

## BASE PROSPECTUS

dated 27 September 2016

for the offer, continued offer, increase of the issue size or, as the case may be, of the aggregate nominal amount or, as the case may be, the listing on a regulated or another equivalent market

of

## SECURITIES

of

## UBS AG

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

which may also be acting through its Jersey branch:

### UBS AG, Jersey Branch

*(the Jersey branch of UBS AG)*

or through its London branch:

### UBS AG, London Branch

*(the London branch of UBS AG)*



This document - including all information incorporated by reference herein and any and all supplements approved by the SFSA in respect hereof and published by UBS AG - constitutes a base prospectus (the "**Base Prospectus**" or the "**Prospectus**") according to Art. 5 (4) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states and Chapter 2 Section 16 item 1 of the Swedish Financial Instruments Trading Act (*Lag (1991:980) om handel med finansiella instrument*), in connection with Regulation 809/2004 of the European Commission, as amended.

The Base Prospectus contains information relating to the securities (the “**Securities**”, and each a “**Security**”) to be issued. Under the Base Prospectus UBS AG (the “**Issuer**” or “**UBS AG**”), which may also be acting through its Jersey branch (“**UBS AG, Jersey Branch**”) or its London branch (“**UBS AG, London Branch**”), may, from time to time, issue structured Securities governed by German law.

The Securities offered and/or listed on a regulated or another equivalent market under the Base Prospectus may be based on the performance of a share (including a certificate representing shares), an index (including indices composed by the Issuer and other legal entities belonging to the UBS Group, where each such index is also referred to as “**Proprietary Index**”), a currency exchange rate, a precious metal, a commodity, an interest rate, a non-equity security, an exchange traded fund unit, a not exchange traded fund unit, a futures contract, or, as the case may be, and as specified in the relevant Final Terms, a reference rate (including, but not limited to, interest rate swap (IRS) rates, currency swap rates or, as the case may be, credit default swap levels), as well as a basket or portfolio comprising the aforementioned assets.

In this Base Prospectus, 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 and references to “**U.S. dollars**” are to United States dollars.

**THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE BASE 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 ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES 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*”.**

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 Base Prospectus, including all information incorporated by reference and the relevant Final Terms, in particular the risk factors.

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**A. SUMMARY OF THE BASE 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. Because 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”. Certain provisions of this Summary are in brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular issue of Securities, and the completed Summary in relation to such issue of Securities shall be appended to the relevant Final Terms.

| Element | Section A – Introduction and warnings |  |
|---------|---------------------------------------|--|
| A.1     | Warning                               | <p><b>This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Securities should be based on consideration of the Base 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 Base 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 any translations thereof, or who have initiated the preparation can be held liable, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, all required key information.</p> <p>UBS AG in its capacity as Issuer who is responsible for the summary including the translation thereof can be held liable, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, all required key information.</p> |
| A.2     | Consent to use of Prospectus.         | <p>[Not applicable. The Issuer does not consent to the use of the Base Prospectus.]</p> <p>[[The Issuer consents to the use of the Base Prospectus together with the relevant Final Terms in connection with a public offer of the Securities (a “<b>Public Offer</b>”) by [UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom] [and] [<i>specify further financial intermediaries: [•]</i>] [each] in its role as manager in relation to the Securities (each a “<b>Manager</b>” or, as the case may be, an “<b>Authorised Offeror</b>”) on the following basis:]</p> <p>[The Issuer consents to the use of the Base Prospectus together with the relevant Final Terms in connection with a public offer of the Securities (a “<b>Public Offer</b>”) by any financial intermediary (each an “<b>Authorised Offeror</b>”) which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) on the following basis:]</p> <p>[The Issuer consents to the use of the Base Prospectus together with the relevant Final Terms in connection with a public offer of the Securities (a “<b>Public Offer</b>”) by [<i>specify financial intermediaries: [•]</i>] (each an “<b>Authorised Offeror</b>”) on the following basis:]</p>  |

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|  |  | <p>(a) the relevant Public Offer must occur during [<i>specify Offer Period: [●]</i>] (the "Offer Period");</p> <p>(b) the relevant Public Offer may only be made in [Sweden][,][and] [Norway][,][and] [Finland][,][and] [Denmark] [and] [Luxembourg] (each a "Public Offer Jurisdiction");</p> <p>(c) the relevant Authorised Offeror must be authorised to make such offers in the relevant Public Offer Jurisdiction under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and if any Authorised Offeror ceases to be so authorised then the above consent of the Issuer shall thereupon terminate;</p> <p>[(d) the relevant Authorised Offeror [other than the Manager] must satisfy [<i>if applicable, specify further clear and objective conditions: [●]</i>] and</p> <p>[(d)[e] any Authorised Offeror which is not a Manager must comply with the restrictions set out in "Subscription and Sale" as if it were a Manager.</p> <p><b>[Authorised Offerors 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 Authorised Offeror to the investor.]</b></p> <p>[Not applicable, no public offer of the Securities is being made. The Final Terms have been prepared solely for the purposes of [listing] [inclusion] [admission] of the Securities [to trading].]</p> |
|--|--|--|

| Element |  | Section B – Issuer   |
|---------|--|--|
| B.1     | Legal and commercial name of the issuer.   | The legal and commercial name of the Issuer is UBS AG (the "Issuer" and together with its subsidiaries "UBS AG (consolidated)", or "UBS AG Group"; together with UBS Group AG, which is the holding company of UBS AG, and its subsidiaries, "UBS Group", "Group", "UBS" or "UBS Group AG (consolidated)").  |
| B.2     | Domicile, legal form, legislation and country of incorporation of the issuer.                  | <p>The Issuer was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the company changed its name to UBS AG. UBS AG in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CHE-101.329.561.</p> <p>UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an <i>Aktiengesellschaft</i>, a stock corporation.</p> <p>The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.</p> |
| 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 indicated in the UBS Group Second Quarter 2016 Report, sustained market volatility, underlying macroeconomic uncertainty and heightened geopolitical tensions, exacerbated by the impact of the UK referendum vote to end EU membership, will lead to continued client risk aversion and generally low transaction volumes. These conditions are unlikely to change in the foreseeable future. Furthermore,</p>  |

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|     |  | <p>lower than anticipated and negative interest rates and the relative strength of the Swiss franc, particularly against the euro, continue to present considerable headwinds. In addition, the changes to the Swiss bank capital standards and proposed further changes to the international regulatory framework for banks will result in increasing capital requirements and costs. UBS is well positioned to benefit from even a moderate improvement in conditions and remains committed to executing its strategy with discipline to mitigate these effects.</p>  |
| B.5 | Description of the group and the issuer's position within the group. | <p>UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS Group operates as a group with five business divisions (Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management and the Investment Bank) and a Corporate Center.</p> <p>Over the past two years, UBS has undertaken a series of measures to improve the resolvability of the Group in response to too big to fail ("<b>TBTF</b>") requirements in Switzerland and other countries in which the Group operates.</p> <p>In December 2014, UBS Group AG completed an exchange offer for the shares of UBS AG, becoming the holding company for the UBS Group. Subsequently, during 2015, UBS Group AG filed and completed a procedure under the Swiss Stock Exchange and Securities Trading Act to squeeze out minority shareholders of UBS AG, as a result of which UBS Group AG acquired all of the outstanding shares of UBS AG.</p> <p>In June 2015, UBS AG transferred its Retail &amp; Corporate (now Personal &amp; Corporate Banking) and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland.</p> <p>In 2015, UBS also completed the implementation of a more self-sufficient business and operating model for UBS Limited, UBS's investment banking subsidiary in the UK, under which UBS Limited bears and retains a larger proportion of the risk and reward in its business activities.</p> <p>In the third quarter of 2015, UBS established UBS Business Solutions AG as a direct subsidiary of UBS Group AG to act as the Group service company. UBS will transfer the ownership of the majority of its existing service subsidiaries to this entity. UBS expects that the transfer of shared service and support functions into the service company structure will be implemented in a staged approach through 2018. The purpose of the service company structure is to improve the resolvability of the Group by enabling UBS to maintain operational continuity of critical services should a recovery or resolution event occur.</p> <p>In the second quarter of 2016, UBS Americas Holding LLC, a subsidiary of UBS AG, has been designated as the intermediate holding company for UBS's US subsidiaries as required under the enhanced prudential standards regulations pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("<b>Dodd-Frank</b>"). UBS Americas Holding LLC holds all of UBS's US subsidiaries and is subject to US capital requirements,</p> |

|             |  |  |
|-------------|--|--|
|             |  | <p>governance requirements and other prudential regulation.</p> <p>In 2015, UBS also established a new subsidiary of UBS AG, UBS Asset Management AG, into which it expects to transfer the majority of the operating subsidiaries of Asset Management during 2016. UBS continues to consider further changes to the legal entities used by Asset Management, including the transfer of operations conducted by UBS AG in Switzerland into a subsidiary of UBS Asset Management AG.</p> <p>UBS continues to consider further changes to the Group's legal structure in response to capital and other regulatory requirements, and in order to obtain any rebate in capital requirements for which the Group may be eligible. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, consolidation of operating subsidiaries in the European Union, and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with the Swiss Financial Market Supervisory Authority FINMA ("<b>FINMA</b>") and other regulatory authorities, and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.</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. There are no qualifications in the auditors' reports on the consolidated financial statements of UBS AG and the standalone financial statements of UBS AG for the years ended on 31 December 2015 and 31 December 2014.  |
| <b>B.12</b> | Selected historical key financial information. | <p>UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2015, 2014 and 2013, except where indicated, from the Annual Report 2015, which contains the audited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the year ended 31 December 2015 and comparative figures for the years ended 31 December 2014 and 2013. The selected consolidated financial information included in the table below for the six months ended 30 June 2016 and 30 June 2015 was derived from the UBS AG second quarter 2016 report, which contains the unaudited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the six months ended 30 June 2016 and comparative figures for the six months ended 30 June 2015. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("<b>IFRS</b>") issued by the International Accounting Standards Board ("<b>IASB</b>") and stated in Swiss francs ("<b>CHF</b>"). Information for the years ended 31 December 2015, 2014 and 2013 which is indicated as being unaudited in the table below was included in the Annual Report 2015 but has not been audited on the basis that the respective disclosures are not required under IFRS, and therefore are not part of the audited financial statements.</p> |



|   | As of or for the six months ended |         | As of or for the year ended            |           |            |
|---|-----------------------------------|---------|--|-----------|------------|
| <i>CHF million, except where indicated</i>                                      | 30.6.16                           | 30.6.15 | 31.12.15                               | 31.12.14  | 31.12.13   |
|   | <i>unaudited</i>                  |         | <i>audited, except where indicated</i> |           |            |
| <b>Results</b>  |                                   |         |  |           |            |
| Operating income  | 14,254                            | 16,644  | 30,605                                 | 28,026    | 27,732     |
| Operating expenses  | 11,818                            | 12,254  | 25,198                                 | 25,557    | 24,461     |
| Operating profit / (loss) before tax  | 2,436                             | 4,391   | 5,407                                  | 2,469     | 3,272      |
| Net profit / (loss) attributable to UBS AG shareholders                         | 1,723                             | 3,201   | 6,235                                  | 3,502     | 3,172      |
| <b>Key performance indicators</b>   |                                   |         |  |           |            |
| <b>Profitability</b>  |                                   |         |  |           |            |
| Return on tangible equity (%) <sup>1</sup>                                      | 7.3                               | 14.1    | 13.5*                                  | 8.2*      | 8.0*       |
| Return on assets, gross (%) <sup>2</sup>  | 2.9                               | 3.2     | 3.1*                                   | 2.8*      | 2.5*       |
| Cost / income ratio (%) <sup>3</sup>  | 82.9                              | 73.5    | 82.0*                                  | 90.9*     | 88.0*      |
| <b>Growth</b>   |                                   |         |  |           |            |
| Net profit growth (%) <sup>4</sup>  | (46.2)                            | 73.4    | 78.0*                                  | 10.4*     | -          |
| Net new money growth for combined wealth management businesses (%) <sup>5</sup> | 3.8                               | 2.6     | 2.2*                                   | 2.5*      | 3.4*       |
| <b>Resources</b>  |                                   |         |  |           |            |
| Common equity tier 1 capital ratio (fully applied, %) <sup>6,7</sup>            | 15.0                              | 15.6    | 15.4*                                  | 14.2*     | 12.8*      |
| Leverage ratio (phase-in, %) <sup>8,9</sup>                                     | 5.5                               | 5.1     | 5.7*                                   | 5.4*      | 4.7*       |
| <b>Additional information</b>   |                                   |         |  |           |            |
| <b>Profitability</b>  |                                   |         |  |           |            |
| Return on equity (RoE) (%)  | 6.3                               | 12.1    | 11.7*                                  | 7.0*      | 6.7*       |
| Return on risk-weighted assets, gross (%) <sup>10</sup>                         | 13.4                              | 15.5    | 14.3*                                  | 12.6*     | 11.6*      |
| <b>Resources</b>  |                                   |         |  |           |            |
| Total assets  | 990,135                           | 951,528 | 943,256                                | 1,062,327 | 1,013,355  |
| Equity attributable to UBS AG shareholders                                      | 53,353                            | 51,685  | 55,248                                 | 52,108    | 48,002     |
| Common equity tier 1 capital (fully applied) <sup>7</sup>                       | 32,184                            | 32,834  | 32,042                                 | 30,805    | 28,908     |
| Common equity tier 1 capital (phase-in) <sup>7</sup>                            | 38,913                            | 39,169  | 41,516                                 | 44,090    | 42,179     |
| Risk-weighted assets (fully applied) <sup>7</sup>                               | 214,210                           | 210,400 | 208,186*                               | 217,158*  | 225,153*   |
| Common equity tier 1 capital ratio (phase-in, %) <sup>6,7</sup>                 | 17.9                              | 18.5    | 19.5*                                  | 19.9*     | 18.5*      |
| Total capital ratio (fully applied, %) <sup>7</sup>                             | 21.2                              | 20.2    | 21.0*                                  | 19.0*     | 15.4*      |
| Total capital ratio (phase-in, %) <sup>7</sup>                                  | 23.5                              | 23.8    | 24.9*                                  | 25.6*     | 22.2*      |
| Leverage ratio (fully applied, %) <sup>8,9</sup>                                | 5.0                               | 4.5     | 4.9*                                   | 4.1*      | 3.4*       |
| Leverage ratio denominator (fully applied) <sup>9</sup>                         | 899,075                           | 946,457 | 898,251*                               | 999,124*  | 1,015,306* |
| <b>Other</b>  |                                   |         |  |           |            |
| Invested assets (CHF billion) <sup>11</sup>                                     | 2,677                             | 2,628   | 2,689                                  | 2,734     | 2,390      |
| Personnel (full-time equivalents)   | 57,387                            | 59,648  | 58,131*                                | 60,155*   | 60,205*    |

\* unaudited

<sup>1</sup> Net profit attributable to UBS AG shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS AG shareholders less average goodwill and intangible assets of UBS AG. <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 AG shareholders from continuing operations between current and comparison periods / net profit attributable to UBS AG 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 and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. Figures for the first six months of 2015 and the year ended 31 December 2015 are based on adjusted net new money, which excludes the negative effect on net new money of CHF 6.6 billion in the second quarter of 2015 and of CHF 9.9 billion in 2015, respectively, from UBS's balance sheet and capital optimization program. <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. <sup>8</sup> Common equity tier 1 capital and loss-absorbing capital / leverage ratio denominator. <sup>9</sup> Calculated in accordance with Swiss SRB rules. From 31 December 2015 onward, the leverage ratio denominator calculation is aligned with the Basel III rules. Figures for periods prior to 31 December 2015 are calculated in accordance with former Swiss SRB rules and are therefore not fully comparable. <sup>10</sup> Based on fully-applied risk-weighted assets for all periods presented. This metric was previously based on phase-in risk-weighted assets. This unaudited consolidated financial information was derived from the UBS AG second quarter 2016 report and UBS AG's accounting records. <sup>11</sup> Includes invested assets for Personal & Corporate Banking.

|             |   |  |
|-------------|---|--|
|             | Material adverse change statement.  | There has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2015.   |
|             | Significant changes statement.  | There has been no significant change in the financial or trading position of UBS AG or UBS AG Group since 30 June 2016, which is the end of the last financial period for which interim financial information has been published.  |
| <b>B.13</b> | Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency | 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.   |
| <b>B.14</b> | Description of the group and the issuer's position within the group.<br><br>Dependence upon other entities within the group.  | Please see element B.5<br><br>UBS AG is the parent company of the UBS AG Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.  |
| <b>B.15</b> | Issuer's principal activities.  | UBS AG with its subsidiaries provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. The operational structure of the Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management and the Investment Bank. UBS's strategy builds on the strengths of all of its businesses and focuses its efforts on areas in which UBS excels, while seeking to capitalize on the compelling growth prospects in the businesses and regions in which it operates, in order to generate attractive and sustainable returns for shareholders. In UBS's opinion, all of its businesses are capital-efficient and benefit from a strong competitive position in their targeted markets.<br><br>According to article 2 of the articles of association of UBS AG dated 4 May 2016 (" <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. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG |

|  |   |   |
|--|---|---|
|  |   | is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS AG may borrow and invest money on the capital markets. UBS AG is part of the group of companies controlled by the group parent company UBS Group AG. It may promote the interests of the group parent company or other group companies. It may provide loans, guarantees and other kinds of financing and security for group companies.  |
| <b>B.16</b>  | Direct or indirect shareholdings or control agreements of the issuer. | UBS Group AG owns 100% of the outstanding shares of UBS AG.   |
| [The following Element B.17 is only to be inserted in case of Securities where the Issuer has an obligation arising on issue to pay to the investor 100% of the nominal value: |   |   |
| <b>B.17</b>  | Credit ratings assigned to the issuer or its debt securities.         | <p>The rating agencies Standard &amp; Poor's Credit Market Services Europe Limited ("<b>Standard &amp; Poor's</b>"), Moody's Investors Service Ltd. ("<b>Moody's</b>"), Fitch Ratings Limited ("<b>Fitch Ratings</b>") and Scope Ratings AG ("<b>Scope Ratings</b>") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS AG, <i>i.e.</i> its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch Ratings, Standard &amp; Poor's and Scope Ratings may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has a long-term counterparty credit rating of A+ (outlook: stable) from Standard &amp; Poor's, long-term senior debt rating of A1 (outlook: stable) from Moody's, long-term issuer default rating of A+ (outlook: stable) from Fitch Ratings and issuer credit-strength rating of A+ (outlook: positive) from Scope Ratings.</p> <p>All the above-mentioned rating agencies are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011.</p> |

| Element    | Section C – Securities <sup>1</sup>                                   |  |
|------------|---|--|
| <b>C.1</b> | Type and the class of the securities, security identification number. | <p><b>Type and Form of Securities</b><br/>The Securities are [certificates] [notes] [warrants].</p> <p>[The Securities are issued in series (each a "<b>Series</b>") and the Securities of each Series will all be subject to identical terms (except, inter alia, for Issue Price, Issue Date, Issue Size and interest commencement date, which may or may not be identical) whether as to currency, denomination, interest maturity or otherwise.]</p> <p>[<i>in case of German law governed Securities represented by a Global Security, insert:</i> The Securities will be issued in bearer form as securities within the meaning of § 793 German Civil Code and will be represented on issue by [one or more permanent global bearer security/ies (each a "<b>Global Security</b>") [a temporary global bearer security (each a "<b>Temporary Global Security</b>") exchangeable upon certification of non-U.S. beneficial ownership for a permanent global bearer security (each a "<b>Permanent Global Security</b>", and together with the Temporary Global Security, a "<b>Global Security</b>"]. No bearer Securities will be issued in or exchangeable into bearer definitive form, whether pursuant to the request of any Securityholder or otherwise.</p> |

<sup>1</sup> The use of the symbol "\*" in the following Section C - Securities indicates that the relevant information for each series of Securities may, in respect of Multi-Series Securities and where appropriate, be presented in a table.

|      |                 | <p>[Each] [[The] Global Security is deposited with [Clearstream Banking AG (“Clearstream, Germany”)] [Clearstream Banking S.A. (“Clearstream, Luxembourg”)] [and/or] [Euroclear Bank S.A./ N.V. (“Euroclear”).]</p> <p><i>[in case of Swedish Securities, insert:</i> The Securities (also the “<b>Swedish Securities</b>”) are cleared through Euroclear Sweden AB (“<b>Euroclear Sweden</b>”) as the relevant Clearing System and are issued in uncertificated and dematerialised book-entry form, and registered at Euroclear Sweden in accordance with the <i>Swedish Central Securities Depositories and Financial Instruments Accounts Act (lag (1998:1479) om centrala värdepappersförvarare och kontoföring av finansiella instrument)</i>. No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of Swedish Securities.]</p> <p><i>[in case of Finnish Securities insert:</i> The Securities (also the “<b>Finnish Securities</b>”) are cleared through Euroclear Finland Ltd (“<b>Euroclear Finland</b>”) as the relevant Clearing System and are issued in uncertificated and dematerialised book-entry form, and registered at Euroclear Finland in accordance with the Finnish Act on the Book-Entry System and Clearing and Settlement (<i>laki arvo-osuusjärjestelmästä ja selvitystoiminnasta</i>) and the Finnish Act on Book-Entry Accounts (1991/827) (<i>laki arvo-osuustileistä</i>). No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of the Finnish Securities.]</p> <p><i>[in case of Norwegian Securities insert:</i> The Securities (also the “<b>Norwegian Securities</b>”) are registered with Verdipapirsentralen ASA (“<b>VPS</b>”) as the relevant Clearing System and are issued in uncertificated and dematerialised book-entry form, and registered at VPS in accordance with the Norway Securities Register Act (<i>Lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter</i>). No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of Norwegian Securities.]</p> <p><i>[in case of Danish Securities insert:</i> The Securities (also the “<b>Danish Securities</b>”) are cleared through VP Securities A/S (“<b>VP</b>”) as the relevant Clearing System and are issued in uncertificated and dematerialised book-entry form, and registered at VP in accordance with the Danish Securities Trading etc. Act (<i>Lov om værdipapirhandel m.v.</i>), as amended from time to time, and the Executive Order on Book Entry, etc. of Dematerialised Securities in a Central Securities Depository (<i>Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral</i>), as amended from time to time, issued pursuant thereto. No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of the Danish Securities.]</p> <p><b>Security identification number(s) of the Securities</b><br/> ISIN: [•]*<br/> [WKN: [•]*]<br/> [Common Code: [•]*]<br/> [Valor: [•]*]</p> <p><i>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities:</i></p> <table border="1" data-bbox="555 1839 1302 1939"> <thead> <tr> <th>ISIN</th> <th>[WKN]</th> <th>[Common Code]</th> <th>[Valor]</th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table> | ISIN    | [WKN] | [Common Code] | [Valor] | [•] | [•] | [•] | [•] |
|------|-----------------|--|---------|-------|---------------|---------|-----|-----|-----|-----|
| ISIN | [WKN]           | [Common Code]  | [Valor] |       |               |         |     |     |     |     |
| [•]  | [•]             | [•]  | [•]     |       |               |         |     |     |     |     |
| C.2  | Currency of the | [For each Series of Securities] [•]* (the “ <b>Redemption Currency</b> ”)  |         |       |               |         |     |     |     |     |

|   |  |   |      |                     |     |     |
|---|--|---|------|---------------------|-----|-----|
|   | securities.  | <p>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities, if required:</p> <table border="1"> <tr> <td>ISIN</td> <td>Redemption Currency</td> </tr> <tr> <td>[•]</td> <td>[•]</td> </tr> </table> <p>]</p>   | ISIN | Redemption Currency | [•] | [•] |
| ISIN  | Redemption Currency  |   |      |                     |     |     |
| [•]   | [•]  |   |      |                     |     |     |
| C.5   | Restrictions on the free transferability of the securities.  | Not applicable. There are no restrictions on the free transferability of the Securities.  |      |                     |     |     |
| C.8   | Rights attached to the securities, including ranking and limitations to those rights.  | <p><b>Governing law of the Securities</b><br/> [Each Series of the] [The] Securities will be governed by German law (“<b>German law governed Securities</b>”).</p> <p>[The legal effects of the registration of the Securities with the relevant Clearing System are governed by the laws of the jurisdiction of the Clearing System.]</p> <p><b>Rights attached to the Securities</b><br/> The Securities provide, subject to the Conditions of the Securities, Securityholders, at maturity or upon exercise, with a claim for payment of the Redemption Amount in the Redemption Currency [and/or delivery of the Physical Underlying in the relevant number].</p> <p>[In addition, Securityholders are during the term of the Securities entitled, subject to the Conditions of the Securities, to receive payment of [a Coupon] [Coupons] [an Interest Amount] [Interest Amounts].]</p> <p><b>Limitation of the rights attached to the Securities</b><br/> Under the conditions set out in the Conditions, the Issuer is entitled to terminate the Securities and to make certain adjustments to the Conditions.</p> <p><b>Status of the Securities</b><br/> [Each Series of the] [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> |      |                     |     |     |
| <p>[The following Element C.9 is only to be inserted in case of Securities where the Issuer has an obligation arising on issue to pay to the investor 100% of the nominal value (in addition to which there may be also an interest payment):</p> |  |   |      |                     |     |     |
| C.9   | Maturity date and arrangements for the amortization of the loan, including the repayment procedures, an indication of yield, name of representative of debt security holders | <p>[Maturity Date: [•]*</p> <p>[in case of fixed / floating rate securities insert:<br/> [Interest Rate][Coupon]: [•]*</p> <p>[in case of step-up or step-down securities insert:<br/> [Interest Rate][Coupon]: in relation to the [Interest][Coupon] Calculation Period<sub>(i=1)</sub>: [•]*,<br/> in relation to the [Interest][Coupon] Calculation Period<sub>(i=2)</sub>: [•]*,<br/> in relation to the [Interest][Coupon] Calculation Period<sub>(i=n)</sub>: [•]*</p> <p>[Interest] [Coupon] Payment [•]*<br/> Date:</p>   |      |                     |     |     |

|   |                      | <p>[Interest] [Coupon] [•]*<br/> Calculation Period:</p> <p><i>[In case of Securities providing, as specified in the applicable Product Terms, for payment of a conditional Interest Amount or Coupon, i.e. where the payment of the Interest Amount or Coupon is subject to the performance of the Underlying, insert:</i></p> <p>The payment of the [Interest Amount] [Coupon] is subject to the performance of the following Underlying (conditional [Interest Amount] [Coupon]): <i>[insert description of [the share (including a certificate representing shares)] [the Index] [the currency exchange rate] [the precious metal] [the commodity] [the interest rate] [the non-equity security] [the exchange traded fund unit] [the not exchange traded fund unit] [the futures contract (if applicable, including determination of the relevant expiration months)] [the reference rate] [the basket comprising the aforementioned assets] [the portfolio comprising the aforementioned assets. [•]*]</i></p> <p>Yield: [Not applicable; the Securities do not provide for payment of a fixed amount of interest.]</p> <p><i>[in case of Securities which provide for payment of a fixed amount of interest, specify the yield: [•]</i></p> <p>The yield is calculated according to the ICMA method. This is a method for calculating the yield in which the daily effective interest yield is taken into account. The interest accrued each day is thus added to the capital invested and included in the interest calculation for the following day in each case.]*</p> <p>Name of representative of a debt security holder: Not applicable; there is no representative of security holders.]</p> <p><i>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities, if required:</i></p> <table border="1" data-bbox="552 1503 1366 1794"> <thead> <tr> <th>ISIN</th> <th><i>[insert ISIN]</i></th> <th><i>[insert ISIN]</i></th> </tr> </thead> <tbody> <tr> <td>Maturity Date:</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Interest Rate][Coupon]:</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Interest] [Coupon] Payment Date:</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Interest] [Coupon] Calculation Period:</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Yield:</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table> <p>Securityholders will receive on the relevant Maturity Date payment of the Redemption Amount and on [each] [the] [Interest] [Coupon] Payment Date payment of the [Interest Amount] [Coupon].</p> <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</p> | ISIN | <i>[insert ISIN]</i> | <i>[insert ISIN]</i> | Maturity Date: | [•] | [•] | [Interest Rate][Coupon]: | [•] | [•] | [Interest] [Coupon] Payment Date: | [•] | [•] | [Interest] [Coupon] Calculation Period: | [•] | [•] | [Yield: | [•] | [•] |
|---|----------------------|--|------|----------------------|----------------------|----------------|-----|-----|--------------------------|-----|-----|-----------------------------------|-----|-----|---|-----|-----|---------|-----|-----|
| ISIN                                    | <i>[insert ISIN]</i> | <i>[insert ISIN]</i>   |      |                      |                      |                |     |     |                          |     |     |                                   |     |     |   |     |     |         |     |     |
| Maturity Date:                          | [•]                  | [•]  |      |                      |                      |                |     |     |                          |     |     |                                   |     |     |   |     |     |         |     |     |
| [Interest Rate][Coupon]:                | [•]                  | [•]  |      |                      |                      |                |     |     |                          |     |     |                                   |     |     |   |     |     |         |     |     |
| [Interest] [Coupon] Payment Date:       | [•]                  | [•]  |      |                      |                      |                |     |     |                          |     |     |                                   |     |     |   |     |     |         |     |     |
| [Interest] [Coupon] Calculation Period: | [•]                  | [•]  |      |                      |                      |                |     |     |                          |     |     |                                   |     |     |   |     |     |         |     |     |
| [Yield:                                 | [•]                  | [•]  |      |                      |                      |                |     |     |                          |     |     |                                   |     |     |   |     |     |         |     |     |

