Tilgung, Ausübung oder sonstiger Veräußerung an einem bestimmten Tag erhebliche Wertverluste gegenüber der Veräußerung zu einem späteren oder früheren Zeitpunkt eintreten.</p> <p><b>Unsicherheit über die zukünftige Wertentwicklung</b> Es ist nicht möglich, zuverlässige Aussagen über die künftige Wertentwicklung des Basiswerts zu treffen. Auch auf Grund historischer Daten des Basiswerts können keine Rückschlüsse auf die zukünftige Wertentwicklung des Basiswerts und der Wertpapiere gezogen werden.</p> <p><b>Keine Gewährleistungen oder Zusicherungen hinsichtlich der künftigen Entwicklung des Basiswerts</b> Die Emittentin gibt keinerlei ausdrückliche oder stillschweigende Gewährleistung oder Zusicherung hinsichtlich der künftigen Entwicklung des Basiswerts ab. Darüber hinaus übernimmt der Emittent bzw. Index Sponsor des Basiswerts keine Verpflichtung, die Interessen des Emittenten des Wertpapiers oder der Wertpapiergläubiger aus irgendeinem Grund zu berücksichtigen.</p> <p><b>Kein (Eigentums-)Recht an dem Basiswert</b> Potenziellen Anlegern sollte bewusst sein, dass der Basiswert von der Emittentin nicht zugunsten der Wertpapiergläubiger gehalten werden und dass Wertpapiergläubiger keine Eigentumsrechte (einschließlich, ohne jedoch hierauf beschränkt zu sein Stimmrechte, Rechte auf Erhalt von Dividenden oder andere Ausschüttungen oder sonstige Rechte) an dem Basiswert erwerben, auf den sich diese Wertpapiere beziehen. Weder die Emittentin noch eines ihrer verbundenen Unternehmen ist in irgendeiner Weise verpflichtet, den Basiswert zu erwerben oder zu halten.</p> <p><b>2. <u>Spezifische Risiken im Zusammenhang mit dem Basiswert</u></b> Darüber hinaus sind die folgenden Risiken spezifisch mit dem Basiswert verbunden:</p> <p>Anleger sollten beachten, dass mit dem Basiswert Risiken verbunden sind. Daher unterliegt eine Investition in die Wertpapiere in gewissem Umfang Marktrisiken, die mit einer Direktanlage in den Index verbunden sind.</p> <p>Diese Risiken beinhalten Risiken, die mit einer Direktanlage in die</p>
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		<p>Indexkomponenten verbunden sind, die Abhängigkeit von dem Wert der Indexkomponenten, den Einfluss der Emittentin oder des Indexsponsors auf den Index, die negativen Auswirkungen von Gebühren auf den Index und im Index enthaltene Wechselkursrisiken. Potenzielle Anleger sollten sich entsprechend beraten lassen und sich mit dem spezifischen Risikoprofil der Indizes vertraut machen sowie professionellen Rat in Anspruch nehmen, wenn nötig.</p>
	<p>Risikohinweis darauf, dass der Anleger seinen Kapitaleinsatz ganz oder teilweise verlieren könnte.</p>	<p>Investoren in die Wertpapiere tragen das Risiko der Verschlechterung der finanziellen Situation der Emittentin und der daraus folgenden möglichen Unfähigkeit der Emittentin, ihren Verpflichtungen unter den Wertpapieren nachzukommen. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, Verluste des eingesetzten Kapitals bis hin zum <b>Totalverlust</b> hinzunehmen. Alle an einem Erwerber der Wertpapiere interessierten Anleger sollten ihre jeweiligen wirtschaftlichen Verhältnisse überprüfen, um sicherzustellen, dass sie in der Lage sind, die mit dem Wertpapier verbundenen <b>Verlustrisiken</b> zu tragen.</p>

Punkt		Abschnitt E – Angebot
E.2b	<p>Gründe für das Angebot und Verwendung der Erlöse sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegt.</p>	<p>Entfällt. Die Gründe für das Angebot und Verwendung der Erlöse weichen nicht ab von einer Gewinnerzielung und/oder der Absicherung bestimmter Risiken.</p>
E.3	<p>Angebotskonditionen.</p>	<p>Am 1. März 2013 hat die UBS AG, handelnd durch ihre Niederlassung London, bis zu 150.000 UBS Open End Zertifikate bezogen auf den UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&amp;P 500<sup>®</sup> mit der Internationalen Wertpapierkennnummer CH0206785989 (die "<b>Bestehenden Wertpapiere</b>") emittiert. Der Ausgabepreis pro Bestehendem Wertpapier entsprach USD 66,80.</p> <p>Gegenstand dieses Prospekts sind zusätzliche UBS Open End Zertifikate bezogen auf den UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&amp;P 500<sup>®</sup> mit der Internationalen Wertpapierkennnummer CH0206785989 (die "<b>Zusätzlichen Wertpapiere</b>"), die von der UBS AG, handelnd durch ihre Niederlassung London, nach schweizer Recht und im Umfang von bis zu 500.000 Wertpapieren emittiert werden. Die Zusätzlichen Wertpapiere werden am 28. November 2014 (der "<b>Ausgabetag der Zusätzlichen Wertpapiere</b>") emittiert und mit den Bestehenden Wertpapieren konsolidiert bzw. bilden mit diesen eine einheitliche Serie.</p> <p>Es wurde vereinbart, dass die Zusätzlichen Wertpapiere an oder nach dem maßgeblichen Ausgabetag der Zusätzlichen Wertpapiere durch den Manager übernommen und in den Jurisdiktionen des Öffentlichen Angebots zum freibleibenden Verkauf gestellt werden.</p> <p>Ab dem 28. November 2014 (der "<b>Beginn des öffentlichen Angebots der Zusätzlichen Wertpapiere</b>") können die Zusätzlichen Wertpapiere zu banküblichen Geschäftszeiten bei dem Manager erworben werden. Das Angebot der Zusätzlichen Wertpapiere erfolgt auf kontinuierlicher Basis. Eine Zeichnungsfrist ist nicht vorgesehen. Der Verkaufspreis pro Zusätzlichem Wertpapier basiert auf der jeweiligen Marktsituation und dem Kurs des Basiswerts und wird fortlaufend angepasst. Die Höhe des</p>

		<p>Verkaufspreises kann beim Manager erfragt werden. Der Verkaufspreis pro Zusätzlichem Wertpapier ist bei Lieferung der erworbenen Wertpapiere (der "Zahltag") zur Zahlung fällig.</p> <p>Die Wertpapiere wurden nach dem Zahltag in entsprechender Anzahl und entsprechend den Regeln des Clearingsystems dem Konto des Erwerbers gutgeschrieben.</p>
<p><b>E.4</b></p>	<p>Für die Emission/das Angebot wesentliche Interessen, einschließlich Interessenkonflikten.</p>	<p><b>Für die Emission/das Angebot der Wertpapiere wesentliche Interessen von Seiten natürlicher und juristischer Personen, einschließlich Interessenkonflikte</b></p> <p>Die Emittentin und mit ihr verbundene Unternehmen können sich von Zeit zu Zeit für eigene Rechnung oder für Rechnung eines Kunden an Transaktionen beteiligen, die mit den Wertpapieren in Verbindung stehen. Diese Transaktionen sind möglicherweise nicht zum Nutzen der Wertpapiergläubiger und können positive oder negative Auswirkungen auf den Wert des Basiswerts und damit auf den Wert der Wertpapiere haben. Mit der Emittentin verbundene Unternehmen können außerdem Gegenparteien bei Deckungsgeschäften bezüglich der Verpflichtungen der Emittentin aus den Wertpapieren werden. Daher können hinsichtlich der Pflichten bei der Ermittlung der Kurse der Wertpapiere und anderen damit verbundenen Feststellungen sowohl unter den mit der Emittentin verbundenen Unternehmen als auch zwischen diesen Unternehmen und den Anlegern Interessenkonflikte auftreten. Zudem können die Emittentin und mit ihr verbundene Unternehmen gegebenenfalls in Bezug auf die Wertpapiere zusätzlich eine andere Funktion ausüben, zum Beispiel als Berechnungsstelle, Zahl- und Verwaltungsstelle.</p> <p>Die Emittentin und mit ihr verbundene Unternehmen können darüber hinaus weitere derivative Instrumente in Verbindung mit dem Basiswert ausgeben; die Einführung solcher miteinander im Wettbewerb stehenden Produkte kann sich auf den Wert der Wertpapiere auswirken. Die Emittentin und mit ihr verbundene Unternehmen können nicht-öffentliche Informationen in Bezug auf den Basiswert erhalten, und weder die Emittentin noch eines der mit ihr verbundenen Unternehmen verpflichtet sich, solche Informationen an einen Wertpapiergläubiger zu veröffentlichen.</p> <p>Im Zusammenhang mit dem Angebot und Verkauf der Wertpapiere kann die Emittentin oder ein mit ihr verbundenes Unternehmen, direkt oder indirekt, Gebühren in unterschiedlicher Höhe an Dritte, zum Beispiel Vertriebspartner oder Anlageberater, zahlen oder Gebühren in unterschiedlichen Höhen einschließlich solcher im Zusammenhang mit dem Vertrieb der Wertpapiere von Dritten erhalten. Potenzielle Erwerber sollten sich bewusst sein, dass die Emittentin die Gebühren teilweise oder vollständig einbehalten kann. Über die Höhe dieser Gebühren erteilt bzw. erteilen die Emittentin bzw. der Manager auf Anfrage Auskunft</p> <p>Der Emittentin sind, mit Ausnahme des Managers im Hinblick auf seine jeweiligen Gebühren, keine an der Emission der Wertpapiere beteiligten Personen, die ein wesentliches Interesse an der Emission / dem Angebot der Wertpapiere haben, und, mit Ausnahme der vorgenannten Interessenkonflikte, keine weiteren Interessenkonflikte bekannt.</p>
<p><b>E.7</b></p>	<p>Schätzung der Ausgaben, die dem Anleger von der Emittentin oder dem Anbieter in Rechnung gestellt werden.</p>	<p>Entfällt; dem Anleger werden von der Emittentin oder dem Manager keine Ausgaben in Rechnung gestellt.</p>

## II. SECURITIES NOTE

### A. RISK FACTORS

The different risk factors associated with an investment in the Securities are outlined below. Investments in the Securities should not be made until all the factors relevant to the Securities have been acknowledged and carefully considered. When making decisions relating to investments in the Securities, potential investors should consider all information contained in the Prospectus and, **if necessary, consult their legal, tax, financial or other advisor.**

#### **I. Security specific Risks**

Investing in the Securities involves certain risks. Among others, these risks may take the form of equity market, commodity market, bond market, foreign exchange, interest rate, market volatility and economic and political risks and any combination of these and other risks. The material risks are presented below. Prospective investors should be experienced with regard to transactions in instruments such as the Securities and in the Underlying. **Prospective investors should understand the risks associated with an investment in the Securities and shall only reach an investment decision, after careful considerations with their legal, tax, financial and other advisors of (i) the suitability of an investment in the Securities in the light of their own particular financial, fiscal and other circumstances; (ii) the information set out in this document and (iii) the Underlying.**

An investment in the Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Underlying, as the value of the Securities and, hence, any amount, if any, payable according to the Conditions of the Securities will be dependent, *inter alia*, upon such changes. More than one risk factor may have simultaneous effects with regard to the Securities, so that the effect of a particular risk factor is not predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

Potential investors of the Securities should recognise that the Securities **constitute a risk investment** which can lead to a **total loss** of their investment in the Securities. Securityholders will incur a loss, if the amounts received in accordance with the Conditions of the Securities are below the purchase price of the Securities (including the transaction costs). Each investor in the Securities bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the **risks of loss** connected with the Securities.

None of the Securities vests a right to payment of fixed or variable interest or dividends and, as such, they **generate no regular income**. Therefore, potential reductions in the value of the Securities cannot be offset by any other income from the Securities.

**It is expressly recommended that potential investors familiarise themselves with the specific risk profile of the product type described in this Prospectus and seek the advice of a professional, if necessary.**

1. **Special risks related to specific features of the Security structure**

Prior to investing in the Securities, potential investors should note that the following special features of the Securities may have a negative impact on the value of the Securities or, as the case may be, on any amount payable according to the Conditions of the Securities and that the Securities accordingly have special risk profiles:

**Determination of the relevant Settlement Price**

Prospective investors should note in case of an exercise of the Securities in accordance with the exercise procedure described in the Conditions of the Securities, the Valuation Date relevant for determining the Settlement Price will, subject to the Conditions of the Securities, be the 22 February of the immediately succeeding calendar year. Any negative performance of the Price of the Underlying between the exercise of the Securities by the Securityholder and the determination of the Price of the Underlying on the relevant Valuation Date are borne by the Securityholders.

**No pre-defined term of the Securities**

The Securities have - in contrast to securities with a fixed term - no pre-determined expiration date, and thus no defined term. As a result, the Securityholder's right vested in those Securities, must be exercised by the respective Securityholder on a specific Exercise Dates in accordance with the exercise procedure described in the Conditions of the Securities, if the Security Right is to be asserted. In the event that the required Exercise Notice is not duly received on the relevant Exercise Date, the Securities cannot be exercised until the next exercise date stated in the Conditions of the Securities.

2. **No statutory or voluntary deposit guarantee scheme**

The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. **In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.**

3. **Termination and Redemption at the option of the Issuer**

Potential investors in the Securities should furthermore be aware that the Issuer is under certain circumstances pursuant to the Conditions of the Securities entitled to terminate and redeem the Securities in total. In case the Issuer terminates and redeems the Securities, the Securityholder is entitled to demand the payment of an amount in relation to this redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the relevant termination date.

The Securityholder, therefore, bears the risk of not participating in the performance of the Underlying to the expected extent and during the expected period and, therefore, receives less than its capital invested.

In the case of a termination of the Securities by the Issuer, the Securityholder bears the risk of a reinvestment, *i.e.* the investor bears the risk that it will have to re-invest the Termination Amount, if any, paid by the Issuer in the case of termination at market conditions, which may be less favourable than those existing prevailing at the time of the acquisition of the Securities.

4. **Possible fluctuations in the level of the Underlying after termination of the Securities**

In the event that the term of the Securities is terminated by the Issuer pursuant to the Conditions of the Securities, potential investors of the Securities should note that any adverse fluctuations in the level of the Underlying between the announcement of the termination by the Issuer and the determination of the price of the Underlying relevant for the calculation of the then payable Termination Amount are borne by the Securityholders.

5. **Adverse impact of adjustments of the Security Right**

It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlying, which potentially lead to changes to the Underlying or result in the underlying concept of the Underlying being changed. In such case, the Issuer shall be entitled to effect adjustments according to the Conditions of the Securities to account for these events or measures. The adjustments to the Underlying might have a negative impact on the value of the Securities.

6. **Determinations by the Calculation Agent**

The Calculation Agent has certain discretion under the Conditions of the Securities (i) to determine whether certain events have occurred (in particular, the occurrence of a Market Disruption in accordance with the Conditions of the Securities), (ii) to determine any resulting adjustments and

calculations, (iii) also to make adjustments to the Underlying and (iv) to postpone valuations or payments under the Securities. The Calculation Agent will make any such determination at its reasonable discretion (in accordance with § 317 of the BGB) and in a commercially reasonable manner. Potential investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any determination made by, the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

**7. Other factors affecting the value**

The value of a Security is determined not only by changes in the Underlying, but also by a number of other factors. Since several risk factors may have simultaneous effects on the Securities, the effect of a particular risk factor cannot be predicted. In addition, several risk factors may have a compounding effect which may not be predictable. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

These factors include the term of the Securities, the frequency and intensity of price fluctuations (volatility), as well as the prevailing interest rate and dividend levels. A decline in the value of the Security may therefore occur even if the level of the Underlying remains constant.

Prospective investors of the Securities should be aware that an investment in the Securities involves a valuation risk with regard to the Underlying. They should have experience with transactions in securities with a value derived from the Underlying. The value of the Underlying may vary over time and may increase or decrease by reference to a variety of factors which may include macro economic factors and speculation. In addition, the historical performance of the Underlying is not an indication of its future performance. Changes in the prices in relation to the Underlying will affect the trading price of the Securities, and it is impossible to predict whether the prices in relation to the Underlying will rise or fall.

**8. Effect of ancillary costs**

Commissions and other transaction costs incurred in connection with the purchase or sale of Securities may result in charges, particularly in combination with a low order value, **which can substantially reduce any Redemption Amount, if any, to be paid under the Securities.** Before acquiring a Security, potential investors should therefore inform themselves of all costs incurred through the purchase or sale of the Security, including any costs charged by their custodian banks upon purchase and maturity of the Securities.

**9. Transactions to offset or limit risk**

Potential investors of the Securities should not rely on the ability to conclude transactions at any time during the term of the Securities that will allow them to offset or limit relevant risks. This depends on the market situation and the prevailing conditions. Transactions designed to offset or limit risks might only be possible at an unfavourable market price that will entail a loss for investors.

**10. Trading in the Securities / Illiquidity**

It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid.

Applications will be made for listing of the Securities at SIX Swiss Exchange (“SIX”) and for admittance to trading on the platform of SIX Structured Products Exchange AG. If the Securities are admitted or listed, no assurance is given that any such admission or listing will be maintained. The fact that the Securities are admitted to trading or listed does not necessarily denote greater liquidity than if this were not the case. If the Securities are not listed or traded on any exchange, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities, if any, may be adversely affected. The liquidity of the Securities, if any, may also be affected by restrictions on the purchase and sale of the Securities in some jurisdictions. Additionally, the Issuer has the right (but no obligation) to purchase Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.

In addition, it cannot be excluded that the number of Securities actually issued and purchased by investors is less than the intended Issue Size of the Securities. Consequently, there is the risk that due to the low volume of Securities actually issued the liquidity of the Securities is lower than if all Securities were issued and purchased by investors.

UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "**Manager**") intends, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager makes no firm commitment to the Issuer to provide liquidity by means of bid and offer prices for the Securities, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. **Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.**

**11. Representation and Custody of the Securities**

Securities under this Securities Note are issued in uncertificated and dematerialised form to be registered in book-entry form with the relevant Clearing System or on its behalf.

Consequently, Securityholders will have to rely on procedures of the relevant Clearing System and the applicable laws for transfer, payment and communication with the Issuer.

The Issuer has no responsibility or liability under any circumstances for any acts and omissions of any Clearing Systems or any intermediary/FISA Depository as well as for any losses which might occur to a Securityholder out of such acts and omissions.

**12. Pricing of Securities**

Unlike most other securities the pricing of these Securities is regularly not based on the principle of offer and demand in relation to Securities, since the secondary market traders might quote independent bid and offer prices. This price calculation is based on price calculation models prevailing in the market, whereas the theoretical value of the Securities is, in principle, determined on the basis of the value of the Underlying and the value of other features attached to the Securities, each of which features may, in economic terms, be represented by another derivative financial instrument.

The potentially quoted prices do not necessarily correspond to the Securities' intrinsic value as determined by a trader.

**13. Expansion of the spread between bid and offer prices**

In special market situations, where the Issuer is completely unable to conclude hedging transactions, or where such transactions are very difficult to conclude, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks to the Issuer. Therefore, Securityholders who wish to sell their Securities via a stock exchange or in the over-the-counter trading might sell at a price considerably lower than the actual price of the Securities at the time of their sale.

**14. Borrowed funds**

If the purchase of Securities is financed by borrowed funds and investors' expectations are not met, they not only suffer the loss incurred under the Securities, but in addition also have to pay interest on and repay the loan. This produces a substantial increase in investors' risk of loss. Investors of Securities should never rely on being able to redeem and pay interest on the loan through gains from a Securities transaction. Rather, before financing the purchase of a Security with borrowed funds, the investors' financial situations should be assessed, as to their ability to pay interest on or redeem the loan immediately, even if they incur losses instead of the expected gains.

**15. Effect of hedging transactions by the Issuer on the Securities**

The Issuer may use all or some of the proceeds received from the sale of the Securities to enter into hedging transactions relating to the risks incurred in issuing the Securities. In such a case, the Issuer or one of its affiliated companies may conclude transactions that correspond to the Issuer's obligations arising from the Securities. Generally speaking, this type of transaction will be concluded before or on the Issue Date of the Securities, although these transactions can also be concluded after the Securities have been issued. The Issuer or one of its affiliated companies may take the necessary steps for the closing out of any hedging transactions, on or prior to any of the Valuation Dates. It cannot be excluded that the price of the Underlying might, in certain cases, be affected by these transactions. In the case of Securities whose value depends on the occurrence of a specific event in relation to the Underlying, entering into or closing out such hedging transactions may affect the likelihood of this event occurring or not occurring.



16. **Taxation in relation to the Securities**

Potential investors should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.

17. **Payments under the Securities may be subject to U.S. withholdings**

Investors in the Securities should be aware that payments under the Securities may under certain circumstances be subject to a U.S. withholding:

***Payments under the Securities may be subject to U.S. withholding under the US Tax Code***

Section 871(m) of the US Tax Code requires withholding (up to 30%, depending on whether a treaty applies) on certain financial instruments (such as, *e.g.* the Securities) to the extent that the payments or deemed payments on the financial instruments are contingent upon or determined by reference to U.S.-source dividends. Under proposed U.S. Treasury Department regulations (if finalised in their current form), certain payments or deemed payments with respect to certain equity-linked instruments ("**specified ELIs**") that reference U.S. stocks may be treated as dividend equivalents ("**dividend equivalents**") which are subject to U.S. withholding tax at a rate of 30% (or lower treaty rate). Under these proposed regulations, withholding may be required even in the absence of any actual dividend-related payment or adjustment made pursuant to the Conditions of the Securities. **In case, e.g. (but not limited to) of the Underlying providing for dividends from sources within the United States, it is possible that these rules could apply to the Securities.**

If adopted in their current form, the proposed regulations may impose a withholding tax on payments or deemed payments made on the Securities on or after 1 January 2016 that are treated as dividend equivalents for Securities acquired on or after 5 March 2014. However, under a recent notice of the U.S. Internal Revenue Service ("**IRS**") the U.S. Internal Revenue Service ("**IRS**") announced that it and the Treasury Department intend that final Treasury regulations will provide that "specified ELIs" will exclude equity-linked instruments issued prior to 90 days after the date such final Treasury regulations are published. Accordingly, the Issuer generally expects that Securityholders (other than US Securityholders) should not be subject to tax under Section 871(m). However, it is possible that such withholding tax could apply to the Securities under these proposed rules if, for example, a Securityholder (other than a U.S. securityholder) enters into certain subsequent transactions in respect of the Underlying. If an amount in respect of such U.S. withholding tax were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax.

**Securityholders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding tax and should consult with their tax advisors regarding the application of Section 871(m) of the US Tax Code and the regulations thereunder in respect of their acquisition and ownership of the Securities.**

***Payments under the Securities may be subject to U.S. withholding under FATCA***

The Foreign Account Tax Compliance Act ("**FATCA**") imposes a 30% U.S. withholding tax on payments of U.S. source interest, dividends and certain other passive income beginning 1 July 2014, and on the gross proceeds from the sale or other disposition of certain assets and on certain "passthru payments" attributable to such income or proceeds beginning 1 January 2017, made to certain foreign financial institutions (including most foreign hedge funds, private equity funds and other investment vehicles) unless the payee foreign financial institution agrees to disclose the identity of any U.S. individuals and certain U.S. entities that directly or indirectly maintain an account with, or hold debt or equity interests in, such institution (or the relevant affiliate) and to annually report certain information about such account or interest directly, or indirectly, to the IRS. FATCA also requires withholding agents making certain payments to certain non-financial foreign entities that fail to disclose the name, address, and taxpayer identification number of any substantial direct or indirect U.S. owners of such entity to withhold a 30% tax on such payments.

Accordingly, the Issuer and other foreign financial institutions may be required under FATCA to report certain account information directly to the IRS (or to a non-U.S. governmental authority under a relevant Intergovernmental Agreement entered into between the U.S. and such non-U.S. country that will pass such information on to the IRS) regarding the holders of the Securities. Moreover, the Issuer may be required to withhold on a portion of payments made on the Securities to holders who (i) fail to provide the relevant information, or (ii) foreign financial institutions who fail to comply with FATCA.

Securityholders holding their Securities through a foreign financial institution or other foreign entity should be aware that a portion of any payments under the Securities made after 30 June 2014 may be subject to 30% withholding tax under FATCA. If an amount in respect of such withholding tax under FATCA were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. **Securityholders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding under FATCA and should consult with their tax advisors regarding the application of withholding tax under FATCA in respect of their acquisition and ownership of the Securities.**

**18. Changes in Taxation in relation to the Securities**

The considerations concerning the taxation of the Securities set forth in this Securities Note reflect the opinion of the Issuer on the basis of the legal situation identifiable as of the date hereof. However, a different tax treatment by the fiscal authorities and tax courts cannot be excluded. In addition, the tax considerations set forth in this Securities Note cannot be the sole basis for the assessment of an investment in the Securities from a tax point of view, as the individual circumstances of each investor also have to be taken into account. Therefore, the tax considerations set forth in this Securities Note are not to be deemed any form of definitive information or tax advice or any form of assurance or guarantee with respect to the occurrence of certain tax consequences. Potential investors should also be aware that the legal situation identifiable as of the date of the Securities Note may change, possibly with retroactive effect. Each investor should seek the advice of his or her personal tax consultant before deciding whether to purchase the Securities.

Neither the Issuer nor the Manager assumes any responsibility vis-à-vis the Securityholders for the tax consequences of an investment in the Securities.

**19. Potential conflicts of interest**

The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Underlying, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Underlying; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the Underlying, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.

Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.

**II. Underlying specific Risks**

The Securities issued under the Prospectus are linked to an index. The amounts payable on redemption under the Securities will be determined by reference to the price of the Underlying. Accordingly, investing in the

Securities also involves certain risks that are related to the Underlying and investors should review carefully the Prospectus to understand the effect on the Securities of such linkage to the Underlying.

The purchase of, or investment in, the Securities involves substantial risks. These Securities are not conventional securities and carry various unique investment risks which potential investors should understand clearly before investing in the Securities. Potential investors in such Securities should be familiar with this type of securities and should fully review all documentation, read and understand the Prospectus and be aware of the nature and extent of the exposure to risk of loss.

1. **General risks related to the Underlying**

Investors should be aware that some risks are related to the Underlying in general:

**Risk of fluctuations in value**

The performance of the Underlying is subject to fluctuations. Therefore, Securityholders cannot foresee what consideration they can expect to receive for the Securities they hold on a certain day in the future. When the Securities are redeemed, exercised or otherwise disposed of on a certain day, they may be worth a lot less than if they were disposed of at a later or earlier point in time.

**Uncertainty about future performance**

It is not possible to reliably predict the future performance of the Underlying. Likewise, the historical data of the Underlying does also not allow for any conclusions to be drawn about the future performance of the Underlying and the Securities.

**No warranties or representations regarding the future performance of the Underlying**

The Issuer does not give any explicit or tacit warranty or representation regarding the future performance of the Underlying. In addition, the issuer or the sponsor of the Underlying does not assume any obligation to consider the interests of the Issuer of the Securities or the Securityholders for any reason whatsoever.

**No rights of ownership in the Underlying**

Potential investors should be aware that the Underlying will not be held by the Issuer for the benefit of the Securityholders, and that Securityholders will not obtain any rights of ownership (including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights) with respect to the Underlying to which the Securities are related. Neither the Issuer nor any of its affiliates is under any obligation whatsoever to acquire or hold any Underlying.

2. **Specific risks related to the Underlying**

In addition, the following risks are specifically related to the Underlying:

**Rules-based Index**

The Index operates on the basis of pre-determined rules. No assurance can be given that the algorithm on which the Index is based will be successful or that the Index will outperform any alternative algorithm that could have been employed.

**Investors could lose their entire investment**

The level of the Index (the “**Index Level**”) depends on the performance of the components of the Index (the “**Index Components**”), each of which may increase or decrease in value. Neither the Index nor any of the Index Components includes any element of capital protection or guaranteed return. The value of any Index Component, or the Index itself, may fall below its initial value.

**Market risks may affect the Index Level**

Economic, financial, political, regulatory, geographical, judicial or other events which affect the investment climate and economic sentiment may affect the value of the Index Components and, therefore, the Index Level.

**The Index is not actively managed**

The Index operates in accordance with a pre-determined methodology and formulae, and UBS AG, acting through its London Branch (or its successor) (in such capacity, the “**Index Administrator**”) exercises discretion only in limited situations. The Index is, therefore, not actively managed. There will be no active management of the Index so as to enhance returns beyond those embedded in the Index. Market participants are often able to adjust their investments promptly in view of market, political, financial or other factors, and an actively managed product could potentially respond more directly and

appropriately to immediate market, political, financial or other factors than a non-actively managed index. In contrast, the pre-determined methodology and formulae in respect of the Index will rebalance the weights or quantity assigned to each Index Component to its specified value only on each rebalance date.

Neither UBS AG, acting through its London Branch (or any successor thereto) (in such capacity, the “Index Owner”) nor the Index Administrator is acting as an investment adviser or performing a discretionary management role with respect to the Index and, as a result, has any fiduciary duty to any person in respect of the Index.

#### **Influence of Currency Exchange Rates**

Index Components may be denominated in currencies different from the currency of the Index, and the Index is not currency-hedged. An unfavourable performance of such currencies in relation to the currency of the Index may have an adverse effect on the Index Level at any given time.

#### **No rights in any Index Component**

The Index is purely synthetic. The exposure to each Index Component is purely notional and will exist only in the records held by the Index Administrator. A notional investment in the Index will not make a Securityholder the owner of, or as the case may be, a party to, any Index Component comprising the Index.

#### **The Index relies on the use of third-party information about Index Components**

All information in this Prospectus about any Index Component has been derived from publicly available documents. The Issuer has not participated and will not participate in the preparation of any of those documents. Nor has the Issuer made or will the Issuer make any “due diligence” investigation or any inquiry with respect to the sponsor or issuer of any Index Component in connection with the maintenance of the Index. The Issuer does not make any representation or warranty that any such publicly available document or any other relevant publicly available information is accurate or complete.

Furthermore, the Issuer does not know whether all events occurring before the date of this Prospectus, including events that would affect the accuracy or completeness of the publicly available documents referred to above or the level, value or price of any Index Component, have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of or failure to disclose material future events concerning any Index Component could affect the Index Level.

#### **The Index Administrator may rely upon third party and other external and internal data sources which may be inaccessible and/or inaccurate, and the inputs used by the Index Administrator to run the Index calculations may affect the Index Level**

The Index Administrator may rely upon third party brokers or external dealers and other external and internal sources to obtain certain inputs necessary to compute the Index Level. The inability of the Index Administrator to source necessary data to calculate the relevant formulae of the Index may affect the Index Level. In addition, the Index Administrator makes no warranty as to the correctness or completeness of that information and takes no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index Level.

#### **The policies of the Index Administrator and changes that affect the composition and the Index Components could affect the Index Level**

The policies of the Index Administrator concerning the calculation of the Index Level and the values of the Index Components could affect the Index Level.

The Index Administrator may, subject to the Index Administrator obtaining the prior consent of the Index Owner, modify the methodology for calculating the Index Level and the values of the Index Components. In addition, under a number of circumstances the Index Administrator may make certain changes to the way in which the Index Level or the value of any of the Index Components is calculated. The Index Administrator may also discontinue or suspend calculation or publication of the Index, in which case it may become difficult to determine the Index Level. Notice of such amendments shall be provided in advance on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

#### **The historical or hypothetical performance of the Index or any Index Component is not an indication of future performance**

The historical or hypothetical performance of the Index or any Index Component should not be taken as an indication of the future performance of the Index or any Index Component. It is impossible to

predict whether the future level, value or price of the Index or any Index Component will fall or rise. Past fluctuations and trends in the Index or any Index Component are not necessarily indicative of fluctuations or trends that may occur in the future.

**The level of any Index Component that is an underlying index may affect the Index Level at any time.**

The level of any Index Component that is an underlying index may affect the Index Level at any time. Prospective investors should carefully read and consider the publicly available index description or manual containing information about such underlying index, including the risk factors associated with a notional investment in such underlying index.

**The occurrence of certain events with respect to an Index Component that is an underlying index may affect the Index Level**

The prices of component securities or other financial instruments comprising an Underlying Index may be adversely impacted by a wide range of events. For example, component securities or other financial instruments comprised in an Underlying Index may be subject to corporate actions and other extraordinary events, such as mergers, tender offers, extraordinary dividends and nationalisations. The administrator of the underlying index may be entitled to adjust the composition of the underlying index pursuant to the rules of the underlying index. Any such events or actions may affect or have an adverse effect on the level of such underlying index and in turn on the Index Level.

**Market and other activities in respect of the underlying index may contribute to an increased level of investment in the underlying index.**

The administrator of the underlying index has licensed, and may continue to license, the underlying index for use by other market participants, for publication in newspapers and periodicals, for distribution by information and data dissemination services and for various other purposes, any of which may contribute to an increased level of investment in the underlying index. This may have an adverse impact on the level of the underlying index and consequently the Index Level.

**The administrator of the underlying index may be required to replace a component security comprised in an underlying index if the existing component security is removed.**

The underlying index comprises component securities. Data concerning the component securities will be used to calculate the underlying index. If any component security was to be removed in accordance with the rules of the index methodology of the underlying index, a comparable security may be selected by the administrator of the underlying index, if available, to replace that component security. The replacement of any component security may have an adverse impact on the level of the underlying index and consequently, the Index Level.

**The policies of the administrator of the underlying index and changes that affect the underlying index could affect the level of the underlying index.**

The policies of the administrator of the underlying index concerning its calculation could affect the level of the underlying index. The level of the underlying index could also be affected if the administrator of the underlying index changes these policies, for example, by materially changing the manner in which it calculates the underlying index, or if it cancels or fails to calculate or publish the underlying index, in which case it may become difficult or inappropriate to determine the market value of any financial products linked to the underlying index (including the Index Level). If any such policies relating to the underlying index are changed, or the calculation or publication of the underlying index is discontinued or suspended, this could affect the Index Level.

**The administrator of the underlying index will have the authority to make determinations that could materially affect the performance of the underlying index in various ways.**

The underlying index was developed, and is currently owned, calculated and maintained, by the administrator of the underlying index. The administrator of the underlying index is responsible for the composition, calculation and maintenance of the underlying index and has determinative influence over its composition, calculation and maintenance. The judgements that the administrator of the underlying index makes in connection with the composition, calculation and maintenance of the underlying index, could affect the level of the underlying index and therefore the Index Level. The administrator of the underlying index may decide to discontinue calculating and publishing the underlying index and has no obligation to take the interests of holders of any product directly or indirectly linked to the performance of the underlying index into consideration for any reason in making such determination.

**There is no affiliation between the administrator of the underlying index and the Index Administrator and the Index Administrator is not responsible for any disclosure by the administrator of the underlying index.**

Neither the Index Administrator nor any of its affiliates is affiliated with the administrator of the underlying index as administrator of the underlying index. Neither the Index Administrator nor any of its affiliates assume any responsibility for the accuracy or the completeness of any information about the underlying index. Prospective investors should make their own investigation into the underlying index.

**Short Positions, Use of Derivative Instruments and Leveraging**

An asset or liability value to which the Index is linked may involve taking short positions in investments, through the use of short selling. This may represent significant investment risk as borrowed securities must be replaced by purchases at current market prices in order to close out a short position, and any appreciation in the value of the investments concerned will result in losses, as well as stock borrowing costs being incurred and may be only suitable for prospective investors who understand the risks involved in trading in sophisticated and volatile markets. In addition, a trading strategy may involve trading in futures, options, forward exchange contracts and other derivative instruments and may also involve leveraged trading positions. This may also represent a significant investment risk. As a result, relatively small price movements may result in substantial losses or gains.

**Trading and other transactions by the Index Administrator and its affiliates in the Index or the Index Components may affect the Index Level.**

The Index Administrator and its affiliates may also engage in trading in the Index, the Index Components, futures or options on the Index Components and other investments relating to or based on the Index or the Index Components on a regular basis as part of its general business, for proprietary accounts, for other accounts under management, to facilitate transactions for customers or to hedge obligations under products linked to the Index or Index Components. Although they are not intended to, any of these activities could adversely affect the value of the Index Components or the Index Level. It is possible that one or more of the Index Administrator and its affiliates could receive substantial returns from these activities while the value of the Index Components and the Index Level decline.

The Index Administrator or its affiliates may also issue or underwrite securities or financial or derivative instruments with returns linked or related to changes in the performance of any of the foregoing.

With respect to any of the activities described above, neither the Index Administrator nor its affiliates has any obligation to take into consideration at any time the impact of such activities on the value of the Index Components or the Index Level.

**Termination or Suspension of the Index**

The Index Administrator is under no obligation to continue the calculation, publication and dissemination of the Index. The Index may be terminated or temporarily suspended at any time. Should the Index cease to exist, this may have a negative impact on the return on the Securities.

**Amendment or Modification to the Index**

The Index may be amended, modified or adjusted from time to time by the Index Administrator, subject to the Index Administrator obtaining the prior consent of the Index Owner. Any such amendment, modification or adjustment may have an adverse effect on the Index Level. The Index Administrator will apply the method described in the Index Manual for the composition of the Index and calculation of the Index Level. However it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Administrator may, subject to the Index Administrator obtaining the prior consent of the Index Owner, also make changes to the provisions of this Index Manual and the method applied to calculate the Index Level, which it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect or ambiguous provisions. Notice of such amendments, modifications or adjustments shall be provided on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

**Index Administrator Discretion**

The Index confers discretion on the Index Administrator in making certain determinations, calculations and corrections from time to time. Although any such determinations, calculations and corrections must be made by the Index Administrator in good faith, the exercise of such discretion in the making of any calculations, determinations and corrections may adversely affect the performance of the Index.

Any such determination, calculation or correction by the Index Administrator will be, in the absence of manifest error, final, conclusive and binding. The Index Administrator will determine whether any such correction shall apply retrospectively or from the relevant date forward.

The role played by UBS AG, as Index Administrator and the exercise of the kinds of discretion described above could present it with significant conflicts of interest in light of the fact that UBS AG, of which the Index Administrator is a division, is the issuer or counterparty of Index Products. Neither the Index Administrator nor the Index Owner has any obligation to take into consideration the needs of any Securityholder at any time.

#### **Change of Index Owner and Index Administrator**

The Index Owner may without the consent of the Securityholders replace the Index Administrator (the “**Successor Index Administrator**”) at its discretion, and furthermore, may also designate a successor Index Owner (the “**Successor Index Owner**”) at its discretion – in the event of such replacement, any reference to the “Index Administrator” and/or the “Index Owner” shall be construed as a reference to the Successor Index Administrator and the Successor Index Owner, respectively.

#### **Fees and Costs**

The Index Level will be reduced by bid/offer spreads and/or a fee deduction which represents an approximation of the costs incurred by a hypothetical investor replicating the Index, including but not limited to those costs attributable to linking (and, therefore, notionally exposing) the relevant strategy to the Index Components. Such cost is not passed on to the Securityholders as a payment but will instead be deducted from the Index Level in accordance with this Prospectus. As such, prospective investors should understand that such cost may have a material effect on the Index Level.

#### **Simulated history**

As limited historical performance data exist with respect to the Index, any notional investment in the Index may involve greater risk than a notional investment in indices or strategies with a proven track record. The Index was first calculated on or around the index commencement date and, therefore, lacks historical performance prior to such date. All such retrospective closing levels are simulated based on quantitative screening only. They must be considered hypothetical and illustrative only.

The actual performance of the Index may be materially different from the results presented in any simulated history relating to the Index. Past performance should not be considered indicative of future performance.

#### **Equity market risks may affect the Index Level**

Because the Index, and/or any Index Component that is an index, includes equity securities, it is expected that the Index Level will fluctuate in accordance with changes in the financial condition of the relevant issuer(s) of its component stocks, the value of common stocks generally and other factors. The financial condition of the issuer(s) of the equity securities may become impaired or the general condition of the equity market may deteriorate, either of which may cause a decrease in the Index Level. Common stocks are susceptible to general equity market fluctuations, to speculative trading by third parties and to volatile increases and decreases in value as market confidence in and perceptions regarding the security or securities comprising the Index change. Investor perceptions regarding the issuer of an equity security comprising the Index or an Index Component are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic, and banking crises.

## **B. GENERAL INFORMATION ON THE PROSPECTUS**

### **1. Important Notice**

The Prospectus, comprising the Summary, the Securities Note and the Registration Document, should be read and construed in conjunction with any supplement thereto and must be interpreted accordingly.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus or any other document entered into in relation to the Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Manager.

Neither the delivery of the Prospectus nor the offering, sale or delivery of any Security shall, in any circumstances, create any implication that the information contained in the Prospectus is true subsequent to the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which the Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Prospectus is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The contents of the Prospectus will be updated in accordance with the provisions of the Prospectus Directive and the WpPG.

The distribution of the Prospectus and any offering material relating to the Securities and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Nobody may use the Prospectus for the purpose of an offer or solicitation if in any jurisdiction such use would be unlawful. Persons into whose possession the Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and on the distribution of the Prospectus and other offering material relating to the Securities, see "*Subscription and Sale*". In particular, this document may only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply. Additionally, Securities issued under the Prospectus will not be registered under the United States Securities Act of 1933, as amended, and will include Securities in bearer form that are subject to U.S. tax law requirements. Therefore, subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons.

The Prospectus does not constitute an offer or a solicitation of an offer to purchase any Securities and should not be considered as a recommendation by the Issuer or the Manager to any recipient of the Prospectus.

### **2. Responsibility Statement**

UBS AG, having its registered offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basle, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom, as Issuer accepts responsibility for the content of the Prospectus and declares that the information contained in the Prospectus is, to the best of its knowledge, accurate and that no material facts have been omitted.

Where the Prospectus contains information obtained from third parties, such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer accents that following the date of the Prospectus, events and changes may occur, which render the information contained in the Prospectus incorrect or incomplete. Supplemental information will only be published as required by and in a manner stipulated in section 16 of the German Securities Prospectus Act (*Wertpapierprospektgesetz - "WpPG"*).



### 3. Consent to use the Prospectus

In the context of any subsequent resale or final placement of Securities that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**"), the Issuer has requested the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"*) to provide a certificate of approval in accordance with Article 18 of the Prospectus Directive (a "**EEA Passport**") in relation to the passporting of the Prospectus to the competent authorities of the Republic of Austria, the Grand Duchy of Luxembourg, the Netherlands, the Republic of Italy, Norway, Sweden, Finland and the Kingdom of Spain (each a "**Host Member State**" and together with the Federal Republic of Germany, each a "**Public Offer Jurisdiction**").

The Issuer consents to the use of the Prospectus in connection with any Public Offer of the Securities by UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "**Manager**") on the following basis:

- (a) the Public Offer must occur as long as the Prospectus is valid in accordance with § 9 of the German Securities Prospectus Act (*Wertpapierprospektgesetz, WpPG*) (the "**Offer Period**"), and
- (b) the Public Offer may only be made in the Public Offer Jurisdictions.

The Issuer accepts responsibility in the Public Offer Jurisdictions for which it has given consent referred to herein for the content of the Prospectus in relation to any person (an "**Investor**") in a Public Offer Jurisdiction to whom an offer of any Securities is made the Manager, where the offer is made during the Offer Period and is in compliance with all other conditions attached to the giving of the consent. However, the Issuer has no responsibility for any of the actions of the Manager, including compliance by the Manager with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The Issuer reserves the right to withdraw its consent to the use of the Prospectus in relation to the Manager. The Issuer may give consent to additional financial intermediaries after the date of the Prospectus and, if it does so, the Issuer will publish the above information in relation to them on the website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) or a successor address thereto and make it available at the Issuer.

The consent referred to above relates to Public Offers occurring as long as the Prospectus is valid in accordance with section 9 of the German Securities Prospectus Act (*Wertpapierprospektgesetz - "WpPG"*).

The Issuer has not authorised the making of any Public Offer of any Securities by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Securities unless (1) the offer is made by the Manager as described above or (2) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised offers are not made by or on behalf of the Issuer the Manager and none of the Issuer or the Manager has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Securities from the Manager will do so, and offers and sales of the Securities to an Investor by the Manager will be made, in accordance with any terms and other arrangements in place between the Manager and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "**Terms and Conditions of the Public Offer**"). The Issuer will not be a party to any such arrangements with Investors (other than the Manager) in connection with the offer or sale of the Securities and, accordingly, the Prospectus will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by the Manager at the relevant time. None of the Issuer or the Manager has any responsibility or liability for such information.

**The Manager will provide information to investors on the Terms and Conditions of the Public Offer of the Securities at the time such Public Offer is made by the Manager to the investor.**

## C. GENERAL INFORMATION ON THE SECURITIES

### 1. Object of the Prospectus / Type of Securities

On 1 March 2013, UBS AG, acting through its London Branch, has issued up to 150,000 UBS Open End Certificates based on the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500<sup>®</sup> with the International Security Identification Number CH0206785989 (the “**Existing Securities**”).

The object of this Prospectus are additional UBS Open End Certificates (the “**Additional Securities**” or the “**Securities**”) with the International Security Identification Number CH0206785989, issued by UBS AG, acting through its London Branch, in accordance with Swiss law and in the size of up to 500,000 Securities.

The Additional Securities to be issued on 28 November 2014 (the “**Issue Date in relation to the Additional Securities**”) will be consolidated and form a single series with the Existing Securities. The aggregate Issue Size of the Securities will amount to up to 650,000 Securities.

The Securities are each based on the index (the “**Underlying**”), as described in the sections “Key Terms and Definitions of the Securities” and “Information about the Underlying”.

The Securities have - in contrast to securities with a fixed term - no pre-determined maturity date, and thus no defined term. As a result, the Securityholder’s right vested in those Securities, must be exercised by the respective Securityholder on a specific Exercise Date (as defined in the section “Key Terms and Definitions of the Securities”) in accordance with the exercise procedure described in the Conditions of the Securities, if the Security Right is to be asserted.

### 2. Law governing the Securities

The Securities issued by the Issuer are governed by Swiss law.

### 3. Status of the Securities

The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

### 4. Form of the Securities

The Securities are issued as uncertificated securities (*Wertrechte*; “**Uncertificated Securities**”) pursuant to article 973c of the Swiss Code of Obligations (“**CO**”). Uncertificated Securities are registered in the main register of a Swiss depository (*Verwahrungsstelle*; “**FISA Depository**”) according to the Swiss Federal Act on Intermediated Securities (“**FISA**”). Upon (a) entering the Uncertificated Securities into the main register of a FISA Depository and (b) booking the Securities into a securities account at a FISA Depository, the Uncertificated Securities will constitute intermediated securities within the meaning of the FISA (*Bucheffekten*; “**Intermediated Securities**”). The Issuer will normally choose SIS SIX AG, Baslerstrasse 100, CH-4600 Olten, Switzerland, (“**SIS**”) as FISA Depository, but reserves the right to choose any other FISA Depository, including UBS AG.

The records of the FISA Depository will determine the number of Uncertificated Securities held through each participant of the FISA Depository. In respect of Uncertificated Securities held in the form of Intermediated Securities, the holders of such Uncertificated Securities will be the persons holding such Uncertificated Securities in a securities account (*Effektenkonto*) that is in their name, or, in the case of intermediaries (*Verwahrungsstellen*), the intermediaries holding such Uncertificated Securities for their own account in a securities account that is in their name (and the terms “Securityholder” and “holder of Securities” and related expressions shall be construed accordingly). Intermediated Securities are transferred and otherwise disposed of in accordance with the provisions of the FISA and the relevant agreements with the respective FISA Depository (in particular, neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to articles 164 et seq. CO without the prior written consent of the Issuer).

The holders of the Securities shall at no time have the right to demand (a) conversion of Uncertificated Securities into physical securities and/or (b) delivery of physical securities. For the avoidance of doubt and regardless of such conversion, Uncertificated Securities will at any time constitute Intermediated Securities.

## 5. Clearing and Settlement of the Securities

### General

The Securities are cleared through SIX SIS AG ("SIS" or the "Clearing System").

### SIX SIS AG

SIS is a wholly owned subsidiary of SIX Group Ltd. and is a bank supervised by the Swiss Financial Market Supervisory Authority.

SIS acts as the central securities depository and settlement institution for the following Swiss securities: equities, government and private sector bonds, money market instruments, exchange traded funds, conventional investment funds, structured products, warrants and other derivatives. Apart from providing custody and settlement for Swiss securities, SIS acts as global custodian and offers its participants access to custody and settlement in foreign financial markets. SIS offers direct links to other international central securities depositories and central securities depositories including Clearstream, Germany, Euroclear and Clearstream, Luxembourg.

The address of SIS is SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland.

## 6. Listing or Trading of the Securities

The Securities are listed at SIX Swiss Exchange ("SIX") and admitted to trading on the platform of SIX Structured Products Exchange AG.

## 7. Maturity of the Securities

The Securities have - in contrast to securities with a fixed term - no pre-determined maturity date, and thus no defined term. As a result, the Securityholder's right vested in those Securities, must be exercised by the respective Securityholder on the Exercise Dates in accordance with the exercise procedure described in the Conditions of the Securities, if the Security Right is to be asserted.

## 8. Functioning of the Securities and Dependency on the Underlying

The value of the UBS Open End Certificates during their term depends on the performance of the Underlying. In case the level of the Underlying increases, the value of the UBS Open End Certificates is likely to increase. In case the level of the Underlying decreases, the value of the the UBS Open End Certificates is likely to decrease.

In particular, the Redemption Amount, if any, to be received by the Securityholder upon exercise of the UBS Open End Certificates depends on the performance of the Underlying. Therefore, the UBS Open End Certificates allow investors to participate, considering the Management Fee, in the positive development of the Underlying. Conversely, investors in UBS Open End Certificates also participate in the negative development of the Underlying.

Upon exercise of the UBS Open End Certificates by either the Securityholder or the Issuer, Securityholders receive on the Maturity Date a Redemption Amount in the Redemption Currency, the amount of which depends on the Settlement Price of the Underlying. The Redemption Amount is calculated by reducing the Settlement Price by a Management Fee and multiplying the result by the Conversion Ratio.

During their term, the UBS Open End Certificates do not generate any regular income (e.g. dividends or interest).

**D. TERMS AND CONDITIONS OF THE SECURITIES****Wertpapierbedingungen**

*Die nachfolgenden Bedingungen der Wertpapiere, bestehend aus den produktspezifischen Besonderen Wertpapierbedingungen und den Allgemeinen Wertpapierbedingungen, sind in Zusammenhang mit und nach Maßgabe der „Ausstattungsmerkmale und Definitionen der Wertpapiere“ (die „**Bedingungen**“) zu lesen.*

*Die Bedingungen der Wertpapiere sind gegliedert in*

- Teil 1:    Ausstattungsmerkmale und Definitionen der Wertpapiere**
- Teil 2:    Besondere Wertpapierbedingungen**
- Teil 3:    Allgemeine Wertpapierbedingungen**

**Terms and Conditions of the Securities**

*The following terms and conditions of the Securities, comprising the Special Conditions of the Securities and the General Conditions of the Securities, shall be read in conjunction with, and are subject to, the “Key Terms and Definitions of the Securities” (the “**Conditions**”).*

*The Conditions of the Securities are composed of*

- Part 1:    Key Terms and Definitions of the Securities**
- Part 2:    Special Conditions of the Securities**
- Part 3:    General Conditions of the Securities**

## Wertpapierbedingungen Teil 1: Ausstattungsmerkmale und Definitionen der Wertpapiere /

### *Terms and Conditions of the Securities Part 1: Key Terms and Definitions of the Securities*

Die Wertpapiere weisen folgende Definitionen bzw., vorbehaltlich einer Anpassung in Übereinstimmung mit den Bedingungen der Wertpapiere, folgende Ausstattungsmerkmale, jeweils in alphabetischer Reihenfolge (bezogen auf die deutsche Sprachfassung) dargestellt, auf. Diese Übersicht stellt keine vollständige Beschreibung der Wertpapiere dar, unterliegt den Bedingungen der Wertpapiere, den allgemeinen Emissionsbedingungen sowie allen anderen Abschnitten dieses Prospekts und ist in Verbindung mit diesen zu lesen. Die nachfolgende Verwendung des Symbols „\*“ in den Ausstattungsmerkmalen und Definitionen der Wertpapiere gibt an, dass die entsprechende Festlegung von der Berechnungsstelle bzw. der Emittentin getroffen und danach unverzüglich gemäß den jeweiligen rechtlichen Anforderungen der maßgeblichen Rechtsordnung bekannt gemacht wird. /

*The Securities use the following definitions and have, subject to an adjustment according to the Conditions of the Securities, the following key terms, both as described below in alphabetical order (in relation to the German language version). The following does not represent a comprehensive description of the Securities, and is subject to and should be read in conjunction with the Conditions of the Securities, the general offering terms of the Securities and all other sections of this Prospectus. The following use of the symbol “\*” in the Key Terms and Definitions of the Securities indicates that the relevant determination will be made by the Calculation Agent or the Issuer, as the case may be, and will be published without undue delay thereafter in accordance with the applicable legal requirements of the relevant jurisdiction.*

#### A.

**Abrechnungskurs / Settlement Price:** Der Abrechnungskurs des Basiswerts entspricht dem Kurs des Basiswerts an dem Bewertungstag zur Bewertungszeit. /

*The Settlement Price of the Underlying equals the Price of the Underlying on the Valuation Date at the Valuation Time.*

**Ausgabepreis / Issue Price:** Der Ausgabepreis entspricht USD 66,80. /

*The Issue Price equals USD 66.80.*

**Ausgabetag / Issue Date:** Der Ausgabetag bezeichnet den 1. März 2013. /

*The Issue Date means 1 March 2013.*

**Ausgabetag der Zusätzlichen Wertpapiere / Issue Date of the Additional Securities:** Der Ausgabetag der Zusätzlichen Wertpapiere bezeichnet den 28. November 2014. /

*The Issue Date of the Additional Securities means 28 November 2014.*

**Ausgabevolumen / Issue Size:** Das Ausgabevolumen beträgt bis zu 650.000 Wertpapiere. /

*The Issue Size means up to 650,000 Securities.*

**Ausübungsfrist / Exercise Period:** Die Ausübungsfrist endet am Ausübungstag zur Ausübungszeit. /

*The Exercise Period ends at the Exercise Date at the Exercise Time.*

**Ausübungstag / Exercise Date:** Der Ausübungstag entspricht jeweils dem 22. Februar eines Kalenderjahres, erstmals am 22. Februar 2014.

Falls dieser Tag kein Basiswert-Berechnungstag ist, dann gilt der unmittelbar darauf folgende Basiswert-Berechnungstag als Ausübungstag. /

*The Exercise Date means each 22 February of a calendar year, starting on 22 February 2014.*

*If this day is not an Underlying Calculation Date, the immediately succeeding Underlying Calculation Date is deemed to be the Exercise Date.*

**Ausübungszeit / Exercise Time:**

Die Ausübungszeit entspricht 10:00 Uhr (Ortszeit Zürich, Schweiz). /

*The Exercise Time equals 10:00 hrs (local time Zurich, Switzerland).*

**Auszahlungswährung / Redemption Currency:**

Die Auszahlungswährung entspricht US-Dollar („USD“). /

*The Redemption Currency means US Dollar (“USD”).*

**B.**

**Bankgeschäftstag / Banking Day:**

Der Bankgeschäftstag steht für jeden Tag, an dem die Banken in Zürich, Schweiz, in New York, Vereinigte Staaten von Amerika, in London, Grossbritannien und das Trans-European Automated Real-time Gross settlement Express Transfer System („TARGET2“) geöffnet sind und das Clearingsystem Wertpapiergeschäfte abwickelt. /

*The Banking Day means each day on which the banks in Zurich, Switzerland, in New York, United States of America, in London, Great Britain and the Trans-European Automated Real-time Gross settlement Express Transfer System (“TARGET2”) are open and the Clearing System settles securities dealings.*

**Basiswährung / Underlying Currency:**

Die Basiswährung entspricht US-Dollar („USD“). /

*The Underlying Currency means US Dollar (“USD”).*

**Basiswert / Underlying:**

Der Basiswert entspricht dem UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® (Bloomberg: ULTARASP) (der „Index“), wie er von UBS AG, Niederlassung London (der „Index Sponsor“) verwaltet, berechnet und veröffentlicht wird.

Der Basiswert wird ausgedrückt in der Basiswährung.

In diesem Zusammenhang werden die dem Basiswert zugrunde liegenden Werte bzw. Komponenten jeweils als „Einzelwert“ bzw. die „Einzelwerte“ bezeichnet. /

*The Underlying equals the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® (Bloomberg: ULTARASP) (the “Index”), as maintained, calculated and published by UBS AG, London Branch (the “Index Sponsor”).*

*The Underlying is expressed in the Underlying Currency.*

*In this context, the individual underlying values or components of the Underlying are referred to as a “Component” or, as the case may be, the “Components”.*

**Basiswert-Berechnungstag / Underlying Calculation Date:**

Der Basiswert-Berechnungstag steht für jeden Tag, an dem (i) der Index Sponsor den offiziellen Kurs für den Index bestimmt, berechnet und

veröffentlicht und (ii) ein Handel bzw. eine Notierung in den dem Index zugrunde liegenden Einzelwerten an der Maßgeblichen Börse stattfindet. /

*The Underlying Calculation Date means each day, on which (i) the Index Sponsor determines, calculates and publishes the official price of the Index, and (ii) the Components, which are comprised in the Index are available for trading and quotation on the Relevant Exchange.*

**Beginn des öffentlichen Angebots der Wertpapiere / Start of public offer of the Securities:**

22. Februar 2013: Schweiz

1. März 2013: Deutschland

17. April 2013 in Österreich, Luxemburg, Italien, Norwegen, Schweden, den Niederlanden, Finnland und Spanien

*22 February 2013: Switzerland*

*1 March 2013: Germany*

*17 April 2013 in Austria, Luxembourg, Italy, Norway, Sweden, the Netherlands, Finland and Spain*

**Berechnungsstelle / Calculation Agent:**

Die Berechnungsstelle bezeichnet UBS AG, Bahnhofstrasse 45, 8001 Zürich, Schweiz, und Aeschenvorstadt 1, 4051 Basel, Schweiz, handelnd durch ihre Niederlassung London, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich. /

*The Calculation Agent means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.*

**Bewertungstag / Valuation Date:**

Der Bewertungstag entspricht (i) im Fall der Ausübung der Wertpapiere durch den Wertpapiergläubiger gemäß § 2 der Bedingungen der Wertpapiere, vorbehaltlich eines wirksamen Ausübungsverfahrens, dem 22. Februar des darauffolgenden Kalenderjahres bzw. (ii) im Fall einer Tilgung durch die Emittentin gemäß § 3 der Bedingungen der Wertpapiere dem Tilgungstag.