|  |   | <p>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 relevant Clearing System or the relevant intermediary or to its order for credit to the accounts of the relevant account holders of the Clearing System or the relevant intermediary.</p> <p>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.]</p>  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
|--|---|--|-----------|------|-----------------------|------|----------|------|----------------------|------|-------------------|------|-------------------------------|------|-------------------------|------|-----------------|------|------------------|------|--------------------|------|----------------------|------|---------------------------|------|-----------------------|------|-------------------|------|--------------------|------|--------------------------|------|--------------|------|------------------|------|---|------|------|----------------------|----------------------|-----------|-----|-----|-----------------------|-----|-----|----------|-----|-----|-----|-----|-----|
| <p>[The following Element C.10 is only to be inserted in case of Securities where the Issuer has an obligation arising on issue to pay to the investor 100% of the nominal value (in addition to which there may be also an interest payment):</p> |   |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| C. 10  | Derivative component in the interest payment.                           | <p>[Not applicable; the Securities have no derivative component in the interest payment.]</p> <p><i>[insert description of derivative component in the interest payment, as applicable]</i><br/> <i>[to be inserted for each Security, as required:]</i></p> <table border="1"> <tr><td>[Barrier]</td><td>[•]*</td></tr> <tr><td>[Coupon Payment Date]</td><td>[•]*</td></tr> <tr><td>[Coupon]</td><td>[•]*</td></tr> <tr><td>[Day Count Fraction]</td><td>[•]*</td></tr> <tr><td>[Interest Amount]</td><td>[•]*</td></tr> <tr><td>[Interest Calculation Period]</td><td>[•]*</td></tr> <tr><td>[Interest Payment Date]</td><td>[•]*</td></tr> <tr><td>[Interest Rate]</td><td>[•]*</td></tr> <tr><td>[Nominal Amount]</td><td>[•]*</td></tr> <tr><td>[Observation Date]</td><td>[•]*</td></tr> <tr><td>[Observation Period]</td><td>[•]*</td></tr> <tr><td>[Price of the Underlying]</td><td>[•]*</td></tr> <tr><td>[Redemption Currency]</td><td>[•]*</td></tr> <tr><td>[Reference Price]</td><td>[•]*</td></tr> <tr><td>[Settlement Price]</td><td>[•]*</td></tr> <tr><td>[Term of the Securities]</td><td>[•]*</td></tr> <tr><td>[Underlying]</td><td>[•]*</td></tr> <tr><td>[Valuation Date]</td><td>[•]*</td></tr> <tr><td>[insert further definitions, as required]</td><td>[•]*</td></tr> </table> <p><i>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities with the information contained in the above table</i></p> <table border="1"> <thead> <tr> <th>ISIN</th> <th><i>[insert ISIN]</i></th> <th><i>[insert ISIN]</i></th> </tr> </thead> <tbody> <tr><td>[Barrier]</td><td>[•]</td><td>[•]</td></tr> <tr><td>[Coupon Payment Date]</td><td>[•]</td><td>[•]</td></tr> <tr><td>[Coupon]</td><td>[•]</td><td>[•]</td></tr> <tr><td>[•]</td><td>[•]</td><td>[•]</td></tr> </tbody> </table> <p style="text-align: right;">]]</p> | [Barrier] | [•]* | [Coupon Payment Date] | [•]* | [Coupon] | [•]* | [Day Count Fraction] | [•]* | [Interest Amount] | [•]* | [Interest Calculation Period] | [•]* | [Interest Payment Date] | [•]* | [Interest Rate] | [•]* | [Nominal Amount] | [•]* | [Observation Date] | [•]* | [Observation Period] | [•]* | [Price of the Underlying] | [•]* | [Redemption Currency] | [•]* | [Reference Price] | [•]* | [Settlement Price] | [•]* | [Term of the Securities] | [•]* | [Underlying] | [•]* | [Valuation Date] | [•]* | [insert further definitions, as required] | [•]* | ISIN | <i>[insert ISIN]</i> | <i>[insert ISIN]</i> | [Barrier] | [•] | [•] | [Coupon Payment Date] | [•] | [•] | [Coupon] | [•] | [•] | [•] | [•] | [•] |
| [Barrier]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Coupon Payment Date]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Coupon]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Day Count Fraction]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Interest Amount]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Interest Calculation Period]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Interest Payment Date]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Interest Rate]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Nominal Amount]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Observation Date]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Observation Period]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Price of the Underlying]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Redemption Currency]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Reference Price]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Settlement Price]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Term of the Securities]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Underlying]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Valuation Date]   | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [insert further definitions, as required]  | [•]*  |  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| ISIN   | <i>[insert ISIN]</i>  | <i>[insert ISIN]</i>   |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Barrier]  | [•]   | [•]  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Coupon Payment Date]  | [•]   | [•]  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Coupon]   | [•]   | [•]  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [•]  | [•]   | [•]  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| C.11   | Admission to trading on a regulated market or other equivalent markets. | <p><i>[In the case that the Issuer or a Manager, as the case may be, intends to apply for a listing of the Securities (at any stock exchange other than SIX Swiss Exchange), insert the following text: [The Issuer] [A Manager] intends to apply for [listing] [inclusion] [admission] of the Securities [to trading] on [the Regulated Market (Regulierter Markt) of the [Frankfurt Stock Exchange]</i></p>  |           |      |                       |      |          |      |                      |      |                   |      |                               |      |                         |      |                 |      |                  |      |                    |      |                      |      |                           |      |                       |      |                   |      |                    |      |                          |      |              |      |                  |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |

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|  |  | <p>[Stuttgart Stock Exchange] [•]] [the Official List of the [Regulated Market of the Luxembourg Stock Exchange] [•]] [[the unofficial regulated market of] [Frankfurt Stock Exchange] [Stuttgart Stock Exchange] [•]] [Nasdaq Stockholm][NasdaqHelsinki][Nordic Growth Market NGM AB – NDX (Nordic Derivatives Exchange)] [<i>specify alternative exchange(s) or trading system(s):</i> [•]]. [Provided that the Securities have not been terminated by the Issuer [and provided that the Securities have not expired early] prior to the Expiration Date, trading of the Securities shall cease [[two] [•] trading day[s] prior to] [on] [the Valuation Date] [the Final Valuation Date] [the Expiration Date] [the Maturity Date] [•] (such day, the “<b>Last Exchange Trading Day</b>”). [As of the Last Exchange Trading Day trading may only take place off exchange with [the Manager] [•].]]]</p> <p>[The Securities already issued are admitted to trading on [<i>specify securities exchange:</i> [•]].]</p> <p>[<i>In the case that the Issuer intends to apply for a listing of the Securities at SIX Swiss Exchange, insert the following text:</i> [The Issuer] [The Manager (in its capacity as manager of the Issuer)] intends to apply for the listing of the Securities at SIX Swiss Exchange (“<b>SIX</b>”) and for admittance to trading on the platform of SIX Structured Products Exchange AG.]</p> <p>[<i>In the case that neither the Issuer nor a Manager intends to apply for a listing of the Securities, insert the following text:</i> It is not intended to apply for inclusion of the Securities to trading on a securities exchange.]</p>   |
| <p>[The following Elements C.15, C.16, C.17, C.18, C.19 and C.20 are not to be inserted in case of Securities where the Issuer has an obligation arising on issue to pay to the investor 100% of the nominal value (in addition to which there may be also an interest payment):</p> |  |   |
| <p><b>C.15</b></p>   | <p>Influence of the underlying on the value of the securities.</p> | <p>The value of the Securities during their term depends on the performance of [the Underlying[s]] [the Basket Components] [relative to the performance of [another Underlying] [other Underlyings]]. In case the price of [the Underlying[s]] [the Basket Components] [increases] [decreases] [relative to the performance of the other Underlying[s]], [also] the value of the Securities [(disregarding any special features of the Securities)] is likely to [increase] [decrease].</p> <p>In particular, the Redemption Amount, if any, to be received by the Securityholder upon exercise of the Securities depends on the performance of [the Underlying[s]] [the Basket Components] [relative to the performance of [another Underlying] [other Underlyings]]. [In addition, it should be noted that any following reference to “Underlying” may refer to the Underlying showing a certain predetermined performance specified in the applicable Product Terms, <i>e.g.</i> the worst performance during an observation period, so-called Relevant Underlying.]</p> <p>The following features are examples describing the dependency of the value of the Securities from the Underlying[s]:</p> <p><b>[UBS Autocallable/Express Securities]</b><br/>UBS Autocallable/Express Securities are suitable for Securityholders expecting the price of the Underlying(s) to reach certain level(s), as specified in the applicable Product Terms, so that the product can early redeem.</p> <p>In case the price of the Underlying(s) reaches certain level(s) on specific Observation Dates, as specified in the applicable Product Terms, the Securities will be early redeemed prior to the Maturity Date.</p> <p>If the UBS Autocallable/Express Securities did not expire early on any of the</p> |



previous Observation Dates, the UBS Autocallable/Express Securities will be redeemed at the Maturity Date, as specified in the applicable Product Terms. The Redemption Amount in the Redemption Currency depends on the individual product structure, as specified in the applicable Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]

**[UBS Gearing Securities**

UBS Gearing Securities allow Securityholders to participate in the positive development of the Underlying(s). Conversely, Securityholders in UBS Gearing Securities may also participate in the negative development of the Underlying(s), as the UBS Gearing Securities may provide downside risk potential as specified in the applicable Product Terms. UBS Gearing Securities may also allow Securityholders to participate in the positive development of the Underlying relative to another Underlying. Conversely, Securityholders in UBS Gearing Securities may participate in the negative development of the Underlying relative to another Underlying.

UBS Gearing Securities also exist in a so-called "Put" version. In such case Securityholders participate positively in the negative development of the Underlying(s). Conversely, Securityholders in UBS Gearing Securities (Put) may also participate in the positive development of the Underlying(s), as the UBS Gearing Securities (Put) may provide upside risk potential as specified in the applicable Product Terms. UBS Gearing Securities (Put) may also allow Securityholders to participate in the negative development of the Underlying relative to another Underlying. Conversely, Securityholders in UBS Gearing Securities (Put) may participate in the positive development of the Underlying relative to another Underlying.

UBS Gearing Securities may expire worthless upon the unfavourable development of the Underlying(s) beyond a certain value, as specified in the applicable Product Terms.

Securityholders receive on the Maturity Date a Redemption Amount in the Redemption Currency, the amount of which depends on the Reference Price or the Settlement Price of the Underlying(s), as specified in the relevant Product Terms. The Redemption Amount is typically calculated by multiplying the Nominal Amount or such other amount as specified in the applicable Product Terms with the relevant performance of the Underlying(s), thereafter multiplied by the Participation Factor, the Leverage Factor or the Multiplier, but may also take other factors into account, as specified in the applicable Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]

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|  |  | <p><b>[UBS Warrants</b></p> <p>UBS Call Warrants allow Securityholders to participate disproportionately (with leverage) in the positive development of the Underlying. Conversely, Securityholders in UBS Call Warrants also participate disproportionately (with leverage) in the negative development of the Underlying. Securityholders bear the risk of the UBS Call Warrants expiring worthless, if the Reference Price or the Settlement Price of the Underlying, as specified in the relevant Product Terms of the UBS Call Warrants, is equal to or below the Strike.</p> <p>UBS Put Warrants allow Securityholders to positively participate disproportionately (with leverage) in the negative development of the Underlying(s). Conversely, Securityholders in UBS Put Warrants also participate disproportionately (with leverage) in the positive development of the Underlying(s). Securityholders bear the risk of the UBS Put Warrants expiring worthless, if the Reference Price or the Settlement Price of the Underlying(s), as specified in the relevant Product Terms of the UBS Put Warrants, is equal to or above the Strike.</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.]</p> <p><b>[UBS Capital Protected Securities/UBS Partially Capital Protected Securities</b></p> <p>UBS Capital Protected Securities/UBS Partially Capital Protected Securities have full or partial capital protection at maturity and at the same time offer the earning potential that can arise from the capital markets (potentially only up to a predefined cap). To this end, UBS Capital Protected Securities/UBS Partially Capital Protected Securities (at least partly) participate in the price movements of selected Underlying(s). The structure offers participation in the performance of the selected Underlying(s). The predetermined participation rate can vary, as specified in the relevant Product Terms. Depending on the product features, it can be proportional (either negative or positive) to the performance of the Underlying(s).</p> <p>With a capital protection level below the issue price, the amount equivalent to the issue price is not fully secured at maturity. For the difference between the level of capital protection and the issue price to be bridged, certain conditions, dependent on the Underlying(s) asset's price movements, will have to be met to avoid losses at maturity.</p> <p>Irrespective of the product structure, the issuer risk of UBS AG must be taken into consideration.</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.</p> <p>In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.</p> <p>The issue price of UBS Capital Protected Securities/UBS Partially Capital Protected Securities can also be above as well as below 100 per cent.]</p> <p><b>[UBS Sprint Securities</b></p> <p>UBS Sprint Securities allow Securityholders to participate in the positive development of the Underlying(s) within a predetermined range, i.e.</p> |
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|  | <p>between the Strike and the Cap multiplied by a participation, as specified in the relevant Product Terms. Conversely, Securityholders in UBS Sprint Securities may also participate in part of, or the whole, negative development of the Underlying(s). UBS Sprint Securities also exist with unlimited upside potential, i.e. without Cap.</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.</p> <p>In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]</p> <p><b>[UBS Bonus Securities</b><br/> UBS Bonus Securities allow Securityholders to participate in the positive development of the Underlying(s). Conversely, Securityholders in UBS Bonus Securities may also participate in the negative development of the Underlying(s). Depending on the occurrence of a Kick Out/Kick in Event during the term of the Securities or any period or day during the term of the Securities, as specified in the applicable Product Terms, the Securityholder is entitled to receive at the Maturity Date the Redemption Amount in the Redemption Currency, as specified in the applicable Product Terms.</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.</p> <p>In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]</p> <p><b>[UBS Outperformance Securities</b><br/> UBS Outperformance Securities allow Securityholders to participate in the positive development of the Underlying relative to another Underlying. Conversely, Securityholders in UBS Outperformance Securities may also participate in the negative development of the Underlying relative to another Underlying. Depending, if the Reference Price or the Settlement Price of the Underlying, as specified in the relevant Product Terms, is higher than or equal to or lower than the Strike, the Securityholder is entitled to receive on the Maturity Date the Redemption Amount in the Redemption Currency, as specified in the applicable Product Terms.</p> <p>In addition, the Securityholder is entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.]</p> <p><b>[UBS Reverse Convertible Securities/GOAL</b><br/> Depending on whether the Reference Price or the Settlement Price of the</p> |
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|  | <p>Underlying(s), as specified in the relevant Product Terms, is lower than or equal to the Strike or higher than the Strike, the Securityholder either receives the nominal amount or the performance of the Underlying(s) as further specified in the relevant Product Terms.</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.</p> <p>In addition, the Securityholder is entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]</p> <p><b>[UBS Kick-In GOAL/Barrier Reverse Convertible Securities</b></p> <p>The UBS Kick-In GOAL/Barrier Reverse Convertible Securities offers a safety buffer that aims to provide protection from the Underlying(s) reaching certain predefined or variable levels. If the Underlying(s) do not breach a predefined barrier, as specified in the relevant Product Terms, Securityholders are entitled to receive on the Maturity Date the Redemption Amount in the Redemption Currency equal to the Nominal Amount.</p> <p>If the barrier is breached, the repayment at maturity is aligned to the level of the Underlying(s), as specified in the relevant Product Terms. If the Underlying(s) close(s) above a predefined level on a certain day as specified in the relevant Product Terms, Securityholders are entitled to receive on the Maturity Date the Redemption Amount in the Redemption Currency equal to the Nominal Amount. If the price of the Underlying(s), however, closes at or below a predefined level on a certain day as specified in the relevant Product Terms, Securityholders are entitled to receive on the Maturity Date, depending on the structure of the product, either the Physical Underlying in the appropriate number either expressed by the Multiplication Factor or, as the case may be, and as specified in the relevant Product Terms, equal to the number of Reference Shares per Denomination or a cash payment depending on the then current value of the Underlying(s) or the performance of the Underlying(s) (if applicable, adjusted by the respective ratio). The barrier can be observed either continuously or on predefined dates, as specified in the relevant Product Terms.</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.</p> <p>In addition, the Securityholder is entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]</p> <p><b>[UBS Performance Securities</b></p> <p>UBS Performance Securities allow investors to participate - if the applicable Product Terms specify a Management Fee to be applicable, considering the Management Fee - in the positive development of the Underlying(s). Conversely, investors in UBS Performance Securities also participate in the negative development of the Underlying(s).</p> <p>UBS Performance Securities can be issued either as open end securities with no predefined Maturity Date or with a predefined Maturity Date. They may have an Issuer and/or Securityholder's right vested in the Securities that could be exercised and cause the Securities to redeem/expire at any time, as</p> |
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|  | <p>specified in the relevant Product Terms.</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.</p> <p>In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]</p> <p><b>[UBS Leveraged Securities</b></p> <p>With UBS Leveraged Securities, Securityholders can apply leverage, since UBS Leveraged Securities offer Securityholders the chance to participate disproportionately and without restriction in rising prices of the Underlying(s). This means that as of a predefined price level, as specified in the relevant Product Terms, participation in a potentially rising price performance is higher than 100%. The exact performance rate varies depending on the product features and is fixed per issue, as specified in the relevant Product Terms.</p> <p>If the purchase price of a UBS Leveraged Security is at the price level of the Underlying(s), the effect of the leverage effect does not come to fruition yet. In this case, the disproportionate chance of a gain is counteracted by a loss risk that is equivalent to a direct, or as the case may be leveraged, investment and Securityholders participate in potential negative price development. In the described case (without agio) there is thus no disproportionate participation in potential losses.</p> <p>To minimize the loss risk, UBS Leveraged Securities may have conditional partial protection. As long as an additionally included safety threshold, as specified in the relevant Product Terms, is not reached during the term, Securityholders recoup at least the capital invested on the due date. The partial protection only ceases to apply if a threshold is breached and the product behaves like a UBS Leveraged Security without conditional partial protection.</p> <p>The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.</p> <p>In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.]</p> <p><b>[UBS Zero Coupon Securities</b></p> <p>UBS Zero Coupon Securities entitle their Securityholders to receive on the Maturity Date the payment of the Nominal Amount per Security. As result, UBS Zero Coupon Securities are 100% capital-protected at maturity. Such payment is not guaranteed by a third party, but promised by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations.</p> <p>The initial Issue Price of a UBS Zero Coupon Security is below its Nominal Amount. During the term of the UBS Zero Coupon Securities, the Securityholders is not entitled to receive any payments of interest.]</p> |
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**[UBS Fixed Rate Securities**

UBS Fixed Rate Securities entitle their Securityholders to receive on the Maturity Date the payment of the Nominal Amount per Security. As result, UBS Fixed Rate Securities are 100% capital-protected at maturity. Such payment is not guaranteed by a third party, but promised by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations.

During the term of the UBS Fixed Rate Securities, the Securityholder is entitled to receive on the relevant Interest Payment Date the payment of the Interest Amount in relation to the preceding Interest Calculation Period. The Interest Amount is calculated by applying the Interest Rate and the Day Count Fraction to the Nominal Amount per Security. The Interest Rate is fix for the whole term of the UBS Fixed Rate Securities.]

**[UBS Floating Rate Securities**

UBS Floating Rate Securities entitle their Securityholders to receive on the Maturity Date the payment of the Nominal Amount per Security. As result, UBS Floating Rate Securities are 100% capital-protected at maturity. Such payment is not guaranteed by a third party, but promised by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations.

During the term of the UBS Floating Rate Securities, the Securityholder is entitled to receive on the relevant Interest Payment Date the payment of the Interest Amount in relation to the preceding Interest Calculation Period. The Interest Amount is calculated by applying the Interest Rate and the Day Count Fraction to the Nominal Amount per Security.

The Interest Rate in relation to each Interest Calculation Period (i) equals the Price of the Underlying, if so specified, either (i) plus or, as the case may be, (ii) minus a certain margin percentage, as specified in the relevant Product Terms.]

**The following descriptions of several performance structures might be used for the Securities described in the section above, if applicable.**

Underlyings

Securities can either depend on one single Underlying, a basket of Underlyings, the best performing Underlying(s), the worst performing Underlying(s) or a combination of those. Basket performances are calculated as the weighted average of the performances of the individual Underlying(s).

The weightings can either be predefined or be defined during the life of the product depending on certain conditions. Weights can for example depend on the relative performance of the Underlyings or the realised volatility of the Underlying(s).

Performances

In principle, the value of the Securities (disregarding any special features of the Securities) is likely to increase, in case the price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Components, increases. In case the price of the Underlying or Basket Components decreases, also the value of the Securities (disregarding any special features of the Securities) is likely to decrease.

In contrast thereto, Securities may, if so specified in the relevant Product Terms, provide for a so-called reverse structure. In this case the Securities (irrespective of the other features attached to the Securities or of any other factors, which may be relevant for the value of the Securities) **depreciate in value**, if the price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the

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|  | <p>Basket Components, increases, or the Securities <b>increase in value</b>, if the price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Components, decreases.</p> <p>The performance or levels of the Underlying(s) can be measured in various ways.</p> <p>Usually the performance is measured as the final level of the Underlying(s) as a percentage of the initial level of the Underlying(s). However the final level and / or the initial level can also either be defined as the average / maximum / minimum level of the Underlying(s) observed within a certain period. The initial level does not necessarily need to be observed on the strike date of the product but can also be observed during the life of the product. Performance can also be measured as the relative performance of one or more Underlying(s) relative to the performance of one or more different Underlying(s).</p> <p>Performances can also have a predefined or a variable and/or conditional cap. This means Securityholders accept a limitation of earning potential ("Cap") and may only participate in possible price increases (or decreases) of the Underlying(s) until a certain level is reached and no further. Additionally, performances can also have a predefined or a variable and/or conditional floor. This means Securityholders will have a minimum of earning potential ("Floor") and may only negatively participate in possible price decreases (or increases) of the Underlying(s) until a certain level is reached and no further.</p> <p><u>Barriers</u><br/>Products can have barriers that are activated as soon as certain conditions are met. Usually these barriers represent certain levels to be reached by the Underlying(s) on certain observation dates.</p> <p>Barriers can either be triggered by Underlying(s), performances or other measures reaching certain predefined levels. Some barriers are only triggered if more than one condition is met. Barriers can be either defined to be observed only on certain dates or continuously.</p> <p>Barriers either lead to the removal (Kick-Out) or addition (Kick-In) of certain features of the Securities. Features which are added or removed are for example coupons, participations or Underlying(s).</p> <p><u>Lock-In and Final Lock-In</u><br/>The relevant Product Terms may provide for a "Lock-In" feature, which means that certain amounts or performances, as specified in the Product Terms, will in the case of the occurrence of a predetermined lock-in event be "locked-in", i.e. fixed, set aside or otherwise economically preserved, as specified in the Product Terms. To the extent and under the conditions of applicable other features described in this section 13 of the Base Prospectus and as further specified in the applicable Product Terms, Securityholders do still participate in the future performance of the Underlying or, as the case may be, the Basket Components.</p> <p>If the relevant Product Terms specify that a "Final Lock-In" feature applies, certain amounts or performances, as specified in the Product Terms, will in the case of the occurrence of a predetermined lock-in event be "locked-in" to an extent that the participation of the Securityholders in the future performance of the Underlying or, as the case may be, the Basket Components is limited or even excluded.</p> <p><u>Automatic Termination Feature</u><br/>If the relevant Product Terms specify that the Automatic Termination feature</p> |
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|  | <p>applies, then the Securities may be terminated and redeemed early upon the occurrence of an automatic termination event (including, but not limited to, a Stop Loss Event or Knock Out Event).</p> <p><u>Investment Strategies</u><br/>Performance can be defined as the hypothetical performance of a certain predefined investment strategy. This can for example be a strategy that invests into the Underlying(s) only on certain predefined dates. Another example would be a strategy that invests into the Underlying(s) dependent on the realised volatility, performance, momentum or other metric of the Underlying(s) level over the life of the product.</p> <p><u>Bearish/Bullish/Variable Participation Rate</u><br/>Participation is usually proportional with a certain rate (which can itself be dependent on certain pre-conditions for example the performance of one or more Underlying(s)) and can be either negative or positive.</p> <p><u>Currency Conversion</u><br/>The Securityholder's right vested in the Securities may be determined on the basis of a currency other than the Redemption Currency, currency unit or calculation unit, and also the value of the Underlying or, as the case may be, the Basket Components may be determined in such a currency other than the Redemption Currency, currency unit or calculation unit. The currency exchange rate to be used to determine the Redemption Amount can either be predefined (quanto feature) or variable.</p> <p><u>Dual Currency</u><br/>The Securityholder are entitled to receive payments in the predetermined currency specified in the applicable Product Terms as the Redemption Currency. If the relevant Product Terms, however, specify the product feature "Dual Currency" to be applicable, the Issuer shall be entitled to replace, either during the life of the Securities or at the final redemption, this predetermined currency by another currency specified for that purposes in the applicable Product Terms. All following payments to the Securityholder will then be made in such other currency. The Securityholder may be exposed to currency risk in such event.</p> <p><u>Coupons/Interest Amounts/Other Proceeds</u><br/>If the relevant Product Terms specify unconditional Coupon, Interest Amount or other proceeds to apply, the Securityholder is entitled to receive payment of the relevant Coupon, Interest Amount or other proceeds, as specified in the applicable Product Terms.</p> <p>If the relevant Product Terms specify conditional Coupon, Interest Amount or other proceeds to apply, the Securityholder is entitled to receive payment of the relevant Coupon, Interest Amount or other proceeds provided that relevant conditions are met. If, in case of a conditional Coupon, Interest Amount or other proceeds, these requirements are not met, no Coupon, Interest Amount or other proceeds are paid.</p> <p>During their term products can therefore generate regular income. However, most products do not generate unconditional income, e.g. dividends or interest.</p> <p><u>Capital Protection</u><br/>Only if the product feature "Capital Protection" is specified to be applicable in the relevant Product Terms, the Settlement Amount is, in any case, at least equal to the capital protected Minimum Amount.</p> <p><u>Maximum Amount</u><br/>If the product feature "Maximum Amount" is specified to be applicable in</p> |
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|      |   | <p>the relevant Product Terms, the Settlement Amount is capped to the Maximum Amount.</p> <p><u>Physical or Cash Settlement</u><br/>Only if the product feature “Physical Settlement” is specified to be applicable in the relevant Product Terms, the Product is possibly settled physically. Otherwise the settlement occurs in cash payment. The settlement can depend on the performance of the Underlying(s).</p> <p><u>General Early Redemption Right</u><br/>The Issuer and the Securityholders will only have a general early redemption right in relation to the Securities prior to the Maturity Date, if so specified in the applicable Product Terms.</p> <p><i>Issuer’s Call Right</i><br/>If so specified in the applicable Product Terms, the Issuer has a right to call the Securities for early redemption by giving notice to that effect on certain predefined dates. The redemption value can either be predefined or dependent on the Underlying(s) level, certain dates or other parameters.</p> <p><i>Securityholder’s Put Right</i><br/>If so specified in the applicable Product Terms, the Securityholder has the right to put the Securities for early redemption. The redemption value can either be predefined or dependent on the Underlying(s) level, certain dates or other parameters.</p> |   |   |                   |   |   |     |     |     |     |     |
|------|---|---|---|---|-------------------|---|---|-----|-----|-----|-----|-----|
| C.16 | Expiration or maturity date, the exercise date or final reference date. | <p>[Maturity Date: [•]*]</p> <p>[Expiration Date: [•]*]</p> <p>[[Exercise Date[s]][Exercise Period]: [•]*]</p> <p>[[Final] Valuation Date: [•]*]</p> <p>[Valuation Averaging Dates: [•]*]</p> <p><i>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities:</i></p> <table border="1"> <thead> <tr> <th>ISIN</th> <th>Maturity Date</th> <th>[Expiration Date]</th> <th>[Exercise Date[s]]<br/>[Exercise Period]</th> <th>[[Final] Valuation Date]<br/>[Valuation Averaging Dates]</th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table>  | ISIN                                    | Maturity Date   | [Expiration Date] | [Exercise Date[s]]<br>[Exercise Period] | [[Final] Valuation Date]<br>[Valuation Averaging Dates] | [•] | [•] | [•] | [•] | [•] |
| ISIN | Maturity Date   | [Expiration Date]   | [Exercise Date[s]]<br>[Exercise Period] | [[Final] Valuation Date]<br>[Valuation Averaging Dates] |                   |   |   |     |     |     |     |     |
| [•]  | [•]   | [•]   | [•]                                     | [•]   |                   |   |   |     |     |     |     |     |
| C.17 | Settlement procedure of the derivative securities.                      | <p>Payments [and/or delivery of the Physical Underlying in the appropriate number, as the case may be,] shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment [or delivery, as the case may be,] or other laws and regulations to which the Issuer agree to be subject, be made in accordance with the relevant CA Rules to the relevant Clearing System or the relevant intermediary or to its order for credit to the accounts of the relevant account holders of the Clearing System or the relevant intermediary.</p> <p>The Issuer shall be discharged from its redemption obligations or any other payment or delivery obligations under the Conditions of the Securities by payment and/or delivery to the Clearing System in the manner described above.</p>   |   |   |                   |   |   |     |     |     |     |     |