Falls dieser Tag kein Basiswert-Berechnungstag für den Basiswert ist, dann gilt darauf folgende Basiswert-Berechnungstag als maßgeblicher Bewertungstag für den Basiswert. /

*The Valuation Date means (i) in the case of an exercise by the Securityholder in accordance with § 2 of the Conditions of the Securities, subject to an effective exercise procedure, the 22 February of the next succeeding calendar year and (ii) in the case of an Redemption by the Issuer in accordance with § 3 of the Conditions of the Securities, the Redemption Date.*

*If this day is not an Underlying Calculation Date in relation to the Underlying the immediately succeeding Underlying Calculation Date is deemed to be the relevant Valuation Date in relation to the Underlying.*

**Bewertungszeit / Valuation Time:**

Die Bewertungszeit entspricht dem Zeitpunkt der offiziellen Bestimmung des Schlusskurses des Basiswerts durch den Index Sponsor. /

*The Valuation Time equals the time of official determination of the*

*closing price of the Underlying by the Index Sponsor.*

**Bezugsverhältnis / Conversion Ratio:**

Das Bezugsverhältnis entspricht 10:1 bzw. als Dezimalzahl ausgedrückt 0,1; das heißt 10 Wertpapiere beziehen sich auf 1 Basiswert. /

*The Conversion Ratio equals 10:1, or expressed as a decimal number 0.1, i.e. 10 Security relates to 1 Underlying.*

**C.**

**Clearingsystem / Clearing System:**

Das Clearingsystem steht für SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Schweiz („SIS“) oder jeden Nachfolger in dieser Funktion. Der Begriff „Clearingsystem“ umfasst sämtliche Clearingsysteme. /

*Clearing System means SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland (“SIS“) or any successor in this capacity. The term “Clearing System” shall refer to all Clearing Systems.*

**CS-Regeln / CA Rules:**

CS-Regeln steht für die Vorschriften und Verfahren, die auf das Clearingsystem Anwendung finden und/oder von diesem herausgegeben werden. /

*CA Rules means any regulation and operating procedure applicable to and/or issued by the Clearing System.*

**E.**

**Emittentin / Issuer:**

Die Emittentin bezeichnet die UBS AG, Bahnhofstrasse 45, 8001 Zürich, Schweiz, und Aeschenvorstadt 1, 4051 Basel, Schweiz, handelnd durch ihre Niederlassung London, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich. /

*The Issuer means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basle, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.*

**Erstes SIX Handelsdatum / First SIX Trading Date:**

Das erste SIX Handelsdatum bezeichnet den 1. März 2013. /

*The first SIX Trading Date means 1 March 2013.*

**F.**

**Fälligkeitstag / Maturity Date:**

Der Fälligkeitstag entspricht dem fünften Bankgeschäftstag nach (i) dem maßgeblichen Bewertungstag und (ii) im Fall einer Kündigung bzw. einer Steuer-Kündigung durch die Emittentin nach § 7 a bzw. b der Bedingungen der Wertpapiere nach dem Kündigungstag bzw. nach dem Steuer-Kündigungstag. /

*The Maturity Date means the fifth Banking Day after (i) the relevant Valuation Date and (ii) in the case of a Termination or a Termination for Tax Reasons, as the case may be, by the Issuer in accordance with § 7 a or b, as the case may be, of the Conditions of the Securities, after the Termination Date or the Tax Termination Date, as the case may be.*

**Festlegungstag / Fixing Date:**

Der Festlegungstag bezeichnet den 22. Februar 2013. /



*The Fixing Date means 22 February 2013.*

**Festlegungszeit / Fixing Time:**

Die Festlegungszeit entspricht dem Zeitpunkt der offiziellen Bestimmung des Schlusskurses des Basiswerts durch den Index Sponsor. /

*The Fixing Time equals the time of official determination of the closing price of the Underlying by the Index Sponsor.*

**G. Gesamtsumme der Emission / Aggregate Amount of the Issue:**

Ausgabepreis x Ausgabevolumen /

*Issue Price x Issue Size*

**H. Hauptzahlstelle / Fiscal Agent:**

Die Hauptzahlstelle bezeichnet UBS AG, Bahnhofstrasse 45, 8001 Zürich, Schweiz, und Aeschenvorstadt 1, 4051 Basel, Schweiz. /

*The Fiscal Agent means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.*

**K. Kleinste handelbare Einheit / Minimum Trading Size:**

Die Kleinste handelbare Einheit entspricht 1 Wertpapier. /

*The Minimum Trading Size equals 1 Security.*

**Kurs des Basiswerts / Price of the Underlying:**

Der Kurs des Basiswerts entspricht dem von dem Index Sponsor fortlaufend berechneten und veröffentlichten Kurs des Basiswerts. /

*The Price of the Underlying means the price of the Underlying as continuously calculated and published by the Index Sponsor.*

**M. Management Gebühr / Management Fee:**

Die Management Gebühr („**MG**“) beträgt 1,00 % pro Kalenderjahr, die pro Kalendertag nachträglich berechnet und in Abzug gebracht wird. /

*The Risk Management Fee (“**MF**“) equals 1.00 % per calendar year, which is calculated and deducted per calendar day in arrears.*

**Manager / Manager:**

Der Manager bezeichnet UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich. /

*The Manager means UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.*

**Maßgebliche Börse / Relevant Exchange:**

Die Maßgebliche Börse bezeichnet die Börse(n), an (der) (denen) aufgrund der Bestimmung des Index Sponsors die im Index enthaltenen Einzelwerte gehandelt werden. /

*The Relevant Exchange means the stock exchange(s) on which the Components comprised in the Index are traded, as determined by the Index Sponsor.*

**Maßgebliche Terminbörse / Relevant**

Die Maßgebliche Terminbörse bezeichnet diejenige(n) Terminbörse(n),

<b><i>Futures and Options Exchange:</i></b>	an (der) (denen) der umsatzstärkste Handel in Bezug auf Termin- oder Optionskontrakte auf den Basiswert stattfindet. /  <i>The Relevant Futures and Options Exchange means the futures and options exchange(s), on which futures and option contracts on the Underlying are primarily traded.</i>
<b>Mindestanlagebetrag / <i>Minimum Investment Amount:</i></b>	Der Mindestanlagebetrag entspricht 1 Wertpapier. /  <i>The Minimum Investment Amount equals 1 Security.</i>
<b>Mindestausübungsanzahl / <i>Minimum Exercise Size:</i></b>	Die Mindestausübungsanzahl entspricht 1 Wertpapier. /  <i>The Minimum Exercise Size equals 1 Security.</i>
<b>P. Provisionen / <i>Commissions:</i></b>	Die Emittentin kann Verkaufs- und Bestandsprovisionen als umsatzabhängige Vertriebsvergütungen an die jeweilige Vertriebsstelle zahlen (vgl. (i) bis (iv)). Verkaufsprovisionen werden aus dem Emissionserlös als einmalige Zahlung geleistet; alternativ gewährt die Emittentin der jeweiligen Vertriebsstelle einen entsprechenden Abschlag auf den Ausgabepreis (ohne Ausgabeaufschlag). Bestandsprovisionen werden bestandsabhängig wiederkehrend gezahlt. Ist UBS beim Vertrieb eigener Wertpapiere sowohl Emittentin als auch Vertriebsstelle, werden der vertreibenden Stelle der UBS entsprechende Beträge bankintern gutgeschrieben.
(i) Übernahme- und/oder Platzierungsprovision:	Keine
(ii) Verkaufsprovision:	Keine
(iii) Börsenzulassungsprovision:	Keine
(iv) Sonstige:	Bestandesprovision: bis zu 1,00% p.a. (in der Management Gebühr enthalten). /  <i>The Issuer may grant turnover-related sales and recurring commissions to distributors as indicated in (i) to (iv). Sales commissions are paid out of the issue proceeds as a one-off payment; alternatively the Issuer may grant an agio on the issue price (excl. the offering premium) to the distributor. Recurring commissions are paid regularly depending on the respective securities volume. If UBS acts as Issuer and distributor the relevant commissions are internally booked in favour of the distributing organisational unit.</i>
(i) <i>Underwriting and/or placing fee:</i>	<i>None</i>
(ii) <i>Selling commission:</i>	<i>None</i>
(iii) <i>Listing Commission:</i>	<i>None</i>
(iv) <i>Other:</i>	<i>Recurring commission: up to 1.00 per cent. p.a. (included in the Management Fee).</i>
<b>S. SIX Symbol</b>	RADSP

- T.**  
**Tilgungsfrist / *Period of Notice*:** Die Tilgungsfrist im Fall einer Tilgung durch die Emittentin nach § 3 der Wertpapierbedingungen beträgt drei Kalendermonate zum Tilgungstag.  
/
- The Period of Notice in case of an Redemption by the Issuer in accordance with § 3 of the Terms and Conditions of the Securities shall be three calendar months prior to the Redemption Date.*
- U.**  
**Übernahme- und/oder Platzierungs-  
provision / *Underwriting and/or  
placing fee*:** Siehe „Provisionen“. /  
*See “Commissions”.*
- W.**  
**Wertpapiere / *Securities*:** Wertpapiere bezeichnet die von der Emittentin im Umfang des Ausgabevolumens begebenen UBS Open End Zertifikate.
- Die Wertpapiere werden als Wertrechte („**Wertrechte**“) i.S.v. Art. 973c des Schweizerischen Obligationenrechts („**OR**“), welche Bucheffekten („**Bucheffekten**“) i.S. des Bundesgesetzes über die Bucheffekten („**Bucheffektengesetz**“; „**BEG**“) darstellen, ausgegeben; die Umwandlung in einzelne Wertpapiere i.S.v. Art. 965 OR ist ausgeschlossen. /
- Securities means the Open End Certificates issued by the Issuer in the Issue Size.*
- The Securities are being issued as uncertificated securities (Wertrechte; “**Uncertificated Securities**“) in terms of article 973c of the Swiss Code of Obligations (“**CO**“), which constitute of intermediated securities (Bucheffekten; “**Intermediated Securities**“) in terms of the Swiss Federal Act on Intermediated Securities (Bundesgesetzes über die Bucheffekten; “**FISA**“) and will not be represented by definitive securities as defined in article 965 CO.*
- Wertpapier-Börse / *Security Exchange*:** Wertpapier-Börse bezeichnet die SIX Swiss Exchange (Scoach). /  
*Security Exchange means SIX Swiss Exchange (Scoach).*
- Wertpapier-Kenn-Nummern / *Security  
Identification Codes*:** ISIN: CH0206785989, WKN: UA1LHD, Valor: 20678598. /  
*ISIN: CH0206785989, WKN: UA1LHD, Valor: 20678598.*
- Z.**  
**Zahlstelle / *Paying Agent*:** Der Zahlstelle bezeichnet UBS AG, Bahnhofstrasse 45, 8001 Zürich, Schweiz, und Aeschenvorstadt 1, 4051 Basel, Schweiz. /
- The Paying Agent means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.*
- Zahltag bei Ausgabe / *Initial Payment  
Date*:** Der Zahltag bei Ausgabe bezeichnet den 1. März 2013. /  
*The Initial Payment Date means 1 March 2013.*

Wertpapierbedingungen Teil 2: Besondere  
Wertpapierbedingungen

Terms and Conditions of the Securities Part 2:  
Special Conditions of the Securities

§ 1  
Wertpapierrecht

(1) Die Emittentin gewährt hiermit dem Wertpapiergläubiger (§ 4 (2)) von je einem (1) Wertpapier bezogen auf den Kurs des Basiswerts nach Maßgabe dieser Bedingungen das Recht (das „**Wertpapierrecht**“), den Abrechnungsbetrag (§ 1 (2)), multipliziert mit dem als Dezimalzahl ausgedrückten Bezugsverhältnis und auf zwei Dezimalstellen kaufmännisch gerundet, zu erhalten (der „**Auszahlungsbetrag**“).

(2) Der „**Abrechnungsbetrag**“ wird in Übereinstimmung mit folgender Formel berechnet:

$$\text{Abrechnungskurs} - \text{MF}_i$$

wobei  $\text{MF}_i$  der Management Gebühr entspricht, die von der Berechnungsstelle täglich berechnet wird, basierend auf dem Wert des Zertifikats vom Vortag, beginnend mit und einschließlich dem Festlegungstag bis zum und einschließlich dem Bewertungstag unter Anwendung des Zinstagequotienten 'Tatsächliche Anzahl von Tagen/360' (Actual/360).

(3) Sämtliche im Zusammenhang mit dem Wertpapierrecht vorzunehmenden Festlegungen und Berechnungen, insbesondere die Berechnung des Auszahlungsbetrags, erfolgen durch die Berechnungsstelle (§ 9). Die insoweit von der Berechnungsstelle getroffenen Festlegungen und Berechnungen sind, außer in Fällen offensichtlichen Irrtums, abschließend und für alle Beteiligten bindend.

§ 2  
Ausübungsverfahren; Ausübungsfrist;  
Ausübungserklärung

(1) Das Wertpapierrecht kann durch den Wertpapiergläubiger jeweils nur bis zur Ausübungszeit an einem Bankgeschäftstag innerhalb der Ausübungsfrist mit Wirkung zum Ausübungstag und in Übereinstimmung mit dem nachfolgend beschriebenen Ausübungsverfahren ausgeübt werden:

(2) Zur wirksamen Ausübung der Wertpapierrechte müssen innerhalb der Ausübungsfrist die folgenden Bedingungen erfüllt sein:

(i) Bei der Zahlstelle muss eine schriftliche und rechtsverbindlich unterzeichnete Erklärung des Wertpapiergläubigers, dass er das durch das Wertpapier verbrieft

§ 1  
Security Right

(1) The Issuer hereby warrants to the Securityholder (§ 4 (2)) of each (1) Security relating to the Price of the Underlying in accordance with these Conditions that such Securityholder shall have the right (the „**Security Right**“) to receive the Settlement Amount (§ 1 (2)), multiplied by the Conversion Ratio, expressed as a decimal number, and commercially rounded to two decimal places (the „**Redemption Amount**“).

(2) The „**Settlement Amount**“ is calculated in accordance with the following formula:

$$\text{Settlement Price} - \text{MF}_i$$

whereby  $\text{MF}_i$  equals the Management Fee, accruing daily based on the previous day's value of the Certificate, from the Fixing Date to and including the Valuation Date, calculated on an Actual/360 basis by the Calculation Agent.

(3) Any determination and calculation in connection with the Security Right, in particular the calculation of the Redemption Amount, will be made by the Calculation Agent (§ 9). Determinations and calculations made in this respect by the Calculation Agent are final and binding for all participants except in the event of manifest error.

§ 2  
Exercise Procedure; Exercise Period;  
Exercise Notice

(1) The Security Right may in each case only be exercised by the Securityholder until the Exercise Time on a Banking Day within the Exercise Period, becoming effective as of the Exercise Date, in accordance with the exercise procedure described below:

(2) For a valid exercise of the Security Rights the following conditions have to be met within the Exercise Period:

(i) The Paying Agent must receive written and legally signed notice by the Securityholder stating his intention to exercise the Security Right securitised in the Security (the

Wertpapierrecht ausübt (die „**Ausübungs-erklärung**“), eingegangen sein. Die Ausübungserklärung ist unwiderruflich und bindend und hat unter anderem folgende Angaben zu enthalten: (a) den Namen des Wertpapiergläubigers, (b) die Bezeichnung und die Anzahl der Wertpapiere, deren Wertpapierrechte ausgeübt werden und (c) das Konto des Wertpapiergläubigers bei einem Kreditinstitut, auf das der gegebenenfalls zu zahlende Auszahlungsbetrag überwiesen werden soll;

- (ii) die erfolgte Übertragung der betreffenden Wertpapiere auf die Zahlstelle, und zwar entweder (a) durch eine unwiderrufliche Anweisung an die Zahlstelle, die Wertpapiere aus dem gegebenenfalls bei der Zahlstelle unterhaltenen Wertpapierdepot zu entnehmen oder (b) durch Gutschrift der Wertpapiere auf das Konto der Zahlstelle bei dem Clearingsystem.

Falls diese Bedingungen erst nach Ablauf der Ausübungsfrist in Bezug auf einen Ausübungstag erfüllt sind, gilt das Wertpapierrecht als zum nächstfolgenden Ausübungstag ausgeübt.

- (3) Nach Ausübung der Wertpapierrechte sowie der Feststellung des Abrechnungskurses des Basiswerts berechnet die Berechnungsstelle (§ 9) den gegebenenfalls zu zahlenden Auszahlungsbetrag entweder nach der Anzahl der tatsächlich gelieferten Wertpapiere oder nach der in der Ausübungserklärung genannten Anzahl von Wertpapieren, je nachdem, welche Zahl niedriger ist. Ein etwa verbleibender Überschuss bezüglich der gelieferten Wertpapiere wird an den maßgeblichen Wertpapiergläubiger auf dessen Kosten und Gefahr zurückgewährt.
- (4) Sämtliche im Zusammenhang mit dem Wertpapierrecht vorzunehmenden Festlegungen, Berechnungen oder sonstige Entscheidungen, insbesondere die Berechnung des Auszahlungsbetrags, erfolgen durch die Berechnungsstelle (§ 9). Die insoweit von der Berechnungsstelle getroffenen Festlegungen, Berechnungen oder sonstigen Entscheidungen sind, außer in Fällen offensichtlichen Irrtums, abschließend und für alle Beteiligten bindend.

### § 3

#### Tilgung durch die Emittentin

- (1) Die Emittentin ist berechtigt, noch nicht ausgeübte Wertpapiere vorzeitig durch Bekanntmachung gemäß § 11 dieser Bedingungen unter Angabe des Kalendertags, zu dem die vorzeitige Tilgung wirksam wird, (der „**Tilgungstag**“) und unter Wahrung der

„**Exercise Notice**“). The Exercise Notice is irrevocable and binding and shall contain among other things (a) the name of the Securityholder, (b) an indication of the number of Securities to be exercised and (c) the account of the Securityholder with a credit institution, to which the transfer of the Redemption Amount, if any, shall be effected;

- (ii) the effected transfer of the respective Securities to the Paying Agent either (a) by an irrevocable order to the Paying Agent to withdraw the Securities from a deposit maintained with the Paying Agent or (b) by crediting the Securities to the account maintained by the Paying Agent with the Clearing System.

If these conditions are met after lapse of the Exercise Period in relation to a specific Exercise Date, the Security Right shall be deemed to be exercised on the immediately succeeding Exercise Date.

- (3) Upon exercise of the Security Rights as well as determination of the Settlement Price of the Underlying the Calculation Agent (§ 9) shall calculate the Redemption Amount payable, if any, either corresponding to the number of Securities actually delivered or to the number of Securities specified in the Exercise Notice, whichever is lower. Any remaining excess amount with respect to the Securities delivered will be returned to the relevant Securityholder at his cost and risk.
- (4) Any determinations, calculations and other decisions in connection with the Security Right, in particular the calculation of the Redemption Amount, will be made by the Calculation Agent (§ 9). Determinations, calculations and other decisions made in this respect by the Calculation Agent are final and binding for all participants except in the event of manifest error.

### § 3

#### Redemption by the Issuer

- (1) The Issuer shall be entitled at any time to redeem the Securities not yet exercised by way of publication pursuant to § 11 of these Conditions specifying the calendar day on which the redemption shall become effective (the „**Redemption Date**“) and subject to the Period of

Tilgungsfrist zu tilgen (die „**Tilgung durch die Emittentin**“).

- (2) Im Fall der Tilgung durch die Emittentin zahlt die Emittentin an jeden Wertpapiergläubiger einen Betrag, der dem Abrechnungsbetrag (§ 1 (2)), multipliziert mit dem als Dezimalzahl ausgedrückten Bezugsverhältnis und auf zwei Dezimalstellen kaufmännisch gerundet, entspricht (ebenfalls der „**Auszahlungsbetrag**“).
- (3) Auf die Zahlung des Auszahlungsbetrags finden die in diesen Bedingungen enthaltenen Bestimmungen über den Auszahlungsbetrag (§ 1 (1)) entsprechende Anwendung.

Notice (the “**Redemption by the Issuer**“).

- (2) In the case of a Redemption by the Issuer the Issuer shall pay to each Securityholder a sum, equal to the Settlement Amount (§ 1 (2)), multiplied by the Conversion Ratio, expressed as a decimal number, and commercially rounded to two decimal places (also the “**Redemption Amount**“).
- (3) The provisions of these Conditions relating to the Redemption Amount (§ 1 (1)) shall apply *mutatis mutandis* to the payment of the Redemption Amount.

Wertpapierbedingungen  
Wertpapierbedingungen

## Teil 3: Allgemeine

Terms and Conditions of the Securities Part 3:  
General Conditions of the Securities

## § 4

Form der Wertpapiere; Verzinsung und Dividenden;  
Eigentumsrecht und Übertragbarkeit; Status

- (1) Die Wertpapiere werden als Bucheffekten ausgestaltet. Bucheffekten sind vertretbare Forderungs- oder Mitgliedschaftsrechte gegenüber einer Emittentin, die einem Effektenkonto bei einer Verwahrungsstelle i.S.v. Art. 4 BEG („**Verwahrungsstelle**“; wie z.B. Banken oder Effekthändler) gutgeschrieben sind und über welche die Kontoinhaberin oder der Kontoinhaber nach den Vorschriften des Bucheffektengesetzes verfügen können (Art. 3 Abs. 1 BEG).

Bucheffekten werden durch Immobilisierung von Wertpapieren oder Wertrechten (d.h. der Hinterlegung von Wertpapieren oder der Eintragung von Wertrechten im Hauptregister einer Verwahrungsstelle) und einer entsprechenden Gutschrift auf einem Effektenkonto eines Wertpapiergläubigers bei einer Verwahrungsstelle geschaffen (Art. 4 und 6 BEG). Für jede einzelne Serie von Wertpapieren führt eine einzige Verwahrungsstelle das Hauptregister, das öffentlich zugänglich ist. Wertpapiergläubiger können Informationen über ihre Berechtigung an Bucheffekten einer bestimmten Serie von Wertpapieren bei ihrer Verwahrungsstelle beziehen.

- (2) „**Wertpapiergläubiger**“ bezeichnet jede nach Schweizer Recht als Eigentümer der Wertpapiere anerkannte Person. Der Wertpapiergläubiger wird in jeder Hinsicht von der Emittentin und den Wertpapierstellen (§ 9 (1)) als Berechtigter und Begünstigter bezüglich der in den Wertpapieren repräsentierten Rechte behandelt.
- (3) Bucheffekten werden gemäß Art. 24 ff. BEG sowie dem Vertrag zwischen dem Wertpapiergläubiger und seiner Verwahrungsstelle durch Verfügung des Wertpapiergläubigers an die Verwahrungsstelle, die Bucheffekten zu übertragen, und der Gutschrift der entsprechenden Bucheffekten im Effektenkonto der Erwerberin oder des Erwerbers übertragen. Wertpapiergläubiger können ihre Rechte an den Bucheffekten nur über ihre Verwahrungsstelle geltend machen. Weder die Bucheffekten noch Rechte an den Bucheffekten dürfen ohne vorherige schriftliche Zustimmung der Emittentin durch Zession gemäß den Artikeln 164 ff. OR übertragen werden.
- (4) Die Wertpapiergläubiger haben kein Recht, die Auslieferung von Wertpapieren (einschließlich

## § 4

Form of Securities; Interest and Dividends; Title and  
Transfer; Status

- (1) The Securities constitute Intermediated Securities. Intermediated Securities are fungible monetary or membership rights of an investor against an issuer which are credited to an investor's securities account with an intermediary pursuant to article 4 FISA (such as banks and securities dealers; *Verwahrungsstelle*; „**FISA Depository**“) and which are at the investor's disposal pursuant to the FISA (article 3 paragraph 1 FISA).

Intermediated Securities are created upon immobilization of actual securities or Uncertificated Securities (i.e. deposit of actual securities with a FISA Depository, or entry of Uncertificated Securities in the main register of FISA Depository) and a respective credit to a Securityholder's securities account with a FISA Depository (article 4 and 6 FISA). For each series of Securities one single FISA Depository keeps the main register which is available to the public. Securityholders may obtain information about their entitlement to Intermediated Securities of a certain series of Securities from their FISA Depository.

- (2) „**Securityholder**“ means any person acknowledged by Swiss law as legal owner of the Securities. The Securityholder shall, for all purposes, be treated by the Issuer and the Security Agents (§ 9 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.
- (3) Intermediated Securities are transferred upon a Securityholder's instruction of his/her FISA Depository and are then credited to the purchaser's securities account in accordance with articles 24 et seq. FISA and the terms and conditions of the agreements between a Securityholder and his/her FISA Depository. Securityholders may assert their rights linked to Intermediated Securities (*Rechte an Bucheffekten*) only through their FISA Depository. Neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to articles 164 et seq. CO without the prior written consent of the Issuer.
- (4) Securityholders will not be entitled to demand delivery of Uncertificated Securities or actual

Schweizer Globalurkunden) oder Wertrechten zu verlangen. Einzelurkunden werden nicht erstellt.

- (5) Auf die Wertpapiere werden weder Zinsen noch Dividenden gezahlt.
- (6) Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt.

### § 5

#### Tilgung; Vorlegungsfrist; Verjährung

- (1) Die Emittentin wird, vorbehaltlich einer Marktstörung (§ 8 (3)), am Fälligkeitstag die Überweisung des Auszahlungsbetrags bzw. des Kündigungsbetrags oder des Steuer-Kündigungsbetrags (§ 7 a bzw. b) in der Auszahlungswährung über die Zahlstelle zur Gutschrift auf das Konto des jeweils maßgeblichen Wertpapiergläubigers über die jeweils maßgebliche Verwahrungsstelle gemäß den anwendbaren Vorschriften in deren Regelwerken veranlassen.
- (2) Die Emittentin wird mit der vorstehend beschriebenen Leistung an das Clearingsystem von den ihr unter diesen Bedingungen der Wertpapiere obliegenden Tilgungsverpflichtungen bzw. sonstigen Zahlungs- oder Lieferverpflichtungen befreit.
- (3) Alle im Zusammenhang mit der Tilgung der Wertpapiere bzw. sonstigen Zahlungs- oder Lieferverpflichtungen unter diesen Bedingungen der Wertpapiere gegebenenfalls anfallenden Steuern, Abgaben und/oder Kosten sind von dem jeweiligen Wertpapiergläubiger zu tragen und zu zahlen. Die Emittentin und die Zahlstelle sind berechtigt, jedoch nicht verpflichtet, von den erforderlichen Leistungen unter diesen Bedingungen etwaige Steuern, Abgaben und/oder Kosten einzubehalten, die von dem Wertpapiergläubiger gemäß vorstehendem Satz zu zahlen sind.
- (4) Gemäß anwendbarem schweizerischem Recht verjähren Forderungen jeglicher Art gegen die Emittentin, welche in Zusammenhang mit den Wertpapieren entstehen, zehn (10) Jahre nach Eintritt der Fälligkeit der vorzeitigen Tilgung der Wertpapiere oder, soweit dies zeitlich früher ist, der Fälligkeit der ordentlichen Tilgung der Wertpapiere. Von dieser Regelung ausgenommen sind Ansprüche auf Zinszahlungen, welche nach fünf (5) Jahren nach Fälligkeit der entsprechenden Zinszahlungen verjähren.

securities (including Swiss Global Notes). Definitive Securities will not be printed.

- (5) No interest and no dividends are payable on the Securities.
- (6) The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

### § 5

#### Settlement; Period of Presentation; Prescription

- (1) The Issuer will, subject to a Market Disruption (§ 8 (3)), procure on the Maturity Date the payment of the Redemption Amount or of the Termination Amount or of the Tax Termination Amount (§ 7 a or b), as the case may be, in the Redemption Currency to be credited via the Paying Agent to the account of the relevant Securityholder via the relevant FISA Depository pursuant to its applicable rules and regulations.
- (2) The Issuer shall be discharged from its redemption obligations or any other payment or delivery obligations under these Conditions of the Securities by delivery to the Clearing System in the manner described above.
- (3) All taxes, charges and/or expenses, if any, incurred in connection with the redemption of the Securities or any other payment or delivery obligations under these Conditions of the Securities shall be borne and paid by the relevant Securityholder. The Issuer and the Paying Agent, as the case may be, are entitled, but not obliged, to withhold from any required performance under these Conditions such taxes, charges and/or expenses as be paid by the Securityholder in accordance with the preceding sentence.
- (4) In accordance with Swiss law, claims of any kind against the Issuer arising under the Securities will be prescribed 10 years after the earlier of the date on which the early redemption or the date on which the ordinary redemption of the Securities has become due, except for claims for interests which will be prescribed five (5) years after maturity of such interest claims.



- (5) Die Emittentin kann zur Deckung ihrer Verpflichtungen aus den Wertpapieren einen Deckungsbestand unterhalten. Der Deckungsbestand kann dabei nach der Wahl und dem freien Ermessen der Emittentin insbesondere aus dem Basiswert bzw. aus den darin enthaltenen Einzelwerten bzw. aus Optionen auf die vorgenannten Werte bestehen. Den Wertpapiergläubigern stehen jedoch keine Rechte oder Ansprüche in Bezug auf einen etwaigen Deckungsbestand zu.
- (5) The Issuer may hold a coverage portfolio to cover its obligations under the Securities. The coverage portfolio may comprise the Underlying or the Components comprised therein, as the case may be, or options on these aforementioned assets, at the Issuer's option and unrestricted discretion. However, the Securityholders are not entitled to any rights or claims with respect to any coverage portfolio.

### § 6

#### Anpassungen; Nachfolge-Index Sponsor; Nachfolge-Basiswert

- (1) Sollte der Index als Basiswert endgültig nicht mehr vom Index Sponsor verwaltet, berechnet und veröffentlicht werden, ist die Emittentin berechtigt, den Index Sponsor durch eine Person, Gesellschaft oder Institution, die für die Berechnungsstelle und die Emittentin nach billigem Ermessen akzeptabel ist (der „**Nachfolge-Index Sponsor**“), zu ersetzen.

In diesem Fall gilt dieser Nachfolge-Index Sponsor als Index Sponsor und jede in diesen Bedingungen enthaltene Bezugnahme auf den Index Sponsor als Bezugnahme auf den Nachfolge-Index Sponsor.

- (2) Veränderungen in der Berechnung (einschließlich Bereinigungen) des Index oder der Zusammensetzung oder Gewichtung der Indexbestandteile, auf deren Grundlage der Basiswert berechnet wird, führen nicht zu einer Anpassung, es sei denn, dass das maßgebende Konzept und die Berechnung des Basiswerts infolge einer Veränderung (einschließlich einer Bereinigung) nach Auffassung der Emittentin und der Berechnungsstelle nach billigem Ermessen nicht mehr vergleichbar sind mit dem bisher maßgebenden Konzept oder der maßgebenden Berechnung des Index. Dies gilt insbesondere, wenn sich aufgrund irgendeiner Änderung trotz gleich bleibender Kurse der in dem Index enthaltenen Einzelwerte und ihrer Gewichtung eine wesentliche Änderung des Werts des Index ergibt. Eine Anpassung kann auch bei Aufhebung des Index und/oder seiner Ersetzung durch einen anderen Basiswert erfolgen.

Zum Zweck einer Anpassung ermitteln die Emittentin und die Berechnungsstelle nach billigem Ermessen einen angepassten Wert je Einheit des Index, der bei der Bestimmung des Kurses des Basiswerts zugrunde gelegt wird und in seinem wirtschaftlichen Ergebnis der bisherigen Regelung entspricht, und bestimmen unter Berücksichtigung des Zeitpunkts der Veränderung den Tag, zu dem der angepasste Wert je Einheit des Index erstmals zugrunde zu legen ist. Der angepasste Wert je Einheit des Basiswerts sowie der Zeitpunkt seiner

### § 6

#### Adjustments; Successor Index Sponsor; Successor Underlying

- (1) If the Index used as the Underlying is ultimately not maintained, calculated and published by the Index Sponsor any longer, the Issuer shall be entitled to replace the Index Sponsor by a person, company or institution, which is acceptable to the Calculation Agent and the Issuer at their reasonable discretion (the “**Successor Index Sponsor**”).

In such case, the Successor Index Sponsor will be deemed to be the Index Sponsor and each reference in these Conditions to the Index Sponsor shall be deemed to refer to the Successor Index Sponsor.

- (2) Any changes in the calculation (including corrections) of the Index or of the composition or of the weighting of the Index components, on which the calculation of the Underlying is based, shall not lead to an adjustment unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion determine that the underlying concept and the calculation (including corrections) of the Underlying are no longer comparable to the underlying concept or calculation of the Index applicable prior to such change. This applies especially, if due to any change the Index value changes considerably, although the prices and weightings of the components included in the Index remain unchanged. Adjustments may also be made as a result of the termination of the Index and/or its substitution by another underlying.

For the purpose of making any adjustments, the Issuer and the Calculation Agent shall at their reasonable discretion determine an adjusted value per unit of the Index as the basis of the determination of the Price of the Underlying, which in its result corresponds with the economic result prior to this change, and shall, taking into account the time the change occurred, determine the day, on which the adjusted value per unit of the Index shall apply for the first time. The adjusted value per unit of

erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

- (3) Erlischt die Erlaubnis der Emittentin, den Index als Basiswert für die Zwecke der Wertpapiere zu verwenden oder wird der Index aufgehoben und/oder durch einen anderen Index ersetzt, legen die Emittentin und die Berechnungsstelle nach billigem Ermessen, gegebenenfalls unter entsprechender Anpassung nach dem vorstehenden Absatz, fest, welcher Index künftig zugrunde zu legen ist (der „**Nachfolge-Basiswert**“). Der Nachfolge-Basiswert sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

Jede in diesen Bedingungen enthaltene Bezugnahme auf den Basiswert gilt dann, sofern es der Zusammenhang erlaubt, als Bezugnahme auf den Nachfolge-Basiswert.

- (4) Wenn der durch den Index Sponsor festgelegte und veröffentlichte Kurs des Index als Basiswert im Nachhinein berichtigt wird, und die Berichtigung (der „**Berichtigte Kurs**“) von dem jeweiligen Index Sponsor nach der ursprünglichen Veröffentlichung, jedoch bis zum Fälligkeitstag (ausschließlich) bekanntgegeben und veröffentlicht wird, sind die Emittentin und die Berechnungsstelle berechtigt, nach billigem Ermessen, unter Berücksichtigung des Berichtigten Kurses Anpassungen dieser Bedingungen vorzunehmen, um der Berichtigung Rechnung zu tragen. Die Anpassung sowie der Zeitpunkt ihrer erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.
- (5) Anpassungen und Festlegungen nach den vorstehenden Absätzen werden durch die Emittentin nach billigem Ermessen bzw. von der Berechnungsstelle nach billigem Ermessen, vorgenommen und von der Emittentin nach § 11 dieser Bedingungen bekannt gemacht. Anpassungen und Festlegungen sind (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten endgültig und bindend.
- (6) Das Recht der Emittentin zur Kündigung gemäß § 7 a bzw. b dieser Bedingungen bleibt hiervon unberührt.

#### § 7 a

#### Kündigung; Rechtsänderung; Hedging-Störung; Gestiegene Hedging-Kosten

- (1) Die Emittentin ist bei Vorliegen eines der nachstehenden Kündigungsereignisse berechtigt, sämtliche, aber nicht einzelne Wertpapiere durch eine Bekanntmachung gemäß § 11 dieser Bedingungen (i) unter Angabe des Kalendertags,

the Underlying as well as the date of its first application shall be published without undue delay pursuant to § 11 of these Conditions.

- (3) In the event that the authorisation of the Issuer to use the Index used as the Underlying for the purposes of the Securities is terminated or that the Index is terminated and/or replaced by another index, the Issuer and the Calculation Agent shall determine at their reasonable discretion, after having made appropriate adjustments according to the paragraph above, which index shall be applicable in the future (the „**Successor Underlying**“). The Successor Underlying and the date it is applied for the first time shall be published without undue delay in accordance with § 11 of these Conditions.

Any reference in these Conditions to the Underlying shall, to the extent appropriate, be deemed to refer to the Successor Underlying.

- (4) In the event that the price of the Index used as the Underlying as determined and published by the Index Sponsor is subsequently corrected and the correction (the „**Corrected Price**“) is published by the Index Sponsor after the original publication, but until the Maturity Date (exclusive), the Issuer and the Calculation Agent shall be entitled to effect, under consideration of the Corrected Price, adjustments to these Conditions at their reasonable discretion, to account for the correction. The adjustment and the date it is applied for the first time shall be published without undue delay in accordance with § 11 of these Conditions.
- (5) The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer at its reasonable discretion or, as the case may be, by the Calculation Agent and shall be published by the Issuer in accordance with § 11 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.
- (6) The Issuer's right of termination in accordance with § 7 a or b, as the case may be, of these Conditions remains unaffected.

#### § 7 a

#### Termination; Change in Law; Hedging Disruption; Increased Cost of Hedging

- (1) The Issuer shall in the case of the occurrence of one of the following Termination Events be entitled to terminate and redeem all but not some of the Securities by giving notice in accordance with § 11 of these Conditions

zu dem die Kündigung wirksam wird (der „**Kündigungstag**“), und (ii) unter Wahrung einer Kündigungsfrist von mindestens einem Kalendermonat vor dem jeweiligen Kündigungstag, zu kündigen und vorzeitig zu tilgen (die „**Kündigung**“).

(2) Ein „**Kündigungseignis**“ bezeichnet jedes der folgenden Ereignisse:

- (i) Die Ermittlung und/oder Veröffentlichung des Kurses des Index wird endgültig eingestellt, oder der Emittentin oder der Berechnungsstelle wird eine entsprechende Absicht bekannt.
- (ii) Die Emittentin und die Berechnungsstelle sind nach Ausübung billigen Ermessens der Ansicht, dass eine Anpassung dieser Bedingungen, aus welchen Gründen auch immer, nicht möglich ist, oder dass eine Anpassung dieser Bedingungen kein wirtschaftlich vernünftiges Ergebnis erreichen würde.
- (iii) Die Emittentin und die Berechnungsstelle sind nach Ausübung billigen Ermessens der Ansicht, dass eine sonstige erhebliche Änderung der Marktbedingungen an der Börse eingetreten ist.
- (iv) Die Emittentin und die Berechnungsstelle sind nach Ausübung billigen Ermessens der Ansicht, dass eine Rechtsänderung und/oder Hedging-Störung und/oder Gestiegene Hedging-Kosten vorliegen.

Dabei gilt

„**Rechtsänderung**“ bedeutet, dass (A) aufgrund des Inkrafttretens von Änderungen der Gesetze oder Verordnungen (einschließlich aber nicht beschränkt auf Steuergesetze) oder (B) der Änderung der Auslegung von gerichtlichen oder behördlichen Entscheidungen, die für die entsprechenden Gesetze oder Verordnungen relevant sind (einschließlich der Aussagen der Steuerbehörden), die Emittentin nach Treu und Glauben feststellt, dass (X) das Halten, der Erwerb oder die Veräußerung von Transaktionen bzw. Vermögenswerten in Bezug auf den Basiswert rechtswidrig geworden ist oder (Y) die Kosten, die mit den Verpflichtungen unter den Wertpapieren verbunden sind, wesentlich gestiegen sind (einschließlich aber nicht beschränkt auf Erhöhungen der Steuerverpflichtungen, der Senkung von steuerlichen Vorteilen oder anderen negativen Auswirkungen auf die steuerrechtliche Behandlung), falls solche Änderungen an oder nach dem Ausgabetag wirksam werden;

„**Hedging-Störung**“ bedeutet, dass die Emittentin

(i) specifying the calendar day, on which the Termination becomes effective (the “**Termination Date**”), and (ii) subject to a notice period of at least one calendar month prior to the relevant Termination Date (the “**Termination**”).

(2) A “**Termination Event**” means any of the following events:

- (i) The determination and/or publication of the price of the Index is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (ii) It is, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion, not possible, for whatever reason, to make adjustments to these Conditions or if an adjustment adjustments to these Conditions would not achieve a commercially reasonable result.
- (iii) In the opinion of the Issuer and the Calculation Agent at their reasonable discretion, another material change in the market conditions occurred in relation to the Exchange.
- (iv) In the opinion of the Issuer and the Calculation Agent at their reasonable discretion, a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging occurred.

In this context:

“**Change in Law**” means that, on or after the Issue Date of the Securities (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (X) it has become illegal to hold, acquire or dispose of any transaction(s) or asset(s) in relation to the Underlying, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

“**Hedging Disruption**” means that the Issuer is

nicht in der Lage ist unter Anwendung wirtschaftlich vernünftiger Bemühungen, (A) Transaktionen abzuschließen, fortzuführen oder abzuwickeln bzw. Vermögenswerte zu erwerben, auszutauschen, zu halten oder zu veräußern, welche die Emittentin zur Absicherung von Preisrisiken im Hinblick auf ihre Verpflichtungen aus den entsprechenden Wertpapieren für notwendig erachtet oder sie (B) nicht in der Lage ist, die Erlöse aus den Transaktionen bzw. Vermögenswerten zu realisieren, zurückzugewinnen oder weiterzuleiten; und

„**Gestiegene Hedging-Kosten**“ bedeutet, dass die Emittentin im Vergleich zum Ausgabebetrag einen wesentlich höheren Betrag an Steuern, Abgaben, Aufwendungen und Gebühren (außer Maklergebühren) entrichten muss, um (A) Transaktionen abzuschließen, fortzuführen oder abzuwickeln bzw. Vermögenswerte zu erwerben, auszutauschen, zu halten oder zu veräußern, welche die Emittentin zur Absicherung von Preisrisiken im Hinblick auf ihre Verpflichtungen aus den Wertpapieren für notwendig erachtet oder (B) Erlöse aus den Transaktionen bzw. Vermögenswerten zu realisieren, zurückzugewinnen oder weiterzuleiten, unter der Voraussetzung, dass Beträge, die sich nur erhöht haben, weil die Kreditwürdigkeit der Emittentin zurückgegangen ist, nicht als Gestiegene Hedging-Kosten angesehen werden.

- (3) Im Fall der Kündigung zahlt die Emittentin an jeden Wertpapiergläubiger bezüglich jedes von ihm gehaltenen Wertpapiers einen Geldbetrag in der Auszahlungswährung, der von der Berechnungsstelle nach billigem Ermessen, gegebenenfalls unter Berücksichtigung des dann maßgeblichen Kurses des Basiswerts, als angemessener Marktpreis eines Wertpapiers bei Kündigung festgelegt wird (der „**Kündigungsbetrag**“).

#### § 7 b Steuern; Steuer-Kündigung

- (1) Alle von der Emittentin nach diesen Bedingungen zahlbaren Beträge sind ohne Einbehalt oder Abzug an der Quelle von oder aufgrund von gegenwärtigen oder zukünftigen Steuern, Abgaben, Umlagen oder anderen behördlichen Abgaben irgendwelcher Art, die von oder in der Schweiz, Jersey, dem Vereinigten Königreich oder von oder in den Ländern, in denen die Wertpapiere öffentlich angeboten werden, oder einer ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit erhoben werden („**Steuern**“) zu zahlen, es sei denn, ein solcher Einbehalt oder Abzug dieser Steuern ist gesetzlich vorgeschrieben. In diesem Fall zahlt die Emittentin, vorbehaltlich der nachfolgenden Regelungen, diejenigen

unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge price risks of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s); and

“**Increased Cost of Hedging**” means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

- (3) In the case of Termination the Issuer shall pay to each Securityholder an amount in the Redemption Currency with respect to each Security it holds, which is determined by the Calculation Agent at its reasonable discretion and, if applicable, considering the then prevailing Price of the Underlying, as the fair market price of a Security at the occurrence of Termination (the “**Termination Amount**”).

#### § 7 b Taxes; Termination for Tax Reasons

- (1) All amounts payable by the Issuer under these Conditions are payable without any withholding or deduction at source of any present or future taxes, duties, assessments or other government charges of any nature imposed by or in Switzerland, Jersey, the United Kingdom or by or in those countries, in which the Securities are publicly offered, or by any political subdivision or any authority thereof having power to tax (“**Taxes**”), unless such withholding or deduction of such Taxes is required by law. In this latter case, the Issuer will, subject to the following provisions, pay such additional amounts as are necessary in order that the amounts received by the Securityholders equal the amounts they

zusätzlichen Beträge, die erforderlich sind, damit die Wertpapiergläubiger die Beträge erhalten, die sie ohne diese Steuern erhalten hätten.

(2) Die Emittentin ist jedoch nicht verpflichtet, solche zusätzlichen Beträge zu zahlen:

- soweit die deutsche Kapitalertragsteuer (einschließlich Abgeltungsteuer) und der darauf erhobene Solidaritätszuschlag sowie ggf. Kirchensteuer, die nach dem deutschen Einkommensteuergesetz, welches durch das Unternehmensteuerreformgesetz 2008 geändert wurde, abgezogen oder einbehalten werden, oder jede andere Steuer, welche die deutsche Kapitalertragsteuer (einschließlich Abgeltungsteuer) oder den Solidaritätszuschlag darauf oder die Kirchensteuer ersetzen sollte betroffen ist;

- wenn ein Wertpapiergläubiger solchen Steuern auf die Wertpapiere wegen irgendeiner anderen Verbindung zur Schweiz, zu Jersey, dem Vereinigten Königreich oder den Ländern, in denen die Wertpapiere öffentlich angeboten werden, als dem bloßen Eigentum oder dem Besitz der Wertpapiere unterliegt;

- falls der Einbehalt oder Abzug der Steuern in Beziehung steht zu (i) einer Richtlinie oder Verordnung der Europäischen Union bezüglich der Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Schweiz, Jersey, das Vereinigte Königreich oder den Ländern, in denen die Wertpapiere öffentlich angeboten werden oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die der Umsetzung dieser Richtlinie, Verordnung oder Vereinbarung dient, dieser entspricht oder zur Anpassung an diese Richtlinie, Verordnung oder Vereinbarung eingeführt wurde,

- wenn der Einbehalt oder Abzug der Steuern von dem Wertpapiergläubiger dadurch hätten vermieden werden können, dass er die Zahlungen auf die Wertpapiere, über eine andere Zahlstelle in einem EU-Mitgliedstaat zur Zahlung abgefordert hätte; oder

- die aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital, oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge gemäß § 1 dieser Bedingungen wirksam wird.

Weder die Emittentin noch irgendeine Zahlstelle oder sonstige Person sind zur Zahlung zusätzlicher Beträge in Bezug auf jegliche Einbehalte oder

would have received in the absence of any such Taxes.

(2) However, the Issuer will be not obliged to pay any such additional amounts:

- as far as the German withholding tax (*Kapitalertragsteuer*) (including *Abgeltungsteuer*) plus solidarity surcharge (*Solidaritätszuschlag*) imposed thereon and church tax (*Kirchensteuer*), if any, to be deducted or withheld pursuant to the German Income Tax Act as amended by the Corporate Tax Reform Act 2008 (*Unternehmensteuerreformgesetz 2008*) or any other tax which may substitute the German withholding tax (*Kapitalertragsteuer*) (including *Abgeltungsteuer*) or the German solidarity surcharge (*Solidaritätszuschlag*) or the church tax (*Kirchensteuer*), as the case may be, is concerned;

- if a Securityholder is subject to such Taxes, on the Securities due to any other relationship with Switzerland, Jersey, the United Kingdom or those countries, in which the Securities are publicly offered, than the mere ownership or possession of the Securities;

- where such withholding or deduction of any such Taxes relates to (i) any European Union Directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Switzerland, Jersey, the United Kingdom or those countries, in which the Securities are publicly offered or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding;

- if the Securityholders may have avoided the withholding or deduction of any such Taxes by claiming payments on the Securities via another paying agent in a EU member state; or

- that are payable as a result of any change in law that becomes effective more than 30 days after the relevant payment of principal becomes due or is duly provided for pursuant to § 1 of these Conditions, whichever occurs later.

None of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any

Abzüge verpflichtet, die (i) von oder in Bezug auf jegliche Wertpapiere gemäß den Abschnitten 1471 bis 1474 des U.S. Internal Revenue Code von 1986 in der jeweils geltenden Fassung (dem "**Code**") sowie den darunter erlassenen Verordnungen ("**FATCA**"), gemäß den Gesetzen der Bundesrepublik Deutschland, Jerseys, des Vereinigten Königreichs oder den Ländern, in denen die Wertpapiere öffentlich angeboten werden zur Umsetzung von FATCA oder gemäß jeglichem Vertrag zwischen der Emittentin und den Vereinigten Staaten oder einer Behörde der Vereinigten Staaten in Bezug auf FATCA oder (ii) von oder in Bezug auf jegliche „dividendenäquivalente“ Zahlung gemäß den Abschnitten 871 oder 881 des Code gemacht werden.

- (3) Die Emittentin ist jederzeit berechtigt, sämtliche Wertpapiere, jedoch nicht nur teilweise, mit einer Frist von nicht weniger als 30 Tagen und nicht mehr als 45 Tagen durch Mitteilung gemäß § 11 dieser Bedingungen und unter Angabe des Kalendertags, zu dem die Kündigung wirksam wird (der „**Steuer-Kündigungstag**“), zur Rückzahlung zu einem Geldbetrag je Wertpapier in der Auszahlungswährung, der von der Berechnungsstelle nach billigem Ermessen, gegebenenfalls unter Berücksichtigung des dann maßgeblichen Kurses des Basiswerts und der durch die Kündigung bei der Emittentin angefallenen Kosten, als angemessener Marktpreis eines Wertpapiers bei Kündigung festgelegt wird (der „**Steuer-Kündigungsbetrag**“), zu kündigen, falls:

- die Emittentin bei der nächsten Zahlung nach diesen Bedingungen verpflichtet ist oder verpflichtet sein wird, als Ergebnis einer Änderung oder Ergänzung in den Gesetzen oder Vorschriften in der Schweiz, in Jersey, dem Vereinigten Königreich oder den Ländern, in denen die Wertpapiere öffentlich angeboten werden, oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit oder einer Änderung in der Anwendung oder Auslegung solcher Gesetze oder Vorschriften, die am oder nach dem Ausgabebetrag dieser Wertpapiere in Kraft tritt bzw. angewendet wird, zusätzliche Beträge nach diesem § 7 b dieser Bedingungen zu zahlen; und

- die Emittentin das Erfordernis, solche zusätzlichen Beträge zahlen zu müssen, nicht durch nach eigenem Ermessen zumutbare Maßnahmen (nicht aber eine Ersetzung der Emittentin gemäß § 10 dieser Bedingungen) vermeiden kann.

Eine solche Kündigung darf nicht früher als 90 Tage vor dem Datum erfolgen, an dem die Emittentin erstmals zusätzliche Beträge nach diesem § 7 b zu zahlen hätte.

withholding or deduction (i) imposed on or in respect of any Securities pursuant to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and the regulations promulgated thereunder ("**FATCA**"), the laws of Germany, Jersey, the United Kingdom or those countries, in which the Securities are publicly offered implementing FATCA, or any agreement between the Issuer and the United States or any authority thereof entered into for FATCA purposes, or (ii) imposed on or with respect to any "dividend equivalent" payment made pursuant to section 871 or 881 of the Code.

- (3) The Issuer is entitled at any time to redeem all, but not only some, of the Securities on giving no less than 30 and no more than 45 days notice pursuant to § 11 of these Conditions, specifying the calendar day, on which the Termination becomes effective (the "**Tax Termination Date**"), at an amount in the Redemption Currency with respect to each Security, which is determined by the Calculation Agent at its reasonable discretion and, if applicable, considering the then prevailing Price of the Underlying and the expenses of the Issuer caused by the Termination, as the fair market price of a Security at the occurrence of Termination (the "**Tax Termination Amount**") if:

- the Issuer, on the occasion of the next payment is or will be required under these Conditions to pay additional amounts under this § 7 b of these Conditions on account of any change or amendment to the laws or regulations of Switzerland, Jersey, the United Kingdom or those countries, in which the Securities are publicly offered, or any political subdivision or authority thereof with power to tax or any change in application or interpretation of such laws or regulations which change becomes effective or applicable on or after the Issue Date of these Securities; and

- the Issuer cannot avoid the requirement to pay such additional amounts by any steps reasonably available to the Issuer at its own discretion (but not by any substitution of the Issuer pursuant to § 10 of these Conditions).

Any such notice of redemption must not be given any earlier than 90 days prior to the date on which the Issuer would initially be required to pay additional amounts pursuant to this § 7 b.

## § 8 Marktstörungen

- (1) Sind die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens der Ansicht, dass an dem Bewertungstag eine Marktstörung (§ 8 (3)) vorliegt, dann wird der Bewertungstag für den Basiswert auf den unmittelbar darauf folgenden Basiswert-Berechnungstag, an dem keine Marktstörung mehr vorliegt, verschoben. Die Emittentin wird sich bemühen, den Beteiligten unverzüglich gemäß § 11 dieser Bedingungen mitzuteilen, dass eine Marktstörung eingetreten ist. Eine Pflicht zur Mitteilung besteht jedoch nicht.
- (2) Wenn der Bewertungstag aufgrund der Bestimmungen des § 8 (1) um acht Basiswert-Berechnungstage verschoben worden ist und auch an diesem Tag die Marktstörung fortbesteht, dann gilt dieser Tag als der maßgebliche Bewertungstag für den Basiswert.

Eine weitere Verschiebung findet nicht statt.

Die Emittentin und die Berechnungsstelle werden dann nach Ausübung billigen Ermessens sowie unter Berücksichtigung (i) der dann herrschenden Marktgegebenheiten und (ii) sämtlicher sonstigen Konditionen bzw. Faktoren, die die Emittentin und die Berechnungsstelle angemessenerweise für bedeutsam halten, auf Grundlage der zuletzt erhältlichen Kurse des Basiswerts einen Kurs des Basiswerts in Bezug auf den verschobenen Bewertungstag schätzen. (Zur Klarstellung: Dieser Kurs kann auch Null (0) betragen.)

Sind die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens der Ansicht, dass eine Schätzung des Kurses des Basiswerts aus welchen Gründen auch immer nicht möglich ist, dann werden die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens sowie unter Berücksichtigung (i) der dann herrschenden Marktgegebenheiten, (ii) sämtlicher sonstigen Konditionen bzw. Faktoren, die die Emittentin und die Berechnungsstelle angemessenerweise für bedeutsam halten und (iii) gegebenenfalls unter Berücksichtigung der durch die Marktstörung bei der Emittentin angefallenen Kosten, bestimmen, ob, und gegebenenfalls in welcher Höhe, die Emittentin einen Geldbetrag in der Auszahlungswährung zahlen wird. Auf diesen Geldbetrag finden die in diesen Bedingungen enthaltenen Bestimmungen über den Auszahlungsbetrag entsprechende Anwendung.

- (3) Eine „**Marktstörung**“ bedeutet in Bezug auf einen Index bzw. auf sämtliche seiner Einzelwerte:
  - (a) die Suspendierung oder das Ausbleiben der Bekanntgabe des Kurses des Basiswerts an

## § 8 Market Disruptions

- (1) If, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion, a Market Disruption (§ 8 (3)) prevails on the Valuation Date, the Valuation Date in relation to the Underlying shall be postponed to the next succeeding Underlying Calculation Date, on which no Market Disruption prevails. The Issuer shall endeavour to notify the parties pursuant to § 11 of these Conditions without delay of the occurrence of a Market Disruption. However, there is no notification obligation.
- (2) If the Valuation Date has been postponed, due to the provisions of § 8 (1), by eight Underlying Calculation Dates, and if the Market Disruption continues to prevail on this day, this day shall be deemed to be the relevant Valuation Date, as the case may be, in relation to the Underlying.

No further postponement shall take place.

The Issuer and the Calculation Agent will then, at their reasonable discretion and taking into account (i) the market conditions then prevailing and (ii) such other conditions or factors as the Issuer and the Calculation Agent reasonably consider to be relevant, estimate the Price of the Underlying in relation to the postponed Valuation Date (which for the avoidance of doubt could be zero (0)) on the basis of the last announced Prices of the Underlying.

If, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion, an estimate of the Price of the Underlying is, for whatsoever reason, not possible, the Issuer and the Calculation Agent will, at their reasonable discretion and taking into account (i) the market conditions then prevailing, (ii) such other conditions or factors as the Issuer and the Calculation Agent reasonably consider to be relevant and (iii) the expenses of the Issuer, if any, caused by the Market Disruption, determine whether and in which amount, if applicable, the Issuer will make payment of an amount in the Redemption Currency. The provisions of these Conditions relating to the Redemption Amount shall apply *mutatis mutandis* to such payment.

- (3) A “**Market Disruption**” shall mean in relation to an index or, as the case may be, in relation to each of its Components:
  - (a) a suspension or a failure of the announcement of the Price of the

einem für die Berechnung eines Auszahlungsbetrags, eines Kündigungsbetrags bzw. eines Steuer-Kündigungsbetrags maßgeblichen Basiswert-Berechnungstag, oder

- (b) die Begrenzung, Suspendierung bzw. Unterbrechung oder, vorbehaltlich von Absatz (4), eine nach Auffassung der Emittentin und der Berechnungsstelle wesentliche Einschränkung des Handels
- (i) an der Maßgeblichen Börse oder an der/den Börse(n) bzw. in dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, allgemein (sei es wegen Kursbewegungen, die die Grenzen des von der Maßgeblichen Börse oder der/den Börse(n) bzw. dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, Erlaubten überschreiten, oder aus sonstigen Gründen), oder
- (ii) an der Maßgeblichen Börse oder an der/den Börse(n) bzw. in dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, in dem Index bzw. in den Einzelwerten des Index an der Maßgeblichen Börse oder an der/den Börse(n) bzw. in dem Markt/den Märkten an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, sofern eine wesentliche Anzahl oder ein wesentlicher Anteil unter Berücksichtigung der Marktkapitalisierung betroffen ist (als wesentliche Anzahl bzw. wesentlicher Anteil gilt eine solche oder ein solcher von mehr als 20 %, (sei es wegen Kursbewegungen, die die Grenzen des von der Maßgeblichen Börse oder der/den Börse(n) bzw. dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, Erlaubten überschreiten, oder aus sonstigen Gründen), oder
- (iii) an der Maßgeblichen Terminbörse, falls dort Optionskontrakte auf das Edelmetall gehandelt werden, oder
- (iv) aufgrund einer Anordnung einer Behörde oder der Maßgeblichen Börse (sei es wegen Kursbewegungen, die die Grenzen des von der Maßgeblichen Börse Erlaubten überschreiten, oder aus sonstigen Gründen), bzw. aufgrund eines Moratoriums für Bankgeschäfte in dem Land, in dem die Maßgebliche Börse ansässig ist, oder aufgrund sonstiger

Underlying on any Underlying Calculation Date relevant for determining the Redemption Amount, the Termination Amount or the Tax Termination Amount, as the case may be, or

- (b) a limitation, suspension or disruption of or, subject to para. (4), a restriction imposed on trading, the latter of which the Issuer and the Calculation Agent consider significant,
- (i) on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, in general (whether by movements in price exceeding limits permitted by the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded, or otherwise), or
- (ii) on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, in the Index or, as the case may be, in the Components of the Index on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, provided that a major number or a major part in terms of market capitalisation is concerned (a number or part in excess of 20 % shall be deemed to be material), (whether by movements in price exceeding limits permitted by the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded, or otherwise), or
- (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the precious metal are traded there, or
- (iv) due to a directive of an authority or of the Relevant Exchange (whether by movements in price exceeding limits permitted by the Relevant Exchange or otherwise) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Exchange is located, or due to any other reasons whatsoever.



Umstände.

- |   |  |
|---|--|
| <p>(c) Der maßgebliche Kurs ist ein Grenzpreis (<i>limit price</i>), was bedeutet, dass der für einen Tag ermittelte Kurs für den Basiswert den Kurs an dem unmittelbar vorangehenden Tag um den nach den Vorschriften der Maßgeblichen Börse oder der Börse(n) bzw. des Markts/der Märkte, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, zulässigen maximalen Umfang überschritten bzw. unterschritten hat.</p> <p>(d) Der Eintritt eines sonstigen Ereignisses, das nach Ansicht der Emittentin und der Berechnungsstelle nach Ausübung billigen Ermessens die allgemeine Möglichkeit von Marktteilnehmern beeinträchtigt oder behindert, Transaktionen in dem Basiswert durchzuführen oder diesbezügliche Marktbewertungen zu erhalten.</p>   | <p>(c) The relevant price is a “limit price”, which means that the price for the Underlying for a day has increased or decreased from the immediately preceding day’s price by the maximum amount permitted under applicable rules of the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded.</p> <p>(d) The occurrence of any other event that, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Underlying.</p>  |
| <p>(4) Eine Verkürzung der regulären Handelszeiten oder eine Beschränkung der Stunden oder Anzahl der Tage, an denen ein Handel stattfindet, gilt nicht als Marktstörung, sofern die Einschränkung auf einer Änderung der regulären Handelszeiten der Maßgeblichen Börse beruht, die mindestens eine (1) Stunde vor (i) entweder dem tatsächlichen regulären Ende der Handelszeiten an der Maßgeblichen Börse oder (ii) dem Termin für die Abgabe von Handelsaufträgen zur Bearbeitung an dem betreffenden Tag an der Maßgeblichen Börse, je nachdem welcher Zeitpunkt früher ist, angekündigt worden ist. Eine im Laufe eines Tages auferlegte Beschränkung im Handel aufgrund von Preisbewegungen, die bestimmte vorgegebene Grenzen überschreiten, gilt nur dann als Marktstörung, wenn diese Beschränkung bis zum Ende der Handelszeit an dem betreffenden Tag fort dauert.</p> | <p>(4) Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading hours on the Relevant Exchange announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours on the Relevant Exchange or (ii) the submission deadline for orders entered into the Relevant Exchange for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.</p> |

## § 9

### Berechnungsstelle; Zahlstelle

- (1) Die Berechnungsstelle und die Zahlstelle (die „**Wertpapierstellen**“) übernehmen diese Funktion jeweils in Übereinstimmung mit diesen Bedingungen. Jede der Wertpapierstellen haftet dafür, dass sie im Zusammenhang mit den Wertpapieren Handlungen bzw. Berechnungen vornimmt, nicht vornimmt oder nicht richtig vornimmt oder sonstige Maßnahmen trifft oder unterlässt nur, wenn und soweit sie jeweils die Sorgfalt eines ordentlichen Kaufmanns verletzt hat.
- (2) Jede der Wertpapierstellen handelt ausschließlich als Erfüllungsgehilfin der Emittentin und hat keinerlei Pflichten gegenüber dem Wertpapiergläubiger.
- (3) Die Emittentin ist berechtigt, jederzeit jede oder

## § 9

### Calculation Agent; Paying Agent

- (1) The Calculation Agent and the Paying Agent (the “**Security Agents**“) shall assume such role in accordance with these Conditions. Each of the Security Agents shall be liable for making, failing to make or incorrectly making any measure or calculations, as the case may be, or for taking or failing to take any other measures only if and insofar as they fail to exercise the due diligence of a prudent businessman.
- (2) Each of the Security Agents acts exclusively as vicarious agent of the Issuer and has no obligations to the Securityholder.
- (3) The Issuer is entitled at any time to replace any

alle der Wertpapierstellen durch eine andere Gesellschaft zu ersetzen, eine oder mehrere zusätzliche Wertpapierstellen zu bestellen und deren Bestellung zu widerrufen. Ersetzung, Bestellung und Widerruf werden gemäß § 11 dieser Bedingungen bekannt gemacht.

- (4) Jede der Wertpapierstellen ist berechtigt, durch schriftliche Anzeige gegenüber der Emittentin jederzeit ihr Amt niederzulegen. Die Niederlegung wird nur wirksam mit der Bestellung einer anderen Gesellschaft als Berechnungsstelle bzw. als Zahlstelle durch die Emittentin. Niederlegung und Bestellung werden gemäß § 11 dieser Bedingungen bekannt gemacht.

### § 10 Ersetzung der Emittentin

- (1) Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Wertpapiergläubiger eine andere Gesellschaft der UBS Gruppe als Emittentin (die „**Neue Emittentin**“) hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Wertpapieren an die Stelle der Emittentin zu setzen, sofern
- (i) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Wertpapieren übernimmt,
  - (ii) die Neue Emittentin alle etwa notwendigen Genehmigungen von den zuständigen Behörden erhalten hat, wonach die Neue Emittentin alle sich aus oder in Verbindung mit den Wertpapieren ergebenden Verpflichtungen erfüllen kann und Zahlungen ohne Einbehalt oder Abzug von irgendwelchen Steuern, Abgaben oder Gebühren an die Zahlstelle transferieren darf, und
  - (iii) die Emittentin unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert.
- (2) Im Falle einer solchen Ersetzung der Emittentin gilt jede in diesen Bedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen.
- (3) Die Ersetzung der Emittentin ist für die Wertpapiergläubiger endgültig und bindend und wird den Wertpapiergläubigern unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

### § 11 Bekanntmachungen

- (1) Bekanntmachungen, die die Wertpapiere betreffen, werden in einer der jeweils maßgeblichen Rechtsordnung entsprechenden Form und auf den

or all of the Security Agents by another company, to appoint one or several additional Security Agents, and to revoke their appointments. Such replacement, appointment and revocation shall be notified in accordance with § 11 of these Conditions.