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| 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] [and/or] [delivery of the Physical Underlying in the appropriate number, as the case may be].  |      |                                      |     |  |
| C.19 | Exercise price or final reference price of the underlying.   | <p>[Settlement Price: [•]*]</p> <p>[Reference Price: [•]*]</p> <p><i>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities:</i></p> <table border="1" data-bbox="552 573 1262 640"> <tr> <td data-bbox="552 573 767 607">ISIN</td> <td data-bbox="767 573 1262 607">[Settlement Price] [Reference Price]</td> </tr> <tr> <td data-bbox="552 607 767 640">[•]</td> <td data-bbox="767 607 1262 640">[•]</td> </tr> </table> <p style="text-align: right;">]</p>  | ISIN | [Settlement Price] [Reference Price] | [•] | [•]  |
| ISIN | [Settlement Price] [Reference Price]   |  |      |                                      |     |  |
| [•]  | [•]  |  |      |                                      |     |  |
| C.20 | Type of the underlying and where the information on the underlying can be found.                       | <p><b>Type of Underlying:</b></p> <p><i>[insert description of [the share (including a certificate representing shares)] [the Index] [the currency exchange rate] [the precious metal] [the commodity] [the interest rate] [the non-equity security] [the exchange traded fund unit] [the not exchange traded fund unit] [the futures contract (if applicable, including determination of the relevant expiration months)] [the reference rate] [the basket comprising the aforementioned assets] [the portfolio comprising the aforementioned assets: [•]*]</i></p> <p>Information about [•] [and] the past and the further performance of [the Underlying] [the Underlyings] and [its] [their] volatility can be obtained [on the internet page] [•].</p> <p><i>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities:</i></p> <table border="1" data-bbox="552 1223 1382 1346"> <tr> <td data-bbox="552 1223 802 1256">ISIN</td> <td data-bbox="802 1223 1382 1256"></td> </tr> <tr> <td data-bbox="552 1256 802 1346">[•]</td> <td data-bbox="802 1256 1382 1346"><i>[insert description of the underlying and where the information on the underlying can be found]</i></td> </tr> </table> <p style="text-align: right;">]]</p> | ISIN |                                      | [•] | <i>[insert description of the underlying and where the information on the underlying can be found]</i> |
| ISIN |  |  |      |                                      |     |  |
| [•]  | <i>[insert description of the underlying and where the information on the underlying can be found]</i> |  |      |                                      |     |  |

| Element | Section D – Risks   |   |
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| D.2     | Key information on the key risks that is specific and individual to the issuer. | <p>The Securities entail 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 pari passu 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> |

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|  |  | <p>UBS AG as Issuer and UBS are subject to various risks relating to their business activities. Summarised below are the risks that may impact the Group's ability to execute its strategy, and affect its business activities, financial condition, results of operations and prospects, which the Group considers material and is presently aware of:</p> <ul style="list-style-type: none"> <li>• Fluctuation in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on UBS's capital strength, its liquidity and funding position, and its profitability.</li> <li>• Regulatory and legal changes may adversely affect UBS's business and its ability to execute its strategic plans.</li> <li>• If UBS is unable to maintain its capital strength, this may adversely affect its ability to execute its strategy, client franchise and competitive position.</li> <li>• UBS may not be successful in completing its announced strategic plans.</li> <li>• Material legal and regulatory risks arise in the conduct of UBS's business.</li> <li>• Operational risks affect UBS's business.</li> <li>• UBS's reputation is critical to the success of its business.</li> <li>• Performance in the financial services industry is affected by market conditions and the macroeconomic climate.</li> <li>• UBS may not be successful in implementing changes in its wealth management businesses to meet changing market, regulatory and other conditions.</li> <li>• UBS may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees.</li> <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 depends on its risk management and control processes to avoid or limit potential losses in UBS's businesses.</li> <li>• Valuations of certain positions rely on models; models have inherent limitations and may use inputs that have no observable source.</li> <li>• Liquidity and funding management are critical to UBS's ongoing performance.</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 its goodwill.</li> <li>• The effect of taxes on UBS's financial results is significantly influenced by reassessments of its deferred tax assets.</li> <li>• UBS's stated capital returns objective is based, in part, on capital ratios</li> </ul> |
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|     |  | <p>that are subject to regulatory change and may fluctuate significantly.</p> <ul style="list-style-type: none"> <li>• UBS AG's operating results, financial condition and ability to pay obligations in the future may be affected by funding, dividends and other distributions received from UBS Switzerland AG or any other direct subsidiary, which may be subject to restrictions.</li> <li>• If UBS experiences financial difficulties, FINMA has the power to open resolution or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on UBS's shareholders and creditors.</li> </ul> <p>However, because the business of a broad-based international financial services firm such as UBS is inherently exposed to risks that become apparent only with the benefit of hindsight, risks of which UBS is not presently aware or which it currently does not consider to be material could also impact its ability to execute its strategy and affect its business activities, financial condition, results of operations and prospects.</p>  |
| D.3 | 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 [or, as the case may be, the value of the Physical Underlying] received in accordance with the Conditions of the Securities is below the purchase price of the Securities (including the transaction costs). [Even when the Securities are capital protected at maturity to the extent of the Minimum Amount and, hence, the risk of a loss is initially limited to the Minimum Amount, the] [Any] investor 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><u>Special risks related to specific features of the Security structure</u></b></p> <p>[In case of Securities linked to an Underlying insert: Potential investors should be aware that the amount [of [the Interest Amount] [the Interest Amounts] and] of the Redemption Amount payable in accordance with the Conditions of the Securities depends on the performance of the Underlying. In case of an unfavourable development of the price of the [Underlying] [Basket Components], any amount received under the Securities may be lower than expected by the investors <b>and may even be equal to zero. In such case the Securityholders will incur a total loss of its investment (including any transaction costs).</b>]</p> <p>[In case of the product feature "<b>Participation Factor</b>", "<b>Leverage Factor</b>", "<b>Multiplication Factor</b>" or, as the case may be, "<b>Multiplier</b>", insert: Potential investors should consider that the application of the [Participation Factor] [Leverage Factor] [Multiplication Factor] [Multiplier] within the determination of the Security Right results in the Securities being in economic terms similar to a direct investment in the [Underlying] [Basket Components], but being nonetheless not fully comparable with such a direct investment[, in particular because the Securityholders do not participate in the relevant performance of the [Underlying] [Basket Components] by a 1:1 ratio, but by the proportion of the [Participation Factor] [Leverage Factor] [Multiplication Factor] [Multiplier]].]</p> |

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|  |  | <p><i>[In case of the product feature “Reverse Structure”, insert:</i> Potential investors should consider that the Securities provide for a so-called reverse structure and that, hence, the Securities (irrespective of the other features attached to the Securities or of any other factors, which may be relevant for the value of the Securities) <b>depreciate in value</b>, if the price of the [Underlying] [Basket Components] increases, or the Securities <b>increase in value</b>, if the price of the [Underlying] [Basket Components] decreases. Consequently, there is the risk of a loss of the invested capital, if the price of the [Underlying] [Basket Components] increases correlatively. In addition, the potential return under each Security is, as a principle rule, limited, since the negative performance of the [Underlying] [Basket Components] may not exceed 100 %.]</p> <p><i>[In case of the product feature “Express Structure”, insert:</i> Potential investors should consider that the Securities may according to the Conditions of the Securities under certain circumstances expire prior to the Maturity Date without any notice or declaration by the Issuer or the Securityholder being required, so-called express structure. In case the Securities expire prior to the Maturity Date, the Securityholder is entitled to demand [the payment of a cash amount] [or, as the case may be,] [the delivery of the Physical Underlying in an appropriate number] in relation to the early expiration. However, the Securityholder is not entitled to request [any further payments on the Securities] [or, as the case may be,] [the delivery of the Physical Underlying] after such early expiration.</p> <p>The Securityholder, therefore, bears the risk of not participating in the performance of the [Underlying] [Basket Components] to the expected extent and during the expected period.</p> <p>In the case of an early expiration of the Securities, the Securityholder also bears the so-called <b>risk of reinvestment</b>. The Securityholder may only be able to re-invest any amount paid by the Issuer in the case of an early expiration, if any, at market conditions, which are less favourable than those existing prevailing at the time of the acquisition of the Securities.]</p> <p><i>[In case of the product feature “Thresholds, Barriers or Levels”, insert:</i> Potential investors should consider that [the Redemption Amount] [or, as the case may be,] [the value of the Physical Underlying to be delivered in an appropriate number], if any, under the Securities depends on whether the price of the [Underlying] [Basket Components] equals, and/or falls below respectively exceeds a certain threshold, barrier or level as specified in the relevant Final Terms, at a given time or, as the case may be, within a given period as determined by the Conditions of the Securities.</p> <p>Only provided that the relevant threshold, barrier or, as the case may be, level has not been reached and/or fallen below respectively exceeded at the time or period as determined by the Conditions of the Securities, the holder of a Security receives an amount, predetermined in the Conditions of the Securities as Redemption Amount. If so specified in the relevant Final Terms, the application of thresholds, barriers or levels as specified in the relevant Final Terms may in accordance with the Conditions of the Securities even result in a Redemption Amount of zero (0). Otherwise the Securityholder participates in the performance of the [Underlying] [Basket Components] and, therefore, bears the risks of a total loss of the invested capital.]</p> <p><i>[In case of the product feature “Maximum Amount”, insert:</i> Potential investors should consider that [the Redemption Amount] [or, as the case may be,] [the value of the Physical Underlying to be delivered in an appropriate number], if any, under the Securities is limited to the Maximum Amount as determined in the Conditions of the Securities. In contrast to a direct investment in the [Underlying] [Basket Components] the potential profit of</p> |
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|  | <p>the Securities is, therefore, limited to the Maximum Amount.]</p> <p><i>[In case of the product feature “Relevant Underlying”, insert:</i> Potential investors should consider that the calculation of the level of [the Redemption Amount] [or, as the case may be,] [the value of the Physical Underlying to be delivered in an appropriate number], if any, solely refers to the performance of the Relevant Underlying and, thereby, to the Underlying, showing a certain predetermined performance, e.g. the worst performance during an observation period.</p> <p>Potential investors should, consequently, be aware that compared to Securities, which refer to only one underlying, the Securities show a higher exposure to loss. This risk may not be reduced by a positive or, as the case may be, negative performance of the remaining Underlyings, because the remaining Underlyings are not taken into account when calculating [the level of the Redemption Amount] [or, as the case may be,] [the value of the Physical Underlying to be delivered in an appropriate number].]</p> <p><i>[In case of the product feature “Physical Delivery”, insert:</i> Potential investors should consider that upon maturity of the Securities, no payment of a Redemption Amount, but the delivery, if any, of the Physical Underlying as described in the Conditions of the Securities in the appropriate number will occur. Potential investors should, hence, consider that, in the case of a redemption of the Securities by physical delivery of the Physical Underlying in the appropriate number, investors do not receive any cash amount, but a right to the relevant security, which is transferable according to the conditions of the relevant depository system.</p> <p>As in such case the Securityholders of the Securities are exposed to the issuer- and security-specific risks related to the Physical Underlying to be delivered, if any, potential investors in the Securities should make themselves familiar with the Physical Underlying, to be delivered, if any, before purchasing the Securities. Moreover, investors should not rely on being able to sell the Physical Underlying after redemption of the Securities at a certain price, in particular not at a price, which corresponds to the capital invested for the acquisition of the Securities. The Physical Underlying delivered in the appropriate number can, under certain circumstances, possibly have a very low or even no value. In such case the Securityholders bear the risk of a total loss of the capital invested for purchasing the Securities (including the transaction costs).</p> <p>Potential investors in the Securities should also consider that possible fluctuations in the price of the Physical Underlying between the end of the term of the Securities and the actual delivery of the Physical Underlying on the Maturity Date remain with the Securityholder. Any decrease in value of the Physical Underlying after the end of the term of the Securities has to be borne by the Securityholder.]</p> <p><i>[In case of the product feature “Final Lock-In”, insert:</i> Potential investors should be aware that, as far as the Conditions of the Securities provide for a “Final Lock-In” feature, certain amounts or performances, as specified in the Product Terms, will in the case of the occurrence of a predetermined lock-in event be “locked-in” to an extent that the participation of the Securityholders in the future performance of the [Underlying] [Basket Components] is limited or even excluded.</p> <p>Securityholder do in this case, not, or only to a limited extent, participate in any future performance of the [Underlying] [Basket Components].]</p> <p><i>[In case of the product feature “Currency Conversion”, insert:</i> Potential investors should consider that the Securityholder’s right vested in the</p> |
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|  |  | <p>Securities is determined on the basis of a currency other than the Redemption Currency, currency unit or calculation unit, and also the value of the [Underlying] [Basket Components] is determined in such a currency other than the Redemption Currency, currency unit or calculation unit. Potential investors should, therefore, be aware that investments in these Securities could entail risks due to fluctuating exchange rates, and that the risk of loss does not depend solely on the performance of the [Underlying] [Basket Components], but also on unfavourable developments in the value of the foreign currency, currency unit or calculation unit.</p> <p>Such developments can additionally increase the Securityholders' exposure to losses, because an unfavourable performance of the relevant currency exchange rate may correspondingly decrease the value of the purchased Securities during their term or, as the case may be, [the level of the Redemption Amount] [or, as the case may be,] [the value of the Physical Underlying to be delivered in an appropriate number], if any. Currency exchange rates are determined by factors of offer and demand on the international currency exchange markets, which are themselves exposed to economic factors, speculations and measures by governments and central banks (for example monetary controls or restrictions).]</p> <p><i>[In case of the product feature "Dual Currency", insert:</i> Potential investors should consider that – although Securityholders are entitled to receive payments in the predetermined currency specified in the applicable Product Terms as the Redemption Currency – the Issuer is in accordance with the Terms and Conditions entitled to replace, either during the life of the Securities or at the final redemption, this predetermined currency by another currency specified for that purposes in the applicable Product Terms. All following payments to the Securityholder will then be made in such other currency.</p> <p>Potential investors should, therefore, be aware that investments in these Securities could entail specific risks due to fluctuating exchange rates between the predetermined currency specified in the applicable Product Terms and the alternative currency. Consequently, the risk of loss does not depend solely on the performance of the Underlying or, as the case may be, the Basket Components, but also on unfavourable developments in the value of the predetermined currency and the alternative currency.]</p> <p><i>[In case of the product feature "Capital Protection", insert:</i> Potential investors should consider that the Securities are as at the end of their term capital protected to the extent of a capital protected Minimum Amount (without consideration of the offering premium), <i>i.e.</i> the investor receives at the end of the term disregarding the actual performance of the [Underlying] [Basket Components], in any case the Minimum Amount. If an investor acquires the Securities at a price, which is higher than the Minimum Amount, the prospective investor should be aware that the (proportional) capital protection only refers to the lower Minimum Amount. In this context, it has to be considered that the capital protection only applies at the end of the term, <i>i.e.</i> provided that the Securities have not been terminated [or, as the case may be, expired early]. The [cash amount to be paid] [or, as the case may be,] [value of the Physical Underlying to be delivered in an appropriate number], if any, in the case of an early redemption of the Securities can be considerably below the amount, which would be payable as a minimum at the end of the term of the Securities, where the capital protection applies to the extent of the Minimum Amount and may even be equal to zero. In such case the Securityholders will incur a <b>total loss</b> of its investment (including any transaction costs).</p> <p>Potential investors of the Securities should furthermore recognise that despite the capital protection to the extent of the Minimum Amount, the</p> |
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|  | <p>investor bears the risk of the Issuer's financial ability worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. In case of an insolvency of the Issuer, Securityholders may suffer a <b>total loss</b> of their investment in the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the capital invested. Purchasers of the Securities should in any case assess their financial situation, to ensure that they are in a position to bear the risks of loss connected with the Securities.]</p> <p><i>[In case of the product feature “No predefined term”, insert: Potential investors should consider that the Securities have - in contrast to securities with a fixed term - no predetermined 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 Date 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.]</i></p> <p><i>[In case of the product feature “Time-lagged Valuation” insert: Potential investors should note that in case of an exercise of the Securities on an Exercise Date or, as the case may be, of the occurrence of an automatic termination event (including, but not limited to, a Stop Loss Event or Knock Out Event) in accordance with the Conditions of the Securities, the Valuation Date or the Final Valuation Date relevant for determining the Reference Price or the Settlement Price, as specified in the Final Terms, will in accordance with the Conditions of the Securities be a day following a significant period after the relevant Exercise Date or, as the case may be, the relevant automatic termination date, as specified to be applicable in the Product Terms. Any adverse fluctuations in the Price of the Underlying or, as the case may be, of the Basket Components between such date and the Valuation Date or the Final Valuation Date, as specified in the Final Terms are borne by the relevant Securityholder.]</i></p> <p><i>[In case of the product feature “Automatic Termination”, insert: Potential investors should consider that in case of the occurrence of an automatic termination event (including, but not limited to, a Stop Loss Event or Knock Out Event) in accordance with the Conditions of the Securities, the term of all outstanding Securities is automatically terminated.</i></p> <p>The Securityholder, therefore, bears the risk of not participating in the performance of the Underlying or, as the case may be, the Basket Components to the expected extent and during the expected period and, therefore, receives less than its capital invested.</p> <p>In the case of the occurrence of an automatic termination event, the Securityholder also bears the risk of a reinvestment, i.e. the investor bears the risk that it will have to re-invest the redemption amount, if any, paid by the Issuer in the case of the occurrence of an automatic termination event at market conditions, which may be less favourable than those existing prevailing at the time of the acquisition of the Securities.]</p> <p><i>[In case of the product feature “Minimum Exercise Size”, insert: Potential investors should consider that any Securityholder, must in accordance with the Conditions of the Securities tender a specified minimum number of the Securities, in order to exercise the Security Right vested in the Securities, the so-called Minimum Exercise Size. Securityholders with fewer than the specified Minimum Exercise Size of Securities will, therefore, either have to sell their Securities or purchase additional Securities (incurring transaction costs in each case). Selling the Securities requires that market participants are</i></p> |
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|  | <p>willing to acquire the Securities at a certain price. In case that no market participants are readily available, the value of the Securities may not be realised.]</p> <p><i>[In case the product feature “Securityholder’s Termination Right” is specified to be <b>not</b> applicable, insert:</i> Potential investors should consider that Securityholders do not have a termination right and the Securities may, hence, not be terminated by the Securityholders during their term. Prior to the maturity of the Securities the realisation of the economic value of the Securities (or parts thereof), is, unless the Securities have been subject to early redemption or termination by the Issuer in accordance with the Conditions of the Securities or, if so specified in the relevant Final Terms, an exercise of the Security Right by the Securityholders in accordance with the Conditions of the Securities, only possible by way of selling the Securities.</p> <p>Selling the Securities requires that market participants are willing to acquire the Securities at a certain price. In case that no market participants are readily available, the value of the Securities may not be realised. The issuance of the Securities does not result in an obligation of the Issuer towards the Securityholders to compensate for this or to repurchase the Securities.]</p> <p><i>[In case of the product feature “Quanto”, insert:</i> Potential investors should consider that the Price of the [Underlying] [Basket Components] is determined in a currency other than the Redemption Currency, so-called underlying currency. The relevant Price of the [Underlying] [Basket Components] used for the calculation of any amounts payable under the Securities is expressed in the Redemption Currency without any reference to the currency exchange rate between the underlying currency of the [Underlying] [Basket Components], and the Redemption Currency (so-called “quanto”-feature). As a result, the relative difference between the actual interest rate in relation to the Underlying Currency and the actual interest rate in relation to the Redemption Currency may have a negative impact on the value of the Securities.]</p> <p><b><u>General risks related to the Securities</u></b></p> <p><b><i>Effect of downgrading of the Issuer’s rating</i></b><br/>The general assessment of the Issuer’s creditworthiness may affect the value of the Securities. As a result, any downgrading of the Issuer’s rating by a rating agency may have a negative impact on the value of the Securities.</p> <p><b><i>Ratings are not Recommendations</i></b><br/>The ratings of UBS AG as Issuer should be evaluated independently from similar ratings of other entities, and from the rating, if any, of the debt or derivative securities issued. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>A rating of the Securities, if any, is not a recommendation to buy, sell or hold the Securities and may be subject to revision or withdrawal at any time by the relevant rating agency. Each rating should be evaluated independently of any other securities rating, both in respect of the rating agency and the type of security. Furthermore, rating agencies which have not been hired by the Issuer or otherwise to rate the Securities could seek to rate the Securities and if such “unsolicited ratings” are lower than the equivalent rating assigned to the Securities by the relevant hired rating agency, such ratings could have an adverse effect on the value of the Securities.</p> <p><b><i>Securityholders are exposed to the risk of a bail-in</i></b><br/>The Issuer and the Securities are subject to the Swiss Banking Act and the</p> |
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|  | <p>Swiss Financial Market Supervisory Authority's ("FINMA") bank insolvency ordinance, which empowers FINMA as the competent resolution authority to in particular apply under certain circumstances certain resolution tools to credit institutions. These measures include in particular the write-down or conversion of securities into common equity of such credit institution (the so called bail-in). A write-down or conversion would have the effect that the Issuer would insofar be released from its obligations under the Securities. Securityholders would have no further claim against the Issuer under the Securities. The resolution tools may, hence, have a significant negative impact on the Securityholders' rights by suspending, modifying and wholly or partially extinguishing claims under the Securities. In the worst case, this can lead to a <b>total loss of the Securityholders' investment in the Securities</b>.</p> <p>Such legal provisions and/or regulatory measures may severely affect the rights of the Securityholders and may have a negative impact on the value of the Securities even prior to any non-viability or resolution in relation to the Issuer.</p> <p><b><i>The Conditions of the Securities do not contain any restrictions on the Issuer's or UBS's ability to restructure its business</i></b></p> <p>The Conditions of the Securities contain no restrictions on change of control events or structural changes, such as consolidations or mergers or demergers of the Issuer or the sale, assignment, spin-off, contribution, distribution, transfer or other disposal of all or any portion of the Issuer's or its subsidiaries' properties or assets in connection with the announced changes to its legal structure or otherwise and no event of default, requirement to repurchase the Securities or other event will be triggered under the Conditions of the Securities as a result of such changes. There can be no assurance that such changes, should they occur, would not adversely affect the credit rating of the Issuer and/or increase the likelihood of the occurrence of an event of default. Such changes, should they occur, may adversely affect the Issuer's ability to redeem or pay interest on the Securities and/or lead to circumstances in which the Issuer may elect to cancel such interest (if applicable).</p> <p><b><i>Termination and Early Redemption at the option of the Issuer</i></b></p> <p>Potential investors in the Securities should furthermore be aware that the Issuer is, pursuant to the Conditions of the Securities, under certain circumstances, entitled to terminate and redeem the Securities in total prior to the scheduled Maturity Date. In this case the Securityholder is in accordance with the Conditions of the Securities entitled to demand the payment of a redemption amount in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the relevant termination date. Furthermore, the Termination Amount, if any, payable in the case of an early redemption of the Securities by the Issuer can be considerably below the amount, which would be payable at the scheduled end of the term of the Securities.</p> <p>The Securityholder, therefore, bears the risk of not participating in the performance of [the Underlying] [the Basket Components] to the expected extent and during the expected period.</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 are less favourable than those prevailing at the time of the acquisition of the Securities.</p> <p><b><i>Adverse impact of adjustments of the Security Right</i></b></p> <p>There is the risk that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the [Underlying] [Basket</p> |
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|  | <p>Components], which potentially lead to changes to the [Underlying] [Basket Components] or result in the underlying concept of the [Underlying] [Basket Components] being changed, so-called Potential Adjustment Events. In the case of the occurrence of a Potential Adjustment Event, the Issuer shall be entitled to effect adjustments according to the Conditions of the Securities to account for these events or measures. These adjustments might have a negative impact on the value of the Securities.</p> <p><b><i>Substitution of the Issuer</i></b><br/> Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is in accordance with the Conditions of the Securities, at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the “<b>Substitute Issuer</b>”) with respect to all obligations under or in connection with the Securities.</p> <p>This may impact any listing of the Securities and, in particular, it may be necessary for the Substitute Issuer to reapply for listing on the relevant market or stock exchange on which the Securities are listed. In addition, following such a substitution, Securityholders will become subject to the credit risk of the Substitute Issuer.</p> <p><b><i>Trading in the Securities / Illiquidity</i></b><br/> 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>[Applications will be or have been made to the Security Exchange(s) specified for admission or listing of the Securities. If the Securities are admitted or listed, there is the risk that any such admission or listing will not 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, there is the risk that the number of Securities actually issued and purchased by investors is less than the intended [Issue Size] [Aggregate Nominal Amount] 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(s) intend, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager(s) make 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><i>Taxation in relation to the Securities</i></b><br/> 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</p> |
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|  | <p>instruments such as the Securities. Potential investors are advised not to rely upon the tax summary contained in the Base Prospectus but to ask for their own tax advisor'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.</p> <p><b><i>Payments under the Securities may be subject to U.S. withholdings</i></b><br/> Securityholders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding tax. 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.</p> <p><b><i>Changes in Taxation in relation to the Securities</i></b><br/> The considerations concerning the taxation of the Securities set forth in the Base Prospectus reflect the opinion of the Issuer on the basis of the legal situation identifiable as of the date hereof. However, there is the risk that the fiscal authorities and tax courts might take a different view, resulting in a different tax treatment of the Securities. Each investor should seek the advice of his or her personal tax consultant before deciding whether to purchase the Securities.</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><i>Potential conflicts of interest</i></b><br/> 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] [Basket Components], 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 and/or index sponsor.</p> <p>Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Underlying or, as the case may be, the Basket Components; 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] [Basket Components], and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders. In addition, one or more of the Issuer's affiliated companies may publish research reports on the [Underlying] [Basket Components]. Such activities could present conflicts of interest and may negatively affect the value of the Securities.</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</p> |
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|     |  | <p>amount of these fees.</p> <p><b><u>Risk factors relating to [the Underlying] [the Basket Components]</u></b></p> <p>The Securities depend on the value of [the Underlying] [the Basket Components] and the risk associated with [this Underlying] [these Basket Components]. The value of [the Underlying] [the Basket Components] depends upon a number of factors that may be interconnected. These may include economic, financial and political events beyond the Issuer's control. The past performance of [an Underlying] [a Basket Component] should not be regarded as an indicator of its future performance during the term of the Securities and the Issuer does not give any explicit or tacit warranty or representation regarding the future performance of [the Underlying] [the Basket Components].</p> <p><i>[in case of a basket as the Underlying or, as the case may be, a portfolio of Underlyings insert:</i> Investors should also note that the level of the Redemption Amount depends on the performance of [the basket comprising the Basket Components] [a portfolio comprising the Underlyings]. As a result, fluctuations in the value of [one Basket Component] [one Underlying] may be offset or intensified by fluctuations in the value of other [Basket Components comprised in the basket] [Underlyings comprised in the portfolio]. Even in the case of a positive performance of one or more [Basket Components] [Underlyings], the performance of [the basket] [the portfolio], as a whole may be negative if the performance of the other [Basket Components] [Underlyings] is negative to a greater extent. There can be a significant adverse effect on the calculation or specification of the redemption amount if the performance of one or more [Basket Components comprised in the Basket] [Underlyings comprised in the portfolio], on which the calculation or specification of the redemption amount is based, has deteriorated significantly.]</p> <p><i>[in case of the determination of a relative performance of the Underlying to another Underlying insert:</i> Investors should also note that the level of the Redemption Amount depends on the relative performance of the [Underlying] [Underlyings] compared to the performance of [another Underlying] [the other Underlyings]. Consequently, the value of the Securities will even in case of a positive performance of the relevant Underlying[s] remain constant, if the other Underlying[s] perform[s] in parallel.]</p> <p>Investors should be aware that the relevant [Underlying] [Basket Components] 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] [the Basket Components].</p> |
| D.6 | Risk warning to the effect that investors may lose the value of their entire investment or part of it. | [Even when the Securities are capital protected at maturity to the extent of the Minimum Amount and, hence, the risk of a loss is initially limited, each] [Each] investor in the Securities bears the risk of the Issuer's financial situation worsening. Potential investors must therefore be prepared and able to sustain a partial or even a <b>total loss</b> of their entire investment. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the <b>risk of loss</b> connected with the Securities.   |

## Element

Section E – Offer<sup>2</sup>

<sup>2</sup> The use of the symbol "\*" in the following Section E - Securities indicates that the relevant information for each series of Securities may, in respect of Multi-Series Securities and where appropriate, be presented in a table.

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| E.2b | Reasons for the offer and use of proceeds. | Not applicable. Reasons for the offer and use of proceeds are not different from making profit and/or hedging certain risks.  |
| E.3  | Terms and conditions of the offer.         | <p data-bbox="576 271 1436 331"><i>[In the case that the Securities are offered to the public, insert the following text:</i></p> <p data-bbox="576 365 1436 763">It has been agreed that, on or after the respective Issue Date of the Securities, the Manager may purchase Securities and shall place the Securities for sale [at [the Issue Price] [<i>specify Issue Price: [●]</i>] (the "<b>Issue Price</b>") under terms subject to change in the Public Offer Jurisdictions [during [the Subscription Period] [the Offer Period] (as defined below)]. [The Issue Price [will be] [was] fixed [at the Start of the public offer of the Securities (as defined below)] [on [<i>specify Fixing Date: [●]</i>] (the "<b>Fixing Date</b>")], [based on the prevailing market situation and the price of the Underlying [, and [will [then] be made] [is] available at [●].] [[After closing of the Subscription Period (as defined below)] [As of the Start of the public offer of the Securities (as defined below)] [As of the Fixing Date] [Thereafter,] the selling price [will [then] be] [was] adjusted on a continual basis to reflect the prevailing market situation.]</p> <p data-bbox="576 792 1436 1070"><i>[in the case of a Subscription Period insert the following text:</i> The Securities may be subscribed from the Manager [and] [<i>if appropriate, insert alternative or further financial intermediaries placing or subsequently reselling the Securities: [●]</i>] during normal banking hours during [<i>specify Subscription Period: [●]</i>] (the "<b>Subscription Period</b>"). [The Securities may only be subscribed in the minimum investment amount of [<i>specify Minimum Investment Amount: [●]</i>] (the "<b>Minimum Investment Amount</b>").] The Issue Price per Security is payable on [<i>specify Initial Payment Date: [●]</i>] (the "<b>Initial Payment Date</b>").</p> <p data-bbox="576 1099 1436 1160">The Issuer reserves the right [to earlier close] [or] [to extend] the Subscription Period if market conditions so require.</p> <p data-bbox="576 1189 1436 1339">After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor's account in accordance with the rules of the corresponding Clearing System. If the Subscription Period is shortened or extended, the Initial Payment Date may also be brought forward or postponed.]</p> <p data-bbox="576 1368 1436 1711"><i>[in case that no Subscription Period is intended insert the following text:</i> [As of [<i>specify Start of the public offer of the Securities: [●]</i>] (the "<b>Start of the public offer of the Securities</b>"), the] [The Securities may be purchased from the Manager [and] [<i>if appropriate, insert alternative or further financial intermediaries placing or subsequently reselling the Securities: [●]</i>] during normal banking hours [during the Offer Period]. [Such offer of the Securities is made on a continuous basis.] [The Securities may only be purchased in the minimum investment amount of [<i>specify Minimum Investment Amount: [●]</i>] (the "<b>Minimum Investment Amount</b>").] There will be no subscription period. The Issue Price per Security is payable on [<i>specify Initial Payment Date: [●]</i>] (the "<b>Initial Payment Date</b>").</p> <p data-bbox="576 1740 1436 1800">[The Issuer reserves the right [to earlier close] [or] [to extend] the Offer Period if market conditions so require.]</p> <p data-bbox="576 1830 1436 1921">After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor's account in accordance with the rules of the corresponding Clearing System.]</p> |

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|     |   | <p><i>[In the case of a continued offer of the Securities to the public, add the following text:</i></p> <p>The Securities have been offered to the public since [<i>specify start of the original offer of the Securities: [•]</i>]. These Final Terms are used to continue this offer of the Securities as of [<i>specify start of the continued offer of the Securities: [•]</i>].</p> <p><i>[In the case that the Securities are not offered to the public, but listed on a regulated market, insert the following text:</i></p> <p>The Securities are not offered to the public, but shall be admitted to trading on [<i>specify securities exchange: [•]</i>].</p>  |
| E.4 | Interest that is material to the issue/offer incl. conflicting interests. | <p><b><i>Conflicts of interest</i></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] [Basket Components], 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 and/or index sponsor.</p> <p>Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the [Underlying] [Basket Components]; 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] [Basket Components], and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders. In addition, one or more of the Issuer's affiliated companies may publish research reports on the [Underlying] [Basket Components]. Such activities could present conflicts of interest and may negatively affect the value of the Securities.</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>Any interest that is material to the issue/offer including potential conflicting interests</b></p> <p><i>[to be inserted*]</i></p> <p>[Not applicable.] [[Save for the [relevant] Authorised Offeror[s] regarding [its] [their] fees,] [as][As] far as the Issuer is aware, no person involved in the issue [and offer] [and listing] of [each Series of] the Securities has an interest material to the issue [and offer] [and listing] of the Securities.]</p> |

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| <b>E.7</b> | Estimated expenses charged to the investor by the issuer or the offeror. | [Not applicable; no expenses are charged to the investor by the issuer or the Manager.] [ <i>to be inserted*</i> ] |
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**B. SUMMARY OF THE BASE PROSPECTUS (IN THE SWEDISH LANGUAGE)****SAMMANFATTNING**

Sammanfattningar består av informationskrav, eller "Punkter". Punkterna är numrerade i Avsnitt A – E (A.1 – E.7).

Denna sammanfattning innehåller alla de Punkter som krävs i en sammanfattning för den aktuella typen av värdepapper och Emittent. Eftersom vissa Punkter inte är tillämpliga för denna typ av värdepapper och Emittent kan det finnas luckor i Punkternas numrering.

Även om det krävs att en Punkt inkluderas i en sammanfattning för denna typ av värdepapper och Emittent, är det möjligt att ingen relevant information kan ges rörande Punkten. I dessa fall har en kortfattad beskrivning av Punkten inkluderats i sammanfattningen, tillsammans med angivelsen "ej tillämpligt". Vissa skrivningar i sammanfattningen står mellan hakparenteser. Sådan information kommer att kompletteras eller, när den inte är relevant, strykas, avseende en viss emission av Värdepapper och den kompletterade sammanfattningen avseende sådan emission av Värdepapper ska bifogas till de Slutliga Villkoren.

| Punkt | Avsnitt A– Inledning och varningar       |  |
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| A.1   | Varning.                                 | <p><b>Denna sammanfattning bör läsas som en inledning till Grundprospektet och varje beslut att investera i Värdepapperen bör baseras på investerarens bedömning av Grundprospektet i dess helhet.</b></p> <p>Potentiella investerare bör vara medvetna om att om ett krav gällande informationen i detta Grundprospekt framförs inför domstol, kan käranden (investeraren), enligt den nationella lagstiftningen i respektive medlemsstat i det Europeiska Ekonomiska Samarbetsområdet, bli skyldig att stå för kostnaderna för att översätta Grundprospektet innan de rättsliga förfarandena inleds.</p> <p>De personer som är ansvariga för sammanfattningen, inklusive varje översättning därav, eller som har initierat framtagandet, kan hållas ansvariga, men endast om sammanfattningen är vilseledande, felaktig eller inkonsekvent när den läses tillsammans med de övriga delarna av Grundprospektet eller om den inte tillhandahåller all erforderlig nyckelinformation, när den läses tillsammans med de andra delarna av detta Grundprospekt..</p> <p>UBS AG i dess roll som Emittent, som är ansvarig för sammanfattningen, inklusive varje översättning härav, kan vara ersättningsskyldig men endast om sammanfattningen är vilseledande, felaktig eller inkonsekvent när den läses tillsammans med de andra delarna av Grundprospektet eller om den inte tillhandahåller all erforderlig nyckelinformation, när den läses tillsammans med de andra delarna av detta Grundprospekt.,.</p> |
| A.2   | Samtycke till användandet av prospektet. | <p>[Ej tillämpligt. Emittenten samtycker inte till användandet av Grundprospektet.]</p> <p>[[Emittenten samtycker till att Grundprospektet används tillsammans med relevanta Slutliga Villkor i samband med ett erbjudande till allmänheten av Värdepapperen (ett "<b>Erbjudande till Allmänheten</b>") av [UBS Limited, 5 Broadgate, London EC2M 2QS, Storbritannien] [och] [<i>ange finansiella mellanmän</i>: [•]] [var och en] i sin roll som manager i förhållande till Värdepapperen (var och en benämnd "<b>Manager</b>" eller, i förekommande fall, en "<b>Auktoriserad Erbjudare</b>") på följande villkor:]</p> <p>[Emittenten samtycker till att Grundprospektet används tillsammans med relevanta Slutliga Villkor i samband med ett erbjudande till allmänheten av Värdepapperen (ett "<b>Erbjudande till Allmänheten</b>") av varje finansiell</p>   |

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|  |  | <p>mellanman ("<b>Auktoriserad Erbjudare</b>") som är auktoriserad att göra sådana erbjudanden enligt Direktivet om Marknader för Finansiella Instrument (Direktiv 2004/39/EG) på följande villkor:]</p> <p>[Emittenten samtycker till att Grundprospektet används tillsammans med relevanta Slutliga Villkor i samband med ett erbjudande till allmänheten av Värdepapperen (ett "<b>Erbjudande till Allmänheten</b>") av [<i>ange finansiella mellanmän</i>: [•]] ("<b>Auktoriserad(e) Erbjudare</b>") på följande villkor:]</p> <p>(a) det aktuella Erbjudandet till Allmänheten måste ske under [<i>ange giltighetstid för erbjudandet</i>: [•]] ("<b>Erbjudandeperioden</b>");</p> <p>(b) det aktuella Erbjudandet till Allmänheten får endast ske i [Sverige][,][och] [Norge][,][och] [Finland][,][ ] [och] [Danmark] [och] [Luxemburg] (vart och ett benämnt "<b>Jurisdiktion för Erbjudande till Allmänheten</b>");</p> <p>(c) den aktuella Auktoriserade Erbjudaren måste vara auktoriserad att göra sådant erbjudande i den aktuella Jurisdiktionen för Erbjudande till Allmänheten enligt Direktivet om Marknader för Finansiella Instrument (Direktiv 2004/39/EG) och om den Auktoriserade Erbjudaren upphör att vara auktoriserad, upphör Emittentens ovanstående samtycke; [(d) den aktuella Auktoriserade Erbjudaren [med undantag för en Manager] måste uppfylla [<i>om tillämpligt, ange ytterligare tydliga och objektiva villkor</i>: [•]] och</p> <p>[(d)[e] varje Auktoriserad Erbjudare, som inte är en Manager, måste iakta de begränsningar som anges i avsnittet "<i>Subscription and Sale</i>" som om de vore en Manager.</p> <p><b>[Auktoriserade Erbjudare ska underrätta investerare om anbudsvillkoren för Värdepapperen i samband med att Erbjudandet till Allmänheten lämnas till investeraren av den Auktoriserade Erbjudaren.]</b></p> <p>[Ej tillämpligt, inget erbjudande till allmänheten avseende Värdepapperen lämnas. De Slutliga Villkoren har endast upprättats för [inregistrering] [inkluderande] [upptagande] av Värdepapperen [till handel].]</p> |
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| Punkt | Avsnitt B – Emittent  |  |
|-------|---|--|
| B.1   | Emittentens registrerade firma och handelsbeteckning.   | Emittentens registrerade firma och handelsbeteckning är UBS AG (" <b>Emittenten</b> " och tillsammans med dess dotterföretag " <b>UBS AG (konsoliderat)</b> ", eller " <b>UBS AG-koncernen</b> "; tillsammans med UBS Group AG, holdingbolag till UBS AG, och dess dotterbolag, " <b>UBS-koncernen</b> ", " <b>Koncernen</b> ", " <b>UBS</b> " eller " <b>UBS Group AG (konsoliderat)</b> ").  |
| B.2   | Emittentens säte, bolagsform, lag under vilken Emittenten bedriver sin verksamhet, och land för bildande. | <p>Emittenten bildades under firman SBC AG den 28 februari 1978 för en obegränsad tid och fördes in i handelsregistret i kantonen Basel-City på den dagen. Den 8 december 1997 ändrade bolaget firma till UBS AG. UBS AG i dess nuvarande form bildades den 29 juni 1998 genom sammanslagningen av Union Bank of Switzerland (grundad 1862) och Swiss Bank Corporation (grundad 1872). UBS AG är införd i handelsregistren i kantonen Zürich och kantonen Basel-City. Registreringsnumret är CHE-101.329.561.</p> <p>UBS AG är bildat och är hemmahörande i Schweiz och bedriver sin verksamhet under schweizisk rätt (<i>Swiss Code of Obligations</i>) som ett <i>Aktiengesellschaft</i>, ett aktiebolag.</p> <p>Adresserna och telefonnumren till UBS AG:s två registrerade kontor och huvudsakliga verksamhetsorter är: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, telefonnummer +41 44 234 1111; och Aeschenvorstadt 1, CH-4051 Basel, Schweiz, telefonnummer +41 61 288 5050.</p> |

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| <b>B.4b</b> | En beskrivning av varje känd trend som påverkar emittenten eller de branscher där emittenten är verksam. | <p><b>Information om trender</b></p> <p>Som beskrivs i UBS Group AG:s delårsrapport för det andra kvartalet 2016, kommer en fortsatt marknadsvolatilitet, såväl som underliggande makroekonomisk och geopolitisk osäkerhet, vilken ytterligare har spåtts på av effekten av Storbritanniens folkomröstning om utträde ur EU, att leda till fortsatt riskaversion hos klienter och onormalt låga transaktionsvolymerna. Det är osannolikt att denna situation kommer att ändras under överskådlig tid. Oförutsett låga eller negativa räntenivåer och den relativa styrkan hos schweiziska franc, särskilt i förhållande till euron, fortsätter att skapa motvind. Dessutom kommer ändringarna i de regulatoriska kapitalkraven för banker i Schweiz och föreslagna ytterligare ändringar i det internationella regelverket för banker att resultera i ökade kapitalkrav och kostnader. UBS fortsätter att verkställa sin strategi med disciplin för att mildra dessa effekter och är väl positionerat för att dra fördel av även en måttlig förbättring av förhållandena.</p>   |
| <b>B.5</b>  | Beskrivning av koncernen och emittentens plats inom koncernen.   | <p>UBS AG är en schweizisk bank och moderbolaget till UBS AG-koncernen. Det ägs till 100 % av UBS Group AG, som är holdingbolaget för UBS-koncernen. UBS-koncernen bedrivs som en koncern med fem affärsdivisioner (Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management och Investment Bank) samt ett Corporate Center.</p> <p>Under de två senaste åren har UBS vidtagit en rad åtgärder för att förbättra Koncernens förmåga till avveckling för att möta kraven i Schweiz och andra länder där Koncernen är verksam, avseende företag som anses för stora för att tillåtas fallera ("<b>TBTF</b>").</p> <p>I december 2014 avslutade UBS Group AG ett utbyteserbjudande för aktierna i UBS AG och etablerade UBS Group AG som holdingbolag för UBS Group. Under 2015 inlämnade och genomförde UBS Group AG ett domstolsförfarande enligt lagen för den schweiziska börsen (<i>the Swiss Stock Exchange and Securities Trading Act</i>) som resulterade i ett ogiltigförklarande av aktierna som ägdes av de kvarvarande minoritetsaktieägarna i UBS AG. Som ett resultat äger UBS Group AG nu 100 % av de utestående aktierna i UBS AG.</p> <p>I juni 2015 överförde UBS AG sin verksamhet inom Retail &amp; Corporate (numera Personal &amp; Corporate Banking) och Wealth Management, som bokförs i Schweiz, till UBS Switzerland AG, ett bankdotterföretag till UBS AG i Schweiz.</p> <p>Under 2015 avslutade UBS även genomförandet av en mer självförsörjande affärs- och verksamhetsmodell för UBS Limited, dess investeringsdotterföretag i Storbritannien, enligt vilken UBS Limited bär och behåller en större andel av risken och avkastningen från sin affärsverksamhet.</p> <p>Under det tredje kvartalet 2015 etablerade UBS, UBS Business Solutions AG som ett direkt dotterföretag till UBS Group AG, för att agera som Koncernens serviceföretag. UBS kommer att överföra ägandet av majoriteten av dess existerande servicedotterföretag till denna enhet. UBS förväntar sig att överföringen av delade service- och stödfunktioner till serviceföretagsstrukturen kommer att genomföras stegvis till och med 2018. Syftet med serviceföretagsstrukturen är att förbättra Koncernens förmåga till avveckling genom att möjliggöra för UBS att bibehålla operationell kontinuitet av kritiska tjänster om en rekonstruktions- eller avvecklingshändelse skulle inträffa.</p> <p>Under det andra kvartalet 2016, utsågs UBS Americas Holding LLC, ett dotterföretag till UBS AG, till mellanliggande holdingbolag för dess dotterföretag i USA, vilket krävs i de utökade reglerna rörande stabilitetstillsyn i enlighet med Dodd-Frank Wall Street Reform and Consumer Protection Act ("<b>Dodd-Frank</b>"). UBS Americas Holding LLC äger alla UBS dotterföretag i USA,</p> |

|  |  | <p>och lyder under amerikansk rätt avseende kapitalkrav, krav på företagsstyrning och annan stabilitetsreglering.</p> <p>Under år 2015 etablerade UBS även ett nytt dotterföretag till UBS AG, UBS Asset Management AG, med avsikt att dit överföra majoriteten av de rörelsedrivande dotterföretagen inom Asset Management under år 2016. UBS fortsätter att överväga ytterligare förändringar beträffande juridiska personer som används inom Asset Management, inklusive överföringen av verksamheter som bedrivs av UBS AG i Schweiz till ett dotterföretag till UBS Asset Management AG.</p> <p>UBS fortsätter att överväga ytterligare förändringar beträffande Koncernens juridiska struktur för att möta kapitalmässiga och andra regulatoriska krav samt för att uppnå varje minskning av kapitalkrav som Koncernen kan kvalificera sig för. Sådana förändringar kan inkludera överföringen av rörelsedrivande dotterföretag till UBS AG till att bli direkta dotterföretag till UBS Group AG, konsolidering av rörelsedrivande dotterföretag i den Europeiska Unionen och justeringar beträffande bokförande enhet eller placeringen av produkter och tjänster. Dessa strukturella förändringar diskuteras löpande med den schweiziska tillsynsmyndigheten för finansmarknaden FINMA ("FINMA") och andra regulatoriska myndigheter och fortsätter att vara beroende av ett antal osäkerhetsfaktorer som kan påverka deras genomförbarhet, omfattning eller tidpunkt.</p>                            |   |                                    |          |                                |  |  |  |         |         |          |          |          |  |                   |  |   |  |  |
|--|--|---|---|------------------------------------|----------|--------------------------------|--|--|--|---------|---------|----------|----------|----------|--|-------------------|--|---|--|--|
| <b>B.9</b>   | Resultatprognos eller förväntat resultat.      | Ej tillämpligt; ingen resultatprognos eller förväntat resultat inkluderas i detta Grundprospekt.  |   |                                    |          |                                |  |  |  |         |         |          |          |          |  |                   |  |   |  |  |
| <b>B.10</b>  | Anmärkingar i revisionsberättelsen.            | Ej tillämpligt. Det finns inte några anmärkingar i revisionsberättelsen för de konsoliderade finansiella räkenskaperna för UBS AG och de separata finansiella räkenskaperna för UBS AG för åren som slutade den 31 december 2015 och 31 december 2014.  |   |                                    |          |                                |  |  |  |         |         |          |          |          |  |                   |  |   |  |  |
| <b>B.12</b>  | Utvald historisk finansiell nyckelinformation. | UBS AG har hämtat den utvalda finansiella informationen i tabellen nedan för åren som slutade 31 december 2015, 2014 och 2013, förutom där annat anges, från årsredovisningen för 2015, vilken innehåller de reviderade konsoliderade finansiella räkenskaperna för UBS AG liksom ytterligare oreviderad konsoliderad finansiell information, för året som slutade den 31 december 2015 och jämförelsesiffror för åren som slutade den 31 december 2014 och 2013. Den utvalda konsoliderade finansiella informationen i tabellen nedan för halvåren som slutade den 30 juni 2016 och 30 juni 2015 har hämtats från UBS AG:s rapport för det andra kvartalet 2016, vilken innehåller de oreviderade konsoliderade finansiella räkenskaperna för UBS AG, såväl som ytterligare oreviderad konsoliderad finansiell information, för halvåret som slutade den 30 juni 2016 och jämförelsesiffror för halvåret som slutade 30 juni 2015. De konsoliderade finansiella räkenskaperna har tagits fram i enlighet med International Financial Reporting Standards ("IFRS"), som har utfärdats av International Accounting Standards Board ("IASB"), och anges i schweiziska franc ("CHF"). Information för åren som slutade 31 december 2015, 2014 och 2013 vilken indikeras som oreviderad i tabellen nedan, inkluderades i Årsredovisningen 2015 men har inte reviderats på grund av att de respektive beskrivningarna inte krävs enligt IFRS och därför inte utgör del av de reviderade finansiella räkenskaperna. |   |                                    |          |                                |  |  |  |         |         |          |          |          |  |                   |  |   |  |  |
| <table border="1"> <thead> <tr> <th></th> <th colspan="2">Per eller för halvåret som slutade</th> <th colspan="3">Per eller för året som slutade</th> </tr> </thead> <tbody> <tr> <td><i>CHF miljoner, förutom där indikerat</i></td> <td>30.6.16</td> <td>30.6.15</td> <td>31.12.15</td> <td>31.12.14</td> <td>31.12.13</td> </tr> <tr> <td></td> <td colspan="2"><i>Oreviderat</i></td> <td colspan="3"><i>Reviderat, förutom där indikerat</i></td> </tr> </tbody> </table> |  |   |   | Per eller för halvåret som slutade |          | Per eller för året som slutade |  |  | <i>CHF miljoner, förutom där indikerat</i> | 30.6.16 | 30.6.15 | 31.12.15 | 31.12.14 | 31.12.13 |  | <i>Oreviderat</i> |  | <i>Reviderat, förutom där indikerat</i> |  |  |
|  | Per eller för halvåret som slutade             |   | Per eller för året som slutade          |                                    |          |                                |  |  |  |         |         |          |          |          |  |                   |  |   |  |  |
| <i>CHF miljoner, förutom där indikerat</i>   | 30.6.16  | 30.6.15   | 31.12.15                                | 31.12.14                           | 31.12.13 |                                |  |  |  |         |         |          |          |          |  |                   |  |   |  |  |
|  | <i>Oreviderat</i>                              |   | <i>Reviderat, förutom där indikerat</i> |                                    |          |                                |  |  |  |         |         |          |          |          |  |                   |  |   |  |  |

| <b>Resultat</b>   |         |         |          |           |            |
|---|---------|---------|----------|-----------|------------|
| Rörelseintäkter   | 14 254  | 16 644  | 30 605   | 28 026    | 27 732     |
| Rörelsekostnader  | 11 818  | 12 254  | 25 198   | 25 557    | 24 461     |
| Rörelsevinst / (förlust) före skatt   | 2 436   | 4 391   | 5 407    | 2 469     | 3 272      |
| Nettovinst / (förlust) hänförlig till UBS AG aktieägare   | 1 723   | 3 201   | 6 235    | 3 502     | 3 172      |
| <b>Viktiga resultatindikatorer</b>  |         |         |          |           |            |
| <b>Lönsamhet</b>  |         |         |          |           |            |
| Avkastning på synligt eget kapital (%) <sup>1</sup>   | 7,3     | 14,1    | 13,5*    | 8,2*      | 8,0*       |
| Avkastning på tillgångar, brutto (%) <sup>2</sup>   | 2,9     | 3,2     | 3,1*     | 2,8*      | 2,5*       |
| Kostnads / intäktsrelation (%) <sup>3</sup>   | 82,9    | 73,5    | 82,0*    | 90,9*     | 88,0*      |
| <b>Tillväxt</b>   |         |         |          |           |            |
| Nettovinsttillväxt (%) <sup>4</sup>   | (46,2)  | 73,4    | 78,0*    | 10,4*     | -          |
| Nettotillväxt nya medel för kombinerade verksamheter inom förmögenhetsförvaltning (%) <sup>5</sup>      | 3,8     | 2,6     | 2,2*     | 2,5*      | 3,4*       |
| <b>Resurser</b>   |         |         |          |           |            |
| Primärkapitalrelation ( <i>Common equity tier 1 capital ratio</i> ) (fullt tillämpad, %) <sup>6,7</sup> | 15,0    | 15,6    | 15,4*    | 14,2*     | 12,8*      |
| Hävstångsrelation (infasad, %) <sup>8,9</sup>   | 5,5     | 5,1     | 5,7*     | 5,4*      | 4,7*       |
| <b>Ytterligare information</b>  |         |         |          |           |            |
| <b>Lönsamhet</b>  |         |         |          |           |            |
| Avkastning på eget kapital (RoE) (%)  | 6,3     | 12,1    | 11,7*    | 7,0*      | 6,7*       |
| Avkastning på riskvägda tillgångar, brutto (%) <sup>10</sup>  | 13,4    | 15,5    | 14,3*    | 12,6*     | 11,6*      |
| <b>Resurser</b>   |         |         |          |           |            |
| Totala tillgångar   | 990 135 | 951 528 | 943 256  | 1 062 327 | 1 013 355  |
| Eget kapital hänförligt till UBS AG aktieägare  | 53 353  | 51 685  | 55 248   | 52 108    | 48 002     |
| Primärkapital ( <i>Common equity tier 1 capital</i> ) (fullt tillämpad) <sup>7</sup>                    | 32 184  | 32 834  | 32 042   | 30 805    | 28 908     |
| Primärkapital ( <i>Common equity tier 1 capital</i> ) (infasad) <sup>7</sup>                            | 38 913  | 39 169  | 41 516   | 44 090    | 42 179     |
| Riskvägda tillgångar (fullt tillämpad) <sup>7</sup>   | 214 210 | 210 400 | 208 186* | 217 158*  | 225 153*   |
| Primärkapitalrelation ( <i>Common equity tier 1 capital ratio</i> ) (infasad, %) <sup>6,7</sup>         | 17,9    | 18,5    | 19,5*    | 19,9*     | 18,5*      |
| Totalkapitalrelation (fullt tillämpad, %) <sup>7</sup>  | 21,2    | 20,2    | 21,0     | 19,0*     | 15,4*      |
| Totalkapitalrelation (infasad, %) <sup>7</sup>  | 23,5    | 23,8    | 24,9*    | 25,6*     | 22,2*      |
| Hävstångsrelation (fullt tillämpad, %) <sup>8,9</sup>   | 5,0     | 4,5     | 4,9*     | 4,1*      | 3,4*       |
| Hävstångsrelationsnämnare (fullt tillämpad) <sup>9</sup>  | 899 075 | 946 457 | 898 251* | 999 124*  | 1 015 306* |
| <b>Övrigt</b>   |         |         |          |           |            |
| Investerade tillgångar (CHF miljarder) <sup>11</sup>  | 2 677   | 2 628   | 2 689    | 2 734     | 2 390      |
| Anställda (motsvarande heltidstjänster)   | 57 387  | 59 648  | 58 131*  | 60 155*   | 60 205*    |