- (4) Each of the Security Agents is entitled to resign at any time from its function upon prior written notice to the Issuer. Such resignation shall only become effective if another company is appointed by the Issuer as Calculation Agent or as Paying Agent, as the case may be. Resignation and appointment are notified in accordance with § 11 of these Conditions.

### § 10 Substitution of the Issuer

- (1) The Issuer is entitled at any time, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the “**New Issuer**“) with respect to all obligations under or in connection with the Securities, if
- (i) the New Issuer assumes all obligations of the Issuer under or in connection with the Securities,
  - (ii) the New Issuer has obtained all necessary authorisations, if any, by the competent authorities, under which the New Issuer may perform all obligations arising under or in connection with the Securities and transfer payments to the Paying Agent without withholding or deduction of any taxes, charges or expenses, and
  - (iii) the Issuer unconditionally and irrevocably guarantees the obligations of the New Issuer.
- (2) In the case of such a substitution of the Issuer, any reference in these Conditions to the Issuer shall forthwith be deemed to refer to the New Issuer.
- (3) The substitution of the Issuer shall be final, binding and conclusive on the Securityholders and will be published to the Securityholders without undue delay in accordance with § 11 of these Conditions.

### § 11 Publications

- (1) Publications concerning the Securities will be published in the manner required by the relevant jurisdiction and on the websites of the Issuer at

Internetseiten der Emittentin unter <http://www.ubs.com/keyinvest> oder einer Nachfolgersite veröffentlicht.

[www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) (or any successor website thereto).

Jede Mitteilung wird am Tag ihrer Veröffentlichung wirksam (oder im Fall von mehreren Veröffentlichungen am Tag der ersten solchen Veröffentlichung).

Any such notice shall be effective as of the publishing date (or, in the case of several publications as of the date of the first such publication).

- (2) Soweit rechtlich zulässig ist die Emittentin berechtigt, Bekanntmachungen ausschließlich durch Mitteilung an das Clearingsystem zur Weiterleitung an die Wertpapiergläubiger (wie in den anwendbaren Vorschriften der Regelwerke des maßgeblichen Clearingsystems vorgesehen) zu bewirken, vorausgesetzt, dass in den Fällen, in denen die Wertpapiere an einer Wertpapier-Börse notiert sind, die anwendbaren Regeln dieser Wertpapier-Börse diese Form der Mitteilung zulassen. Bekanntmachungen durch Mitteilung an das Clearingsystem gelten am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als bewirkt.
- (2) The Issuer shall, to the extent legally possible, be entitled to effect publications by way of notification to the Clearing System for the purpose of notifying the Securityholders (as set forth in the applicable rules and regulations of the Clearing System), provided that in cases, in which the Securities are listed on a Security Exchange, the regulations of such Security Exchange permit this type of notice. Any such notice shall be deemed as having been effect as of the seventh day after the date of the notification to the Clearing System.
- (3) Im Fall der Kotierung der Wertpapiere an der SIX werden alle Mitteilungen hinsichtlich der Wertpapiere, für welche die Emittentin gemäß den anwendbaren Reglementen, Richtlinien und Rundschreiben der SIX Mitteilungspflichten gegenüber der SIX unterliegt, der SIX zur weiteren Veröffentlichung gemäß den Reglementen, Richtlinien und Rundschreiben der SIX zugestellt. Die Emittentin kann Informationen, deren Publikation gemäß den maßgeblichen Reglementen, Richtlinien und Rundschreiben der SIX in Zusammenhang mit den Meldepflichten im Rahmen der Aufrechterhaltung der Kotierung an der SIX in Printmedien oder mittels Internet Based Listing („IBL“) zwingend vorgesehen ist, mittels IBL auf den Internetseiten der SIX veröffentlichen.
- (3) In the case of a listing of the Securities at SIX, all notices concerning the Securities which are subject to reporting obligations of the Issuer towards SIX pursuant to the applicable rules, directives and regulations of SIX shall be submitted to SIX for their further distribution by SIX in accordance with its applicable rules, directives and regulations. The Issuer may publish information which shall be published either in print medias or through Internet Based Listing (“IBL”) pursuant to the relevant rules, directives and circulars of SIX in connection with reporting obligations regarding the maintenance of a listing at SIX through IBL on SIX’s websites.

## § 12

### Begebung weiterer Wertpapiere; Ankauf; Einziehung; Entwertung

- (1) Die Emittentin ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit weitere Wertpapiere mit gleicher Ausstattung in der Weise zu begeben, dass sie mit diesen Wertpapieren eine einheitliche Serie bilden, wobei in diesem Fall der Begriff „Wertpapier“ entsprechend auszulegen ist.
- (2) Die Emittentin ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit Wertpapiere zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Wertpapiere können nach Wahl der Emittentin von ihr gehalten, erneut begeben, weiterverkauft oder entwertet werden.
- (3) Die Emittentin ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit ausstehende

## § 12

### Issue of further Securities; Purchase; Call; Cancellation

- (1) The Issuer is entitled at any time to issue, without the consent of the Securityholders, further securities having the same terms and conditions as the Securities so that the same shall be consolidated and form a single series with such Securities, and references to “Security” shall be construed accordingly.
- (2) The Issuer is entitled at any time to purchase, without the consent of the Securityholders, Securities at any price. Such Securities may be held, reissued, resold or cancelled, all at the option of the Issuer.
- (3) The Issuer is entitled at any time to call, without the consent of the Securityholders, outstanding

Wertpapiere einzuziehen und damit ihre Anzahl zu reduzieren.

- (4) Aufstockung bzw. Reduzierung der Wertpapiere werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.
- (5) Sämtliche vollständig zurückgezahlten Wertpapiere sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

### § 13 Sprache

Diese Bedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

### § 14 Anwendbares Recht; Erfüllungsort; Gerichtsstand; Zustellungsbevollmächtigte; Korrekturen; Teilunwirksamkeit

- (1) Form und Inhalt der Wertpapiere sowie alle Rechte und Pflichten aus den in diesen Bedingungen geregelten Angelegenheiten bestimmen sich in jeder Hinsicht nach, und werden in Übereinstimmung ausgelegt mit, dem Recht der Schweizerischen Eidgenossenschaft.
- (2) Erfüllungsort und Gerichtsstand für alle Klagen oder sonstigen Verfahren aus oder im Zusammenhang mit den Wertpapieren ist, soweit rechtlich zulässig, Zürich (1), Schweiz.
- (3) Die Emittentin ist berechtigt, an diesen Bedingungen, jeweils ohne die Zustimmung der Wertpapiergläubiger, in der Weise, die die Emittentin für notwendig oder wünschenswert hält, Änderungen oder Ergänzungen vorzunehmen, sofern die Änderung oder Ergänzung
- (i) formaler, geringfügiger oder technischer Natur ist; oder
  - (ii) zur Behebung eines offensichtlichen oder erwiesenen Fehlers erfolgt; oder
  - (iii) zur Behebung einer Mehrdeutigkeit oder zur Berichtigung oder Ergänzung fehlerhafter Bestimmungen dieser Bedingungen erfolgt; oder
  - (iv) zur Berichtigung eines Fehlers oder einer Auslassung erfolgt, wenn ohne eine solche Berichtigung die Bedingungen nicht die beabsichtigten Bedingungen, zu denen die Wertpapiere verkauft wurden und zu denen

Securities and to reduce their number.

- (4) Increase or reduction of Securities shall be notified without undue delay in accordance with § 11 of these Conditions.
- (5) All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

### § 13 Language

These Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

### § 14 Governing Law; Place of Performance; Place of Jurisdiction; Agent of Process; Corrections; Severability

- (1) The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall in every respect be governed by, and shall be construed in accordance with, the laws of the Swiss Confederation.
- (2) The place of performance and place of jurisdiction for all actions or other procedures under or in connection with the Securities shall, to the extent legally possible, be Zurich (1), Switzerland.
- (3) The Issuer is entitled to modify or amend, as the case may be, these Conditions in each case without the consent of the Securityholders in such manner as the Issuer deems necessary or desirable, if the modification or amendment
- (i) is of a formal, minor or technical nature; or
  - (ii) is made to cure a manifest or proven error; or
  - (iii) is made to cure any ambiguity; or is made to correct or supplement any defective provisions of these Conditions; or
  - (iv) is made to correct an error or omission such that, in the absence of such correction, the Conditions would not otherwise represent the intended terms of the Securities on which the Securities were sold and have

sie seitdem gehandelt werden, darstellen würden; oder

- (v) keine wesentlichen nachteiligen Auswirkungen auf die Interessen der Wertpapiergläubiger in Bezug auf die Wertpapiere hat.

Eine solche Änderung bzw. Ergänzung wird gemäß ihren Bestimmungen wirksam, ist für die Wertpapiergläubiger bindend und wird den Wertpapiergläubigern gemäß § 11 dieser Bedingungen bekannt gemacht (wobei jedoch eine versäumte Übermittlung einer solchen Mitteilung oder deren Nichterhalt die Wirksamkeit der betreffenden Änderung bzw. Ergänzung nicht beeinträchtigt).

- (5) Sollte eine Bestimmung dieser Bedingungen ganz oder teilweise unwirksam sein oder werden, so bleiben die übrigen Bestimmungen wirksam. Die unwirksame Bestimmung ist durch eine wirksame Bestimmung zu ersetzen, die den wirtschaftlichen Zwecken der unwirksamen Bestimmung so weit wie rechtlich möglich entspricht. Entsprechendes gilt für etwaige Lücken in den Bedingungen.

### § 15

#### Keine kollektiven Kapitalanlagen

Dieses Produkt stellt keine Beteiligung an einer kollektiven Kapitalanlage im Sinne von Art. 7 ff. des schweizerischen Bundesgesetzes über die kollektiven Kapitalanlagen (KAG) dar und untersteht somit nicht der Aufsicht der Eidgenössischen Finanzmarktaufsicht. Deshalb besteht für den Investor in dieses Produkt kein Anlegerschutz nach dem KAG.

since traded; or

- (v) will not materially and adversely affect the interests of the Securityholders.

Any modification or amendment of these Terms and Conditions shall take effect in accordance with its terms and be binding on the Securityholders, and shall be notified to the Securityholders in accordance with § 11 of these Conditions (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).

- (5) If any of the provisions of these Conditions is or becomes invalid in whole or in part, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision, which, to the extent legally possible, serves the economic purposes of the invalid provision. The same applies to gaps, if any, in these Conditions.

### § 15

#### No collective investment schemes

This product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 et seq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus is not subject to the supervision of the Swiss Financial Market Supervisory Authority (Eidgenössische Finanzmarktaufsicht). Therefore, investors in this product are not eligible for the specific investor protection under the CISA.

## E. INFORMATION ABOUT THE UNDERLYING

Investors are referred to the important disclaimers and risk factors in this description of the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® (the “Index Manual”).

### Section 1. Introduction

This Index Manual sets out the rules and risk factors applicable to the UBS Risk Adjusted Dynamic Alpha (“RADA”) UBS RADA US Index – Net Total Return (USD) (the “Index”), including the basis on which the Index Level will be calculated.

The Index is the intellectual property of UBS AG, acting through its London Branch (or any successor thereto) (in such capacity, the “Index Owner”). The Index Owner owns the copyright and all other intellectual property rights in the Index and this Index Manual. Any use of these intellectual property rights must be with the prior written consent of the Index Owner.

The Index will be governed by UBS AG, acting through its London Branch (or its successor) (in such capacity, the “Index Administrator”) via its internal processes. The Index Administrator controls the creation and operation of the Index administrative process, including all stages and processes involved in the production and dissemination of the Index. Notwithstanding that the Index relies on information from third party sources, the Index Administrator has primary responsibility for all aspects of the Index administration and determination process.

The Index Administrator has implemented and maintains the “UBS Control Framework Document”, which is a control framework for the process of determining and distributing a number of indices in respect of which UBS acts as the Index Administrator, including the Index. A summary of the main features of the UBS Control Framework Document is available on the UBS Website. Neither the UBS Control Framework Document, nor the summary of its main features, forms part of this Prospectus.

The information in this Index Manual reflects the policies of, and is subject to change by, the Index Administrator. The Index Administrator makes certain determinations and calculations in respect of the Index and publishes the Index Level as further described in this Index Manual. The Index Owner does not have any obligation to ensure that the Index Administrator continues to publish the Index Level and the Index Administrator may discontinue publication of the Index Level upon giving at least 10 Index Administrator Business Days’ notice on the Bloomberg Page and/or the Reuters Page (as referred to below) and/or on the UBS Website. Details of any adjustments made to the Index shall be made available by the Index Administrator on application to the Index Administrator’s principal office at UBS, 1 Finsbury Avenue, London, EC2M 2PP. The Index Administrator will make available the Index Level in respect of each Index Business Day. The Index Level is published on Bloomberg and/or on Reuters under the following codes described in the table below (the “Bloomberg Page” and “Reuters Page” respectively) and/or on the UBS Website. The Index Level in respect of any Index Business Day will be published on the immediately following London Business Day.

Index	Index Currency	BBG Ticker	Reuters Ticker
UBS RADA US Index - Net Total Return	USD	ULTARASP	ULTARASP=UBSL

To the extent data used to determine the Index Level is not sourced from a regulated market or exchange with mandatory post-trade transparency requirements, the Index Administrator will publish with each publication of the Index Level an explanation of: (i) how such Index Level was determined (including the size and liquidity of the market being assessed (meaning the number and volume of transactions observed for the purposes determining the Index Level), the range and average volume and range and average price, and indicative percentages of each type of market data that has been considered in the determination of the Index Level); and (ii) the extent to which, and the basis upon which, the exercise of discretion (including extrapolating values from prior or related transactions, adjusting values for factors that might influence the quality of data such as market events or impairment of a buyer or seller’s credit quality, or weighting firm bids or offers greater than a particular concluded transaction) if any, was used in determining the Index Level.

Historical records relating to the composition and past performance of the Index is available on the Bloomberg Page and/or on the Reuters Page and/or on the UBS Website.

The Index Administrator may, upon giving at least 10 Index Administrator Business Days' notice on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website, change the place and time of the publication of the Index Level and the frequency of publication of the Index Level.

Neither the Index Owner nor the Index Administrator accepts any legal liability to any person for publishing or not continuing to publish for any period of time any Index Level at any particular place or any particular time.

Any publication described in this *Section 1 – Introduction* may be restricted by means determined as appropriate for such purpose by the Index Administrator in its sole and absolute discretion, including, but not limited to, password protection restricting access to a limited set of persons in accordance with arrangements agreed between the Index Administrator and such persons.

Before making any investment decisions, prospective investors should carefully read this Index Manual, including *Section 2 – Overview of the Index*, *Section 3 – Risk Factors*, *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events* and *Section 8 – Disclaimer, Licensing and Trademark*.

All determinations and calculations made by the Index Administrator will (in the absence of manifest error) be final, conclusive and binding. The Index Administrator shall have no responsibility to any person for any good faith errors or omissions in any determination or calculation.

The Index relies on information from third party sources. Neither the Index Owner nor the Index Administrator makes any representation or warranty, express or implied, as to the correctness of that information and neither the Index Owner nor the Index Administrator takes any responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index. Even if any error or discrepancy on the part of any data source is corrected or revised, neither the Index Owner nor the Index Administrator is under any obligation to, and neither the Index Owner nor the Index Administrator currently intends to, reflect any such correction or revisions into the calculation of the Index Level.

Capitalised terms used in this Index Manual have the meanings given to them in *Section 9 – Definitions*.

No legal relationship (whether in contract, tort, or otherwise) exists between any Index Product Investor and the Index Administrator or the Index Owner and neither the Index Administrator nor the Index Owner owes any duties (whether in contract, tort, or otherwise) to any Index Product Investor.

The information contained in this Index Manual is a summary of the methodology and material rules and risks relating to the Index. Neither the Index Owner nor the Index Administrator makes any representation or warranty that the Index will achieve its stated objectives.

## Section 2. Overview of the Index

**Objective of the Index:** The Index uses a strictly rules-based methodology to implement a market timing strategy based on the proprietary UBS Dynamic Equity Risk Indicator (“DERI”) in order to rotate in and out of equity investments. The DERI seeks to produce a single, objective out-of-sample quantitative measure of investor sentiment and risk appetite across global financial markets in general with a specific focus on equity markets based on contemporarily available information and weighted in relation to its correlation with equity market movements. Specifically, the DERI is calculated as a composite of normalized scores for the following components, dynamically weighted by the rolling correlation of each to rolling daily changes in equity markets over the preceding seven years:

1. Equity index option implied volatility: VIX and VDAX.
2. Credit spreads: Moody’s BAA spread over US 10y treasuries.
3. Swap spreads: average of USD, JPY, EUR and GBP 5y swap spreads
4. Currency volatility: average of 1m and 3m daily volatility in EUR, JPY, CHF, GBP and AUD versus USD.
5. Cyclical versus defensive sector performance.
6. Excess performance of high-beta regions.
7. Excess performance of high-beta sectors.
8. Equity market momentum: MSCI AC World relative to its 200 day moving average.

The DERI is calculated and published by UBS. A copy of the current version of the manual relating to the DERI is available from UBS upon request.

**Index methodology:** The Index rotates in and out of equity investments through the use of long and short positions in the Underlying Index (as defined below) whenever there is a change in trend, as indicated by the DERI, thereby aiming to achieve better returns than would be generated by holding purely static positions and/or the market generally.

The strategy seeks to take a long position in S&P 500 Total Return Index (each an “**Underlying Index**” or an “**Index Component**”) when the DERI indicates bullish market conditions, and to take a short position in the relevant Index Component when the DERI indicates bearish market conditions, and to take a flat position by staying invested in cash when uncertain market conditions are detected by the DERI.

Index	Underlying Index	Bloomberg Ticker of Underlying Index
UBS RADA US Index - Net Total Return (USD)	S&P 500 Index	SPTR Index

**Determination of the Index Level:** The Index Level is calculated by the Index Administrator at the Valuation Time and is based on the published official closing price, level or value of each Index Component on each Index Business Day. The Index Level is published on Bloomberg and/or Reuters and/or on the UBS Website on the London Business Day following each Index Business Day. The Index Level was first published in respect of 30 April 2007 (the “**Index Commencement Date**”). On any day where the Index Level is not calculated (for example, on a Disrupted Day), no Index Level will be published in respect of such day, subject to the provisions set out below.

**Determination of the value of each Index Component:** The Index shall consist of a long or a short or a flat position in the related Index Component and an Underlying Cash Position if the Index is a total return index.

The initial level of the Index was 100.00 (the “**Index Base Level**”) on 1 January 1997 (the “**Index Base Date**”).

This *Section 2 – Overview of the Index* - only provides a summary of the Index and is subject to, and qualified by, the remainder of this Index Manual. Prospective Index Product Investors should therefore carefully read the whole of this Index Manual.



Prospective Index Product Investors should also note that any purposes, aims and intentions expressed in this Index Manual may not be achieved.

### Section 3. Risk Factors

This Index Manual is not, nor does it purport to be, investment advice. Neither the Index Owner nor the Index Administrator is acting as an investment adviser or providing advice of any nature and does not assume any fiduciary obligation to any investors buying, selling, entering into or holding products linked to the Index (such products, the “**Index Products**” and such investors, the “**Index Product Investors**”). Prospective investors should carefully consider whether the Index Products are suited to their particular circumstances and, if they are in any doubt, seek independent financial advice.

Risk factors in relation to a direct notional investment in the Index are set out below.

This Index Manual does not describe all of the risks associated with a direct notional investment in the Index. It describes only those risks that the Index Administrator considers to be material. There may be additional risks that the Index Administrator currently considers not to be material or of which it is not currently aware. Prospective Index Product Investors should seek independent financial advice where they do not fully understand the risks related to the Index Administrator, the Index Components or the Index itself. In addition, each of the risks highlighted below could adversely affect the market value of the Index Product or the rights of Index Product Investors and, as a result, Index Product Investors could lose some or all of their investment. Risk factors in relation to an Index Product may be set out in the relevant documents in relation to such Index Product.

#### 1. Index Products may not be a suitable investment for all investors

Each prospective Index Product Investor must determine the suitability of that investment in light of its own circumstances. In particular, each prospective Index Product Investor should: (a) have sufficient knowledge and experience to evaluate the Index Products, the merits and risks of investing in the Index Products and the information contained or incorporated by reference in the product documentation; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant product and the impact the Index Products will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Index Products, including where the settlement currency is different from the prospective Index Product Investor's currency or may be payable in one or more currencies; (d) understand thoroughly the terms of the Index Products and be familiar with any relevant assets, indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

#### 2. Rules-based Index

The Index operates on the basis of pre-determined rules. No assurance can be given that the algorithm on which the Index is based will be successful or that the Index will outperform any alternative algorithm that could have been employed.

#### 3. Index Product Investors could lose their entire investment

The Index Level depends on the performance of the Index Components, each of which may increase or decrease in value. Neither the Index nor any of the Index Components includes any element of capital protection or guaranteed return. The value of any Index Component, or the Index itself, may fall below its initial value.

#### 4. Market risks may affect the Index Level

Economic, financial, political, regulatory, geographical, judicial or other events which affect the investment climate and economic sentiment may affect the value of the Index Components and, therefore, the Index Level.

## 5. The Index is not actively managed

The Index operates in accordance with a pre-determined methodology and formulae as further described herein, and the Index Administrator exercises discretion only in limited situations as described in *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events*. The Index is, therefore, not actively managed. There will be no active management of the Index so as to enhance returns beyond those embedded in the Index. Market participants are often able to adjust their investments promptly in view of market, political, financial or other factors, and an actively managed product could potentially respond more directly and appropriately to immediate market, political, financial or other factors than a non-actively managed index. In contrast, the pre-determined methodology and formulae in respect of the Index will rebalance the weights or quantity assigned to each Index Component to its specified value only on each Rebalance Date.

Neither the Index Owner nor the Index Administrator is acting as an investment adviser or performing a discretionary management role with respect to the Index and, as a result, has any fiduciary duty to any person in respect of the Index.

## 6. Influence of Currency Exchange Rates

Index Components may be denominated in currencies different from the Index Currency, and the Index is not currency-hedged. An unfavourable performance of such currencies in relation to the Index Currency may have an adverse effect on the Index Level at any given time.

## 7. No rights in any Index Component

The Index is purely synthetic. The exposure to each Index Component is purely notional and will exist only in the records held by the Index Administrator. A notional investment in the Index will not make an Index Product Investor the owner of, or as the case may be, a party to, any Index Component comprising the Index.

## 8. The Index relies on the use of third-party information about Index Components

All information in this Index Manual about any Index Component has been derived from publicly available documents. UBS has not participated and will not participate in the preparation of any of those documents. Nor has UBS made or will UBS make any “due diligence” investigation or any inquiry with respect to the sponsor or issuer of any Index Component in connection with the maintenance of the Index. UBS does not make any representation or warranty that any such publicly available document or any other relevant publicly available information is accurate or complete. Furthermore, UBS does not know whether all events occurring before the date of this Prospectus, including events that would affect the accuracy or completeness of the publicly available documents referred to above or the level, value or price of any Index Component, have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of or failure to disclose material future events concerning any Index Component could affect the Index Level.

## 9. The Index Administrator may rely upon third party and other external and internal data sources which may be inaccessible and/or inaccurate, and the inputs used by the Index Administrator to run the Index calculations may affect the Index Level

The Index Administrator may rely upon third party brokers or external dealers and other external and internal sources to obtain certain inputs necessary to compute the Index Level. The inability of the Index Administrator to source necessary data to calculate the relevant formulae of the Index may affect the Index Level. In addition, the Index Administrator makes no warranty as to the correctness or completeness of that information and takes no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index Level.

## 10. The policies of the Index Administrator and changes that affect the composition and the Index Components could affect the Index Level

The policies of the Index Administrator concerning the calculation of the Index Level and the values of the Index Components could affect the Index Level.

The Index Administrator may, subject to the Index Administrator obtaining the prior consent of the Index Owner, modify the methodology for calculating the Index Level and the values of the Index Components. In addition, as described herein, under a number of circumstances the Index Administrator may make certain changes to the way in which the Index Level or the value of any of the Index Components is calculated. The Index Administrator may also discontinue or suspend calculation or publication of the Index, in which case it

may become difficult to determine the Index Level. Notice of such amendments shall be provided in advance on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

**11. The historical or hypothetical performance of the Index or any Index Component is not an indication of future performance**

The historical or hypothetical performance of the Index or any Index Component should not be taken as an indication of the future performance of the Index or any Index Component. It is impossible to predict whether the future level, value or price of the Index or any Index Component will fall or rise. Past fluctuations and trends in the Index or any Index Component are not necessarily indicative of fluctuations or trends that may occur in the future.

**12. The level of any Index Component that is an Underlying Index may affect the Index Level at any time.**

The level of any Index Component that is an Underlying Index may affect the Index Level at any time. Index Product Investors should carefully read and consider the publicly available index description or manual containing information about such Underlying Index, including the risk factors associated with a notional investment in such Underlying Index.

**13. The occurrence of certain events with respect to an Index Component that is an Underlying Index may affect the Index Level**

The prices of component securities or other financial instruments comprising an Underlying Index may be adversely impacted by a wide range of events. For example, component securities or other financial instruments comprised in an Underlying Index may be subject to corporate actions and other extraordinary events, such as mergers, tender offers, extraordinary dividends and nationalisations. The Underlying Index Administrator may be entitled to adjust the composition of the Underlying Index pursuant to the rules of the Underlying Index. Any such events or actions may affect or have an adverse effect on the level of such Underlying Index and in turn on the Index Level.

**14. Market and other activities in respect of the Underlying Index may contribute to an increased level of investment in the Underlying Index.**

The Underlying Index Administrator has licensed, and may continue to license, the Underlying Index for use by other market participants, for publication in newspapers and periodicals, for distribution by information and data dissemination services and for various other purposes, any of which may contribute to an increased level of investment in the Underlying Index. This may have an adverse impact on the level of the Underlying Index and consequently the Index Level.

**15. The Underlying Index Administrator may be required to replace a component security comprised in an Underlying Index if the existing component security is removed.**

The Underlying Index comprises component securities. Data concerning the component securities will be used to calculate the Underlying Index. If any component security was to be removed in accordance with the rules of the index methodology of the Underlying Index, a comparable security may be selected by the Underlying Index Administrator, if available, to replace that component security. The replacement of any component security may have an adverse impact on the level of the Underlying Index and consequently, the Index Level.

**16. The policies of the Underlying Index Administrator and changes that affect the Underlying Index could affect the level of the Underlying Index.**

The policies of the Underlying Index Administrator concerning its calculation could affect the level of the Underlying Index. The level of the Underlying Index could also be affected if the Underlying Index Administrator changes these policies, for example, by materially changing the manner in which it calculates the Underlying Index, or if it cancels or fails to calculate or publish the Underlying Index, in which case it may become difficult or inappropriate to determine the market value of any financial products linked to the Underlying Index (including the Index Level). If any such policies relating to the Underlying Index are changed, or the calculation or publication of the Underlying Index is discontinued or suspended, this could affect the Index Level.

**17. The Underlying Index Administrator will have the authority to make determinations that could materially affect the performance of the Underlying Index in various ways.**

The Underlying Index was developed, and is currently owned, calculated and maintained, by the Underlying Index Administrator. The Underlying Index Administrator is responsible for the composition, calculation and maintenance of the Underlying Index and has determinative influence over its composition, calculation and maintenance. The judgements that the Underlying Index Administrator makes in connection with the composition, calculation and maintenance of the Underlying Index, could affect the level of the Underlying Index and therefore the Index Level. The Underlying Index Administrator may decide to discontinue calculating and publishing the Underlying Index and has no obligation to take the interests of holders of any product directly or indirectly linked to the performance of the Underlying Index (including any Index Product) into consideration for any reason in making such determination.

**18. There is no affiliation between the Underlying Index Administrator as administrator of the Underlying Index and the Index Administrator and the Index Administrator is not responsible for any disclosure by the Underlying Index Administrator.**

Neither the Index Administrator nor any of its affiliates is affiliated with the Underlying Index Administrator as administrator of the Underlying Index. Neither the Index Administrator nor any of its affiliates assume any responsibility for the accuracy or the completeness of any information about the Underlying Index. Index Product Investors should make their own investigation into the Underlying Index.

**19. Short Positions, Use of Derivative Instruments and Leveraging**

An asset or liability value to which the Index is linked may involve taking short positions in investments, through the use of short selling. This may represent significant investment risk as borrowed securities must be replaced by purchases at current market prices in order to close out a short position, and any appreciation in the value of the investments concerned will result in losses, as well as stock borrowing costs being incurred and may be only suitable for prospective Index Product Investors who understand the risks involved in trading in sophisticated and volatile markets. In addition, a trading strategy may involve trading in futures, options, forward exchange contracts and other derivative instruments and may also involve leveraged trading positions. This may also represent a significant investment risk. As a result, relatively small price movements may result in substantial losses or gains.

**20. Trading and other transactions by the Index Administrator and its affiliates in the Index or the Index Components may affect the Index Level.**

The Index Administrator and its affiliates may also engage in trading in the Index, the Index Components, futures or options on the Index Components and other investments relating to or based on the Index or the Index Components on a regular basis as part of its general business, for proprietary accounts, for other accounts under management, to facilitate transactions for customers or to hedge obligations under products linked to the Index or Index Components. Although they are not intended to, any of these activities could adversely affect the value of the Index Components or the Index Level. It is possible that one or more of the Index Administrator and its affiliates could receive substantial returns from these activities while the value of the Index Components and the Index Level decline.

The Index Administrator or its affiliates may also issue or underwrite securities or financial or derivative instruments with returns linked or related to changes in the performance of any of the foregoing.

With respect to any of the activities described above, neither the Index Administrator nor its affiliates has any obligation to take into consideration at any time the impact of such activities on the value of the Index Components or the Index Level.

**21. Termination or Suspension of the Index**

The Index Administrator is under no obligation to continue the calculation, publication and dissemination of the Index. The Index may be terminated or temporarily suspended at any time. Should the Index cease to exist, this may have a negative impact on the return on any notional investment in the Index.

## 22. Amendment or Modification to the Index

The Index may be amended, modified or adjusted from time to time by the Index Administrator, subject to the Index Administrator obtaining the prior consent of the Index Owner. Any such amendment, modification or adjustment may have an adverse effect on the Index Level. The Index Administrator will apply the method described in this Index Manual for the composition of the Index and calculation of the Index Level. However it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Administrator may, subject to the Index Administrator obtaining the prior consent of the Index Owner, also make changes to the provisions of this Index Manual and the method applied to calculate the Index Level, which it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect or ambiguous provisions. Notice of such amendments, modifications or adjustments shall be provided on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

## 23. Index Administrator Discretion

The Index confers discretion on the Index Administrator in making certain determinations, calculations and corrections from time to time. Although any such determinations, calculations and corrections must be made by the Index Administrator in good faith, the exercise of such discretion in the making of any calculations, determinations and corrections may adversely affect the performance of the Index. Any such determination, calculation or correction by the Index Administrator will be, in the absence of manifest error, final, conclusive and binding. The Index Administrator will determine whether any such correction shall apply retrospectively or from the relevant date forward.

The role played by UBS AG, as Index Administrator and the exercise of the kinds of discretion described above could present it with significant conflicts of interest in light of the fact that UBS AG, of which the Index Administrator is a division, is the issuer or counterparty of Index Products. Neither the Index Administrator nor the Index Owner has any obligation to take into consideration the needs of any Index Product Investor at any time.

## 24. Change of Index Owner and Index Administrator

The Index Owner may without the consent of Index Product Investors replace the Index Administrator (the “**Successor Index Administrator**”) at its discretion, and furthermore, may also designate a successor Index Owner (the “**Successor Index Owner**”) at its discretion – in the event of such replacement, any reference to the “Index Administrator” and/or the “Index Owner” shall be construed as a reference to the Successor Index Administrator and the Successor Index Owner, respectively.

## 25. Fees and Costs

The Index Level will be reduced by bid/offer spreads and/or a fee deduction which represents an approximation of the costs incurred by a hypothetical investor replicating the Index, including but not limited to those costs attributable to linking (and, therefore, notionally exposing) the relevant strategy to the Index Components. Such cost is not passed on to Index Product Investors as a payment but will instead be deducted from the Index Level in accordance with this Index Manual. As such, prospective Index Product Investors should understand that such cost may have a material effect on the Index Level. For more information about the calculation of these fees and costs, please refer to *Section 4 – Calculation of the Index and Rebalancing* in this Index Manual.

## 26. Simulated history

As limited historical performance data exist with respect to the Index, any notional investment in the Index may involve greater risk than a notional investment in indices or strategies with a proven track record. The Index was first calculated on or around the Index Commencement Date and, therefore, lacks historical performance prior to such date. All such retrospective closing levels are simulated based on quantitative screening only. They must be considered hypothetical and illustrative only.

The actual performance of the Index may be materially different from the results presented in any simulated history relating to the Index. Past performance should not be considered indicative of future performance.

## 27. Equity market risks may affect the Index Level

Because the Index, and/or any Index Component that is an index, includes equity securities, it is expected that the Index Level will fluctuate in accordance with changes in the financial condition of the relevant issuer(s) of its component stocks, the value of common stocks generally and other factors. The financial condition of the issuer(s) of the equity securities may become impaired or the general condition of the equity market may deteriorate, either of which may cause a decrease in the Index Level. Common stocks are susceptible to general equity market fluctuations, to speculative trading by third parties and to volatile increases and decreases in value as market confidence in and perceptions regarding the security or securities comprising the Index change. Investor perceptions regarding the issuer of an equity security comprising the Index or an Index Component are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic, and banking crises.

## Section 4. Calculation of the Index and Rebalancing

The Index Level shall be determined by the Index Administrator using the formulae below.

### 1. Base Date and Value

Index BBG ticker	Index	Index Currency	Index Base Date	Index Level on Index Base Date
ULTARASP	UBS RADA US Index - Net Total Return	USD	01-Jan-1997	100

### 2. Index Equations

From and including the Index Commencement Date, the Index Level will be determined by the Index Administrator at the Valuation Time on each Index Business Day in accordance with the following applicable formula depending on the value of DERI published on Bloomberg Ticker "ULTADERI Index" at the Valuation Time on the relevant Index Business Day as set out below (each of Long, Short and Flat (in each case as defined below) a "Position").

Value of DERI one (1) Business Day prior to Index Business Day 't':	Position:
Greater than 1.25	Flat
Greater than -0.75 and less than or equal to 1.25	Long
Greater than -1.25 and less than or equal to -0.75	Flat
Greater than -2 and less than or equal to -1.25	Short
Less than or equal to -2	Flat

#### 2.1 Long Position

If one Business Day prior to Index Business Day 't', the published value of DERI is lower than or equal to 1.25 and greater than -0.75 ("Long"), then the Index shall track the Index Component 'k' on close of business of Index Business Day 't':

$$Strategy_{t+1}^{k,c,v} = Strategy_t^{k,c,v} \times \left[ \begin{array}{l} 1 + \left( \frac{UI_{t+1,k}}{UI_{t,k}} - 1 - Cov_{k,c} \times Day(t) / 360 \right) \\ - (Libor_{t,k} - v \times Libor_{t,c}) \times Day(t) / 360 \\ - f \times Day(t) / 360 \end{array} \right]$$

## 2.2 Short Position

If one (1) Business Day prior to Index Business Day 't', the published value of DERI is less than or equal to -1.25; and greater than -2 ("**Short**"), then the Index shall track the Index Component 'k' on close of business of Index Business Day 't'

$$Strategy_{t+1}^{k,c,v} = Strategy_t^{k,c,v} \times \left[ \begin{array}{l} 1 + \left( 1 - \frac{UI_{t+1,k}}{UI_{t,k}} + Cov_{k,c} \times Day(t) / 360 \right) \\ + (Libor_{t,k} + v \times Libor_{t,c}) \times Day(t) / 360 \\ - f \times Day(t) / 360 \end{array} \right]$$

## 2.3 Flat Position

If one (1) Business Day prior to Index Business Day 't', the published value of DERI is greater than 1.25, less than or equal to -0.75 and greater than -1.25, or less than or equal to -2 ("**Flat**"), the Index shall invest in cash on close of 't':

$$Strategy_{t+1}^{k,c,v} = Strategy_t^{k,c,v} \times [1 + v \times Libor_{t,c} \times Day(t) / 360 - f \times Day(t) / 360]$$

Where:

$Strategy_t^{k,c,v}$  means 100, if 't' is the Index Base Date, otherwise  $Strategy_t^{k,c,v}$  is the value of the Index on Index Component 'k' on Index Business Day 't';

c: means the Index Currency of the related Index;

v: represents if the Index is a total return or an excess return index. 1 means total return and 0 means excess return;

$UI_{t,k}$ : means the closing level of Index Component 'k' on Index Business Day 't';

$UI_{t+1,k}$ : means the closing level of Index Component 'k' on Index Business Day 't+1';

f: means 1.00% which represents the Index Fee;

$Libor_{t,k}$ :	means the overnight USD Libor or Euribor fixing of currency of Index Component 'k' as defined in Table 2.2 below as determined by the Calculation Agent as of 11am, London Time on Index Business Day t;
$Libor_{t,c}$	means the overnight USD Libor or Euribor fixing of currency 'c' as defined in Table 2.2 below as determined by the Calculation Agent as of 11am, London Time on Index Business Day t minus 10 basis points;
Day(t):	means the number of calendar days from and including Index Business Day 't' to but excluding Index Business Day 't+1'; and
$Cov_{k,c}$ :	means the quanto cost for converting the performance of the Index Component from its local currency to the Index Currency.

Table 2.1 List of Index Components and other parameters

k	Index	Index Currency	Index Component Bloomberg Ticker	Index Component Currency	v	$Cov_{k,c}$
1	UBS RADA US Index - Net Total Return	USD	SPTR Index	USD	1	0.00%

Table 2.2 List of Libor used for related currencies

Currency	Libor	Bloomberg Page
EUR	Euribor	EE000/N Index
USD	USD Libor	US000/N Index

### 3. Rounding of Calculated Values

The Index Level published by the Index Administrator shall be rounded to two decimal places. All other determinations shall not be rounded.

### 4. Exercise of expert judgment

If the Index Administrator is required or entitled to make a determination in relation to the Index pursuant to the Index methodology and that determination involves the exercise of discretion with respect to the use of data in determining the Index Level, then the Index Administrator will exercise that discretion (i) in good faith and in a commercially reasonable manner and (ii) in such manner as to ensure, as far as commercially reasonable, consistency in the approach it adopts with regard to the exercise of such discretion between Index Level determinations, including having regard to previous occasions on which the Index Administrator has exercised that discretion in relation to the Index. If the Index Administrator requires data (including prices, estimates, values or rates) from a third party or its front office division (each, a "Data Submitter") to determine the Index Level and the Data Submitter has discretion as to the data to be provided, then the Index Administrator will provide the Data Submitter with prescribed criteria to be followed by such Data Submitter in exercising such discretion in order to ensure, as far as commercially reasonable, consistency in the approach the Data Submitter adopts with regard to the exercise of discretion.



## Section 5. Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events

### 1. Index Market Disruption Events

Any of the following will constitute an “Index Market Disruption Event”:

- a suspension, absence or material limitation of trading in any Index Component on their respective primary markets, in each case for more than two hours of trading or during the one hour before the close of trading in that market, as determined by the Index Administrator; or
- a suspension, absence or material limitation of trading in options or futures contracts relating to any Index Component, if available, in the respective primary markets for those contracts, in each case for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the Index Administrator; or
- any Index Component, or options or futures contracts relating to any Index Component, if available, do not trade on what were the respective primary markets for those indices or contracts, as determined by the Index Administrator; or
- a change in law, such that on or after the Index Commencement Date (a) due to the adoption or announcement of any change in any applicable law or regulation (including, without limitation, any tax law or limitations on the repatriation of invested capital in the jurisdiction of the underlying), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Index Administrator determines that (i) it would be illegal for the Index Administrator and/or any of its affiliates to hold, acquire, deal or dispose of the securities, options, futures or derivatives included in the Index or (ii) market participants would incur a materially increased cost in performing their obligations in respect of any Index Products (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on their tax position); or
- the Index Administrator is unable to obtain the price in respect of any Index Component, or any other data used for the purposes of calculating the Index, within a reasonable amount of time;

and, in respect any of these events, the Index Administrator determines that the event could materially interfere with its ability or the ability of any of its affiliates to unwind all or a material portion of a hedge that could be affected with respect to the Index or any Index Product.

The following event will not be an Index Market Disruption Event:

- a limitation on the hours or number of days of trading, but only if the limitation results from a previously announced change in the business hours of the relevant market.

For the purposes of determining whether an Index Market Disruption Event has occurred, an “absence of trading” in the primary securities market on which an Index Component is traded or on which options or futures contracts relating to the Index or an Index Component are traded will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in any Index Component or in options or futures contracts relating to the Index or any Index Component in the primary market for that Index Component or those contracts, by reason of:

- a price change exceeding limits set by that market;
- a disruption in, or an impairment of, the ability of market participants in general to effect transactions in, or obtain market values for, that Index Component or those contracts;
- an imbalance of orders relating to that Index Component or those contracts; or
- a disparity in bid and ask quotes relating to that Index Component or those contracts,

will constitute a suspension or material limitation of trading in that Index Component or those contracts in that primary market.

## 2. Force Majeure Events

A “**Force Majeure Event**” is an event or circumstance (including without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) that is beyond the reasonable control of the Index Administrator.

## 3. Consequences of an Index Market Disruption Event or Force Majeure Event

If an Index Market Disruption Event or a Force Majeure Event occurs or is continuing on one or more Scheduled Trading Days (each a “**Disrupted Day**”) that, as determined by the Index Administrator, affects the Index, any or all of the Index Components or the methodology in respect of the Index, the Index Administrator may:

- defer publication of information relating to the Index until the next Index Business Day on which such Index Market Disruption Event or Force Majeure Event, as applicable, is not continuing; and
- if such calendar day is a Rebalance Date, postpone such rebalancing to the next Index Business Day on which such Index Market Disruption Event or Force Majeure Event, as applicable, is not continuing,

and, in any such case, make such determinations and/or adjustments to the terms of the Index as it deems appropriate.

If such “Index Market Disruption Event” or a “Force Majeure Event” persists for each of the 5 Scheduled Trading Days immediately following the original Scheduled Trading Day that is a Disrupted Day, then the Index Administrator shall determine what actions or further actions it may reasonably take. Such reasonable actions may include the following:

- making such determinations and/or adjustments to the terms of the Index as it deems appropriate in order to determine the Index Level on such day (if such day is an Index Business Day);
- calculating a substitute level for the Index based on but not restricted to the last published price, level or value of any disrupted Index Component and such price, level or value may be zero;
- making other adjustments to the Index in order to maintain the objectives of the Index; and
- discontinuing supporting the Index or terminate the calculation of the Index Level or the publication of the Index Level.

As soon as reasonably practicable, following the occurrence of a Market Disruption Event or a Force Majeure Event, the Index Administrator will provide notice of such events and details of its actions on the Bloomberg Page and/or on the Reuters Page and/or on the UBS Website.

## Section 6. Change in Methodology of the Index and Termination

### 1. Change in Methodology

While the Index Administrator currently employs the methodology described in this Index Manual to calculate the Index Level, the Index Administrator may determine (acting reasonably and in good faith) that it is necessary or appropriate to modify the Index methodology or any other provision of this Index Manual to:

- (i) take into account market, regulatory, juridical, financial, fiscal or other similar circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting any Index Components) that arise; or
- (ii) to prevent an obvious or demonstrable error; or
- (iii) to remedy, correct or supplement any incorrect or ambiguous provisions.

In such event the Index Administrator shall be entitled (acting in good faith) to modify or change the Index and any provision of this Index Manual subject to the provisions of the following paragraph and the Index Administrator obtaining the prior consent of the Index Owner. Any changes made to the Index or any

provisions of this Index Manual will be made in good faith and in a commercially reasonable manner and in a manner that maintains the objectives of the Index. Any such determination by the Index Administrator will be, in the absence of manifest error, final, conclusive and binding.

If the Index Administrator proposes to modify or change the Index methodology and the Index Committee determines that the proposed modification or change will have, or is reasonably likely to have, a material effect on the objectives of the Index, the underlying market or economic interests referenced by the Index, the Index Level or the method of calculating the Index Level (a “**Material Change**”), then the Index Administrator will make available details of the proposed Material Change at least 10 days in advance of the proposed Material Change taking effect (such period, the “**Index Modification Consultation Period**”). Such details will be published on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website. During the Index Modification Consultation Period, Index Product Investors may provide comments to the Index Administrator in relation to the impact of the Material Change. Following the expiry of the Index Modification Consultation Period, the Index Administrator will make available a summary of any comments received from Index Product Investors in relation to the Material Change, and a summary of the Index Administrator’s responses to such comments, on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website (unless the relevant Index Product Investor has requested confidentiality).

The Index Administrator will take into account (but shall not be obliged to follow) any comments received from Index Products Investors during the Index Modification Consultation Period in relation to the implementation of any proposed Material Change.

## 2. Termination

The Index Administrator may, in its sole and absolute discretion, terminate the calculation and publication of the Index Level. If the Index Administrator proposes to terminate the calculation and publication of the Index Level, then (i) the Index Administrator will give at least 10 Index Administrator Business Days’ notice of such termination by publication on the Bloomberg Page and/or on the Reuters Page and/or on the UBS Website and (ii) in such notice specify if there will be any transition process in relation to the termination of the calculation and publication of the Index Level and, if so, invite Index Product Investors to provide comments on the proposed transition process within such time period as may be specified by the Index Administrator (the “**Index Transition Consultation Period**”). During the Index Transition Consultation Period, Index Product Investors may provide comments to the Index Administrator in relation to the proposed transition process. Following the expiry of the Index Transition Consultation Period, the Index Administrator will make available a summary of any comments received from Index Product Investors in relation to the proposed transition process, and a summary of the Index Administrator’s responses to such comments, on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website (unless the relevant Index Product Investor has requested confidentiality).

The Index Administrator will take into account (but shall not be obliged to follow) any comments received from Index Products Investors during the Index Transition Consultation Period.

The Index Administrator will make available any transition process in relation to the termination of the calculation and publication of the Index Level on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

## 3. Errors and Adjustments

The Index Administrator reserves the right to make adjustments to correct errors contained in previously published information relating to the Index, including but not limited to the Index Level, and to publish the corrected information, but it is under no obligation to do so and shall have no liability in respect of any errors or omissions contained in any subsequent publication. The Index Administrator will determine in good faith whether to adjust or correct any previously published Index Level in order to maintain the objectives of the Index. The Index Administrator will provide notice of such adjustments on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website. The Index Administrator will provide any information about any such adjustments it makes upon written request.

The Index Owner may, at any time, change the name of the Index. Notice of such a change will be provided on the Bloomberg Page and the Reuters Page and/or on the UBS Website.

If the Index Administrator determines (acting reasonably) that market, regulatory, juridical, financial, fiscal, operational or other similar circumstances have arisen that would necessitate a change to the place and time of publication of the Index Level and/or the frequency of publication of the Index Level, then the Index

Administrator may, upon giving at least 10 Index Administrator Business Days' notice, change the place and time of the publication of the Index Level and/or the frequency of publication of the Index Level.

#### 4. Annual review

The Index Administrator will review the Index methodology on an annual basis to evaluate whether the Index methodology continues to achieve its objectives.

#### 5. Construction of this Index Manual

This Index Manual is published by the Index Administrator. In the event of any inconsistency between the English language version of this Index Manual and that translated into any other language, the English language version shall prevail.

### Section 7. Index Governance

#### 1. Index Committee

The Index Administrator has established an index committee (the "**Index Committee**").

The Index Committee's role is to provide an oversight function to review and provide challenge on all aspects of the Index determination process and provide effective oversight of the Index Administrator in accordance with, and subject to, the applicable procedures set out in the UBS Control Framework Document. The Index Committee's oversight function includes consideration of the features and intended, expected or known usage of the Index and the materiality of identified existing or potential conflicts of interest. The Index Committee's oversight function and its composition are appropriate to provide effective scrutiny over the Index Administrator.

The Index Administrator considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

Further details in relation to the Index Committee, including the criteria and procedures for the selection of members of the Index Committee, the membership of the Index Committee and its compliance functions are set out in the UBS Control Framework Document.

#### 2. Conflicts of Interest

The Index confers on the Index Administrator discretion in making certain determinations, calculations and corrections from time to time. The role played by UBS, as Index Administrator and the exercise of the kinds of discretion described above could present it with significant conflicts of interest in light of the fact that UBS, of which the Index Administrator is a division, may be the issuer or counterparty of Index Products. Neither the Index Administrator nor the Index Owner has any obligation to take the needs of any Index Product Investor into consideration at any time. UBS, its affiliates and its subsidiaries may each face conflicts between the roles it performs in respect of the Index and its own interests. In particular, in its other businesses, UBS may have, or enter into transactions to create, a physical, economic or other interest (including an adverse and/or short interest, as the case may be) in the Index, any Index Product, any Index Component, any investments referenced by or linked to any Index Component or any other related investments and may exercise remedies or take other action with respect to its interests as it deems appropriate.

The following actions could adversely affect the Index Level:

- UBS may actively trade Index Products, any Index Component, any investments referenced by or linked to any Index Component and any other related investments. These activities could adversely affect the Index Level, which could in turn affect the return on, and the value of, any Index Products.
- UBS may have access to information relating to the Index, any Index Product, any Index Component, any investments referenced by or linked to any Index Component or any other related investments. UBS is not obliged to use that information for the benefit of any person acquiring or entering into any Index Products.

- UBS, its affiliates and other parties may issue, underwrite, trade or enter into, as applicable, securities, financial or derivative instruments or other investments referenced to the Index or any Index Component. An increased level of investment and trading in these securities, financial or derivative instruments or investments may negatively affect the performance of the Index and could adversely affect the Index Level and, therefore, the amount payable at maturity on any Index Products and the value of any such products before that date.
- Although UBS is not obliged to do so, it may elect to hedge its exposure to the Index, any Index Product, any Index Component, any investments referenced by or linked to any Index Component or any other related investments with an affiliate or a third party. Such affiliate or third party, in turn, is likely to directly or indirectly hedge any or all of its exposure, including through transactions taking place on the futures and/or options markets. Where UBS or such affiliate or third party chooses to hedge its exposure, it may adjust or unwind such hedges by purchasing or selling Index Products, Index Components, products linked to any Index Component, any investments referenced by or linked to any Index Component or any other products on or before the date that the Index is valued for the purposes of any Index Product. UBS or such affiliate or third party may also enter into, adjust or unwind hedging transactions relating to other instruments linked to the Index or any Index Component. Any such hedging activity may adversely affect the Index Level, which could in turn affect the return on, and the value of, any Index Products.
- Certain activities conducted by UBS may conflict with the interests of those acquiring or entering into Index Products. For example, as described above, UBS may elect to hedge its obligations, if any, with an affiliate or a third party. It is possible that UBS could receive substantial returns with respect to these activities while the value of an Index Product may decline.
- UBS may also engage in trading for its proprietary accounts, for other accounts under its management or to facilitate transactions, including block transactions, on behalf of customers relating to one or more Index Products, products linked to any Index Component, any investments referenced by or linked to any Index Component and/or any other related investments. In the course of these transactions, UBS's customers may receive information about the Index before it is made available to other Index Product Investors. Any of these activities could also adversely affect the Index Level directly or indirectly by affecting the value of any Index Component, any investments referenced by or linked to any Index Component or any other related investments and, therefore, the amount paid at maturity on any Index Products and the value of any such products before that date.
- UBS, its affiliates and other parties may issue, underwrite, trade or enter into, as applicable, securities or financial or derivative instruments with returns linked or related to changes in the performance of the Index, any Index Product, any Index Component, any investments referenced by or linked to any Index Component or any other related investments, which might compete with the Index Products. By introducing competing products into the marketplace in this manner, UBS could adversely affect the amount paid at maturity, redemption or termination of on any Index Products and the value of any such products before that date. To the extent that UBS serves as issuer, underwriter, trader or counterparty of those securities or instruments, its interests with respect to those securities or instruments may be adverse to the interests of a holder of any Index Products.
- As administrator of the Index, under certain circumstances UBS will have discretion in making various determinations that affect the Index and Index Products. UBS may use these determinations to calculate the amount it must pay at maturity or, as the case may be, upon any early redemption or termination of any such Index Product. The exercise by UBS of this discretion could adversely affect the value of any such Index Product.

### 3. UBS Control Framework Document

The Index Administrator has implemented and maintains the “UBS Control Framework Document”, which is a control framework for the process of determining and distributing a number of indices in respect of which UBS acts as the Index Administrator, including the Index. A summary of the main features of the UBS Control Framework Document is available on the UBS Website. Neither the UBS Control Framework Document, nor the summary of its main features, forms part of this Prospectus.

## Section 8. Disclaimer, Licensing and Trademark

### Disclaimers

No legal relationship (whether in contract, tort, or otherwise) exists between any Index Product Investor and the Index Administrator or the Index Owner and neither the Index Administrator nor the Index Owner owes any duties (whether in contract, tort, or otherwise) to any Index Product Investor. No claims, actions or legal proceedings may therefore be brought against the Index Administrator or the Index Owner in any manner whatsoever by an Index Product Investor or any other person.

Neither the Index Administrator nor the Index Owner makes any representation, warranty or guarantee whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figures or levels at which the Index stands at any particular day or otherwise. In addition, neither the Index Administrator nor the Index Owner gives any assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the Index.

Neither the Index Administrator nor the Index Owner warrants or represents or guarantees to any person the accuracy or completeness of the Index and its computation or any information related thereto and makes no warranty or representation or guarantee of any kind whatsoever relating to the Index is given or may be implied. The process and basis of computation and compilation of the Index and the related formulae, constituent benchmarks and factors may at any time be changed or altered by the Index Administrator.

No responsibility or liability is accepted by either the Index Administrator or the Index Owner (whether for negligence or otherwise) in respect of the use of and/or reference to the Index by us or any other person in connection with securities, or for any inaccuracies, omissions, mistakes or errors in the computation of the Index (and neither the Index Administrator nor the Index Owner shall be obliged to advise any person or any Index Product Investor of any error therein) or for any economic or other loss which may be directly or indirectly sustained by any Index Product Investor or any other persons dealing with securities as a result. Any Index Product Investor or other person dealing with securities does so, therefore, in full knowledge of this disclaimer and can place no reliance whatsoever on the Index Administrator or the Index Owner.

This Index Manual contains data derived as a result of back-testing of data and is provided by the Index Administrator or the Index Owner in good faith using its standard methodology for information of this kind. That methodology relies on proprietary models, empirical data, assumptions and such other information that the Index Administrator or the Index Owner believes to be accurate and reasonable. Neither the Index Administrator nor the Index Owner makes, however, any representation, warranty or guarantee as to the accuracy, completeness or appropriateness of such methodology and neither the Index Administrator nor the Index Owner accepts any liability for the use of such information. Specifically, there is no assurance that other banks or brokers would derive the same results for the back-test period.

Nothing in the disclaimers in this *Section 8 – Disclaimer, Licensing and Trademark* shall exclude or limit liability to the extent such exclusion or limitation is not permitted by law or regulations to which the Index Administrator or the Index Owner is subject.

### S&P

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S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT(S), OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

### **Licensing and Trademark**

The mark and name of the UBS Risk Adjusted Dynamic Alpha (RADA) Index is proprietary to UBS.

UBS Risk Adjusted Dynamic Alpha (RADA) Index is a trademark of UBS AG and has been licensed for use by UBS AG, London Branch in connection with the calculation of the Index Level.

## Section 9. Definitions

“**Bloomberg Page**” means the page “ULTARASP Index” on Bloomberg.

“**Business Day**” means any day on which DERI is calculated and published by UBS.

“**Disrupted Day**” has the meaning given to such term in paragraph 3 of *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events*.

“**Exchanges**” means, in respect of each Index Component, the exchanges or quotation systems on which trading of such Index Component, or futures or option contracts linked to such Index Component principally occurs, as determined by the Index Administrator.

“**Force Majeure Event**” has the meaning given to such term in paragraph 2 of *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events*.

“**Index**” has the meaning given to such term in *Section 1 – Introduction*.

“**Index Administrator**” means UBS AG, London Branch, a division of UBS AG (or any successor thereto).

“**Index Administrator Business Day**” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

“**Index Base Date**” has the meaning given to such term in *Section 2 – Overview of the Index*.

“**Index Base Level**” has the meaning given to such term in *Section 2 – Overview of the Index*.

“**Index Business Day**” means any day (other than a Saturday or Sunday) that is (i) a Scheduled Trading Day of the Index Components and (ii) not a Disrupted Day.

“**Index Commencement Date**” has the meaning given to such term in *Section 2 – Overview of the Index*.

“**Index Committee**” has the meaning given to such term in *Section 7 – Index Governance*.

“**Index Component**”, and together “**Index Components**” has the meaning given to such term in *Section 2 – Overview of the Index*.

“**Index Currency**” means the currency in which the Index is denominated and has the meaning in *Section 4 – Calculation of the Index and Rebalancing, paragraph 1*.

“**Index Level**” means the level of the Index determined in accordance with *Section 4 – Calculation of the Index and Rebalancing* at the Valuation Time on each Index Business Day t.

“**Index Manual**” means this document, as amended, replaced or substituted, from time to time.

“**Index Market Disruption Event**” has the meaning given to such term in paragraph 1 of *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events*.

“**Index Owner**” means UBS AG, London Branch, a division of UBS AG (or any successor thereto).

“**Index Product Investors**” has the meaning given to such term in *Section 3 – Risk Factors*.

“**Index Products**” means products linked to the Index.

“**London Business Day**” means any day (other than a Saturday or Sunday) on which commercial banks settle payments and are open for general business in London.

“**Rebalance Date**” means any Index Business Day immediately following a Business Day on which the value of the UBS Dynamic Equity Risk Indicator has changed from one Position to another Position.

“**Reuters Page**” means the page “ULTARASP=UBSL” on Reuters.



“**Scheduled Trading Day**” means, in respect of each Index Component, a day on which the Exchanges are scheduled to be open for trading during their regular trading sessions.

“**Successor Index Administrator**” has the meaning given to such term in *Section 3 – Risk Factors*.

“**Successor Index Owner**” has the meaning given to such term in *Section 3 – Risk Factors*.

“**UBS**” means UBS AG, acting through its London Branch (or any successors thereto).

“**UBS Website**” means the following website: [www.ubs.com/indexgroup](http://www.ubs.com/indexgroup).

“**UBS Control Framework Document**” has the meaning given to such term in *Section 1 – Introduction*.

“**Underlying Index**” has the meaning given to such term in *Section 2 – Overview of the Index*.

“**Underlying Index Administrator**” means, in respect of an Underlying Index, the entity identified in the rules of such Underlying Index as the index administrator (or such other analogous role howsoever described).

“**Valuation Time**” means in respect of the Index on an Index Business Day, the scheduled weekday closing time for a Scheduled Trading Day on that Index Business Day, or such other time on that Index Business Day as the Index Calculation Agent may determine.

## F. SUBSCRIPTION AND SALE

### 1. Issue and Sale

On 1 March 2013, UBS AG, acting through its London Branch, has issued up to 150,000 UBS Open End Certificates based on the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500<sup>®</sup> with the International Security Identification Number CH0206785989 (the "**Existing Securities**"). The Issue Price per Existing Security was USD 66.80.

The object of this Prospectus are additional UBS Open End Certificates (the "**Additional Securities**" or the "**Securities**") with the International Security Identification Number CH0206785989, issued by UBS AG, acting through its London Branch, in accordance with Swiss law and in the size of up to 500,000 Securities. The Additional Securities to be issued on 28 November 2014 (the "**Issue Date in relation to the Additional Securities**") will be consolidated and form a single series with the Existing Securities.

It has been agreed that, on or after the Issue Date in relation to the Additional Securities UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "**Manager**") may purchase the Securities by means of an underwriting agreement dated as of the Issue Date in relation to the Additional Securities and shall place them for sale under terms subject to change in the Public Offer Jurisdictions. The Securities are offered on a continuous basis by the Issuer to the Manager and may be resold by the Manager. As of 28 November 2014 (the "**Start of the public offer of the Additional Securities**"), the selling price is adjusted on a continual basis to reflect the prevailing market situation.

The Manager shall be responsible for coordinating the entire Securities offering.

### 2. Purchase and Delivery of the Securities

As of the Start of the public offer of the Additional Securities, the Additional Securities may be purchased from the Manager during normal banking hours. Such offer of the Additional Securities is made on a continuous basis. There will be no subscription period. The selling price per Additional Security is based on the prevailing market situation and the price of the Underlying and is adjusted on a continual basis. The level of the selling price can be requested at the Manager. The selling price per Additional Security is payable upon delivery of the purchased Securities (the "**Payment Date**").

After the Payment Date in relation to the Additional Securities, the appropriate number of Additional Securities is credited to the investor's account in accordance with the rules of the corresponding Clearing System.

### 3. Selling Restrictions

#### General

The Manager has represented and agreed (and each additional Manager will be required to represent and agree) that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Manager shall have any responsibility therefore. Neither the Issuer nor the Manager has represented that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or has assumed any responsibility for facilitating such sale.

The Securities may not be offered, sold, re-offered or re-sold in any jurisdiction except in circumstances where any such offer, sale, re-offer or re-sale is in compliance with all applicable laws, regulations and exchange control restrictions. In particular, investors should seek specific advice, if the intended offer, sale, re-offer or re-sale of the Securities is made in any of the countries whose currencies comprise the Underlying or to any resident of any such country, to ensure that there will be no breach of such applicable laws, regulations and exchange control restrictions.