\* oreviderat

**1** Nettovinst hänförlig till UBS AG:s aktieägare före nedskrivningar och reserveringar av goodwill och immateriella tillgångar (på årsbasis där tillämpligt) / genomsnittligt eget kapital hänförligt till UBS AG:s aktieägare minskat med UBS AG:s genomsnittliga goodwill och immateriella tillgångar. **2** Rörelseintäkter före kreditförluster (utgift) eller återvinning (på årsbasis där tillämpligt) / genomsnittliga totala tillgångar. **3** Rörelseutgifter/rörelseintäkter före kreditförlust (utgift) eller återvinning. **4** Förändring i nettovinst hänförlig till UBS AG:s aktieägare från fortsatt bedrivna verksamheter mellan innevarande och jämförelseperioder/nettovinst hänförlig till UBS AG:s aktieägare från fortsatt bedrivna verksamheter under jämförelseperiod. Ej meningsfullt och ej inkluderat om antingen rapporteringsperioden eller jämförelseperioden är en förlustperiod. **5** Kombinerat för Wealth Managements och Wealth Management Americas netto nya medel för perioden (på årsbasis där tillämpligt) / investerade tillgångar vid början av perioden. Siffror för första halvåret 2015 och året som slutade 31 december 2015 är baserade på justerat netto av nya pengar, vilket exkluderar den negativa effekten på netto av nya pengar till ett belopp av CHF 6,6 miljarder under andra kvartalet 2015 respektive CHF 9,9 miljarder under 2015 från UBS:s program avseende balansräknings-

|   |   |   |
|---|---|---|
| <p>och kapitaloptimering. <b>6</b> Primärkapital (<i>Common equity tier 1 capital</i>) / riskvägda tillgångar. <b>7</b> Baserat på Basel III-regelverket så som detta tillämpas på schweiziska systemviktiga banker (SRB). <b>8</b> Primärkapital (<i>Common equity tier 1 capital</i>) och förlustabsorberande kapital / total justerad exponering (hävstångsrelationsnämndare). <b>9</b> Beräknad i enlighet med schweiziska SRB-regler. Från och med 31 december 2015 är beräkningen av hävstångsrelationsnämndaren fullt lierad med BIS Basel III-reglerna. Siffror för perioder före 31 december 2015 har beräknats i enlighet med tidigare schweiziska SRB-regler och är därför inte fullt jämförbara. <b>10</b> Baserat på fullt tillämpade riskvägda tillgångar för alla redovisade perioder. Detta mått var tidigare baserat på riskvägda tillgångar (infasning). Denna oreviderade konsoliderade finansiella information har hämtats från UBS AG:s rapport för det andra kvartalet 2016 och UBS AG:s bokföringsunderlag. <b>11</b> Inkluderar investerade tillgångar inom Personal &amp; Corporate Banking.</p> |   |   |
|   | Uttalande om väsentliga negativa förändringar.  | Det har inte inträffat någon väsentlig negativ förändring i framtidsutsikterna för UBS AG eller UBS AG-koncernen sedan den 31 december 2015.  |
|   | Uttalande om väsentliga förändringar.   | Det har inte inträffat någon väsentlig förändring i den finansiella eller handelspositionen för UBS AG eller UBS AG-koncernen sedan den 30 juni 2016, vilket är slutet på den senaste finansiella period för vilken finansiell information har publicerats.   |
| <b>B.13</b>   | Nyligen inträffade händelser särskilda för Emittenten vilka är väsentligt relevanta för värderingen av Emittentens solvens. | Ej tillämpligt, det har inte nyligen inträffat några händelser som är specifika för UBS AG och som i väsentlig mån skulle ha varit relevanta för utvärderingen av UBS AG:s solvens.   |
| <b>B.14</b>   | Beskrivning av koncernen och av emittentens position inom koncernen. Beroende av andra företag inom koncernen.              | Se Punkt B.5.<br><br>UBS AG är moderbolaget för UBS AG-koncernen. Som sådant är det i viss mån beroende av vissa av sina dotterföretag.   |
| <b>B.15</b>   | Emittentens huvudsakliga verksamhet.  | <p>UBS AG och dess dotterföretag tillhandahåller finansiell rådgivning och lösningar till privata, institutionella och företagskunder världen över, liksom även privatpersonskunder i Schweiz. Den operationella strukturen inom Koncernen består av Corporate Center (företagscenter) och fem verksamhetsdivisioner: Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management och Investmentbank. UBS:s strategi bygger på styrkorna inom alla dess verksamheter och fokuserar dess insatser till områden där UBS är framgångsrikt, samtidigt som den strävar att utnyttja de uppenbara tillväxtutsikterna inom de verksamheter och regioner där UBS är verksam, i syfte att skapa attraktiv och hållbar avkastning för aktieägarna. Enligt UBS:s åsikt är alla dess verksamheter kapitaleffektiva och drar fördel av en stark konkurrensmässig position på dess målmarknader.</p> <p>Enligt Artikel 2 i Bolagsordningen för UBS AG, daterad den 4 maj 2016 ("<b>Bolagsordningen</b>") är verksamhetsföremålet för UBS AG att bedriva bankverksamhet. Dess verksamhet sträcker sig över alla typer av banktjänster, finansiella tjänster, rådgivningstjänster och handelsaktiviteter i Schweiz och utomlands. UBS AG kan etablera filialer och representationskontor liksom även banker, kreditmarknadsföretag och andra företag av varje slag i Schweiz och utomlands, inneha ägarintressen i dessa bolag och sköta dessas ledning. UBS AG är auktoriserat att köpa, in-teckna och sälja fast egendom och byggrätter i Schweiz och utomlands. UBS AG kan låna och investera på penning- och kapitalmarknader. UBS AG ingår i den företagskoncern som styrs av moderföretaget UBS Group AG. Det kan verka till fördel för koncernens moderföretag eller andra koncernföretag. Det kan tillhandahålla lån, garantier och andra former av finansiering och säkerheter för</p> |

|   |   |   |
|---|---|---|
|   |   | koncernföretagen.   |
| <b>B.16</b>   | Direkt eller indirekt aktieäggande eller kontrollöverenskomelser avseende emittenten. | UBS Group AG äger 100 % av de utestående aktierna i UBS AG.   |
| [Den följande Punkten B.17 ska endast infogas beträffande Värdepapper där Emittenten har en förpliktelse som uppkommer vid emissionstillfället att betala investeraren 100 % av det nominella värdet: |   |   |
| <b>B.17</b>   | Kreditvärdighetsbetyg som tilldelats emittenten eller dess skuldvärdepapper.          | <p>Kreditvärderingsinstitut Standard &amp; Poor's Credit Market Services Europe Limited ("<b>Standard &amp; Poor's</b>"), Moody's Investors Service, Ltd. ("<b>Moody's</b>"), Fitch Ratings Limited ("<b>Fitch Ratings</b>") och Scope Ratings AG ("<b>Scope Ratings</b>") har på begäran publicerat kreditvärdighetsbetyg som återspeglar deras bedömning av UBS AG:s kreditvärdighet, dvs. UBS:s förmåga att i tid fullgöra sina betalningsförpliktelser, såsom amortering och räntebetalningar på långfristiga lån, även känt som fullgörande av skuldförpliktelser. Betygen från Fitch Ratings, Standard &amp; Poor's och Scope Ratings kan tillskrivas ett plus- eller minustecken och de från Moody's en siffra. Dessa tilläggsbeteckningar indikerar den relativa positionen inom respektive betygsklass. UBS AG har långfristigt motparts-kreditvärdighetsbetyget A+ (stabil utsikt) från Standard &amp; Poor's, för långfristig icke-säkerställd, icke efterställd skuldsättning kreditvärdighetsbetyget A1 (stabil utsikt) från Moody's, långfristigt kreditvärdighetsbetyg för emittentfallissemang A+ (stabil utsikt) från Fitch Ratings och för emittentkreditstyrka kreditvärdighetsbetyget A+ (positiv utsikt) från Scope Ratings.</p> <p>Alla kreditvärderingsinstitut som nämns ovan är registrerade som kreditvärderingsinstitut under Förordning (2009/1060/EG), så som denna ändrades genom Förordning (2011/513/EG).</p> |

| Punkt      | Avsnitt C – Värdepapper <sup>3</sup>                               |   |
|------------|--|---|
| <b>C.1</b> | Typ och klass av värdepapperen, värdepappersidentifikationsnummer. | <p><b>Typ och Form av värdepapper</b><br/>Värdepapperen är [certifikat][obligationer][warranter].</p> <p>[Värdepapperen emitteras i serier (var och en, en "<b>Serie</b>") och Värdepapperen i varje Serie kommer att vara föremål för identiska villkor (utom, bland annat, Emissionskurs, Emissionsdag, Emissionsstorlek och startdag för ränta, som kan komma att vara, men som inte behöver vara identiska) vad gäller valuta, valör, ränta, ränteförfallodag eller annat.]</p> <p>[med avseende på Värdepapper som regleras av tysk rätt och representeras av ett <i>Globalt Värdepapper</i>, infoga: Värdepapperen kommer att utfärdas som värdepapper utställda till innehavaren enligt vad som avses i § 793 i den tyska Civillagstiftningen (<i>German Civil Code</i>) och kommer vid utfärdandet att representeras av [ett eller flera permanenta, globala, till innehavaren utställda värdepapper (vart och ett, ett "<b>Globalt Värdepapper</b>") [ett tillfälligt, globalt, till innehavaren utställt värdepapper (vart och ett, ett "<b>Tillfälligt Globalt Värdepapper</b>") som är utbytbart vid intygande om icke-amerikanskt faktiskt ägande till ett permanent, globalt, till innehavaren utställt värdepapper (vart och ett, ett "<b>Permanent Globalt Värdepapper</b>", och tillsammans med det Tillfälliga Globala Värdepapperet, ett "<b>Globalt Värdepapper</b>"). Inga Värdepapper utställda till innehavaren kommer att emitteras som eller bytas ut till enskilda fysiska värdepapper som är utställda</p> |

<sup>3</sup> Användandet av "\*" i följande Punkt C – Värdepapper indikerar att den relevanta informationen för varje serie Värdepapper kan, vid Multi-Serie Värdepapper och där det är lämpligt, komma att presenteras i en graf.

|      |       |  |           |       |              |           |
|------|-------|--|-----------|-------|--------------|-----------|
|      |       | <p>till innehavaren, varken på begäran av Värdepappersinnehavaren eller i annat fall.</p> <p>[Varje] [Det] Global[t][a] Värdepapper[et] deponeras hos [Clearstream Banking AG (“<b>Clearstream, Germany</b>”)] [Clearstream Banking S.A. (“<b>Clearstream, Luxembourg</b>”)] [och/eller] [Euroclear Bank S.A./ N.V. (“<b>Euroclear</b>”).]</p> <p>[/ fall av svenska Värdepapper, infoga: Värdepapperen (även “<b>Svenska Värdepapper</b>”) clearas genom Euroclear Sweden AB (“<b>Euroclear Sweden</b>”) i egenskap av det relevanta clearingsystemet och är utfärdade i icke-certifierad och dematerialiserad, kontoförd form samt registrerade hos Euroclear Sweden i enlighet med lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument. Inga fysiska värdepapper, såsom globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer att emitteras för de svenska Värdepapperen.]</p> <p>[/ fall av finska Värdepapper, infoga: Värdepapperen (även “<b>Finska Värdepapper</b>”) clearas genom Euroclear Finland Ltd (“<b>Euroclear Finland</b>”) i egenskap av det relevanta clearingsystemet och är utfärdade i icke-certifierad och dematerialiserad, kontoförd form samt registrerade hos Euroclear Finland i enlighet med den finska lagen (749/2012) om värdeandelssystemet och om clearingverksamhet (<i>laki arvoosuusjärjestelmästä ja selvitystoiminnasta</i>) och lagen (1991/827) om värdeandelskonton (<i>laki arvoosuustileistä</i>). Inga fysiska värdepapper, såsom globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer att emitteras för de finska Värdepapperen.]</p> <p>[/ fall av norska Värdepapper, infoga: Värdepapperen (även “<b>Norska Värdepapper</b>”) clearas genom Verdipapirsentralen ASA (“<b>VPS</b>”) i egenskap av det relevanta clearingsystemet och är utfärdade i icke-certifierad och dematerialiserad, kontoförd form och registrerade hos VPS i enlighet med den norska värdepappersregisterlagen (<i>Lov av 5. Juli 2002 nr. 64 om registrering av finansielle instrumenter</i>). Inga fysiska värdepapper, såsom globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer att emitteras för de Norska Värdepapperen.]</p> <p>[/ fall av danska Värdepapper, infoga: Värdepapperen (även “<b>Danska Värdepapper</b>”) clearas genom VP Securities A/S (“<b>VP</b>”) i egenskap av det relevanta clearingsystemet och är utfärdade i icke-certifierad och dematerialiserad, kontoförd form samt registrerade hos VP i enlighet med danska Värdepappershandelslagen (<i>lov om vaerdipapirhandel m.v.</i>), som ändrad från tid till annan, och den Exekutiva Ordern om Kontoföring, etc. av dematerialiserade värdepapper hos en central värdepappersförvarare (<i>Bekendtgørelse om registrering m.v. af fondsaktiver i en vaerdipapircentral</i>), som ändrad från tid till annan, utfärdad därtill. Inga fysiska värdepapper, såsom globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer att emitteras för de danska Värdepapperen.]</p> <p><b><u>Värdepappersidentifikationsnummer för Värdepapperen</u></b></p> <p>ISIN: [●]*<br/> [WKN: [●]*]<br/> [Common-kod: [●]*]<br/> [Valoren: [●]*]</p> <p>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och ifyll för varje Serie av Värdepapper:</p> <table border="1" data-bbox="555 1951 1433 1980"> <tr> <td data-bbox="555 1951 778 1980">ISIN</td> <td data-bbox="778 1951 1002 1980">[WKN]</td> <td data-bbox="1002 1951 1225 1980">[Common-kod]</td> <td data-bbox="1225 1951 1433 1980">[Valoren]</td> </tr> </table> | ISIN      | [WKN] | [Common-kod] | [Valoren] |
| ISIN | [WKN] | [Common-kod]   | [Valoren] |       |              |           |



|   |  |  |      |               |     |     |
|---|--|--|------|---------------|-----|-----|
|   |  | [●]  | [●]  | [●]           | [●] |     |
| C.2   | Valuta för värdepapperen.  | [För varje Värdepappersserie] [●]* (" <b>Inlösenvaluta</b> ")<br><br>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och ifyll för varje Serie av Värdepapper, vid behov:<br><br><table border="1"> <tr> <td>ISIN</td> <td>Inlösenvaluta</td> </tr> <tr> <td>[●]</td> <td>[●]</td> </tr> </table> ]  | ISIN | Inlösenvaluta | [●] | [●] |
| ISIN  | Inlösenvaluta  |  |      |               |     |     |
| [●]   | [●]  |  |      |               |     |     |
| C.5   | Restriktioner för den fria överlåtbarheten för värdepapperen.  | Ej tillämpligt. Det finns inga restriktioner avseende den fria överlåtbarheten av Värdepapperen.   |      |               |     |     |
| C.8   | Rättigheter kopplade till värdepapperen, inklusive rangordning och begränsningar av sådana rättigheter.  | <p><b>Tillämplig lag för Värdepapperen</b><br/>[Varje Serie av] Värdepapper[en] kommer att vara underkastad[e] tysk rätt ("<b>Värdepapper underkastade tysk rätt</b>").<br/>[Den juridiska effekten av registrering av Värdepapperen med relevant clearingsystem styrs av lagarna i clearingsystemets jurisdiktion.]</p> <p><b>Rättigheter förknippade med Värdepapperen</b><br/>Värdepapperen ger, med förbehåll för Villkoren för Värdepapperen, Värdepappersinnehavarna, vid förfall eller vid avveckling, rätt till betalning av Inlösenbeloppet i Inlösenvalutan [och/eller levererans av den Fysiska Underliggande i tillämpligt antal].</p> <p>[Dessutom är Värdepappersinnehavare under Värdepapperens löptid berättigade, med förbehåll för Villkoren för Värdepapperen, att motta betalning av [en Kupong][Kuponger][ett Ränτεbelopp][Ränτεbelopp].]</p> <p><b>Begränsningar i rättigheterna relaterade till Värdepapperen</b><br/>Enligt de villkor som anges i Villkoren för Värdepapperen, har Emittenten rätt att avsluta Värdepapperen och att göra vissa justeringar av Villkoren.</p> <p><b>Status för Värdepapperen</b><br/>[Varje Serie av] Värdepapper[en] kommer att utgöra direkta, icke-säkerställda och icke-efterställda förpliktelser för Emittenten, som rangordnas lika sinsemellan och med alla andra nuvarande och framtida icke-säkerställda och icke-efterställda förpliktelser för Emittenten, annat än skyldigheter som regleras i tvingande lagstiftning.</p> |      |               |     |     |
| [Följande Punkt C.9 ska endast infogas om det rör sig om Värdepapper där Emittenten har en skyldighet som uppstår vid emissionstillfället att betala investerare 100 % av det nominella värdet (där det dessutom kan finnas en räntebetalning): |  |  |      |               |     |     |
| C.9   | Förfallodagen och arrangemang för amortering av lån, inklusive återbetalningsförfaranden, en indikation på avkastning, namn på representanter för skuldebrevsinnehavarna | [Förfallodag: [●]*<br><br>[vid värdepapper med fast/rörlig ränta, infoga:<br>[Räntesats][Kupong]: [●]*<br><br>[vid värdepapper med stigande ränta eller sjunkande ränta, infoga:<br>[Räntesats][Kupong]: [□]* i relation till [Ränτε-][Kupong-] beräkningsperiod (i=1): [□]*, i relation till [Ränτε-][Kupong-] beräkningsperiod (i=2): [□]*, i relation till [Ränτε-][Kupong-]  |      |               |     |     |

|                                     |  | beräkningsperiod (i=n): [ ]*   |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
|-------------------------------------|--|--|------|----------------------|----------------------|-------------|-----|-----|-----------------|-----|-----|----------------------------------|-----|-----|-------------------------------------|-----|-----|--------------|-----|-----|
|                                     | [Ränta][Kupong] Betalning Datum:<br>[Ränta][Kupong] Beräkningsperiod:  | [•]*<br>[•]*   |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
|                                     | <p><i>[om Värdepapperen föreskriver, enligt de tillämpliga Produktvillkoren, betalning av ett villkorat Räntebelopp eller Kupong, dvs. där betalningen av Räntebeloppet eller Kupongen är beroende av utvecklingen av den Underliggande, infoga:</i></p> |  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
|                                     | Betalningen av [Räntebeloppet][Kupongen] är beroende av utvecklingen av den följande Underliggande (villkorat [Räntebelopp][Kupong]):  | <p><i>[infoga beskrivning av [aktien (inklusive ett certifikat som representerar aktier)] [Indexet] [valutakursen] [ädelmetallen] [råvaran] [räntan] [det icke-aktierelaterade värdepapperet] [andelen för börshandlad fond] [andelen för icke-börshandlad fond] [terminskontraktet (om tillämpligt, inklusive bestämmelse om den relevanta månaden för utlöpande)] [referensräntan] [korgen innehållande de tidigare nämnda tillgångarna] [portföljen innehållande de tidigare nämnda tillgångarna. [ ]*]</i></p> |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
|                                     | Kalkylavkastning:  | <p>[Inte tillämplig; Värdepapperen erbjuder inte betalning av fast ränta.]</p> <p><i>[om Värdepapperen erbjuder betalning av fast ränta, ange kalkylavkastning: [ ]</i><br/>Avkastningen beräknas i enlighet med ICMA-metoden. Det är en metod för att beräkna avkastning där den dagliga effektiva ränteavkastningen tas i beräkning. Räntan som är upplupen varje dag adderas till det investerade kapitalet och inkluderas i beräkningen av ränta för den följande dagen i varje fall.]*</p>                    |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
|                                     | Namn på representant för innehavare av skuldvärdepapper:   | Ej tillämpligt; det finns ingen representant för värdepappersinnehavare.]  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
|                                     | <p><i>[Avseende Värdepapper som emitteras i flera serier infoga följande tabell över relevant information och ifyll för varje serie av Värdepapper, om så krävs:</i></p>   |  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
|                                     |  | <table border="1"> <thead> <tr> <th>ISIN</th> <th><i>[infoga ISIN]</i></th> <th><i>[infoga ISIN]</i></th> </tr> </thead> <tbody> <tr> <td>Förfallodag</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Ränta][Kupong]</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Ränte-][Kupong-] betalningsdag:</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Ränte-][Kupong-] beräkningsperiod:</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Avkastning]</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table>             | ISIN | <i>[infoga ISIN]</i> | <i>[infoga ISIN]</i> | Förfallodag | [•] | [•] | [Ränta][Kupong] | [•] | [•] | [Ränte-][Kupong-] betalningsdag: | [•] | [•] | [Ränte-][Kupong-] beräkningsperiod: | [•] | [•] | [Avkastning] | [•] | [•] |
| ISIN                                | <i>[infoga ISIN]</i>   | <i>[infoga ISIN]</i>   |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
| Förfallodag                         | [•]  | [•]  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
| [Ränta][Kupong]                     | [•]  | [•]  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
| [Ränte-][Kupong-] betalningsdag:    | [•]  | [•]  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
| [Ränte-][Kupong-] beräkningsperiod: | [•]  | [•]  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
| [Avkastning]                        | [•]  | [•]  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |
|                                     | Värdepappersinnehavare kommer att erhålla betalning i form av  |  |      |                      |                      |             |     |     |                 |     |     |                                  |     |     |                                     |     |     |              |     |     |

|   |   | <p>Inlösenbeloppet på Förfallodagen och på [varje] [Ränte-][Kupong-] betalningsdag betalning av [Räntan][Kupongen].</p> <p>Betalningar ska, i alla fall som är föremål för någon form av tillämpliga skatte- eller andra lagar och regler på platsen för betalningen eller andra lagar och regler, för vilka Emittenten gått med på att bli föremål, göras i enlighet med de relevanta regler och operationella förfaranden som är tillämpliga på och/eller utfärdade av clearingsystemet ("CA-reglerna") till det relevanta clearingsystemet eller den relevanta mellanmannen eller för dess order för kreditering av de relevanta kontoinnehavarnas konton hos clearingsystemet eller den relevanta mellanmannen.</p> <p>Emittenten ska anses ha fullgjort sina inlösenförpliktelser eller varje annan betalnings- eller annan förpliktelse under Villkoren för Värdepapperen vid leverans till clearingsystemet på det sätt som beskrivs ovan.]</p>  |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
|---|---|---|-----------|------|-----------------------|------|----------|------|----------------------------|------|---------------|------|-------------------------|------|----------------------|------|-------------|------|--------------------|------|-------------------|------|----------------------|------|--------------------------|------|-----------------|------|----------------|------|-------------------|------|-------------------------|------|-----------------|------|-----------------|------|---|------|------|----------------------|----------------------|-----------|-----|-----|-----------------------|-----|-----|----------|-----|-----|-----|-----|-----|
| <p><i>[Följande Punkt C.10 ska endast infogas om det rör sig om Värdepapper där Emittenten har en skyldighet som uppstår vid emissionstillfället att betala investeraren 100 % av det nominella värdet (där det dessutom kan finnas en räntebetalning):</i></p> |   |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| <p><b>C.10</b></p>  | <p>Derivatkomponenter i räntebetalningen.</p> | <p>[Ej tillämpligt; Värdepapperen har inte derivatkomponenter i räntebetalningen.]</p> <p><i>[infoga beskrivning av derivatkomponenterna i räntebetalningen, som tillämpligt]</i><br/> <i>[att infogas för varje Värdepapper, vid behov:]</i></p> <table border="1" data-bbox="555 958 1433 1630"> <tr><td>[Barriär]</td><td>[•]*</td></tr> <tr><td>[Kupongbetalningsdag]</td><td>[•]*</td></tr> <tr><td>[Kupong]</td><td>[•]*</td></tr> <tr><td>[Dagsberäkningskonvention]</td><td>[•]*</td></tr> <tr><td>[Räntebelopp]</td><td>[•]*</td></tr> <tr><td>[Ränteberäkningsperiod]</td><td>[•]*</td></tr> <tr><td>[Räntebetalningsdag]</td><td>[•]*</td></tr> <tr><td>[Räntesats]</td><td>[•]*</td></tr> <tr><td>[Nominellt Belopp]</td><td>[•]*</td></tr> <tr><td>[Observationsdag]</td><td>[•]*</td></tr> <tr><td>[Observationsperiod]</td><td>[•]*</td></tr> <tr><td>[Pris för Underliggande]</td><td>[•]*</td></tr> <tr><td>[Inlösenvaluta]</td><td>[•]*</td></tr> <tr><td>[Referenspris]</td><td>[•]*</td></tr> <tr><td>[Avvecklingspris]</td><td>[•]*</td></tr> <tr><td>[Värdepapperens Löptid]</td><td>[•]*</td></tr> <tr><td>[Underliggande]</td><td>[•]*</td></tr> <tr><td>[Värderingsdag]</td><td>[•]*</td></tr> <tr><td>[Infoga fler definitioner, om så krävs]</td><td>[•]*</td></tr> </table> <p><i>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och ifyll för varje Serie av Värdepapper informationen i tabellen ovan</i></p> <table border="1" data-bbox="555 1787 1433 1989"> <thead> <tr> <th>ISIN</th> <th><i>[infoga ISIN]</i></th> <th><i>[infoga ISIN]</i></th> </tr> </thead> <tbody> <tr> <td>[Barriär]</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Kupongbetalningsdag]</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Kupong]</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[□]</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table> | [Barriär] | [•]* | [Kupongbetalningsdag] | [•]* | [Kupong] | [•]* | [Dagsberäkningskonvention] | [•]* | [Räntebelopp] | [•]* | [Ränteberäkningsperiod] | [•]* | [Räntebetalningsdag] | [•]* | [Räntesats] | [•]* | [Nominellt Belopp] | [•]* | [Observationsdag] | [•]* | [Observationsperiod] | [•]* | [Pris för Underliggande] | [•]* | [Inlösenvaluta] | [•]* | [Referenspris] | [•]* | [Avvecklingspris] | [•]* | [Värdepapperens Löptid] | [•]* | [Underliggande] | [•]* | [Värderingsdag] | [•]* | [Infoga fler definitioner, om så krävs] | [•]* | ISIN | <i>[infoga ISIN]</i> | <i>[infoga ISIN]</i> | [Barriär] | [•] | [•] | [Kupongbetalningsdag] | [•] | [•] | [Kupong] | [•] | [•] | [□] | [•] | [•] |
| [Barriär]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Kupongbetalningsdag]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Kupong]  | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Dagsberäkningskonvention]  | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Räntebelopp]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Ränteberäkningsperiod]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Räntebetalningsdag]  | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Räntesats]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Nominellt Belopp]  | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Observationsdag]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Observationsperiod]  | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Pris för Underliggande]  | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Inlösenvaluta]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Referenspris]  | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Avvecklingspris]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Värdepapperens Löptid]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Underliggande]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Värderingsdag]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Infoga fler definitioner, om så krävs]   | [•]*  |   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| ISIN  | <i>[infoga ISIN]</i>                          | <i>[infoga ISIN]</i>  |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Barriär]   | [•]   | [•]   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Kupongbetalningsdag]   | [•]   | [•]   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [Kupong]  | [•]   | [•]   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |
| [□]   | [•]   | [•]   |           |      |                       |      |          |      |                            |      |               |      |                         |      |                      |      |             |      |                    |      |                   |      |                      |      |                          |      |                 |      |                |      |                   |      |                         |      |                 |      |                 |      |   |      |      |                      |                      |           |     |     |                       |     |     |          |     |     |     |     |     |