#### United States of America

The Securities have not been registered and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. Trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act of 1936, as amended (the "**Commodity**

**Exchange Act**") or by the United States Securities and Exchange Commission. The Securities (or any rights thereunder) will be offered only outside of the United States and only to persons that are not U.S. persons as defined in Regulation S of the Securities Act.

The Securities may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Manager has represented and agreed (and each additional Manager will be required to represent and agree) that, except as permitted, it has not offered, sold or delivered, and will not offer, sell or deliver, Securities of any Series (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the date of issue of the relevant Series of Securities and the completion of the distribution of such Series as certified to the principal Paying Agent or the Issuer by the relevant Manager within the United States or to, or for the account or of benefit of, U.S. persons, and that it will have sent to each Manager to which it sells Securities of such Series during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Securities within the United States or to, or for the account of benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any Series of Securities an offer or sale of Securities of such Series within the United States by a Manager (whether or not participating in the offering of such Securities) may violate the registration requirements of the Securities Act.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed, and each further Manager appointed under the Prospectus will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the Prospectus in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 3 (2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means

Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

#### **Selling restriction addressing additional securities laws of the Republic of Italy**

The offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, the Manager has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Securities in the Republic of Italy in an offer to the public and that sales of the Securities in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, the Manager has represented and agreed that it will not offer, sell or deliver any Securities or distribute copies of the Prospectus and any other document relating to the Securities in the Republic of Italy, except:

- (a) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and in Articles 34-ter, paragraph 1 letter (b) of Consob Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**").
- (b) it may offer, sell or deliver Securities or distribute copies of any prospectus relating to such Securities in a solicitation to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to the Italian securities regulator (*Commissione Nazionale per le Società e la Borsa* - "**Consob**"), all in accordance with the Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**") and the Directive 2010/73/EU of 24 November 2010 (the "**Amending Directive**"), as implemented in Italy under Decree 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; and
- (c) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Securities or distribution of copies of the Prospectus or any other document relating to the Securities in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by Consob or the Bank of Italy.

#### ***Provisions relating to the secondary market in the Republic of Italy***

Investors should also note that, in any subsequent distribution of the Securities in the Republic of Italy (with a minimum denomination lower than EUR 100,000 or its equivalent in another currency), Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Securities are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Securities were purchased, unless an exemption provided for under Decree No. 58 applies.

#### **Selling restriction addressing additional securities laws of Finland**

The Manager has represented and agreed (and each additional Manager will be required to represent and agree) that it will not publicly offer the Securities or bring the Securities into general circulation in Finland other than in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Market Act (2012/746) and any regulation or rule made thereunder, as supplemented and amended from time to time.

#### **Selling restriction addressing additional securities laws of Sweden**

The Manager has represented and agreed (and each additional Manager will be required to represent and agree) that it will not publicly offer the Securities or bring the Securities into general circulation in Sweden

other than in compliance with all applicable provisions of the laws of Sweden and especially in compliance with the Financial Instruments Trading Act (1991:980) and any regulation or rule made thereunder, as supplemented and amended from time to time.

### Hong Kong

Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

**This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the Securities, you may clarify with the intermediary or seek independent professional advice.**

### Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant of an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276 (4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276 (7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### Switzerland

The Securities may only be sold to Qualified Investors as defined in Article 10 of the Swiss Collective Investment Schemes Act ("CISA") and the related Ordinance.

## G. TAXATION

The following is a general description of certain tax considerations relating to the EU Savings Tax Directive and to the taxation of the Securities in the Federal Republic of Germany, the Republic of Austria, the Grand Duchy of Luxembourg, the Netherlands, the Republic of Italy, Norway, Sweden, Finland, the Kingdom of Spain and Switzerland. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in those countries or elsewhere. **Prospective purchasers of Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries.** This summary is based upon the law as in effect on the date of this Securities Note and is subject to any change in law that may take effect after such date.

**The Issuer does not assume any responsibility for the withholding of taxes at the source.**

### 1. EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg apply instead a withholding system in relation to such payments, deducting tax at a rate of meanwhile 35% (unless during that transitional period they elect to provide information in accordance with the EU Savings Directive). The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the automatic exchange of information as from that date. This draft Bill is in line with the announcement of the Luxembourg government dated 10 April 2013.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the EU Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

### 2. The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State.

A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may, therefore, be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective Securityholders are advised to seek their own professional advice in relation to the FTT.

### 3. Taxation in the Federal Republic of Germany

The information about the German taxation of the Securities issued under the Prospectus set out in the following section deals only with German withholding tax and is not exhaustive. It is based on current tax laws in force at the date of this Securities Note. Such tax laws may be subject to change at short notice and, within certain limits, also with retroactive effect.

The following is a general description of certain German withholding tax considerations relating to the Securities. It does not purport to be a complete analysis of all German tax considerations relating to the Securities. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular investor. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed.

**Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Securities on the basis of this Prospectus, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents.**

#### *German withholding tax*

In principle, only persons (individuals and incorporated entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to German withholding tax with respect to payments under debt instruments. Non-resident persons generally do not suffer German withholding tax. If, however, the income from the Securities is subject to German tax, i.e. if (i) the Securities are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the relevant investor or (ii) the income from the Securities qualifies for other reasons as taxable German source income, German withholding tax is applied, as a rule, as in the case of a German tax resident investor.

German withholding tax will be levied at a flat withholding tax rate of 26.375% (including solidarity surcharge (*Solidaritätszuschlag*)) on proceeds from the sale of the Securities if the Securities are held in a custodial account which the relevant investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**"). If the Securities are redeemed, repaid, assigned or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage*), such transaction is treated like a sale. If the Issuer exercises the right to substitute the debtor of the Securities, the substitution might, for German tax purposes, be treated as an exchange of the Securities for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

If an investor sells or redeems the Securities, the tax base is, in principle, the difference between the acquisition costs and the proceeds from the sale or redemption of the Securities reduced by expenses directly and factually related to the sale or redemption. Where the Securities are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively. If the Securities have not been held in the custodial account maintained with the Disbursing Agent since their acquisition and the acquisition costs of the Securities are not proven to the German Disbursing Agent in the form required by law (e.g. if the Securities had been transferred from a non-EU custodial account prior to the sale), withholding tax is applied to 30% of the proceeds from the sale or redemption of the Securities.

When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining the application have to include their savings income in their tax return and will then be assessed to church tax. For German credit institutions an electronic information system as regards church withholding tax will apply in respect of savings income received after 31 December 2014, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), in which case the obligation to include savings income in the tax return for church tax purposes will persist.

With regard to individuals holding the Securities as private assets, any withholding tax levied shall, in principle, become definitive and replace the income taxation of the relevant investor. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the relevant investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the tax assessment procedure. However, the separate tax rate for savings income applies in most cases also within the assessment procedure. In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed husband and wife the application can only be filed for savings income of both spouses.

With regard to other investors, German withholding tax is a prepayment of (corporate) income tax and will be credited or refunded within the tax assessment procedure.

No German withholding tax will be levied if an individual holding the Securities as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife). Similarly, no withholding tax will be levied if the relevant investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent. Further, with regard to investors holding the Securities as business assets, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Securities if (a) the Securities are held by a corporation or (b) the proceeds from the Securities qualify as income of a domestic business and the investor has notified this to the German Disbursing Agent by use of the officially required form.

The Issuer is not obliged to levy German withholding tax in respect of payments on the Securities.

#### 4. Taxation in the Republic of Austria

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Securities in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Securities. Tax risks resulting from the Securities Notes (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*)) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Securities are legally and factually offered to an indefinite number of persons.



### General remarks

Individuals having a permanent domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a permanent domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of effective management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*) in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of effective management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

### Income taxation of the Securities

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the Securities from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the Securities *vis-à-vis* other countries, *e.g.* a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Securities as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the investor's income tax return and is subject to tax at a flat rate of 25%. In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may neither be offset against interest and other claims *vis-à-vis* credit institutions nor against income from private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to tax at a flat rate of 25% may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the Securities as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (as described above) the income is subject to withholding tax of 25%. While withholding tax has the effect of final taxation for income from the letting of capital,

income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless tax at a flat rate of 25%). In case of investment income without an Austrian nexus, the income must always be included in the investor's income tax return (generally tax at a flat rate of 25%). In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to tax at the flat rate of 25%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the Securities at a rate of 25%. In case of investment income with an Austrian nexus (as described above) the income is subject to withholding tax of 25%, which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Income from the alienation of the Securities is subject to corporate income tax of 25%. Losses from the alienation of the Securities can be offset against other income (and carried forward).

Private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*) and holding the Securities as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income with an Austrian nexus (as described above) income is in general subject to withholding tax of 25%, which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on investment income from the Securities if they have a permanent establishment (*Betriebsstätte*) in Austria and the Securities are attributable to such permanent establishment (*cf.* sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). As of 1 January 2015 they will also be taxable on interest in the sense of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*, see below) from the Securities if withholding tax is levied on such interest (this does not apply to individuals falling within the scope of the Austrian EU Withholding Tax Act; *cf.* sec. 98(1)(5)(b) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act).

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then withholding tax on the positive income is to be credited, with such tax credit being limited to 25% of the negative income. In certain cases the offsetting is not permissible. The custodian agent has to issue a written confirmation on the offsetting of losses for each bank deposit to the taxpayer.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011 as amended in the course of the implementation of Directive 2011/61/EU and as applicable to business years of investment funds starting after 21 July 2013, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15%; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. To date no guidance has been issued by the tax authorities on the interpretation of

this new provision. In case of a qualification as a foreign investment fund the tax consequences would substantially differ from those described above.

### ***EU withholding tax***

Sec. 1 of the Austrian EU Withholding Tax Act – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU member state (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (*EU-Quellensteuer*) of 35%. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. It is expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments – will enter into effect by 1 January 2017.

Regarding the issue of whether also index certificates are subject to EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest. In case of certificates without a capital guarantee the qualification of income depends on the type of the underlying (*e.g.* in the case of equity indices as underlying assets such income is not considered as interest).

### ***Tax treaties Austria/Switzerland and Austria/Liechtenstein***

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25% on, *inter alia*, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent, if the relevant holder of such assets (*i.e.* in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (*i.e.* in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income, which subsequently has to be included in the income tax return.

### ***Austrian inheritance and gift tax***

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at the flat rate of 25%. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5%, with a higher rate of 25% applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by it: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Securities may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

## 5. Taxation in Luxembourg

The following discussion contains a description of certain material Luxembourg income tax considerations that may be relevant to the purchase, ownership and disposal of the Securities by a Securityholder. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Luxembourg or elsewhere. Prospective Securityholders should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon tax laws of Luxembourg as in effect on the date of this Prospectus, which are subject to change, possibly with retroactive effect, and to differing interpretations. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Securities.

Please be aware that the residence concept used in the headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers only to Luxembourg tax law and/or concepts. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers who are considered as residents of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

**Prospective Securityholders are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Securities on the basis of this Prospectus, including the effect of any state or local taxes, under the tax laws of Luxembourg and each country of which they are residents.**

### *Withholding tax - Luxembourg non-residents*

Under Luxembourg tax law currently in effect and subject to the application of the amended Luxembourg laws dated 21 June 2005 (the "**Laws**") implementing the EU Savings Directive and several agreements concluded between Luxembourg and certain dependent and associated territories of the European Union (the "**Territories**"), all payments of interest made by the Issuer in the context of the holding, disposal, redemption or repurchase of the Securities can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law.

However, under the Laws, a Luxembourg-based paying agent (within the meaning of the EU Savings Directive) is required to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident Securityholder in another EU Member State or in one of the Territories, or to a residual entity in the sense of article 4.2 of the EU Savings Directive, unless the beneficiary of the interest payments elects for the procedure of exchange of information or the tax certificate procedure. The withholding tax rate is currently 35 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax

regime as from 1 January 2015 and implementing the automatic exchange of information as from that date. This draft Bill is in line with the announcement of the Luxembourg government dated 10 April 2013.

### ***Withholding tax - Luxembourg residents***

The term “**interest**” used hereafter should have the same meaning as in the Laws.

According to the amended Luxembourg law dated 23 December 2005 (the “**December 2005 Law**”), a 10 per cent. withholding tax has been introduced on payments of savings income (i.e., with certain exemptions, savings income within the meaning of the Laws) made by Luxembourg paying agents (defined in the same way as in the EU Savings Directive) to (or for the benefit of) Luxembourg individual resident Securityholders who are the beneficial owners of such savings income.

Pursuant to the December 2005 Law as amended by the law of 17 July 2008, Luxembourg resident individuals can opt to self-declare and pay a 10 per cent. levy on savings income paid by paying agents (as such term is defined in the EU Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than Luxembourg, or in a State or territory which has concluded an international agreement with Luxembourg directly related to the EU Savings Directive. In such case, the 10 per cent. levy is calculated on the same amounts as for the payments made by Luxembourg paying agents.

The 10 per cent. withholding tax as described above or the 10 per cent. levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above mentioned the Laws and the December 2005 Law, as amended, is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer (unless the Issuer acts as a paying agent).

### ***Income tax on principal, interest, gains on sales or redemption***

#### *Non-resident Securityholders*

Subject to the Laws, Securityholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg with which/whom the holding of the Securities is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Securities or capital gains realised upon disposal or repayment, in any form whatsoever, of the Securities.

Securityholders who are non-residents of Luxembourg but who are acting in the course of management of a professional or business undertaking, who have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which/whom the Securities are attributable are subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Securities and on any gains realised upon the sale or disposal, in any form whatsoever, of the Securities.

#### *Luxembourg resident corporate Securityholders*

Luxembourg resident corporate Securityholders must include any interest received or accrued, as well as any gain realised on the disposal of the Securities, in their taxable income for Luxembourg income tax assessment purposes. Securityholders who have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg with which the holding of the Securities is connected, must for income tax purposes include any interest received or accrued as well as the difference between the sale or redemption price and the book value of the Securities sold or redeemed in their taxable income for Luxembourg tax assessment purposes. They will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident corporate Securityholders which are companies benefiting from a special tax regime (such as family estate management companies subject to the amended law of 11 May 2007, undertakings for collective investment subject to the amended law of 17 December 2010 or specialised investment funds subject to the amended law of 13 February 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid-up) share capital (and share premium) or net asset value.

### *Luxembourg resident individual Securityholders*

A resident individual Securityholder acting in the course of the management of a professional or business undertaking must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Securities, in its taxable income for Luxembourg income tax assessment purposes. If applicable, the tax levied in accordance with the December 2005 Law will be credited against his/her final tax liability.

A resident individual Securityholder acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, accrued but unpaid interest in case of disposal of the Securities, redemption premiums or issue discounts under the Securities except if (i) the 10 per cent. final withholding tax has been levied on such payments in accordance with the December 2005 Law or (ii) the individual Securityholder has opted for the application of a 10 per cent. levy in full discharge of income tax in accordance with the December 2005 Law as amended.

Under Luxembourg domestic tax law, Luxembourg resident individual Securityholders who act in the course of the management of their private wealth, are not subject to taxation on capital gains upon the disposal of the Securities, unless the disposal of the Securities precedes the acquisition of the Securities or the Securities are disposed of within six months of the date of acquisition of these Securities. Upon a redemption of the Securities, individual Luxembourg resident Securityholders who act in the course of the management of their private wealth must however include the portion of the redemption price corresponding to accrued but unpaid interest in their taxable income.

### ***Net wealth tax***

Luxembourg net wealth tax will be levied on a Luxembourg resident corporate Securityholder, as well as a non-resident Securityholder who has a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Securities are attributed, unless, the Securityholder is (i) an undertaking for collective investment subject to the amended law of 17 December 2010, (ii) a specialised investment fund governed by the amended law of 13 February 2007, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) an investment company in risk capital governed by the amended law of 15 June 2004 on the investment company in risk capital, or (v) a family wealth management company governed by the amended law of 11 May 2007 on family estate management companies.

Luxembourg net wealth tax has been abolished for individual Securityholders as from the year 2006.

### ***Other taxes***

There is no Luxembourg registration tax, capital tax, stamp duty or any other similar tax or duty payable in Luxembourg in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgement in the courts of Luxembourg) of the Securities except that in the case of court proceedings in a Luxembourg court or the presentation of the documents relative to the Securities issue to an "autorité constituée," such a court or "autorité constituée" may require registration thereof, in which case the documents will be subject to registration duties depending on the nature of the documents.

### ***Inheritance and gift tax***

Where the Securities are transferred for no consideration:

- (i) no Luxembourg inheritance tax is levied on the transfer of the Securities upon death of a Securityholder in cases where the deceased Securityholder was not a resident of Luxembourg for inheritance tax purposes.
- (ii) At the time of death, the Securities are included in the taxable estate for inheritance tax assessment purposes in cases where the deceased Securityholder was a resident of Luxembourg for inheritance tax purposes.
- (ii) Luxembourg gift tax will be levied on the transfer of a Security by a way of a gift by the Securityholder if this gift is registered in Luxembourg (e.g., if it is made pursuant to a notarial deed signed before a Luxembourg notary).

## Residence

A Securityholder will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of a Security or the execution, performance, delivery and/or enforcement of the Security.

## 6. Taxation in the Netherlands

*The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Security, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.*

*For the purpose of this summary it is assumed that no individual holding a Security who is taxed as a resident of The Netherlands for income tax purposes has or will have a substantial interest or a deemed substantial interest in the Issuer.*

*Generally speaking, an individual holding a Security has a substantial interest in the Issuer if (a) such individual, either alone or together with his partner, directly or indirectly has, or (b) certain relatives of such individual or his partner, directly or indirectly have, (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5% or more of either the annual profit or the liquidation proceeds of the Issuer. Also, an individual holding a Security has a substantial interest in the Issuer if his partner has, or if certain relatives of the individual or his partner have, a deemed substantial interest in the Issuer. Generally, an individual holding a Security, or his partner or relevant relative, has a deemed substantial interest in the Issuer if either (a) such person or his predecessor has disposed of or is deemed to have disposed of all or part of a substantial interest or (b) such person has transferred an enterprise in exchange for shares in the Issuer, on a non-recognition basis.*

*Where this summary refers to a holder of a Security, an individual holding a Security or an entity holding a Security, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Security or otherwise being regarded as owning a Security for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.*

*Where the summary refers to “The Netherlands” or “Dutch” it refers only to the European part of the Kingdom of the Netherlands.*

***Investors are advised to consult their professional advisers as to the tax consequences of purchase, ownership and disposition of a Security.***

### 1. Withholding Tax

All payments by the Issuer in respect of a Security can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

### 2. Taxes on Income and Capital Gains

#### Non-residents

A holder of a Security which is not, is not deemed to be, and - in case the holder is an individual - has not elected<sup>1</sup> to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Security unless:

<sup>1</sup> Please note that, per 1 January 2015, the election regime will be replaced by a mandatory qualification as a ‘qualifying foreign taxpayer’ on the basis of certain objective criteria.

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

## Residents

### *Resident entities*

An entity holding a Security which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from a Security at the prevailing statutory rates.

### *Resident individuals*

An individual holding a Security who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Security at rates up to 52% if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Security will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Security. The deemed return amounts to 4% of the average value of the individual's net assets in the relevant fiscal year (including the Security). Subject to application of personal allowances, the deemed return will be taxed at a rate of 30%.

## 3. Gift and Inheritance Taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Security by way of gift by, or on the death of, a holder, unless:

- (i) the holder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

## 4. Value Added Tax

The issuance or transfer of a Security and payments under a Security will not be subject to value added tax in The Netherlands.

## 5. Other Taxes

The subscription, issue, placement, allotment, delivery or transfer of a Security will not be subject to registration tax, capital tax, customs duty, transfer tax, stamp duty, or any other similar tax or duty in The Netherlands.



## 6. Residence

A holder of a Security will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Security or the execution, performance, delivery and/or enforcement of a Security.

## 7. Taxation in Italy

*The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Securities by Italian resident holders. It does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Securities, some of which may be subject to special rules. This summary is based upon Italian tax laws and practice in effect as at the date of this Prospectus, which may be subject to change, potentially with retroactive effect.*

*Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23 June 2014 published in the Official Gazette No. 143 of 23 June 2014, ("Decree No. 66"), introduced new provisions amending certain aspects of the tax regime of the Notes as summarised below. In particular Decree No. 66 has increased from 20 per cent. to 26 per cent. the rate of withholding and substitute taxes applicable on interest accrued, and capital gains realised, as of 1 July 2014 on financial instruments (including the Securities) other than government bonds.*

*Prospective Securityholders should consult their own tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Securities.*

### ***Tax treatment of the Securities***

The Securities may be subject to different tax regimes depending on whether:

- they represent derivative financial instruments or bundles of derivative financial instruments, through which the Securityholders purchase indirectly underlying financial instruments; or
- they represent a debt instrument implying a "use of capital" (*impiego di capitale*), through which the Securityholders transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity.

### ***Securities representing derivative financial instruments or bundles of derivative financial instruments***

Payments in respect of Securities qualifying as securitised derivative financial instruments received by Italian Securityholders as well as capital gains realised by Italian Securityholders (not engaged in entrepreneurial activities to which the Securities are connected) which are Italian resident individuals on any sale or transfer for consideration of the Securities or redemption thereof are subject to a 26 per cent capital gains tax, which applies under the following taxation regime: tax declaration regime ("*Regime della dichiarazione*"), administrative savings regime ("*Regime del risparmio amministrato*") and asset management regime ("*Regime del risparmio gestito*") as described under paragraph "Capital Gains Tax" below.

### ***Capital Gains Tax***

A 26 per cent. substitute tax (*imposta sostitutiva*) is applicable on capital gains realised on the disposal of the Securities (by Securityholders included among the following categories of Italian resident persons: (i) individuals not engaged in an entrepreneurial activity to which the securities are effectively connected, (ii) non commercial partnerships or *de facto* partnerships, (iii) private or public institutions not carrying out mainly or exclusively commercial activities, or (iv) investors exempt from Italian corporate taxation ("*IRES*").

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

- (a) Under the tax declaration regime, which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are effectively connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital losses, realised by the Italian resident individual holding the Securities. In this instance, “capital gains” means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given fiscal year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must report the overall amount of the capital gains realised in any fiscal year, net of any offsettable capital losses, in the annual tax return and pay the *imposta sostitutiva* on those gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding fiscal years. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.
- (b) As an alternative to the tax declaration regime, Italian resident individual holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on any capital gain realised on each sale or redemption of the Securities (administrative savings regime). Such separate taxation of capital gains is allowed subject to:
- (1) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and
  - (2) an express election for Regime del *risparmio amministrato* being timely made in writing by the relevant Securityholder.

The depository must account for the *imposta sostitutiva* in respect of any capital gain realised on each sale or redemption of the Securities (as well as in respect of any capital gain realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the administrative savings regime, where a sale or redemption of the Securities results in a capital loss, which may be deducted from any capital gain subsequently realised, within the same Securities management, in the same fiscal year or in the following fiscal years up to the fourth. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014. Under the *Regime del risparmio amministrato*, the Securityholder is not required to declare the capital gains in the annual tax return.

- (c) In the asset management regime, any capital gain realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. *imposta sostitutiva*, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding fiscal years. Pursuant to Decree No. 66, depreciations of the managed assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations in value registered before 1 January 2012; (ii) 76.92 per cent. of the depreciations in value registered from 1 January 2012 to 30 June 2014. The Securityholder is not required to report the capital gains realised in the annual tax return.

Any capital gain deriving from the sale or redemption of the Securities and realised by Italian resident companies (including Italian permanent establishments of foreign entities to which the Securities are connected), similar commercial entity, commercial partnership or Italian resident individuals engaged in an entrepreneurial activity to which the Securities are effectively connected would not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and therefore subject to IRES (and, in certain circumstances, depending on the “status” of the Securityholder, also as part of the net value of the production for regional tax on business activities (“IRAP”) purposes).

Capital gains realised on Securities held by Italian investment funds, Fondi Lussemburghesi Storici or SICAVs will not be subject to any substitute tax, but will be included in the result of the relevant portfolio. Said result will not be subject to tax with the investment funds or the SICAV, but any distribution or any other income received upon redemption or disposal of the units or of the shares by the unitholders or shareholders may be subject to a withholding tax of 26 per cent. A withholding tax of 20 per cent. is levied on proceeds accrued up to 30 June 2014 and received by certain categories of unitholders or shareholders upon redemption or disposal of the units or shares.

Capital gains realized on Securities held by real estate funds to which the provisions of Law Decree N° 351 of 25 September 2001, as subsequently amended, apply, or by SICAFs, will neither be subject to any substitute tax nor to any other income tax with the fund or SICAF. The income of the real estate fund or of the SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund or SICAF, through distribution and/or upon redemption or disposal of the units.

Capital gains on Securities held by an Italian resident pension fund (subject to the regime provided for by Article 17 of the Italian Legislative Decree N°252 of 5 December 2005) will not be subject to the 26 per cent. substitute tax (increased to 26 per cent with reference to any capital gain realised from 1 July 2014, pursuant to Decree no. 66), but will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax (increased to 11.50 per cent. for fiscal year 2014, pursuant to Decree No. 66).

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation provided that the Securities are held outside Italy or the capital gain derived from transaction executed in regulated market.

#### ***Securities not having 100% capital protection guaranteed by the Issuer***

In accordance with a different interpretation of the current legislation it is possible to consider the Securities as “Atypical securities” pursuant to Article 8 of Law Decree N° 512 of 30 September 1983. In this event any payment relating to the Securities may be subject to a withholding tax, levied at the rate of 26 per cent.

The 26 per cent withholding tax is levied by any Italian resident entity which intervenes in the collection of payments on the Securities or in their repurchase or transfers. In case the payments on the Securities are not received through any aforementioned Italian resident entity, Italian resident individual Securityholders are required to report the payments in their income tax return and subject them to a final withholding tax at 26 per cent. rate. Italian resident individual Securityholders may elect instead to pay ordinary income tax at the progressive rates applicable to them in respect of the payments; if so, the Italian resident individual Securityholders should generally benefit from a tax credit for any withholding tax possible applied outside Italy.

The 26 per cent. withholding tax does not apply to payments made to a non-Italian resident Securityholder and to an Italian resident Securityholder which is (i) a company (including Italian permanent establishments of foreign entities) or similar commercial entity, (ii) a commercial partnerships or (iii) a private or public institution carrying out commercial activities.

#### ***Inheritance and gift taxes***

Pursuant to Law Decree No. 262 of 3 October 2006, (“**Decree No. 262**”), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding EUR 1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding EUR 100,000; and
- (c) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding EUR 1,500,000.

An anti-avoidance rule is provided by Law N°383 of 18 October 2001 for any gift of assets (such as the Securities) which, if sold for consideration, would give rise to capital gains subject to the *imposta sostitutiva* provided for by Decree N°461 of 21 November 1997. In particular, if the donee sells the securities for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

### ***Transfer tax***

Contracts relating to the transfer of Securities are subject to a Euro 200 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in the case of voluntary registration.

### ***Tax monitoring obligations***

According to Law Decree N° 167 of 28 June, 1990 converted into law by Law Decree N°227 of 4 August, 1990, as amended by Law No. 97 of 6 August 2013 and subsequently amended by Law No. 50 of 28 March 2014, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirements is not required to comply with respect to: (i) Securities deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Securities have been subject to tax by the same intermediaries; or (iii) if the foreign investments which are only composed by deposits and/or bank accounts and their aggregate value does not exceed a EUR 10,000 threshold throughout the fiscal year.

### ***Stamp duty***

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 ("**Decree No. 642**"), as amended by article 1, paragraph 581, of Law No. 147 of 27 December 2013, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed EUR 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the face value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of the financial assets held.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable on a pro-rata basis.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### ***Wealth tax***

According to Article 19 of Decree No. 201 of 6 December 2011, as amended by article 1, paragraph 582, of Law No. 147 of 27 December 2013, Italian resident individuals holding financial assets outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.

***Financial Transaction Tax on securities representing equity derivative financial instruments***

Article 1, Paragraphs from 491 to 500, of Law 24 December 2012, N° 228, as amended by Law Decree of 21 June 2013, N° 69, implemented by Ministerial Decree of 21 February 2013, has introduced a financial transaction tax ("FTT"). The FTT applies, *inter alia*, on i) financial derivatives, e.g. futures, certificates, warrants, covered warrants and options, both traded on regulated markets or in multilateral trading facilities (pursuant to Directive 2004/39/EC) established in States and territories included in the list referred to in the Ministerial Decree to be issued pursuant to Article 168-*bis* of Presidential Decree N° 917 of 22 December 1986 ("TUIR") and subscribed or traded outside these markets, whose underlying is primarily represented by shares or participated financial instruments issued by Italian resident companies or the value of which depends on yields, measures or indices related to shares or participated financial instruments issued by Italian resident companies; and ii) transferable securities which gives the right to purchase and sell mainly shares or participated financial instruments issued by Italian resident companies or gives rise to a cash settlement determined mainly by shares or participated financial instruments issued by Italian resident companies or by yields, measures, indices on shares or participated financial instruments issued by Italian resident companies.

Residence and nationality of the parties and place of execution of the securities representing equity derivative financial instruments are irrelevant being the application of the FTT exclusively dependent on the residence of the issuer of the underlying shares or participated financial instruments.

FTT on securities representing equity derivative financial instruments applies on transactions executed from 1 September 2013. In case the underlying value consists for more than 50 per cent by the market value of the shares or participated financial instruments issued by Italian resident companies or the indices related to shares or participated financial instruments issued by Italian resident companies, at a fixed amount, due by both parties equally, ranging from EUR 0.01875 to EUR 200 based on the equity derivative financial instruments and on the notional value of the contract. FTT fixed amounts are reduced by 80% where the transaction is implemented in a regulated market or in a multilateral trading facility.

The FTT shall be levied and subsequently paid to the Italian tax authority by financial intermediaries (e.g. banks, trusts and investment companies) or other subjects involved in the execution of the transaction. Where more intermediaries are involved in the execution of the transaction, the FTT is payable by the subject who receives the order of execution directly from the ultimate purchaser or counterparty. Intermediaries and other non Italian resident subjects having no permanent establishment in Italy which are liable to collect and pay the FTT to the Italian tax authority may appoint an Italian tax representative for the purposes of collecting and paying the FTT. If no intermediary or other subjects are involved in the transaction, the FTT is directly paid by the taxpayers.

FTT does not apply to change in the ownership of securities representing equity derivative financial instruments executed by way of inheritance or gift. The tax does not apply, among others, also to: (i) to transfer of the ownership of securities representing equity derivative financial instruments executed by companies between which there exists a relationship of control referred to in Article 2359, first paragraph, No 1) and No 2), and second paragraph of Civil Code or which are controlled by the same company and (ii) to change of ownership of securities representing equity derivative financial instruments arising from restructuring operations or from mergers and divisions of collective investment undertakings.

Exemption from FTT on securities representing equity derivative financial instruments is granted, among others, to:

- (a) pension funds subject to supervision under Directive 2003/41/EC and to compulsory social security institutions, set up in one of the EU Member States or in one of the EEA Member States, included in the list to be prepared with a special Decree by the MEF pursuant to Article 168-*bis* TUIR, as well as to other supplementary pension schemes referred to in Decree 252/2005. The exemption is extended to special purpose vehicle entirely participated by these funds;
- (b) the transfers of ownership and the transactions referred to in Article 1, paragraph 1, letter m) of TUF, classed as "ethical" or "socially responsible" pursuant to Article 117-ter of TUF;
- (c) the transactions executed during market making activities as defined in Article 2, paragraph 1, letter k) of Regulation (EC) N° 236/2012 of the European Parliament and of the Council of March 14, 2012, and in document ESMA/2013/158 of February 1, 2013; and
- (d) the transactions executed in the context liquidity assistance activities within the framework of accepted market practices, approved by the financial market authority under Directive 2003/6/EC of the European Parliament and of the Council of January 20, 2003, and under Commission Directive

2004/72/EC of 29 April 2004. FTT does not apply only in the case the subjects that execute such transactions have entered into a contract with the company issuing the financial instruments.

For the transactions referred to in points c) and d) above, the exemption is only granted to those subjects carrying out market-making activities and providing liquidity assistance as indicated therein and only to the transactions executed to carry out such activities. The exemption regime outlined in points a), c) and d) shall apply only for the subject pointed out in such points. As a consequence, the counterparty may be liable to pay FTT.

Exemption from FTT shall also apply to transactions having as counterpart the European Union, the European institutions, the European Central Bank, the European Investment Bank, the central banks of the EU Member States, the central banks and organizations managing, among others, the official reserves of other States and the bodies or international organizations established in accordance with international agreements enforced in Italy. In relation to these transactions, FTT is not payable by either party.

The issuance of financial instruments qualifying as transferable securities (*valori mobiliari*) according to article (1)(1-ter)(c) or article (1)(1-ter)(d) of Legislative Decree no. 58 of 24 February 1998, is exempt from FTT. The Italian Ministry of finance clarified that, following the issuance, if a number of intermediate transfers (e.g. intermediate transfers between financial intermediaries) are required before the initial placement of the equity derivative financial instruments to the ultimate investors, said intermediate transfers are exempt from FTT.

The FTT is not deductible for IRES and individual income taxes ("IRPEF") purposes, including their substitute taxes, as well as for IRAP purposes.

## 8. Taxation in Norway

*The summary is solely related to holders of Securities who are resident in Norway for tax purposes ("Norwegian Security holders").*

*The Norwegian tax consequences depend inter alia on the classification of the Securities for Norwegian tax purposes. The summary outlines Norwegian tax consequences for Securities classified as debentures for Norwegian tax purposes and equity Securities with no capital protection and shares in companies tax resident within the European Economic Area as underlying objects, respectively.*

*Certain tax consequences may occur for certain categories of Securityholders, e.g. for Security holder to which certain tax regimes apply, in cases where benefits from Securities are connected to employment situations, if the Security holder ceases to be tax resident in Norway etc.*

*Due to the general nature of this summary, potential investors are advised to consult with and rely upon their own tax advisors.*

### 1.1 Taxation on the redemption and realisation of Securities – Securities classified as debentures (debt securities)

Norwegian Security holders, both physical persons and companies, are taxable in Norway in respect of capital gains on the redemption or realisation of Securities, and have a corresponding right to deduct losses that arise from such redemption or realisation. The tax liability applies irrespective of how long the Securities have been owned and the number of Securities that have been redeemed or realised.

Gains or losses are calculated per Security, as the difference between the consideration received in respect of the Security and the tax basis of the Security. The tax basis of each Security is generally the Norwegian Security holder's purchase price for the Security. Costs incurred in connection with the acquisition, redemption or realisation of the Security may be deducted from the Norwegian Security holder's taxable ordinary income in the year of redemption or realisation.

Gains are taxable as ordinary income in the year of redemption or realisation, and losses can be deducted from ordinary income in the year of redemption or realisation. The tax rate for ordinary income is 27%.

If the Norwegian Security holder owns Securities acquired at different points in time, the Securities that were acquired first will be regarded as the first to be disposed of, on a first-in, first-out basis (the FIFO principle).

## **1.2 Taxation on the redemption and realisation of Securities – Derivatives with shares in companies tax resident within the European Economic Area as underlying objects etc. (equity securities)**

### **1.2.1 Norwegian Individual Security holders**

Norwegian Security holders that are physical persons (“Norwegian Individual Security holders”) are taxable in Norway in respect of capital gains upon redemption or realisation of the Securities with shares in companies tax resident within the European Economic Area as underlying objects, or indexes of shares which mainly derives its value from shares in companies tax resident within the European Economic Area as underlying objects, and have a corresponding right to deduct losses that arise upon such redemption or realisation. The tax liability applies irrespective of how long the Securities have been owned and the number of Securities that have been redeemed or realised.

Gains or losses are calculated per Security, as the difference between the consideration received in respect of the Security and the tax basis of the Security. The tax basis of each Security is generally the Norwegian Individual Security holder’s purchase price for the Security. Costs incurred in connection with the acquisition, redemption or realisation of the Security may be deducted from the Norwegian Individual Security holder’s taxable ordinary income in the year of redemption or realisation.

Gains are taxable as ordinary income in the year of redemption or realisation, and losses can be deducted from ordinary income in the year of redemption or realisation. The tax rate for ordinary income is 27%.

If the Norwegian Individual Security holder owns Securities acquired at different points in time, the Securities that were acquired first will be regarded as the first to be disposed of, on a first-in, first-out basis (the FIFO principle).

### **1.2.2 Norwegian Corporate Security holders**

Capital gains derived from Securities are generally subject to tax in Norway at the rate of 27%. For Norwegian Security holders that are limited liability companies and similar entities (“Norwegian Corporate Security holders”), Securities with shares in companies tax resident within the European Economic Area as underlying objects, or indexes of shares which mainly derives its value from shares in companies tax resident within the European Economic Area as underlying objects, should be comprised by the Norwegian participation exemption method.

Provided that the requirements in the participation exemption method are fulfilled, capital gains upon redemption or realisation of the Securities are exempt from tax in Norway, and losses upon redemption or realisation of the Securities are not tax deductible in Norway.

## **1.3 New wealth tax**

Norwegian Corporate Security holders are not subject to net wealth taxation in Norway.

Norwegian Individual Security holders are subject to net wealth taxation in Norway. Securities are included as part of the taxable base for this purpose. The Securities will be valued at market value on 1 January in the year after the income year. The maximum aggregate rate of net wealth tax is currently 1.0%.

## **1.4 Stamp duty**

There is no stamp duty or other charges in Norway on the purchase, redemption or realisation of Securities.

## **1.5 Foreign taxes**

Income taxes or capital gains taxes payable by Norwegian Security holders in other jurisdictions, or withholding tax payable on redemption amounts in respect of the Securities, may be deducted when calculating the Norwegian tax payable on the same income. The deduction is limited, however, to the corresponding amount of Norwegian tax applicable. The right for both Norwegian and other jurisdictions to tax Norwegian Security holders directly or through the application of withholding taxes may be limited by an applicable tax treaty.

## **1.6 Inheritance tax**

Effective 1 January 2014, a transfer of Securities through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

## 9. Taxation in Sweden

*The following summary of certain tax issues that may arise as a result of holding the Securities is based on current Swedish tax legislation and is intended only as general information for Securityholders who are resident in Sweden for tax purposes, if not otherwise stated. This summary does not deal comprehensively with all tax consequences that may occur for Securityholders, nor does it cover the specific rules where the Securities are held by a partnership or are held as current assets in a business operation. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds and persons who are not resident or domiciled in Sweden.*

Furthermore, prospective purchasers of Securities are advised to consult their own tax advisors for information regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) in Sweden of acquiring, owning and disposing of Securities in their particular circumstances.

### Holders resident in Sweden for tax purposes

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (including capital gains on the Securities) is taxable. Normally, the exercise of a Security would result in a capital gain or a capital loss computed as the difference between the Settlement Amount and the tax base cost of the Security. The tax base cost of the Securities is in general calculated as the average purchase price for all Securities purchased by the investor. Specific tax consequences, however, may be applicable to certain categories of corporations, such as life insurance companies. Further, specific tax consequences may be applicable if, and to the extent that, a holder of Securities realizes a capital loss on the Security and to any currency exchange gains or losses.

Capital gains for private individuals (and estates of deceased individuals) are taxed as income from capital at a flat rate of 30%. Capital losses on the Securities are deductible in full against capital gains on comparable securities. Eventual remaining capital losses are only deductible with 70 percent.

For a limited liability company, in principal all income on listed securities, including taxable capital gains, is taxed as business income at a flat rate of 22%. Capital losses on the Securities are only deductible against capital gains on equity securities.

### Holders not resident in Sweden for tax purposes

Payments of capital income (for example income that is considered to be capital gains on Securities) to the holder of Securities should not be subject to Swedish income tax, provided that such a holder is not resident in Sweden for Swedish tax purposes and provided that such a holder does not have a permanent establishment in Sweden to which the Securities are effectively connected.

However, and somewhat simplified, provided that the value or the return of the Securities is related to securities taxed as shares, private individuals who have been resident in Sweden or have had a habitual abode in Sweden at any time during the calendar year of disposal or redemption or in the ten calendar years preceding the year of disposal or redemption, may be liable for capital gains taxation in Sweden upon disposal or redemption of such Securities. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty for the avoidance of double taxation.

## 10. Taxation in Finland

*The following summary is based on the tax laws of Finland as in effect on the date of this Prospectus. Amendments to tax legislation may also have regressive implications. The summary does not take into account the tax laws of any country other than those of Finland. The summary is intended only as general information for holders of the securities, who are resident or domiciled in Finland for tax purposes. The following summary does not purport to be a comprehensive description of all tax considerations as each series of the securities may be subject to a different tax treatment. Investors are advised to seek professional tax advice relating to the tax consequences of acquisition, ownership, and disposal of the securities.*



***Withholding Tax***

Payments regarding the securities may be made without withholding on account of Finnish income tax. However, according to Finnish domestic tax legislation, in certain cases Finnish institutional payers may be obliged to withholding tax of 30 per cent on interest payments made to individuals with unlimited tax liability in Finland. Under these circumstances an account operator or its agent paying the interest withholds the tax.

***Disposal of securities****Individuals*

In income taxation, the securities will presumably be considered assets, the disposal of which will result in capital gain or loss. Individuals with unlimited tax liability and death estates will be subject to taxation on capital gains received from the disposal of the securities, unless the securities are deemed to consist a part of the natural person's or death estate's business activities. In case the securities are not defined as securities for income tax purposes, they are considered as capital income. Capital income and capital gains of individuals and death estates are taxed at a tax rate of 30 per cent (32 per cent for the capital income exceeding EUR 40.000; however, there is a plan pending to decrease the threshold to EUR 30,000 and increase the higher rate to 33 % as of 2015).

Capital gains or loss are calculated by deducting from the disposal received from the securities the sum total of the acquisition cost added with expenses incurred from the disposal of the securities. Acquisition cost of securities is considered to consist of the price paid for the securities added with possible expenses incurred from the acquisition.

Alternatively, when calculating capital gains natural persons and death estates may use a presumed acquisition cost, the amount of which is always a minimum of 20 per cent of the sales price. When using the presumed acquisition cost, sales expenses are not deductible.

Loss incurred from transfer may be deducted from the capital gains within the same year and the five subsequent years after the transfer.

*Legal entities*

For legal entities, the income can be defined as capital gains or other business income. Capital gains accrued from the disposal of the securities that are included in the business assets of corporations with unlimited tax liability in Finland, are deemed income subject to taxation. Correspondingly, the depreciable acquisition cost of the securities is treated as a deductible expense in taxation. Thus the profit being the difference between the sales price and the depreciable acquisition cost of the securities is taxed as a corporate income of the legal entity.

In the event the securities are not included in a corporation's business assets, income accrued from them are taxed in the source of personal income or as capital gains or loss as described above, see "Individuals". However, a corporation may not use a presumed acquisition cost.

The corporate income is taxed at a tax rate of 20 per cent.

**11. Taxation in the Kingdom of Spain**

*The following summary is a general description of certain tax considerations relating to the acquisition, ownership and disposal of the Certificates. It does not purport to be a complete analysis of all tax consequences relating to the Certificates and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. This analysis is a general description of the tax treatment under Spanish legislation without prejudice of regional tax regimes that may be applicable.*

*This summary is based on the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date. References in this section to Holders include the beneficial owners of the Certificates, where applicable. In this sense, the Spanish Ministry of Finance and Public Administrations has prepared and recently published different drafts that include reforms in the Spanish tax system. Specifically, they provide with amendments to the Personal Income Tax Law and Non Resident Income Tax Law together with a completely new Corporate Income Tax Law. The drafts have been already approved by the Spanish*

Council of Ministers and are currently being discussed in the Spanish Parliament. In this sense, it is foreseen that the approval process will last until next December 2014, so part of the foreseen new measures mentioned in this Prospectus may suffer changes until the reform is finally passed. When mentioning the draft measures included in this summary (which will be the ones known as of the day of this Prospectus), we will refer to "the draft tax reform".

Prospective investors should consult their own tax advisers who can provide them with personalised advice based on their particular circumstances. Likewise, investors should consider the legislative changes which could occur in the future.

## **Tax treatment of the Certificates**

### ***VAT, Transfer Tax and Stamp Duty***

The acquisition and any subsequent disposal or exercise of the Certificates is exempt from Transfer Tax, Stamp Duties and Value Added Tax as provided for in article 108 of the Stock Market Law and related provisions.

### ***Withholding tax***

On the basis that the Issuer is not resident in Spain for tax purposes and does not operate in Spain through a permanent establishment, branch or agency, all payments in respect of the Certificates can be made free of any withholding or deduction for or on account of any taxes in Spain.

Under certain conditions, withholding taxes may apply if the Certificates are deposited with a Spanish resident entity acting as depositary.

### ***Individuals with tax residency in Spain***

#### **(A) *Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)***

Income derived from the exercise of the Certificates must be included in each investor's savings income pursuant to the Personal Income Tax Law, and taxed according to the then-applicable tax rate. During the tax period 2014, each investor's savings income tax base will be taxed at 21 per cent. for taxable income up to EUR 6,000, 25 per cent. for taxable income between EUR 6,001 and EUR 24,000 and 27 per cent. for taxable income in excess of EUR 24,000.

According to the draft tax reform, as from 1 January 2016, each investor's savings income tax base will be taxed at 19 per cent for taxable income up to EUR 6,000, 21 per cent. for taxable income between EUR 6,000.01 to EUR 50,000 and 23 per cent. for taxable income in excess of EUR 50,000. During tax period 2015 it is foreseen that each investor's savings income tax base will be taxed at 20 per cent. for taxable income up to EUR 6,000, 22 per cent. for taxable income between EUR 6,000.01 to EUR 50,000 and 24 per cent. for taxable income in excess of EUR 50,000.

Income from the exercise or transfer of the Certificates shall be computed as the difference between the amounts obtained in the exercise or transfer of the Certificates and their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and/or disposal of the Certificates shall be taken into account, insofar as adequately evidenced, in calculating the income.

Negative income derived from the transfer or exchange of the Certificates, in the event that the Holder had acquired other homogeneous securities within the two months prior or subsequent to such transfer or exchange, shall be included in his or her Personal Income Tax base as and when the remaining homogeneous securities are transferred.

When calculating the net income, expenses related to the management and deposit of the Certificates will be deductible, excluding those pertaining to discretionary or individual portfolio management.

#### **(B) *Wealth Tax (Impuesto sobre el Patrimonio)***

According to Wealth Tax regulations as amended by Royal Decree-Law 13/2011 (subject to any exceptions provided under relevant legislation in an Autonomous Region (*Comunidad Autónoma*)), the net worth of any individuals with tax residency in Spain up to the amount of EUR 700,000 is exempt from Wealth Tax. Therefore, Holders should take into account the value of the Certificates which they hold as at 31 December each year. The applicable marginal rates range between 0.2 per cent. and 2.5

per cent. although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

(C) *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals with tax residency in Spain who acquire ownership or other rights over any Certificates by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional or state rules, being the taxpayer the transferee. The effective tax rates range between 7.65 per cent. and 81.6 per cent., depending on relevant factors, although the final tax rate may vary depending on any applicable regional tax laws.

***Legal entities with tax residency in Spain***

(a) *Corporate Income Tax (Impuesto sobre Sociedades)*

Income derived from the exercise of the Certificates must be included in the taxable income of legal entities with tax residency in Spain and will be subject to Corporate Income Tax (at the current general rate of 30 per cent.) in accordance with the rules for this tax. According to the draft tax reform, the general rate will be reduced to 28 per cent for tax periods beginning during 2015 and 25 per cent for tax periods beginning as from January 1, 2016 and onwards.

(D) *Wealth Tax (Impuesto sobre el Patrimonio)*

Spanish resident legal entities are not subject to Wealth Tax.

(E) *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Legal entities with tax residency in Spain which acquire ownership or other rights over the Certificates by inheritance, gift or legacy are not subject to Inheritance and Gift Tax and must include the market value of the Certificates in their taxable income for Spanish Corporate Income Tax purposes.

***Individuals and legal entities with no tax residency in Spain***

*Non-Residents Income Tax (Impuesto sobre la Renta de No Residentes)*

*Non-Spanish tax resident investors acting through a permanent establishment in Spain*

If the Certificates form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Certificates are the same as those for Spanish Corporate Income Tax taxpayers.

*Non-Spanish tax resident investors not operating through a permanent establishment in Spain*

Income derived from the exercise of the Certificates, obtained by individuals or entities who have no tax residency in Spain, and which are Non-Resident Income Tax taxpayers with no permanent establishment in Spain will not be subject to taxation in Spain.

## 12. Taxation in Switzerland

*The following is a generic summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of the Securities issued under the Prospectus. Because this summary does not address all tax considerations under Swiss law and as the specific tax situation of an investor cannot be considered in this context, potential investors are recommended to consult their personal tax advisors as to the tax consequences of the purchase, ownership, sale or redemption of and the income derived from the Securities issued under the Prospectus including, in particular, the effect of tax laws of any other jurisdiction.*

The Swiss Federal Tax Administration has issued on 7 February 2007 a Circular Letter No. 15 regarding Certificates and Derivative Financial Instruments subject to Direct Federal Tax, Withholding Tax and Stamp Tax. The Securities issued under the Prospectus will be taxed in accordance with this Circular Letter No. 15 and its appendices. Depending on the qualification of the relevant Security by the competent Swiss tax authorities the taxation of each Security may be different.

The taxation depends on the set-up of each single Security for which reason the following remarks are again only of generic nature.

### *Income Tax*

For private investors resident in Switzerland holding the Securities (understood as the right but not the obligation of the holder which it acquired against consideration to buy or sell a specific amount of a certain underlying at or until a fixed date at an agreed price) as private assets any capital gains realized in relation to such Securities are in principle not subject to individual income tax in Switzerland. However, Low Exercise Price Options in the sense of the practice of the Swiss Federal Tax Administration (defined as an option with a tenor of more than 12 months and a strike price of less than half of the market value of the underlying at issuance) are an exception to the before-mentioned principle in that an interest component is taxable at redemption or at exercise.

For individual investors resident in Switzerland holding the Securities as business assets as well as for Swiss corporate investors, capital gains realized upon a sale, re-evaluation or redemption of such Securities are in principle subject to either Swiss individual income tax with respect to an individual investor resident in Switzerland holding the Securities as business assets or subject to Swiss corporate income tax with respect to a corporate investor resident in Switzerland.

If the Securities are combined with other financial instruments ("**Structured Products**"; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature.

For private investors resident in Switzerland holding the Structured Products as private assets capital gains realized are in principle Swiss individual income tax exempt whereas investment income (such as, in particular but not limited to, interest, dividends etc.) deriving from the Structured Products is subject to Swiss personal income tax. For individual or corporate investors resident in Switzerland holding the Structured Products as business assets, capital gains realized upon a sale, exchange, redemption or re-evaluation of the Structured Products or income derived from Structured Products, irrespective of whether such income stems from investment income or capital gains, are in principle subject to either Swiss individual income tax with respect to an individual investor resident in Switzerland holding the Structured Products as business assets or subject to Swiss corporate income tax with respect to a corporate investor resident in Switzerland.

### *Withholding Tax*

In principle profits derived from transactions in Securities are not subject to Swiss Withholding Tax.

If the Securities are combined with other financial instruments ("**Structured Products**"; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature.

The Swiss Withholding Tax is in principle levied on income (such as, but not limited to, interest, pensions, profit distributions etc.) from, amongst others, bonds and other similar negotiable debt instruments issued by a Swiss tax resident ("*Inländer*"), distributions from Swiss tax resident corporations, interest on deposits with Swiss banks as well as distributions of or in connection with Swiss tax resident collective investment schemes. For Swiss Withholding Tax purposes, an individual or corporation qualifies as a Swiss tax resident ("*Inländer*") being subject to withholding taxation if it (i) is resident in Switzerland, (ii) has its permanent abode in Switzerland, (iii) is a company incorporated under Swiss law having its statutory seat in Switzerland, (iv) is a company incorporated under foreign law but with a registered office in Switzerland, or (v) is a company incorporated under foreign law but is managed and conducts business activities in Switzerland. Hence, as long as the Structured Products are not issued by an issuer qualifying as a Swiss tax resident for the purposes of the Swiss Withholding Tax, income derived from the *Structured Products* is in principle not subject to Swiss Withholding Tax.

The Swiss Federal Council proposed draft legislation as part of the Swiss TBTF (Too Big To Fail) legislation. For bonds, this draft legislation foresees a shift from the current source withholding tax system to a paying agent tax system with regard to interest payments. According to the current practice of the Swiss Federal Tax Administration certain Structured Products qualify as bonds. Therefore, if this legislation is enacted, Swiss paying agents such as banks in Switzerland would be required to deduct Swiss withholding tax at a rate of 35 per cent on certain payments to certain investors irrespective of the fact whether the Structured Products are

issued by UBS AG Switzerland or a foreign branch of UBS AG. According to the draft legislation Swiss paying agents would be required to deduct a Swiss paying agent tax on interest paid on bonds to Swiss-resident individuals as final recipients. For the time being not all relevant details of the proposed regime are published.

Neither the Issuer nor any other person would pursuant to the Conditions of the Securities or Structured Products be obliged to pay additional amounts with respect to any Security or Structured Product as a result of the deduction or imposition of such Swiss Withholding Tax.

### ***Transfer and Issue Stamp Tax***

Swiss Stamp Tax is, amongst other, either levied as securities transfer tax or as issuance tax.

In principle Securities do not qualify as taxable securities for Swiss Stamp Tax purposes. They are in principle neither subject to Swiss Transfer Stamp Tax nor to Issuance Stamp Tax.

If, however, the Securities are combined with other financial instruments ("**Structured Products**"; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature. Further, Low Exercise Price Options in the sense of the practice of the Swiss Federal Tax Administration (defined as an option with a tenor of more than 12 months and a strike price of less than half of the market value of the underlying at issuance) do qualify as taxable securities and are subject to Swiss Transfer Stamp Tax.

Swiss Transfer Stamp Tax is levied on the transfer of ownership against consideration of certain taxable securities if a Swiss securities dealer in the sense of the Swiss Stamp Tax Act is involved in the transaction and no exemption applies. This tax levy applies in particular to Structured Products which include a bond component or which qualify as instruments similar to a collective investment scheme or as shares and share-like instruments as per the practice of the Swiss Federal Tax Administration. If shares or other taxable securities are delivered to the investor at redemption or due to an exercise right, the delivery of the security may be subject to Swiss Transfer Stamp Tax.

Swiss Issuance Stamp Tax is levied on the issuance of Swiss shares and similar participation rights. For Swiss Stamp Tax purposes, an individual or corporation qualifies as a Swiss tax resident ("*Inländer*") being subject to Swiss Stamp Tax if it (i) is resident in Switzerland, (ii) has its permanent abode in Switzerland, (iii) is incorporated under Swiss law and having its statutory or legal seat in Switzerland or (v) if it is registered as an enterprise with the Swiss register of commerce. Hence, as long as the Securities are not issued by an issuer qualifying as a Swiss tax resident they are not subject to Swiss Issuance Stamp Tax.

### ***Measures equivalent to the EU Savings Directive***

Switzerland has introduced a tax retention (withholding tax) of 35% pursuant to the agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments effective as of 1 July 2005 on interest payments or similar income paid by a Swiss paying agent to an individual resident in an EU Member State, unless the interest payments are made as debt-claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments in Switzerland of non-residents.

The beneficial owner may avoid the retention by expressly authorizing the paying agent in Switzerland to report the interest payments. If the paying agent receives such an authorisation, he reports the interest payment to the Swiss Federal Tax Administration which in turn communicates the information to the competent authority of the EU Member State of residence of the beneficial owner.

### ***Bilateral agreements (Quellensteuerabkommen)***

Switzerland has signed agreements on a final withholding tax (Quellensteuerabkommen) with the United Kingdom and with Austria. Furthermore, it is possible that Switzerland will sign similar agreements with other countries in the near future. According to these agreements, qualifying Swiss paying agents levy a final withholding tax on any investment income if the Securities or the Structured Products are held in custody account with a qualifying Swiss paying agent and if the custody account is directly or indirectly owned by an individual resident in the other contracting state (e.g. Austria). The applicable final withholding tax rate may vary depending on the applicable tax rate in the other contracting state and the type of realised investment income (dividend, interest, capital gain, etc.). Furthermore, the calculation of the income subject to a final

withholding tax may vary depending on the applicable agreement. A person subject to a final withholding tax (“**Relevant Person**”) may avoid such final withholding tax by expressly allowing the qualifying Swiss paying agent to report to the foreign tax authorities in the state of residence of the Relevant Person, amongst others, the identity of the Relevant Person and the amount the realised investment income in a certain period.

## H. GENERAL INFORMATION

### 1. Form of Document

This document comprises a securities note (the “**Securities Note**”) and a summary (the “**Summary**”) and, together with the registration document of UBS AG dated 19 May 2014, as supplemented by Supplement No. 1 dated 8 August 2014, Supplement No. 2 dated 25 August 2014 and Supplement No. 3 dated 24 November 2014, (the “**Registration Document**”), constitutes a prospectus (the “**Prospectus**”) according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission, as amended.

### 2. Publication

The Prospectus will be published on the website of UBS at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) (or a successor thereto). In case of admission to trading of Securities on a regulated market of a stock exchange, the Prospectus will be published in accordance with the rules of such stock exchange.

The Prospectus will also be available at the registered offices of the Issuer at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland and Aeschenvorstadt 1, CH-4051 Basle, Switzerland.

### 3. Authorisation

The Issuer does not need to obtain (individual) authorisation from its Management Board to issue the Securities. There exists a general resolution for the issue of the Securities.

### 4. Approval of the Prospectus and Notification

Application has been made by the Issuer to the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – “**BaFin**”) as competent authority under and in accordance with the Securities Prospectus Act which implements Directive 2003/71/EC of the European Parliament and the Council of 4th November 2003 into German law to approve this document, comprising the Summary and the Securities Note, as part of a tri-partite prospectus. The BaFin approved the Summary and the Securities Note after completing a review of this document for completeness, including a review of the coherence and comprehensibility of the information provided.

In order to be able to conduct a public offer and/or a listing of the Securities on an organised market (within the meaning of Directive 93/22/EEC) (the “**EEA Passport**”) in the Republic of Austria, the Grand Duchy of Luxembourg, the Netherlands, the Republic of Italy, Norway, Sweden, Finland and the Kingdom of Spain the Issuer has applied for a notification of the Prospectus pursuant to Sections 17, 18 of the WpPG into the Republic of Austria, the Grand Duchy of Luxembourg, the Netherlands, the Republic of Italy, Norway, Sweden, Finland and the Kingdom of Spain. The Issuer reserves the right to apply to the BaFin for EEA Passports into further EEA states.

A special permit allowing for the Securities to be offered or the prospectus to be distributed in a jurisdiction outside of those countries for which an EEA Passport is possible and a permit required has not been obtained.

### 5. Use of Proceeds

The reasons for the offer are making profit and/or hedging certain risks.

The net proceeds from the issuance of the Securities will be used for hedging and general corporate purposes of the Issuer only. The Issuer shall not employ the net proceeds within Switzerland. A separate (“special purpose”) fund will not be established.

In particular, the Issuer is not obliged to invest the net proceeds from the issuance of the Securities in any Underlying at any time. The Securityholders do not have any direct interest in, or beneficial ownership of any Underlying at any time.

## 6. Availability of the Prospectus and other documents

As long as any of the Securities are outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered offices of the Issuer at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland and Aeschenvorstadt 1, CH-4051 Basle, Switzerland:

- (a) a copy of the Articles of Association of UBS AG;
- (b) a copy of the Registration Document of UBS AG dated 19 May 2014, as supplemented by Supplement No. 1 dated 8 August 2014, Supplement No. 2 dated 25 August 2014 and Supplement No. 3 dated 24 November 2014;
- (c) a copy of the Annual Report of UBS AG as of 31 December 2012, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements");
- (d) a copy of the Annual Report of UBS AG as of 31 December 2013, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements");
- (e) a copy of the quarterly reports of UBS AG for the quarters ended 31 March 2014, 30 June 2014 and 30 September 2014;
- (f) a copy of the Securities Note dated 26 November 2014, as supplemented from time to time; and
- (g) a copy of the Summary dated 26 November 2014, as supplemented from time to time.

Copies of the above documents shall, as long as any of the Securities are outstanding, also be maintained in printed format, for free distribution, at the registered offices of the Issuer. In addition, any annual and quarterly reports of UBS AG are published on the UBS website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address.

## 7. Any interest, including potential conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities

The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Underlying, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Underlying; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the Underlying, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.

Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities,



from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.

Save for the Manager regarding its relevant fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue / the offer of the Securities, save for the conflicts of interests above, no further conflicts of interests exist.

I. SIGNATORIES

Signed on behalf of the Issuer,

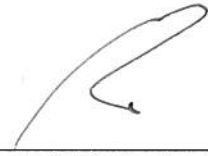
26 November 2014:

UBS AG, acting through its London branch

By:

  
\_\_\_\_\_  
(signed by Sebastian Rogge)

By:

  
\_\_\_\_\_  
(signed by Stefanie Ganz)

The following information was not reviewed and approved by the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*)

#### ADDITIONAL INFORMATION IN RESPECT OF A LISTING OF THE SECURITIES ON THE SIX

##### 1. Responsibility

UBS AG, having its registered offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland as Issuer accepts responsibility for this Prospectus and declares that the information contained in this Prospectus is, to the best of its knowledge, accurate and that no material facts have been omitted.

##### 2. Legal Basis

The Issuer accepts that following the date of publication of this Prospectus, events and changes may occur, which render the information contained in this Prospectus incorrect or incomplete.

##### 3. No Material Changes

Except as disclosed in this Prospectus or in the Registration Document as amended and supplemented as of the date hereof, there has been no material change in UBS's financial or trading position since 30 September 2014.

##### 4. Prospectus

The Prospectus is for the purposes of any listing of the Securities at the SIX Swiss Exchange also approved by SIX Swiss Exchange.