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| C.11 | Upptagande till handel på en reglerad marknad eller andra liknande marknader | <p>[Om Emittenten eller en Manager, i förekommande fall, avser att ansöka om inregistrering av Värdepapperen (på en börs som inte är SIX Swiss Exchange), infoga följande text: [Emittenten][En Manager] avser att ansöka om [inregistrering][inkludering][upptagande] av Värdepapperen [till handel] på [den Reglerade Marknaden (Regulerter Markt) [Frankfurt Stock Exchange][Stuttgart Stock Exchange] [•]] [den inofficiella reglerade marknaden] [Frankfurt Stock Exchange] [Stuttgart Stock Exchange] [•]] [Nasdaq Stockholm][Nasdaq Helsinki][Nordic Growth Market NGM AB – NDX (Nordic Derivatives Exchange)][ange alternativ(a) börs(er) eller handelsplattform(ar): [•]]. [Förutsatt att Värdepapperen inte har blivit avslutade av Emittenten [och förutsatt att Värdepapperen inte har förfallit i förtid] innan Utlöpandedagen, ska handeln med Värdepapperen avslutas [[två] [•] handelsdag[ar] före] [på] [Värderingsdagen][den Slutliga Värderingsdagen][Utlöpandedagen][Förfalldagen] [•] (sådan dag, den <b>”Sista Handelsdagen på Börsen”</b>). [Per den Sista Handelsdagen på Börsen kan handel bara äga rum utanför börsen med [Managern] [•].]]</p> <p>[Värdepapperen som redan emitterats har upptagits till handel på [ange börs: [•]].]</p> <p>[Om Emittenten avser att ansöka om inregistrering av Värdepapperen på SIX Swiss Exchange, infoga följande text: [Emittenten][Managern (i egenskap av manager för Emittenten)] avser att ansöka om inregistrering av Värdepapperen på SIX Swiss Exchange (<b>”SIX”</b>) och om upptagande till handel på plattformen SIX Structured Products Exchange AG]</p> <p>[Om varken Emittenten eller en Manager avser att ansöka om inregistrering av Värdepapperen, infoga följande text: Det finns ingen avsikt att ansöka om upptagande av Värdepapperen till handel på en värdepappersbörs.]</p> |
| C.15 | Påverkan avseende underliggande på värdet av värdepapperen.                  | <p>Värdet på Värdepapperen under dessas löptid är beroende av utvecklingen av [Underliggande][Korgkomponenterna][i relation till utvecklingen av [en annan Underliggande][andra Underliggande]]. Om priset på [Underliggande][Korgkomponenterna] [ökar][minskar] [i relation till utvecklingen av de andra Underliggande], kommer även värdet på Värdepapperen [(bortsett från speciella egenskaper hos Värdepapperen)] sannolikt att [öka][minska].</p> <p>I synnerhet är Inlösenbeloppet, om något, som ska erhållas av Värdepappersinnehavaren vid avveckling av Värdepapperen beroende av utvecklingen av [Underliggande] [Korgkomponenterna] ][i relation till utvecklingen av [en annan Underliggande][andra Underliggande]]. [Dessutom bör det noteras att kommande referenser till <b>”Underliggande”</b> kan syfta på att Underliggande uppvisar en viss förutbestämd utveckling som anges i de tillämpliga Produktvillkoren, till exempel den sämsta utvecklingen under en observationsperiod, så kallad Relevant Underliggande.]</p> <p>Följande är exempel som beskriver hur värdet på Värdepapperen är beroende av Underliggande:</p> <p><b>[UBS Värdepapper med Automatisk Inlösen/ Expressinlösen]</b><br/> UBS Värdepapper med Automatisk Inlösen/Expressinlösen är lämpliga för Värdepappersinnehavare med förväntan att priset på Underliggande ska nå [en] specifik[a] nivå[er], enligt vad som anges i de tillämpliga Produktvillkoren, så att produkten kan inlösas i förtid.</p> <p>I de fall priset på Underliggande når viss(a) nivå(er) på specifika Observationsdagar, enligt vad som anges i de tillämpliga Produktvillkoren, kommer Värdepapperen att lösas in i förtid före Förfalldagen.</p>  |

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|  | <p>Om UBS Värdepapper med Automatisk Inlösen/Expressinlösen inte löpt ut i förtid på någon av de tidigare Observationsdagarna, kommer UBS Värdepapper med Automatisk Inlösen/Expressinlösen att lösas in på Förfallodagen, enligt vad som anges i de tillämpliga Produktvillkoren. Inlösenbeloppet i Inlösenvalutan beror på den individuella produktstrukturen, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan bestämmas med hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Utöver detta kan Värdepappersinnehavaren, enligt vad som anges i de tillämpliga Produktvillkoren, vara berättigad att på den relevanta Ränte-/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong. Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (till exempel utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Värdepapper med Utväxling</b></p> <p>UBS Värdepapper med Utväxling erbjuder Värdepappersinnehavarna möjlighet att delta i den positiva utvecklingen av Underliggande. Omvänt, kan Värdepappersinnehavare av UBS Värdepapper med Utväxling också delta i den negativa utvecklingen av Underliggande, då UBS Värdepapper med Utväxling kan komma att bidra med negativ riskpotential enligt vad som anges i de tillämpliga Produktvillkoren. UBS Värdepapper med Utväxling kan också erbjuda Värdepappersinnehavarna möjlighet att delta i den positiva utvecklingen hos Underliggande i relation till en annan Underliggande. Omvänt, kan Värdepappersinnehavare av UBS Värdepapper med Utväxling delta i den negativa utvecklingen av Underliggande i relation till en annan Underliggande.</p> <p>UBS Värdepapper med Utväxling finns också i en så kallad "Sälj"-version. I detta fall deltar Värdepappersinnehavarna positivt i den negativa utvecklingen av Underliggande. Omvänt, kan Värdepappersinnehavarna i UBS Värdepapper med Utväxling (Sälj) också delta i den positiva utvecklingen av Underliggande, eftersom UBS Värdepapper med Utväxling (Sälj) kan bidra med positiv riskpotential enligt vad som anges i de tillämpliga Produktvillkoren. UBS Värdepapper med Utväxling (Sälj) kan också tillåta Värdepappersinnehavare att delta i negativ utveckling av Underliggande i relation till en annan Underliggande. Omvänt, kan Värdepappersinnehavare av UBS Värdepapper med Utväxling (Sälj) delta i den positiva utvecklingen av Underliggande i relation till en annan Underliggande.</p> <p>UBS Värdepapper med Utväxling kan löpa ut och vara värdelösa vid en ofördelaktig utveckling för Underliggande bortom vissa specifika värden, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Värdepappersinnehavare erhåller på Förfallodagen ett Inlösenbelopp i Inlösenvalutan, vars storlek är beroende av Referenspriset eller Avvecklingspriset för de(n) Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren. Typiskt sett beräknas Inlösenbeloppet genom att multiplicera det Nominella Beloppet eller sådant annat belopp som anges i Produktvillkoren, med den relevanta utvecklingen för de(n) Underliggande och därefter multiplicera med Deltagandegraden, Hävstångsfaktorn eller Multiplikatorn, men andra faktorer kan också tas med i beräkningen, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan bestämmas med hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Utöver detta kan Värdepappersinnehavaren, enligt vad som anges i de tillämpliga Produktvillkoren, vara berättigad att på den relevanta Ränte-</p> |
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|  | <p>/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong. Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (dvs. utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Warranter</b><br/> UBS Köpwarranter tillåter Värdepappersinnehavare att oproportionerligt (med hävstångseffekt) delta i den positiva utvecklingen för de[n] Underliggande. Omvänt, deltar Värdepappersinnehavare av UBS Köpwarranter också oproportionerligt (med hävstångseffekt) i den negativa utvecklingen för de(n) Underliggande. Värdepappersinnehavare bär risken att UBS Köpwarranter löper ut och blir värdelösa om Referenspriset eller Avvecklingspriset för de(n) Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren för UBS Köpwarranter, är lika med eller lägre än Startkursen.</p> <p>UBS Säljwarranter tillåter Värdepappersinnehavare att oproportionerligt (med hävstångseffekt) delta i den negativa utvecklingen för de(n) Underliggande. Omvänt, deltar Värdepappersinnehavare av UBS Säljwarranter också oproportionerligt (med hävstångseffekt) i den positiva utvecklingen för de(n) Underliggande. Värdepappersinnehavare bär risken att UBS Säljwarranter löper ut och blir värdelösa om Referenspriset eller Avvecklingspriset för de(n) Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren för UBS Säljwarranter, är lika med eller högre än Startkursen.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen för en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Kapitalskyddade Värdepapper/UBS Delvis Kapitalskyddade Värdepapper</b><br/> UBS Kapitalskyddade Värdepapper/UBS Delvis Kapitalskyddade Värdepapper är helt eller delvis kapitalskyddade vid förfall och kan samtidigt erbjuda den avkastningspotential som kan uppstå från kapitalmarknaderna (potentiellt endast upp till en förutbestämd nivå). För detta ändamål deltar UBS Kapitalskyddade Värdepapper/UBS Delvis Kapitalskyddade Värdepapper (åtminstone delvis) i kursrörelser för utvald[a] Underliggande. Strukturen erbjuder deltagande i utvecklingen för de(n) valda Underliggande. Den förutbestämda deltagandegraden kan variera, enligt vad som anges i de tillämpliga Produktvillkoren. Beroende på produktens egenskaper kan den vara proportionerlig (antingen negativt eller positivt) till utvecklingen för de(n) Underliggande.</p> <p>Med ett kapitalskydd som är mindre än emissionskursen är det belopp som motsvarar emissionskursen inte helt skyddat vid förfall. För att skillnaden mellan nivån av kapitalskydd och emissionskursen ska överbryggas, krävs det att särskilda villkor, relaterade till de(n) Underliggande tillgångens (tillgångarnas) prISRörelser, uppfylls för att undvika förlust vid förfall.</p> <p>Oberoende av produktens struktur måste hänsyn tas till UBS AG:s emittentrisk.</p> <p>Inlösenbeloppet kan bestämmas med hänvisning till utvecklingen för en eller flera Underliggande, enligt vad som anges i relevanta Produktvillkor.</p> <p>Utöver detta kan Värdepappersinnehavaren, enligt vad som anges i de tillämpliga Produktvillkoren, vara berättigad att på den relevanta Ränte-/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong. Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (till exempel utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.</p> |
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|  | <p>Emissionskursen för UBS Kapitalskyddade Värdepapper/UBS Delvis Kapitalskyddade Värdepapper kan också vara högre eller lägre än 100 procent.]</p> <p><b>[UBS Sprintvärdepapper</b><br/> UBS Sprintvärdepapper ger Värdepappersinnehavare möjlighet att delta i den positiva utvecklingen av Underliggande inom ett förutbestämt intervall, dvs. mellan Startkursen och Taket multiplicerat med en deltagandegrad, enligt vad som anges i de tillämpliga Produktvillkoren. Omvänt kan Värdepappersinnehavare av UBS Sprintvärdepapper även delta i en del av, eller hela, den negativa utvecklingen av Underliggande. UBS Sprintvärdepapper finns också med obegränsad positiv potential, alltså utan Tak.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de relevanta Produktvillkoren.</p> <p>Utöver detta kan Värdepappersinnehavaren vara berättigad att på den relevanta Ränte-/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong. Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (dvs. utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Bonusvärdepapper</b><br/> UBS Bonusvärdepapper ger Värdepappersinnehavare möjlighet att delta i den positiva utvecklingen av Underliggande. Omvänt kan Värdepappersinnehavare av UBS Bonusvärdepapper även delta i den negativa utvecklingen av Underliggande. Beroende av om det inträffar en Kick Out-/Kick in-händelse under Värdepapperens löptid eller någon period eller dag under löptiden för Värdepapperen, enligt vad som anges i de tillämpliga Produktvillkoren, är Värdepappersinnehavare berättigad att på Förfallodagen erhålla Inlösenbeloppet i Inlösenvalutan, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Utöver detta kan Värdepappersinnehavaren, enligt vad som anges i de tillämpliga Produktvillkoren, vara berättigad att på den relevanta Ränte-/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong. Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (till exempel utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Överutvecklingsvärdepapper</b><br/> UBS Överutvecklingsvärdepapper ger Värdepappersinnehavare möjlighet att delta i den positiva utvecklingen av den Underliggande i förhållande till en annan Underliggande. Omvänt kan Värdepappersinnehavare av UBS Överutvecklingsvärdepapper även delta i den negativa utvecklingen av Underliggande i förhållande till en annan Underliggande. Beroende på om Referenspriset eller Avecklingspriset för den Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren, är högre än eller lika med eller lägre än Startkursen är Värdepappersinnehavaren berättigad att på Förfallodagen erhålla Inlösenbeloppet i Inlösenvalutan, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Utöver detta är Värdepappersinnehavaren berättigad att, på den relevanta Ränte-/Kupongbetalningsdagen, erhålla betalning av ett Räntebelopp/en Kupong. Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (dvs. utan beaktande av utvecklingen av Underliggande) eller</p> |
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|  | <p>villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Omvända Konvertibelvärdepapper/GOAL</b><br/>Beroende på om Referenspriset eller Avecklingspriset för Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren, är lägre än eller lika med Startkursen eller högre än Startkursen, erhåller Värdepappersinnehavaren antingen det nominella värdet eller utvecklingen av Underliggande, enligt vad som vidare anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Utöver detta är Värdepappersinnehavaren berättigad att på den relevanta Ränte-/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong. Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (dvs. utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren]</p> <p><b>[UBS Kick-In GOAL/Omvänd Konvertibel med Barriär</b><br/>UBS Kick-In GOAL/Omvänd Konvertibel med Barriär erbjuder en säkerhetsbuffert som syftar till att ge skydd mot att de(n) Underliggande når vissa förutbestämda eller variabla nivåer. Om de(n) Underliggande inte bryter en förutbestämd barriär, enligt vad som anges i de tillämpliga Produktvillkoren, är Värdepappersinnehavarna berättigade att på Förfallodagen erhålla Inlösenbeloppet i Inlösenvalutan motsvarande det Nominella Beloppet.</p> <p>Om barriären bryts är återbetalningen vid förfall anpassad till nivån på de(n) Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren. Om de(n) Underliggande stänger över en förutbestämd nivå på en viss dag, i enlighet med vad som anges i de tillämpliga Produktvillkoren, är Värdepappersinnehavare berättigade att på Förfallodagen erhålla Inlösenbeloppet i Inlösenvalutan motsvarande det Nominella Beloppet. Däremot, om kursen för de(n) Underliggande stänger på eller under en förutbestämd nivå på en viss dag, enligt vad som anges i de tillämpliga Produktvillkoren, är Värdepappersinnehavare berättigade att på Förfallodagen erhålla, beroende på produktens struktur, antingen den Fysiska Underliggande i tillämpligt antal som antingen uttrycks i Multipliseringsfaktorn eller, i förekommande fall, och enligt vad som anges i de tillämpliga Produktvillkoren, lika med antalet Referensaktier per Valör eller en kontantbetalning beroende på det då aktuella värdet för de(n) Underliggande eller utvecklingen av de(n) Underliggande (justerat, om tillämpligt, för respektive ratio). Barriären kan observeras antingen kontinuerligt eller på förutbestämda datum, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Utöver detta är Värdepappersinnehavaren berättigad att på den relevanta Ränte-/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong: Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (dvs. utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Utvecklingsvärdepapper</b><br/>UBS Utvecklingsvärdepapper tillåter investerare att delta – om de tillämpliga</p> |
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|  | <p>Produktvillkoren anger att en Förvaltningsavgift är tillämplig, med beaktande av Förvaltningsavgiften – i den positiva utvecklingen av Underliggande. Omvänt, deltar investerare i UBS Utvecklingsvärdepapper också i den negativa utvecklingen av Underliggande.</p> <p>UBS Utvecklingsvärdepapper kan emitteras som Värdepapper utan förutbestämd Förfallodag eller med en förutbestämd Förfallodag. Värdepapperen kan medföra en rättighet för Emittent och/eller Värdepappersinnehavare som kan utnyttjas och därvid åstadkomma att Värdepapperen inlöses/utlöper vid valfri tidpunkt, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Utöver detta kan Värdepappersinnehavaren, enligt vad som anges i de tillämpliga Produktvillkoren, vara berättigad att på den relevanta Ränte-/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong: Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (dvs. utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Hävstångsvärdepapper</b><br/>Med UBS Hävstångsvärdepapper kan Värdepappersinnehavare applicera hävstång, eftersom UBS Hävstångsvärdepapper erbjuder Värdepappersinnehavare att delta oproportionerligt och utan begränsning i stigande kurser för de(n) Underliggande. Det innebär att från en förutbestämd kursnivå är, enligt vad som anges i de tillämpliga Produktvillkoren, deltagandegraden i en potentiellt stigande kursutveckling högre än 100 procent. Den exakta utvecklingstakten varierar beroende på produktens egenskaper och är förutbestämd för varje emission, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Om köpkursen för ett UBS Hävstångsvärdepapper är lika med kursen för de(n) Underliggande, har hävstångseffekten ännu inte inträtt. I det fallet är den oproportionerliga möjligheten till vinst motverkad av en förlustrisk som motsvarar en direkt, eller i förekommande fall hävstångspåverkad, investering och Värdepappersinnehavare deltar i den potentiella negativa kursutvecklingen. I det beskrivna fallet (utan agio) finns det således inget oproportionerligt deltagande i potentiella förluster.</p> <p>För att minimera förlustrisken kan UBS Hävstångsvärdepapper ha ett villkorat partiellt skydd. Så länge som en extra säkerhetströskel, enligt vad som anges i de tillämpliga Produktvillkoren, inte nås under löptiden får Värdepappersinnehavare på förfallodagen tillbaka minst det investerade kapitalet. Det partiella skyddet upphör endast att gälla om en tröskel bryts och Värdepapperet betar sig som ett normalt UBS Hävstångsvärdepapper utan villkorat partiellt skydd.</p> <p>Inlösenbeloppet kan fastställas med hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Utöver detta kan Värdepappersinnehavaren, enligt vad som anges i de tillämpliga Produktvillkoren, vara berättigad att på den relevanta Ränte-/Kupongbetalningsdagen erhålla betalning av ett Räntebelopp/en Kupong: Sådan betalning av ett Räntebelopp/en Kupong kan antingen vara ovillkorad (dvs. utan beaktande av utvecklingen av Underliggande) eller villkorad, allt enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>[UBS Nollkupongvärdepapper</b><br/>UBS Nollkupongvärdepapper ger Värdepappersinnehavare rätt att på</p> |
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|  | <p>Förfalldagen erhålla betalning i form av Nominellt Värde per Värdepapper. Som ett resultat är UBS Nollkupongvärdepapper 100 procent kapitalskyddade vid förfall. Sådan betalning är inte garanterad av tredje part, men utfäst av Emittenten och är därmed beroende av Emittentens förmåga att möta sina betalningsförpliktelser.</p> <p>Det initiala Emissionskursen för ett UBS Nollkupongvärdepapper är lägre än det nominella värdet. Under löptiden för UBS Nollkupongvärdepapper är Värdepappersinnehavaren inte berättigad att erhålla betalning av ränta.]]</p> <p><b>[UBS Värdepapper med Fast Ränta</b><br/> UBS Värdepapper med Fast Ränta ger Värdepappersinnehavare rätt att på Förfalldagen erhålla betalning i form av Nominellt Värde per Värdepapper. Som ett resultat är UBS Värdepapper med Fast Ränta 100 procent kapitalskyddade vid förfall. Sådan betalning är inte garanterad av tredje part, men utfäst av Emittenten och är därmed beroende av Emittentens förmåga att möta sina betalningsförpliktelser.</p> <p>Under löptiden för UBS Värdepapper med Fast Ränta, är Värdepappersinnehavaren berättigad att på den relevanta Räntebetalningsdagen erhålla betalning av det Räntebelopp som hänför sig till den föregående Ränteberäkningsperioden. Räntebeloppet beräknas genom applicering av Räntesatsen och Dagberäkningskonventionen på det Nominella Beloppet per Värdepapper. Räntesatsen är fast för hela löptiden för UBS Värdepapper med Fast Ränta.</p> <p><b>[UBS Värdepapper med Rörlig Ränta</b><br/> UBS Värdepapper med Rörlig Ränta ger Värdepappersinnehavaren rätt att på Förfalldagen erhålla betalning av det Nominella Värdet per Värdepapper. Som ett resultat är UBS Värdepapper med Rörlig Ränta 100 procent kapitalskyddade vid förfall. Sådan betalning är inte garanterad av tredje part, men utfäst av Emittenten och är därmed beroende av Emittentens förmåga att möta sina betalningsförpliktelser.</p> <p>Under löptiden för UBS Värdepapper med Rörlig Ränta, är Värdepappersinnehavaren berättigad att på den relevanta Räntebetalningsdagen erhålla betalning av det Räntebelopp som hänför sig till den föregående Ränteberäkningsperioden. Räntebeloppet beräknas genom applicering av Räntesatsen och Dagberäkningskonventionen på det Nominella Beloppet per Värdepapper.</p> <p>Räntesatsen i relation till varje Ränteberäkningsperiod (i) är lika med Priset för Underliggande, om detta är angivet, antingen (i) plus eller, i förekommande fall, (ii) minus en viss marginalprocent, enligt vad som anges i de tillämpliga Produktvillkoren.]</p> <p><b>Följande beskrivningar av olika utvecklingsstrukturer kan användas för Värdepapper beskrivna ovan, om tillämpliga.</b></p> <p><u>Underliggande</u><br/> Värdepapper kan antingen vara beroende av en enskild Underliggande, en korg av Underliggande, de(n) bäst utvecklade Underliggande, de(n) sämst utvecklade Underliggande eller en kombination av dessa. Korgars utveckling beräknas på det vägda genomsnittet av utvecklingarna för de(n) enskilda Underliggande.</p> <p>Viktningen kan antingen vara förutbestämd eller kan bestämmas under produktens löptid beroende på vissa villkor. Viktningen kan, till exempel, bero på den relativa utvecklingen för Underliggande eller realiserad volatilitet i de(n) Underliggande.</p> |
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|  |  | <p><u>Utvecklingar</u></p> <p>I princip är det sannolikt att värdet på Värdepapperen (bortsett från särskilda egenskaper hos Värdepapperen) kommer att öka, i de fall där priset på Underliggande eller – om de tillämpliga Produktvillkoren specificerar att i definitionen av "Underliggande" en "Korg" är angiven som möjlig – priset på Korgkomponenterna, ökar. I de fall där priset på Underliggande eller Korgkomponenter minskar, är det också troligt att värdet på Värdepapperen (bortsett från speciella egenskaper hos Värdepapperen) minskar.</p> <p>Motsatsvis kan Värdepapperen, om så anges i de tillämpliga Produktvillkoren, erbjuda en så kallad omvänd struktur. I detta fall kommer Värdepapperen (oavsett de övriga egenskaper som är förknippade med Värdepapperen eller andra faktorer, som kan vara relevanta för värdet på Värdepapperen) att <b>minska i värde</b>, om priset på Underliggande eller – om de tillämpliga Produktvillkoren specificerar att i definitionen av "Underliggande" en "Korg" är angiven som möjlig – priset på Korgkomponenterna, ökar. Alternativt kommer Värdepapperen att <b>öka i värde</b>, om priset på Underliggande eller – om de tillämpliga Produktvillkoren specificerar att i definitionen av "Underliggande" en "Korg" är angiven som möjlig – priset på Korgkomponenterna, minskar.</p> <p>Utvecklingen eller nivån av Underliggande kan mätas på flera olika sätt.</p> <p>Vanligtvis mäts utvecklingen som den slutliga nivån för de(n) Underliggande i procent av den initiala nivån för de(n) Underliggande. Den slutliga nivån och/eller den initiala nivån kan emellertid även definieras som den genomsnittliga/maximala/minimala nivån för de(n) Underliggande som observerats under viss tid. Den initiala nivån behöver inte nödvändigtvis observeras vid startdagen för produkten men kan också observeras under löptiden för produkten.</p> <p>Utvecklingen kan även mätas som den relativa utvecklingen för en eller flera Underliggande i förhållande till utvecklingen för en eller flera andra Underliggande.</p> <p>Utveckling kan också ha ett förutbestämt eller ett rörligt och/eller ett villkorat tak. Det innebär att Värdepappersinnehavare accepterar en begränsning av avkastningspotentialen ("Tak") och att de endast kan delta i eventuella kursökningar (eller minskningar) för de Underliggande till dess att en viss nivå har nåtts och inte ytterligare. Dessutom kan utvecklingen också ha ett förutbestämt eller ett rörligt och/eller villkorat golv. Detta innebär att Värdepappersinnehavare kommer att ha en minsta avkastningspotential ("Golv") och kommer endast att negativt delta i eventuella kursnedgångar (eller öknings) i de(n) Underliggande till dess att en viss nivå har nåtts och inte mer.</p> <p><u>Barriärer</u></p> <p>Produkter kan ha barriärer som aktiveras så snart vissa villkor är uppfyllda. Vanligtvis representerar dessa barriärer vissa nivåer som ska nås av de(n) Underliggande vid vissa observationsdagar.</p> <p>Barriärer kan antingen utlösas av att Underliggande, utvecklingar eller andra mätbara värden når förutbestämda värden. Vissa barriärer utlöses endast om mer än ett villkor möts. Barriärer kan definieras antingen för att observeras endast vid vissa datum eller fortlöpande.</p> <p>Barriärer leder antingen till avlägsnande (Kick-out) eller tillägg (Kick-in) av vissa egenskaper hos Värdepapperen. Funktioner som läggs till eller tas bort är exempelvis kuponger, deltagande eller Underliggande.</p> <p><u>Inläsning och Slutlig Inläsning</u></p> |
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|  | <p>De tillämpliga Produktvillkoren kan föreskriva ett "Inlåsnings"-villkor, vilket betyder att vissa belopp eller utvecklingar, enligt vad som anges i Produktvillkoren, kommer att, i händelse av att en förutbestämd inlåsningshändelse inträffar, bli "inlåsta", dvs. fixerade, ställda åt sidan eller annars ekonomiskt bevarade, enligt vad som anges i Produktvillkoren. I den utsträckning och i enlighet med de villkor för övriga tillämpliga funktioner som beskrivs i detta avsnitt 13 av Grundprospektet och som ytterligare specificeras i de tillämpliga Produktvillkoren, fortsätter Värdepappersinnehavare att delta i den framtida utvecklingen för de Underliggande, eller, i förekommande fall, Korgkomponenterna.</p> <p>Om de relevanta Produktvillkoren anger att ett "Slutlig Inlåsnings"-villkor är tillämpligt, kommer vissa belopp eller utvecklingar, enligt vad som anges i Produktvillkoren, i händelse av att det inträffar en förutbestämd inlåsningshändelse, att bli "inlåsta", i sådan utsträckning att Värdepappersinnehavarnas deltagande i den framtida utvecklingen för den Underliggande eller, i förekommande fall, Korgkomponenterna, begränsas eller rentav exkluderas.</p> <p><u>Funktion för Automatiskt Avslut</u><br/>Om de relevanta Produktvillkoren anger att Funktionen för Automatiskt Avslut är tillämplig, kan Värdepapperen avslutas och lösas in i förtid vid inträffande av en automatiskt-avslutshändelse (inklusive, men inte begränsat till, en Stop-Loss-händelse eller Knock-Out-händelse).</p> <p><u>Investeringsstrategier</u><br/>Utveckling kan definieras som den hypotetiska utvecklingen av en viss, på förhand definierad, investeringsstrategi. Det kan till exempel vara en strategi att endast investera i de(n) Underliggande på vissa förutbestämda datum. Ett annat exempel kan vara en strategi att investera i de(n) Underliggande beroende på realiserad volatilitet, utveckling, momentum eller andra mätbara värden av de(n) Underliggandes nivå över produktens livslängd.</p> <p><u>Nedgångsinriktad/Uppgångsinriktad/Variabel Deltagandegrad</u><br/>Deltagande är vanligtvis i proportion till en viss grad (vilken i sig själv kan vara beroende av vissa förutbestämda villkor, till exempel utvecklingen av en eller flera Underliggande) och kan vara negativ eller positiv.</p> <p><u>Valutakonventering</u><br/>Värdepappersinnehavarens rätt i enlighet med Värdepapperen kan bestämmas på basis av en valuta annan än Inlösenvalutan, valutaenheten eller beräkningsenheten, och även värdet av den Underliggande eller, i förekommande fall, Korgkomponenterna kan bestämmas i valuta annan än Inlösenvalutan, valutaenheten eller beräkningsenheten. Den valutakurs som ska användas för att bestämma Inlösenbeloppet kan antingen vara förutbestämd (quanto-funktion) eller variabel.</p> <p><u>Dubbla valutor</u><br/>Värdepappersinnehavaren är berättigad att erhålla betalningar i den valuta som i tillämpliga Produktvillkor fastställs som Inlösenvaluta. I de fall dessa Produktvillkor anger att produkttegenskapen "Dubbel valuta" är tillämplig är Emittenten berättigad att, under Värdepapperens löptid eller vid Inlösen, ersätta denna förutbestämda valuta med en annan valuta som har specificerats för detta ändamål i de tillämpliga Produktvillkoren. Alla efterföljande utbetalningar till Värdepappersinnehavaren görs därefter i denna andra valuta. Värdepappersinnehavaren kan i sådana fall komma att exponeras för valutarisk.</p> <p><u>Kuponger/Räntebelopp/Andra Likvider</u><br/>Om de relevanta Produktvillkoren anger att ovillkorad Kupong, Räntebelopp eller annan likvid är tillämplig, är Värdepappersinnehavaren berättigad att</p> |
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|      |  | <p>erhålla betalning i form av den relevanta Kupongen, Räntebeloppet eller annan likvid, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Om de relevanta Produktvillkoren anger att villkorad Kupong, Räntebelopp eller annan likvid är tillämplig, är Värdepappersinnehavaren berättigad att erhålla betalning i form av den relevanta Kupongen, Räntebeloppet eller annan likvid förutsatt att de tillämpliga villkoren uppfylls. Om, i fall av en villkorad Kupong, Räntebelopp eller annan likvid, dessa krav inte är uppfyllda, utbetalas ingen Kupong, Räntebelopp eller annan likvid.</p> <p>Under sin löptid kan produkter därför generera regelbunden inkomst. Emellertid genererar de flesta produkter inte ovillkorad inkomst, till exempel utdelning eller ränta.</p> <p><u>Kapitalskydd</u><br/>Endast om produkttegenskapen "Kapitalskydd" anges som tillämplig i de relevanta Produktvillkoren motsvarar Avvecklingsbeloppet, i varje enskilt fall, åtminstone det kapitalskyddade Minimibeloppet.</p> <p><u>Maximalt Belopp</u><br/>Om produkttegenskapen "Maximalt Belopp" anges som tillämplig i de relevanta Produktvillkoren, är taket för Avvecklingsbeloppet satt till det Maximala Beloppet.</p> <p><u>Fysisk eller Kontantavveckling</u><br/>Endast om produkttegenskapen "Fysisk Avveckling" anges som tillämplig i de relevanta Produktvillkoren, kan produkten eventuellt avvecklas fysiskt. Annars sker avveckling genom kontant betalning. Avvecklingen kan bero på utvecklingen för de(n) Underliggande.</p> <p><u>Generell Rätt till Förtida Inlösen</u><br/>Emittenten och Värdepappersinnehavarna kommer endast att ha en generell rätt till förtida inlösen avseende Värdepapperen före Förfallodagen om detta anges i de tillämpliga Produktvillkoren.</p> <p><i>Emittentens Rätt till Förtida Inlösen</i><br/>Om så anges i de tillämpliga Produktvillkoren har Emittenten rätt att begära Värdepapperen inlösta i förtid genom att lämna meddelande om detta på vissa förutbestämda datum. Inlösenvärdet kan antingen vara förutbestämt eller beroende av nivån för de(n) Underliggande, vissa datum eller andra parametrar.</p> <p><i>Värdepappersinnehavarnas Rätt till Förtida Inlösen</i><br/>Om så anges i de tillämpliga Produktvillkoren har Värdepappersinnehavaren rätt att begära Värdepapperen inlösta i förtid. Inlösenvärdet kan antingen vara förutbestämt eller beroende av nivån för de(n) Underliggande, vissa datum eller andra parametrar.</p> |
| C.16 | Utlöpanddag eller förfallodag, utövandedag eller den slutliga referensdagen. | <p>[Förfallodag: [•]*]</p> <p>[Utlöpanddag: [•]*]</p> <p>[[Avvecklingsdag[ar]][Avvecklingsperiod]: [•]*]</p> <p>[[Slutlig] Värderingsdag: [•]*]</p> <p>[Genomsnittliga Värderingsdagar: [•]*]</p>   |

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|      |   | <p>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och ifyll för varje Serie av Värdepapper:</p> <table border="1"> <tr> <td>ISIN</td> <td>Förfallodag</td> <td>Utlöpandedag</td> <td>[Avecklingsdag[ar]]<br/>[Avecklingsperiod]</td> <td>[[Slutlig] Värderingsdag][Genomsnittliga Värderingsdagar]</td> </tr> <tr> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> </tr> </table> <p>]</p>   | ISIN                                      | Förfallodag   | Utlöpandedag | [Avecklingsdag[ar]]<br>[Avecklingsperiod] | [[Slutlig] Värderingsdag][Genomsnittliga Värderingsdagar] | [•] | [•] | [•] | [•] | [•] |
| ISIN | Förfallodag   | Utlöpandedag   | [Avecklingsdag[ar]]<br>[Avecklingsperiod] | [[Slutlig] Värderingsdag][Genomsnittliga Värderingsdagar]   |              |   |   |     |     |     |     |     |
| [•]  | [•]   | [•]  | [•]                                       | [•]   |              |   |   |     |     |     |     |     |
| C.17 | <p>Avecklingsförfarande för de derivatvärdepapper.</p>  | <p>Betalningar [och/eller, i förekommande fall, levereras av den Fysiska Underliggande i tillämpligt antal] ska, i alla fall som är föremål för någon form av tillämpliga skatte- eller andra lagar och regler på platsen för betalningen [eller, i förekommande fall, leveransen] eller andra lagar och regler för vilka Emittenten gått med på att bli föremål, och i enlighet med de relevanta CA-reglerna, göras till det relevanta Clearingsystemet eller den relevanta mellanmannen eller för dess order för kreditering av de relevanta kontoinnehavarnas konton hos Clearingsystemet eller den relevanta mellanmannen.</p> <p>Emittenten ska anses ha fullgjort sina inlösenförpliktelser eller varje annan betalnings- eller leveransförpliktelse under Villkoren för Värdepapperen vid betalning och/eller leverans till Clearingsystemet på det sätt som beskrivs ovan.</p>   |   |   |              |   |   |     |     |     |     |     |
| C.18 | <p>En beskrivning av hur avkastningen på derivatvärdepapper äger rum.</p>                                 | <p>Värdepappersinnehavare kommer att på den relevanta Förfallodagen erhålla [betalning i form av Inlösenbeloppet][och/eller][i förekommande fall leverans av den Fysiska Underliggande i tillämpligt antal].</p>   |   |   |              |   |   |     |     |     |     |     |
| C.19 | <p>Utövanpris eller slutligt referenspris hos Underliggande.</p>  | <p>[Avecklingspris: [•]*]<br/>[Referenspris: [•]*]<br/>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och ifyll för varje Serie av Värdepapper:</p> <table border="1"> <tr> <td>ISIN</td> <td>[Avecklingspris][Referenspris]</td> </tr> <tr> <td>[•]</td> <td>[•]</td> </tr> </table> <p>]</p>  | ISIN                                      | [Avecklingspris][Referenspris]  | [•]          | [•]                                       |   |     |     |     |     |     |
| ISIN | [Avecklingspris][Referenspris]  |  |   |   |              |   |   |     |     |     |     |     |
| [•]  | [•]   |  |   |   |              |   |   |     |     |     |     |     |
| C.20 | <p>Typ av underliggande och var informationen om underliggande kan finnas.</p>                            | <p><b>Typ av Underliggande:</b></p> <p>[infoga beskrivning av [aktien (inklusive ett certifikat som representerar aktier)][indexet][valutakursen][ädelmetallen] [råvaran] [räntesatsen] [det icke-aktierelaterade värdepapperet] [andelen i börshandlad fond] [andelen i icke-börshandlad fond] [terminskontraktet (om tillämpligt, inkluderande bestämmande av de tillämpliga förfallomånaderna)] [referensräntesatsen] [korgen innehållande de tidigare nämnda tillgångarna] [portföljen innehållande de tidigare nämnda tillgångarna. [•]*]</p> <p>Information om [•][och] den gångna och den framtida utvecklingen av [de(n) Underliggande] och [dess] [dessas] volatilitet kan erhållas [på hemsidan] [•].</p> <p>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och ifyll för varje Serie av Värdepapper:</p> <table border="1"> <tr> <td>ISIN</td> <td>[infoga beskrivning av underliggande tillgång och var information om underliggande tillgång kan erhållas]</td> </tr> <tr> <td>[•]</td> <td></td> </tr> </table> | ISIN                                      | [infoga beskrivning av underliggande tillgång och var information om underliggande tillgång kan erhållas] | [•]          |   |   |     |     |     |     |     |
| ISIN | [infoga beskrivning av underliggande tillgång och var information om underliggande tillgång kan erhållas] |  |   |   |              |   |   |     |     |     |     |     |
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| Punkt | Avsnitt D – Risker  |   |
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| D.2   | <p>Nyckelinformation om väsentliga risker som är specifika och individuella för Emittenten.</p> | <p>Värdepapperen medför emittentrisk, även kallad gäldenärsrisk eller kreditrisk, för potentiella investerare. En emittentrisk är risken att UBS AG tillfälligt eller varaktigt blir oförmögen att fullgöra sina förpliktelser i relation till Värdepapperen.</p> <p><b>Generell risk för insolvens</b></p> <p>Varje investerare bär den generella risken att den finansiella situationen för Emittenten kan försämrans. Emittentens skuld- och derivatinstrument utgör direkta, icke säkerställda och icke efterställda förpliktelser för Emittenten, vilka, i synnerhet i händelse av Emittentens insolvens, rangordnas lika med varandra och med samtliga andra av Emittentens nuvarande och framtida icke säkerställda och icke efterställda förpliktelser, med undantag för dem som har förmånsrätt enligt tvingande lagregler. Emittentens förpliktelser i relation till Värdepapperen garanteras inte av något lagstadgat eller frivilligt system av insättningsgarantier eller kompensationsplaner. <b>Om Emittenten blir insolvent kan följaktligen investerare lida en total förlust av sina investeringar i Värdepapperen.</b></p> <p>UBS AG som Emittent och UBS är utsatta för olika riskfaktorer i sin affärsverksamhet. Sammanfattade nedan är de risker som kan påverka Koncernens förmåga att verkställa sin strategi, och påverka dess affärsverksamhet, finansiella ställning, verksamhetsresultat och utsikter, vilka Koncernen anser är väsentliga och för närvarande är medveten om:</p> <ul style="list-style-type: none"> <li>• Fluktuationer i valutakurser och fortsatt låga eller negativa räntenivåer kan ha en skadlig inverkan på UBS:s kapitalstyrka, dess likviditet och finansieringsposition samt dess lönsamhet.</li> <li>• Regulatoriska och juridiska ändringar kan negativt påverka UBS:s verksamhet och dess förmåga att verkställa sina strategiska planer.</li> <li>• Om UBS är oförmöget att bibehålla sin kapitalstyrka, kan detta negativt påverka dess förmåga att verkställa sin strategi, dess klientverksamhet och konkurrensposition.</li> <li>• UBS kanske inte lyckas att verkställa sina offentliggjorda strategiska planer.</li> <li>• Betydande juridiska och regulatoriska risker uppkommer vid driften av UBS verksamhet.</li> <li>• Operationella risker påverkar UBS verksamhet.</li> <li>• UBS:s renommé är avgörande för framgången för dess verksamhet.</li> <li>• Utvecklingen inom den finanstjänsteindustrin påverkas av marknadsförhållanden och det makroekonomiska klimatet.</li> <li>• UBS kanske inte lyckas att verkställa förändringar inom sina förmögenhetsförvaltningsverksamheter för att möta förändrade marknads- regulatoriska och andra förhållanden.</li> <li>• UBS är kanske inte i stånd att identifiera eller tillvarata intäkts- eller konkurrensmöjligheter eller att behålla och attrahera kvalificerade anställda.</li> <li>• UBS håller kvardröjande och andra riskpositioner som kan påverkas</li> </ul> |

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|     |  | <p>negativt av förhållandena på de finansiella marknaderna, kvardröjande risk positioner kan vara svåra att likvidera.</p> <ul style="list-style-type: none"> <li>• UBS är beroende av sina riskhanterings- och kontrollprocesser för att undvika eller begränsa potentiella förluster inom UBS:s företag.</li> <li>• Värderingar av vissa positioner kan förlita sig på modeller; modeller har inneboende begränsningar och kan använda indata som inte har någon observerbar källa.</li> <li>• Likviditets- och finansieringsförvaltning är avgörande för UBS:s löpande utveckling.</li> <li>• UBS finansiella resultat kan påverkas negativt av ändringar i redovisningsstandarder.</li> <li>• UBS finansiella resultat kan påverkas negativt av ändringar i antaganden som stöder dess goodwillvärden.</li> <li>• Inverkan av skatter på UBS:s finansiella resultat påverkas i betydande mån av omvärderingar av dess uppskjutna skattefordringar.</li> <li>• UBS uppgivna kapitalavkastningsmål är baserat, till viss del, på kapitalrelationer som är utsatta för regulatorisk förändring och kan fluktuera i betydande mån.</li> <li>• UBS AG:s rörelseresultat, finansiella ställning och förmåga att betala sina förpliktelser i framtiden kan påverkas av finansiering, utdelningar och andra överföringar som erhålls från UBS Switzerland AG eller varje annat direkt dotterföretag, vilket kan vara föremål för begränsningar.</li> <li>• Om UBS erfar finansiella svårigheter har FINMA befogenheten att starta resolutions- eller likvidationsförfaranden eller införa skyddsåtgärder avseende UBS Group AG, UBS AG eller UBS Switzerland AG, och sådana förfaranden eller åtgärder kan ha en betydande negativ inverkan för UBS:s aktieägare och borgenärer.</li> </ul> <p>Men eftersom verksamheten i ett brett baserat internationellt finanstjänsteföretag, som UBS, till sin inneboende natur är exponerad mot risker som blir uppenbara endast i efterhand, kan risker som UBS inte för närvarande är medvetet om eller som det för närvarande inte betraktar som väsentliga, också påverka dess förmåga att verkställa sin strategi och kan påverka dess affärsverksamhet, finansiella ställning, verksamhetsresultat och utsikter.</p> |
| D.3 | Nyckelinformation om risker som är specifika och individuella för värdepapperen. | <p>Potentiella investerare i Värdepapperen bör vara medvetna om att Värdepapperen <b>utgör en riskfylld investering</b> som kan leda till <b>total förlust</b> av deras investering i Värdepapperen. Värdepappersinnehavare kommer att vidkännas en förlust, om de belopp [eller, i förekommande fall, den Fysiska Underliggande] som erhålls i enlighet med Villkoren för Värdepapperen är lägre än förvärvspriset för Värdepapperen (inklusive transaktionskostnader). [Även när Värdepapperen är kapitalskyddade till Minimibeloppet vid förfall och risken för en förlust därför inledningsvis är begränsad till Minimibeloppet, bär investerare] [Alla investerare bär] risken att Emittentens finansiella situation försämras och potentiellt leder till oförmåga för Emittenten att fullgöra sina förpliktelser under Värdepapperen. Potentiella investerare måste därför vara beredda på och kapabla att klara av en partiell eller till och med en <b>total förlust</b> av investerat kapital. Varje investerare som är intresserad av att köpa Värdepapperen bör utvärdera sin finansiella situation, för att säkerställa de är i stånd att bära de <b>förlustrisker</b> som är</p>   |



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|  |  | <p>förknippade med Värdepapperen.</p> <p><b><u>Särskilda risker relaterade till specifika egenskaper hos Värdepapperets struktur</u></b></p> <p><i>[För det fall Värdepapperen är kopplade till en Underliggande infoga: Potentiella investerare bör vara medvetna om att den del [av [Räntebeloppet] [Räntebeloppen] och] av Inlösenbeloppet som erläggs i enlighet med Villkoren för Värdepapperen är beroende av utvecklingen av den Underliggande. I fall av ogynnsam utveckling av priset på [den Underliggande][Korgkomponenterna], kan det belopp som erhållits från Värdepapperen vara lägre än vad investerarna förväntat sig <b>och kan till och med vara lika med noll. I sådana fall kommer Värdepappersinnehavarna att ådra sig en total förlust av sina investeringar (inklusive eventuella transaktionskostnader).</b>]</i></p> <p><i>[För det fall produkten innehåller bestämmelser om "Deltagandegrad", "Hävstångsfaktor", "Multiplikationsfaktor" eller, i förekommande fall, "Multiplikator", infoga: Potentiella investerare bör vara medvetna om att tillämpningen av [Deltagandegraden] [Hävstångsfaktorn] [Multiplikationsfaktorn] [Multiplikatorn] vid bestämmandet av Värdepappersrätten resulterar i att Värdepapperen i ekonomisk mening liknar en direktinvestering i [den Underliggande] [Korgkomponenterna], men innebär trots det inte att investeringen är helt jämställd med en sådan direktinvestering, i synnerhet på grund av att Värdepappersinnehavarna inte deltar i den aktuella utvecklingen av [den Underliggande] [Korgkomponenterna] med ett förhållande om 1:1, utan med den proportion som ges av [Deltagandegraden] [Hävstångsfaktorn] [Multiplikationsfaktorn] [Multiplikatorn]].]</i></p> <p><i>[För det fall produkten har en "Omvänd Struktur", infoga: Potentiella investerare bör vara medvetna om att Värdepapperen har en så kallad omvänd struktur och att, i och med det, Värdepapperen (oberoende av andra egenskaper hänförliga till Värdepapperen eller andra faktorer, som kan vara av betydelse för värdet på Värdepapperen) <b>sjunker i värde</b>, om priset på [den Underliggande] [Korgkomponenterna] ökar, eller att Värdepapperen <b>ökar i värde</b>, om priset på [den Underliggande] [Korgkomponenterna] sjunker. Följaktligen är det risk för förlust av det investerade kapitalet, om priset på [den Underliggande] [Korgkomponenterna] ökar korrelativt. Dessutom är den potentiella utdelningen på varje Värdepapper, som en principiell regel, begränsad, eftersom den negativa utvecklingen på [den Underliggande] [Korgkomponenterna] inte kan överstiga 100 %.]</i></p> <p><i>[För det fall produkten har en "Expresstruktur", infoga: Potentiella investerare bör vara medvetna om att Värdepapperen enligt Villkoren för Värdepapperen under vissa omständigheter kan upphöra före Förfallodagen utan att det krävs något meddelande eller uttalande från Emittenten eller Värdepappersinnehavaren, så kallad expresstruktur. För det fall Värdepapperen upphör före Förfallodagen, är Värdepappersinnehavaren berättigad att kräva [betalning av ett kontantbelopp] [eller, i förekommande fall,] [leverans av den Fysiska Underliggande i lämpligt antal] i förhållande till det förtida upphörandet. Värdepappersinnehavaren är dock inte berättigad att begära [några ytterligare betalningar under Värdepapperen] [eller, i förekommande fall,] [leverans av den Fysiska Underliggande] efter sådant förtida upphörande.</i></p> <p>Värdepappersinnehavaren bär därför risken att inte delta i utvecklingen av [den Underliggande] [Korgkomponenterna] i förväntad utsträckning och under den förväntade perioden.</p> <p>I fall av förtida upphörande av Värdepapperen bär också</p> |
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|  | <p>Värdepappersinnehavaren den så kallade <b>återinvesteringsrisken</b>. Värdepappersinnehavaren kan vara begränsad till att kunna återinvestera belopp som utbetalats av Emittenten vid förtida upphörande, om något, på marknadsvillkor som är mindre fördelaktiga än de som var rådande vid tiden för förvärvet av Värdepapperen.]</p> <p>[För det fall produkten har "<b>Trösklar, Barriärer eller Nivåer</b>", infoga: Potentiella investerare bör vara medvetna om att [Inlösenbeloppet] [eller, i förekommande fall,] [värdet på den Fysiska Underliggande som ska levereras i lämpligt antal], om något, under Värdepapperen är beroende av om priset på [den Underliggande] [Korgkomponenterna] är lika med, och/eller sjunker under respektive överstiger en given tröskel, barriär eller nivå som den är definierad i aktuella Slutgiltiga Villkor, vid en given tidpunkt eller, i förekommande fall, inom en specifik period angiven i Villkoren för Värdepapperen.</p> <p>Endast under förutsättning att den aktuella tröskeln, barriären eller, i förekommande fall, nivån inte har nåtts och/eller sjunkits under, respektive överstigits, vid den tidpunkt eller period som anges i Villkoren för Värdepapperen, erhåller innehavaren av ett Värdepapper ett belopp, förutbestämt i Villkoren till Värdepapperen, som Inlösenbelopp. Om så anges i de relevanta Slutliga Villkoren kan applicerandet av trösklar, barriärer eller nivåer enligt vad som anges i de relevanta Slutliga Villkoren i enlighet med Villkoren för Värdepapperen rentav resultera i ett Inlösenbelopp om noll (0). Annars deltar Värdepappersinnehavaren i utvecklingen av [den Underliggande] [Korgkomponenterna] och bär, därmed, risken för en total förlust av det investerade kapitalet.]</p> <p>[För det fall produkten har ett "<b>Maxbelopp</b>", infoga: Potentiella investerare bör vara medvetna om att [Inlösenbeloppet] [eller, i förekommande fall,] [värdet av den Fysiska Underliggande som ska levereras i lämpligt antal], om något, under Värdepapperen är begränsat till det Maxbelopp som bestämts i Villkoren för Värdepapperen. Till skillnad från en direktinvestering i [den Underliggande] [Korgkomponenterna] är därför den potentiella vinsten under Värdepapperen begränsad till Maxbeloppet.]</p> <p>[För det fall produkten har en "<b>Relevant Underliggande</b>", infoga: Potentiella investerare bör vara medvetna om att beräkningen av nivån av [Inlösenbeloppet] [eller, i förekommande fall,] [värdet av den Fysiska Underliggande som ska levereras i lämpligt antal], om något, uteslutande hänvisar till att den Relevanta Underliggande och, därmed, den Underliggande, uppvisar en viss förutbestämd utveckling, till exempel den sämsta utvecklingen under en observationsperiod.</p> <p>Potentiella investerare bör, följaktligen, vara medvetna om att dessa Värdepapper, jämfört med Värdepapper som hänvisar till endast en Underliggande, uppvisar en högre exponering mot förluster. Denna risk reduceras inte av en positiv eller, i förekommande fall, negativ utveckling på de resterande Underliggande, eftersom de resterande Underliggande inte tas i beaktande vid beräkningen av [nivån på Inlösenbeloppet] [eller, i förekommande fall,] [värdet på den Fysiska Underliggande som ska levereras i lämpligt antal].]</p> <p>[För det fall produkten innefattar "<b>Fysisk Leverans</b>", infoga: Potentiella investerare bör vara medvetna om att när Värdepapperen förfaller, kommer ingen utbetalning av ett Inlösenbelopp att ske, utan leverans, om någon, kommer att ske av den Fysiska Underliggande, som den beskrivs i Villkoren till Värdepapperen, i lämpligt antal. Potentiella investerare bör, därmed, beakta att i fall av inlösen av Värdepapperen genom fysisk leverans av den Fysiska Underliggande i lämpligt antal, erhåller investerare inte ett kontantbelopp, utan en rätt till det relevanta värdepapperet, som är</p> |
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|  | <p>överlåtbar enligt villkoren för det aktuella förvaringssystemet.</p> <p>Då Värdepappersinnehavarna i sådant fall är exponerade för de emittent- och värdepappersspecifika riskerna relaterade till den Fysiska Underliggande som ska levereras, om någon, bör potentiella investerare bekanta sig med den Fysiska Underliggande, som ska levereras, om någon, innan förvärv av Värdepapperen. Vidare, bör investerare inte förlita sig på att kunna sälja den Fysiska Underliggande efter inlösen av Värdepapperen till ett visst pris, i synnerhet inte till ett pris som motsvarar det investerade kapitalet vid förvärv av Värdepapperen. Den Fysiska Underliggande som levereras i lämpligt antal kan, under vissa omständigheter, eventuellt ha ett mycket lågt eller till och med inget värde. I sådant fall bär Värdepappersinnehavarna risken för en total förlust av det kapital som investerades vid förvärv av Värdepapperen (inklusive transaktionskostnader).</p> <p>Potentiella investerare i Värdepapperen bör även beakta att möjliga fluktuationer i priset på den Fysiska Underliggande mellan utgången av löptiden på Värdepapperen och den faktiska leveransen av den Fysiska Underliggande på Förfallodagen stannar hos Värdepappersinnehavaren. All nedgång av värdet på den Fysiska Underliggande efter utgången av löptiden på Värdepapperen måste bäras av Värdepappersinnehavaren.]</p> <p><i>[För det fall att produkten innefattar "Slutlig Inlåsnings", infoga:</i> Potentiella investerare bör vara medvetna om att, i den grad som Villkoren för Värdepapperen föreskriver ett "Slutlig Inlåsnings"-villkor, kommer vissa belopp eller utvecklingar, enligt vad som anges i Produktvillkoren, i händelse av att det inträffar en förutbestämd inlåsningshändelse att bli "inlåsta", i sådan utsträckning att deltagandet för Värdepappersinnehavarna i den framtida utvecklingen för [den Underliggande] [Korgkomponenterna], begränsas eller rentav exkluderas. Värdepappersinnehavare deltar i detta fall inte, eller endast i begränsad omfattning, i varje framtida utveckling för [den Underliggande] [Korgkomponenterna].]</p> <p><i>[För det fall produkten innefattar "Valutakonvertering", infoga:</i> Potentiella investerare bör vara medvetna om att Värdepappersinnehavarens rätt i enlighet med Värdepapperen bestäms på grundval av en annan valuta än Inlösenvalutan, valutaenheten eller beräkningsenheten, och även värdet av [Underliggande] [Korgkomponenterna] bestäms i en sådan annan valuta än Inlösenvalutan, valutaenheten eller beräkningsenheten. Potentiella investerare bör, därför, vara medvetna om att investeringar i dessa Värdepapper kan innebära risker på grund av fluktuerande valutakurser, och att risken för förlust inte enbart beror på utvecklingen av [den Underliggande] [Korgkomponenterna], utan även på ogynnsam utveckling i värdet på den utländska valutan, valutaenheten eller beräkningsenheten.</p> <p>Sådan utveckling kan dessutom öka Värdepappersinnehavarnas exponering mot förluster därför att en ogynnsam utveckling av den relevanta valutakursen kan i motsvarande mån sänka värdet på de förvärvade Värdepapperen under deras löptid eller, i förekommande fall, [nivån på Inlösenbeloppet] [eller, i förekommande fall,] [värdet på den Fysiska Underliggande som ska levereras i lämpligt antal], om någo(t/n). Valutakurser bestäms av tillgångs- och efterfrågsfaktorer på internationella valutamarknader, vilka är i sig själva exponerade mot ekonomiska faktorer, spekulationer och åtgärder från regeringar och centralbanker (till exempel monetära kontroller eller restriktioner).]</p> <p><i>[För det fall produkten innefattar "Dubbel Valuta", infoga:</i> Potentiella investerare bör vara medvetna om att – även om Värdepappersinnehavare är berättigade att ta emot betalningar i den valuta som i tillämpliga Produktvillkor fastställs som Inlösenvaluta – så är Emittenten enligt Villkoren</p> |
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|  |  | <p>berättigad att, under Värdepapperens löptid eller vid Inlösen, ersätta denna förutbestämda valuta med en annan valuta som har specificerats för detta ändamål i tillämpliga Produktvillkor. Alla efterföljande utbetalningar till Värdepappersinnehavaren görs därefter i denna andra valuta.</p> <p>Potentiella investerare bör därför vara medvetna om att investeringar i dessa Värdepapper kan innebära specifika risker på grund av fluktuerande växelkurser mellan den förutbestämda valutan som definieras i tillämpliga Produktvillkor och den alternativa valutan. Därmed beror risken för förlust inte enbart på utvecklingen av den Underliggande, eller, i förekommande fall, Korgkomponenterna, utan även på en eventuell ogynnsam utveckling för den förutbestämda valutan och den alternativa valutan.]</p> <p>[För det fall produkten har "<b>Kapitalskydd</b>", <i>infoga</i>: Potentiella investerare bör vara medvetna om att Värdepapperen vid utgången av sin löptid är kapitalskyddade i den utsträckningen att ett Minimibelopp är kapitalskyddat (utan hänsyn till erbjudandepremien); dvs. investeraren erhåller vid löptidens slut, oberoende av den faktiska utvecklingen av [den Underliggande] [Korgkomponenterna], i varje fall Minimibeloppet. Om en investerare förvärvar Värdepapperen till ett pris som är högre än Minimibeloppet bör den potentiella investeraren vara medveten om att (det proportionella) kapitalskyddet endast refererar till det lägre Minimibeloppet. I detta sammanhang måste beaktas att kapitalskyddet endast gäller vid slutet av löptiden, dvs. under förutsättning att Värdepapperen inte har blivit avslutade [eller, i förekommande fall, inlösts i förtid]. [Det kontantbelopp som ska betalas] [eller, i förekommande fall,] [värdet på den Fysiska Underliggande som ska levereras i lämpligt antal], om något, i fall av förtida inlösen av Värdepapperen kan väsentligt understiga det belopp, som skulle betalas som ett minimum vid slutet av Värdepapperens löptid, där kapitalskyddet gäller i samma utsträckning som Minimibeloppet, och det kan till och med vara lika med noll. I sådant fall kommer Värdepappersinnehavarna att ådra sig en <b>total förlust</b> av sin investering (inklusive transaktionskostnader).</p> <p>Potentiella investerare i Värdepapperen bör vidare beakta att trots kapitalskyddet som gäller upp till Minimibeloppet, bär investeraren risken av att Emittentens finansiella förmåga försämras och den potentiella följande oförmågan hos Emittenten att fullgöra sina skyldigheter under Värdepapperen. Vid fall av Emittentens insolvens, kan Värdepappersinnehavare lida en <b>total förlust</b> av sina investeringar i Värdepapperen. Potentiella investerare måste därför vara beredda på och kapabla att klara av en partiell eller till och med total förlust av investerat kapital. Förvärvare av Värdepapperen bör i vilket fall utvärdera sin finansiella situation, för att säkerställa att de är i stånd att bära de förlustrisker som är förknippade med Värdepapperen.]</p> <p>[För det fall produkten har "<b>Ingen förutbestämd löptid</b>", <i>infoga</i>: Potentiella investerare bör vara medvetna om att Värdepapperen, till skillnad från värdepapper med en bestämd löptid, inte har någon förutbestämd inlösendag och därmed ingen bestämd löptid. Följaktligen måste Värdepappersinnehavarens rätt i sådana Värdepapper påkallas av respektive Värdepappersinnehavare på en specifik Avecklingsdag i enlighet med avecklingsprocessen som beskrivs i Villkoren för Värdepapperen, om Värdepappersrätten ska hävdas. I det fall den Avecklingsbegäran som krävs inte vederbörligen mottas på den aktuella Avecklingsdagen, kan Värdepapperen inte avecklas förrän vid nästa Avecklingsdag som anges i Villkoren för Värdepapperen.]</p> |
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|  | <p>[För det fall produkten har "<b>Tidsfördröjd Värdering</b>", infoga: Potentiella investerare bör vara medvetna om att vid avveckling av Värdepapperen på en Avvecklingsdag eller, i förekommande fall, om en automatisk avslutshändelse inträffar (inklusive, men inte begränsat till, en Stop-Loss- eller Knock-Out-händelse) i enlighet med Villkoren för Värdepapperen, kommer Värderingsdagen eller den Slutliga Värderingsdagen som är tillämplig för fastställandet av Referenspriset eller Avvecklingspriset, enligt vad som anges i de Slutliga Villkoren, att i enlighet med Villkoren för Värdepapperen vara en dag efter förloppet av en signifikant period efter den relevanta Avvecklingsdagen eller, i förekommande fall, det relevanta automatiska avvecklingsdatumet, att vara tillämpligt så som det anges i Produktvillkoren. Negativa fluktuationer i priset på den Underliggande eller, i förekommande fall, på Korgkomponenterna mellan sådan dag och Värderingsdagen eller den Slutliga Värderingsdagen bärs, i enlighet med vad som anges i de Slutliga Villkoren, av den relevanta Värdepappersinnehavaren.]</p> <p>[För det fall produkten har "<b>Automatiskt Avslut</b>", infoga: Potentiella investerare bör vara medvetna om att i fall en automatisk avslutshändelse inträffar (inklusive, men inte begränsat till, en Stop-Loss- eller Knock-Out-händelse) i enlighet med Villkoren för Värdepapperen, är löptiden på alla utestående Värdepapper automatiskt avslutad.</p> <p>Värdepappersinnehavaren bär, därmed, risken av att inte delta i utvecklingen för den Underliggande eller, i förekommande fall, Korgkomponenterna i förväntad utsträckning och under den förväntade perioden och erhåller därför mindre än sitt investerade kapital.</p> <p>Om en automatisk avslutshändelse inträffar, bär Värdepappersinnehavaren även återinvesteringsrisken, dvs. investeraren bär risken för att denne måste återinvestera återbetalningsbeloppet, om något, som betalats av Emittenten i fall en automatisk avslutshändelse inträffar, enligt marknadsvillkor vilka kan vara mindre fördelaktiga än de som var rådande vid tiden för förvärvet av Värdepapperen.]</p> <p>[För det fall produkten har en "<b>Minsta Avvecklingsstorlek</b>", infoga: Potentiella investerare bör vara medvetna om att varje Värdepappersinnehavare, måste i enlighet med Villkoren för Värdepapperen erbjuda ett angivet minsta antal Värdepapper, för att kunna avveckla Värdepappersrätten i Värdepapperen, den så kallade Minsta Avvecklingsstorleken. Värdepappersinnehavare med färre än den angivna Minsta Avvecklingsstorleken av Värdepapper kommer, därför, antingen att behöva sälja sina Värdepapper eller köpa ytterligare Värdepapper (och ådra sig transaktionskostnader i vartdera fallet). Att sälja Värdepapperen förutsätter att marknadsaktörer är villiga att förvärva Värdepapperen till ett visst pris. Om inga marknadsaktörer är tillgängliga, kan värdet av Värdepapperen inte realiseras.]</p> <p>[För det fall att "<b>Värdepappersinnehavarens Avslutsrätt</b>" angivits vara <i>ej tillämplig</i>, infoga: Potentiella investerare bör vara medvetna om att Värdepappersinnehavare inte har avslutsrätt och att Värdepapperen, följaktligen, inte kan avslutas av Värdepappersinnehavaren under sin löptid. Innan Värdepapperen förfaller är realisation av Värdepapperens ekonomiska värde (eller delar därav), endast möjlig genom att sälja Värdepapperen, såvida inte Värdepapperen har varit föremål för förtida inlösen eller avslut av Emittenten i enlighet med Villkoren för Värdepapperen eller, om så är angivet i de tillämpliga Slutliga Villkoren, en avveckling av</p> |
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|  |  | <p>Värdepappersinnehavarens rättighet i enlighet med Villkoren för Värdepapperen,.</p> <p>Försäljning av Värdepapperen förutsätter att marknadsaktörer är villiga att förvärva Värdepapperen till ett visst pris. Om inga marknadsaktörer är tillgängliga, kan värdet av Värdepapperen inte realiseras. Utgivandet av Värdepapperen resulterar inte i en förpliktelse för Emittenten gentemot Värdepappersinnehavarna att kompensera för detta eller att återköpa Värdepapperen.]</p> <p>[För det fall produkten har "<b>Quanto</b>", infoga: Potentiella investerare bör vara medvetna om att priset på [den Underliggande] [Korgkomponenterna] är bestämt i en annan valuta än Inlösenvalutan, så kallad underliggande valuta. Det relevanta priset på [den Underliggande] [Korgkomponenterna] som används för beräkning av belopp som ska betalas under Värdepapperen uttrycks i Inlösenvalutan utan någon hänsyn till växelkursen mellan den underliggande valutan för [den Underliggande] [Korgkomponenterna], och Inlösenvalutan (så kallad "quanto"-egenskap). Detta medför att den relativa skillnaden mellan den faktiska räntan i förhållande till den Underliggande Valutan och den faktiska räntan i förhållande till Inlösenvalutan kan ha en negativ påverkan på värdet av Värdepapperen.]</p> <p><b>Generella risker avseende Värdepapperen</b><br/> <b><i>Inverkan av nedvärdering av Emittentens kreditvärdighetsbetyg</i></b><br/> Den allmänna uppfattningen om Emittentens kreditvärdighet kan påverka värdet av Värdepapperen. Som en konsekvens kan varje nedvärdering av Emittentens kreditvärdighetsbetyg ha en negativ inverkan på värdet av Värdepapperen.</p> <p><b><i>Kreditvärdighetsbetyg är inte rekommendationer</i></b><br/> Kreditvärdighetsbetygen för UBS AG som Emittent bör utvärderas separat från liknande kreditvärdighetsbetyg för andra enheter och från kreditvärdighetsbetyget, om något, tilldelat de emitterade skuld- eller derivatvärdepapperen. Ett kreditvärdighetsbetyg är inte en rekommendation att köpa, sälja eller inneha värdepapper emitterade eller garanterade av enheten som omfattas av kreditvärdighetsbetyget och kan när som helst bli föremål för granskning, ändring, tillfälligt indragande, sänkning eller återkallande av det tilldelande kreditvärderingsinstitutet.</p> <p>Ett kreditvärdighetsbetyg för Värdepapperen, om något, är inte en rekommendation att köpa, sälja eller inneha Värdepapperen och kan när som helst bli föremål för ändring eller återkallande av det relevanta kreditvärderingsinstitutet. Varje kreditvärdighetsbetyg bör utvärderas separat från andra kreditvärdighetsbetyg för värdepapper, både avseende kreditvärderingsinstitutet och typen av värdepapper. Vidare, kan kreditvärderingsinstitut, som inte har anlitats av Emittenten eller annars för att värdera Värdepapperen, försöka att värdera Värdepapperen och, om sådana "icke efterfrågade" kreditvärdighetsbetyg är lägre än det motsvarande kreditvärdighetsbetyget tilldelat Värdepapperen av det relevanta anlitade kreditvärderingsinstitutet, kunde sådana kreditvärdighetsbetyg ha en negativ inverkan på Värdepapperens värde.</p> <p><b><i>Värdepappersinnehavare är exponerade mot risken för skuldnedskrivning</i></b><br/> Emittenten och Värdepapperen är underställda den schweiziska banklagen och den schweiziska finansiella tillsynsmyndighetens ("<b>FINMA</b>") förordning om insolvens hos banker, vilket ger FINMA makt i egenskap av behörig myndighet att i vissa fall tillämpa vissa resolutionsverktyg mot</p> |
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|  | <p>kreditinstitutioner. Dessa åtgärder inkluderar särskilt nedskrivning eller omvandling av värdepapper till vanligt aktiekapital för sådan kreditinstitution (så kallad skuldnedskrivning). En nedskrivning eller en konvertering skulle ha konsekvensen att Emittenten skulle i så måtto bli befriad från sina skyldigheter under Värdepapperen. Värdepappersinnehavare skulle inte ha några ytterligare krav på Emittenten under Värdepapperen. Resolutionsverktygen kan därför ha en omfattande negativ påverkan på Värdepappersinnehavares rättigheter genom att tillfälligt indraga, modifiera och helt eller delvis upphäva krav under Värdepapperen. I värsta fall kan detta leda till en <b>total förlust av Värdepappersinnehavares investeringar i Värdepapperen</b>.</p> <p>Sådana juridiska bestämmelser och/eller regleringsåtgärder kan allvarligt påverka Värdepappersinnehavares rättigheter och kan ha en negativ effekt på värdet av Värdepapperen redan innan någon ekonomisk brist uppstår eller resolution sker i förhållande till Emittenten.</p> <p><b><i>Villkoren för Värdepapperen innehåller inte några begränsningar för Emittentens eller UBS förmåga att omorganisera sin verksamhet</i></b></p> <p>Villkoren för Värdepapperen innehåller inte några begränsningar avseende förändrad ägarkontroll eller strukturella förändringar, såsom sammanslagningar eller fusioner eller avyttranden avseende Emittenten, eller försäljning, överlåtelse, avknoppning, tillskjutande, utdelning, överföring eller annan disposition avseende all eller någon del av Emittentens eller dess dotterföretags egendomar eller tillgångar i samband med de tillkännagivna ändringarna avseende dess juridiska struktur eller något annat, och aktiverar ingen uppsägningsgrundande händelse, skyldighet att återköpa Värdepapperen eller någon annan händelse under Villkoren för Värdepapperen till följd av sådana ändringar. Ingen försäkran kan ges att, om sådana förändringar skulle inträffa, dessa inte skulle ha en negativ inverkan på kreditvärdighetsbetygen för Emittenten och/eller öka sannolikheten för inträffande av en uppsägningsgrundande händelse. Om sådana förändringar skulle inträffa kunde de ha en negativ inverkan på Emittentens förmåga att inlösa eller betala ränta på Värdepapperen och/eller leda till omständigheter under vilka Emittenten kunde välja att annullera sådan ränta (om tillämpligt).</p> <p><b><i>Avslutande och Förtida Inlösen efter Emittentens val</i></b></p> <p>Potentiella investerare i Värdepapperen bör vidare vara medvetna om att Emittenten, enligt Villkoren för Värdepapperen, under vissa omständigheter, är berättigad att avsluta och lösa in Värdepapperen i dessas helhet före den planerade Förfallodagen. I sådant fall är Värdepappersinnehavaren, i enlighet med Villkoren för Värdepapperen, berättigad att begära betalning av ett inlösenbelopp avseende denna förtida inlösen. Men Värdepappersinnehavaren är inte berättigad att begära ytterligare betalningar avseende Värdepapperen efter det relevanta avslutsdatumet. Vidare, det Avslutsbelopp, om något, som ska erläggas av Emittenten i händelse av en förtida inlösen av Värdepapperen kan vara markant lägre än det belopp som skulle ha förfallit till betalning vid det planerade slutet av löptiden för Värdepapperen.</p> <p>Värdepappersinnehavaren bär därför risken att inte delta i utvecklingen av [den Underliggande] [Korgkomponenterna], i förväntad omfattning och under den förväntade perioden.</p> <p>Om Emittenten avslutar Värdepapperen bär Värdepappersinnehavaren en återinvesteringsrisk, dvs. investeraren bär risken att vara tvungen att</p> |
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|  | <p>återinvestera Avslutsbeloppet, om något, som utbetalas av Emittenten vid avslut, till rådande marknadsförhållanden vilka kan vara mindre förmånliga än de som rådde vid tidpunkten då Värdepapperen förvärvades.</p> <p><b>Negativ inverkan av justering av Värdepapperens rättigheter</b><br/> Det finns en risk att vissa omständigheter inträffar eller särskilda åtgärder vidtas (av annan part än Emittenten) i förhållande till [den Underliggande] [Korgkomponenterna], vilket potentiellt kan medföra förändringar av [den Underliggande] [Korgkomponenterna], eller resultera i att det underliggande konceptet för [den Underliggande][Korgkomponenterna] förändras, så kallade Potentiella Justeringshändelser. Om en Potentiell Justeringshändelse inträffar, ska Emittenten vara berättigad att vidta justeringar i enlighet med Villkoren för Värdepapperen med hänsyn till dessa händelser eller åtgärder. Dessa justeringar kan ha en negativ inverkan på Värdepapperens värde.</p> <p><b>Substitution av Emittenten</b><br/> Förutsatt att Emittenten inte har underlåtit att infria sina skyldigheter under Värdepapperen, är Emittenten i enlighet med Villkoren för Värdepapperen, när som helst berättigad att, utan Värdepappersinnehavarnas samtycke, substituera ett annat bolag inom UBS-koncernen som Emittent ("<b>Substituerande Emittent</b>") i fråga om alla skyldigheter under eller med anknytning till Värdepapperen.</p> <p>Detta kan påverka registreringen av Värdepapperen och, i synnerhet, kan det vara nödvändigt för den Substituerande Emittenten att ansöka på nytt om inregistrering på den relevanta marknad eller börs där Värdepapperen är inregistrerade. Dessutom kommer, efter en sådan substitution, Värdepappersinnehavare att vara utsatt för den Substituerande Emittentens kreditrisk.</p> <p><b>Handel med Värdepapperen/ Illikviditet</b><br/> Det är inte möjligt att förutse om och i vilken utsträckning en andrahandsmarknad för Värdepapperen kan komma att utvecklas eller till vilket pris Värdepapperen kommer att köpas/säljas på andrahandsmarknaden eller om sådan marknad kommer att vara likvid eller illikvid.</p> <p>[Ansökningar kommer att lämnas in eller har lämnats in till angivna Värdepappersbörs(er) för upptagande eller inregistrering av Värdepapperen. Om Värdepapperen blir upptagna eller inregistrerade, finns det en risk att sådant upptagande eller inregistrering inte kommer att upprätthållas. Det faktum att Värdepapperen är upptagna till handel eller inregistrerade, betecknar inte nödvändigtvis högre likviditet än om så inte är fallet. Om Värdepapperen inte är inregistrerade eller upptagna till handel på någon börs, kan prisinformation om Värdepapperen vara svårare att erhålla och Värdepapperens likviditet, om någon, kan påverkas negativt.] Värdepapperens likviditet, om någon, kan också påverkas av restriktioner beträffande köp och försäljning av Värdepapperen i vissa jurisdiktioner. Dessutom är Emittenten berättigad (men inte förpliktigad) att förvärva Värdepapper när som helst och till vilket pris som helst på den öppna marknaden eller genom budgivning eller genom privat överenskommelse. Värdepapper förvärvade på detta sätt kan innehas eller säljas vidare eller överlämnas för annullering.</p> <p>Dessutom finns det en risk att antalet Värdepapper som faktiskt emitteras och förvärvas av investerare är lägre än [den avsedda Emissionsstorleken] [det Sammanlagda Nominella Beloppet] av Värdepapperen. Följaktligen finns det en risk att, på grund av den låga volymen av Värdepapper som faktiskt</p> |
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|  | <p>emitteras, likviditeten för Värdepapperen är lägre än om alla Värdepapper hade emitterats och förvärvats av investerare.</p> <p>Managern avser att, under normala marknadsförhållanden, regelbundet sätta köp- och säljkurser för emitterade Värdepapper. Managern har dock inget bindande åtagande mot Emittenten att tillföra likviditet genom köp- och säljkurser för Värdepapperen, och åtar sig inget juridiskt ansvar att ange sådana priser eller avseende nivån eller fastställandet av sådana priser. <b>Potentiella investerare bör därför inte förlita sig på möjligheterna att sälja Värdepapper vid någon specifik tidpunkt eller till något specifikt pris.</b></p> <p><b><i>Beskattning avseende Värdepapperen</i></b></p> <p>Potentiella investerare bör vara medvetna om att de kan bli ålagda att betala skatter eller andra dokumentationsavgifter eller avgifter i enlighet med lagar och praxis i det land till vilket Värdepapperen överförs eller andra jurisdiktioner. I vissa jurisdiktioner kan det saknas officiella uttalanden från skattemyndigheter eller domstolsbeslut vad gäller innovativa finansiella instrument så som Värdepapperen. Potentiella investerare uppmanas att inte förlita sig på någon skattesammanfattning i Grundprospektet utan uppmanas istället att ta råd från sina egna skatterådgivare avseende sin individuella beskattning vad gäller förvärv, försäljning eller inlösen av Värdepapperen. Endast dessa rådgivare är i stånd att vederbörligen bedöma den potentiella investerarens specifika situation.</p> <p><b><i>Betalningar under Värdepapperen kan bli föremål för amerikansk källskatt</i></b></p> <p>Värdepappersinnehavare bör, följaktligen, vara medvetna om att betalningar under Värdepapperen kan, under vissa omständigheter, bli föremål för amerikansk källskatt. Om ett belopp avseende sådan amerikansk källskatt ska dras av från eller innehållas från betalningar under Värdepapperen, skulle inte någondera av Emittenten, individuella betalningsombud eller varje annan person, enligt Villkoren för Värdepapperen ha någon skyldighet att betala ytterligare belopp som en följd av avdraget för eller innehållandet av sådan skatt.</p> <p><b><i>Förändrad beskattning av Värdepapperen</i></b></p> <p>Bedömning gällande Beskattning av Värdepapperen i Grundprospektet återspeglar Emittentens uppfattning på basis av den juridiska situation som förelåg vid datum för Grundprospektet. Dock finns det en risk att skattemyndigheter eller skattedomstolar intar en annan position, vilket ger en annan skattemässig behandling av Värdepapperen. Varje investerare uppmanas att rådfråga sin egen skatterådgivare innan beslut om att investera i Värdepapperen fattas.</p> <p>Varken Emittenten eller Managern tar något ansvar i förhållande till Värdepappersinnehavare vad gäller skattekonsekvenser av en investering i Värdepapperen.</p> <p><b><i>Potentiella Intressekonflikter</i></b></p> <p>Emittenten och dess dotterbolag kan ingå transaktioner som relaterar till Värdepapperen på ett eller annat sätt, antingen för egen räkning eller på uppdrag av en kund. Sådana transaktioner är inte nödvändigtvis gynnsamma för Värdepappersinnehavarna och kan få positiv eller negativ effekt på värdet av [den Underliggande] [Korgkomponenterna], och följaktligen på värdet av Värdepapperen. Vidare kan dotterbolag till Emittenten vara motparter i hedgningstransaktioner som relaterar till Emittentens förpliktelser under Värdepapperen. Som ett resultat kan intressekonflikter uppstå mellan dotterbolag till Emittenten, så väl som mellan dessa bolag och investerare,</p> |
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|  | <p>med avseende på skyldigheter beträffande beräkningen av kursen för Värdepapperen och andra därmed förknippade fastställanden. Dessutom kan Emittenten och dess dotterbolag agera i andra egenskaper med avseende på Värdepapperen, såsom som beräkningsagent, betalningsagent och administrativ agent och/eller indexsponsor.</p> <p>Dessutom kan Emittenten och dess dotterbolag emittera andra derivatinstrument relaterade till den Underliggande eller, i förekommande fall, Korgkomponenterna; introduktionen av sådana konkurrerande produkter kan påverka värdet på Värdepapperen. Emittenten och dess dotterbolag kan erhålla icke-offentlig information relaterad till [den Underliggande] [Korgkomponenterna], och varken Emittenten eller någon av dess dotterbolag åtar sig att göra denna information tillgänglig för Värdepappersinnehavarna. Dessutom kan ett eller flera av Emittentens dotterbolag publicera researchrapporter om [den Underliggande] [Korgkomponenterna]. Sådana aktiviteter kan innebära intressekonflikter och kan påverka Värdepapperens värde negativt.</p> <p>Inom ramen för erbjudandet och försäljningen av Värdepapperen, kan Emittenten eller dotterbolag direkt eller indirekt betala arvoden av olika storlek till tredje parter, såsom distributörer eller investeringsrådgivare, eller erhålla arvoden av olika storlek, inklusive sådana som tas ut i samband med distribution av Värdepapperen, från tredje parter. Potentiella investerare bör vara medvetna om att Emittenten kan behålla arvodena helt eller delvis. Emittenten, eller i förekommande fall, Managern, tillhandahåller på begäran information om dessa arvoden.</p> <p><b><u>Riskfaktorer relaterade till [den Underliggande] [Korgkomponenterna]</u></b></p> <p>Värdepapperen är beroende av värdet på [Underliggande] [Korgkomponenterna] och risken förknippad med [den Underliggande] [dessa Korgkomponenter]. Värdet på [Underliggande] [Korgkomponenterna] beror på flertalet faktorer som kan vara sammankopplade. Dessa kan inkludera ekonomiska, finansiella eller politiska händelser som är utom Emittentens kontroll. Den gångna utvecklingen för [Underliggande][Korgkomponenterna] ska inte ses som en indikator på den framtida utvecklingen under löptiden för Värdepapperen, och Emittenten ger inte någon uttalande eller underförstådd garanti eller representation vad gäller framtida utveckling av [Underliggande][Korgkomponenterna].</p> <p><i>[i fall av Underliggande i form av en korg, eller, i förekommande fall, en portfölj av Underliggande, infoga: Investerade bör också notera att nivån för Inlösenbeloppet beror på utvecklingen av [korgen innehållande Korgkomponenterna] [en portfölj innehållande Underliggande]. Som resultat av detta, kan fluktuationer i värdet av [en Korgkomponent][en Underliggande] kompenseras för eller intensifieras av fluktuationerna i värdet av andra [Korgkomponenter i korgen] [Underliggande i portföljen]. Till och med vid fall av en positiv utveckling av en eller flera [Korgkomponenter][Underliggande], kan utvecklingen av [korgen][portföljen] som helhet bli negativ, om utvecklingen av andra [Korgkomponenter][Underliggande] är mer negativa. Om utvecklingen av en eller flera [Korgkomponenter i en Korg][Underliggande i en portfölj], på vilken kalkyleringen eller specificeringen av inlösenbeloppet grundar sig, har försämrats i betydande mån kan detta ha betydande negativ effekt på kalkyleringen eller specificeringen av inlösenbeloppet.]</i></p> <p><i>[vid beräkning av en relativ utveckling av den Underliggande jämfört med en annan Underliggande infoga: Investerade bör också notera att nivån på</i></p> |
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|     |  | <p>Inlösenbeloppet är beroende av den relativa utvecklingen av [de(n) Underliggande] jämfört med utvecklingen av [(en annan) (andra) Underliggande]. Följaktligen kommer värdet på Värdepapperen även i händelse av en positiv utveckling av de(n) relevanta Underliggande att förbli konstant, om de(n) andra Underliggande utvecklas parallellt].</p> <p>Investorerare bör vara medvetna om att de relevanta [Underliggande][Korgkomponenterna] inte kommer att innehåsa av Emittenten i avsikt att bringa fördel till Värdepappersinnehavarna, och att Värdepappersinnehavarna inte kommer att få ta del av några äganderättigheter (inkluderat, utan begräsning, rösträttigheter, rättigheter att få del av utdelning eller andra utbetalningar eller andra rättigheter) med avseende på [Underliggande ][Korgkomponenterna].</p> |
| D.6 | Riskvarning för att investerare kan förlora hela värdet av investeringen eller del av den. | <p>[Även då Värdepapperen är kapitalskyddade vid förfallodagen till Minimibeloppet och risken således inledningsvis är begränsad, bär varje] [Varje] investerare i Värdepapperen [bär] risken att Emittentens finansiella situation försämras. Potentiella investerare måste därför vara beredda på och kapabla att klara av en partiell eller till och med en <b>total förlust</b> av hela sin investering. Varje investerare som är intresserad av att köpa Värdepapperen bör utvärdera sin finansiella situation, för att säkerställa att de är i stånd att bära den <b>förlustrisk</b> som är förknippad med Värdepapperen.</p>   |

| Punkt | Avsnitt E – Erbjudande <sup>4</sup>                  |  |
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| E.2b  | Motiv till erbjudandet och användning av intäkterna. | Ej tillämpligt. Motiven för erbjudandet och användningen av intäkterna är de samma som för att generera vinst och/eller säkra mot vissa risker.  |
| E.3   | Former och villkor för erbjudandet.                  | <p>[För det fall Värdepapperen erbjuds till allmänheten infoga följande text: Överenskommelse har träffats att Managern, på eller efter respektive Emissionsdag för Värdepapperen, får köpa Värdepapper och ska placera Värdepapperen för försäljning, [till [Emissionskursen] [<i>ange Emissionskurs: [●]</i>] ("<b>Emissionskursen</b>")]] på villkor som kan komma att ändras inom Jurisdiktionerna för Erbjudande till Allmänheten [under [Teckningsperioden] [Erbjudandeperioden] (enligt definition nedan)]. [Emissionskursen [kommer att bli] [var] fastställd [vid Starten för erbjudandet till allmänheten av Värdepapperen (såsom definieras nedan)] [den [<i>ange Fastställsedag: [●]</i>] ("<b>Fastställsedagen</b>")], [baserad på den rådande marknadssituationen och värdet på Underliggande [, och [kommer [sedan] att göras] [är] tillgänglig på [●].] [[Efter att Teckningsperioden (såsom definieras nedan) avslutats] [Från Starten för erbjudandet till allmänheten av Värdepapperen (såsom definieras nedan)] [Från Fastställsedagen] [Därefter,] [kommer] [var] försäljningskursen [att justeras] [justerad] kontinuerligt för att reflektera den rådande marknadssituationen.]</p> <p>[Vid fall av Teckningsperiod infoga följande text: Värdepapperen ska kunna tecknas från Managern [och] [<i>i förekommande fall, ange alternativa eller ytterligare finansiella mellanmän som placerar eller senare återförsäljer Värdepapperen.[●]</i>] under normala öppettider för banker under [<i>ange Teckningsperiod:[●]</i>] ("<b>Teckningsperioden</b>"). [Värdepapperen kan endast köpas med minst ett lägsta investeringsbelopp på [<i>ange Lägsta Investeringsbelopp: [●]</i>] ("<b>Lägsta Investeringsbeloppet</b>").] Emissionskursen för varje Värdepapper ska betalas den [<i>ange Initial Betalningsdag: [●]</i>] ("<b>Initial Betalningsdag</b>").]</p> |

<sup>4</sup> Användandet av symbolen \*\*\* i följande Avsnitt E – Erbjudande indikerar att den relevanta informationen för varje serie Värdepapper kan, med avseende på Multi-Värdepappersserier och när det är lämpligt, representeras i en tabell.

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|     |   | <p>Emittenten förbehåller sig rätten [att tidigare avsluta] [eller] [att förlänga] Teckningsperioden om marknadsförhållandena så erfordrar.</p> <p>Efter den Initiala Betalningsdagen ska respektive investerares Värdepapper krediteras dennes konto i enlighet med bestämmelserna för gällande Clearingsystem. Om Teckningsperioden förkortas eller förlängs, kan den Initiala Betalningsdagen också tidigare- eller senareläggas.]</p> <p>[För det fall att ingen Teckningsperiod är avsedd infoga följande text: [Från [ange start för erbjudandet till allmänheten av Värdepapperen: [•]]] ("<b>Starten för erbjudandet till allmänheten av Värdepapperen</b>"),] [kan Värdepapperen köpas från Managern [och] [i förekommande fall, ange alternativa eller ytterligare finansiella mellanmän som placerar eller senare återförsäljer Värdepapperen.[•]]] under normala öppettider för banker [under Erbjudandeperioden]. [Sådant erbjudande av Värdepapperen görs kontinuerligt.] [Värdepapperen kan endast köpas med minst ett lägsta investeringsbelopp på [ange Lägsta Investeringsbelopp: [•]]] ("<b>Lägsta Investeringsbeloppet</b>").] Det kommer inte att vara någon Teckningsperiod. Emissionskursen för varje Värdepapper ska betalas den [ange Initial Betalningsdag: [•]] ("<b>Initiala Betalningsdagen</b>").</p> <p>[Emittenten förbehåller sig rätten [att tidigare avsluta] [eller] [att förlänga] Erbjudandeperioden om marknadsförhållandena så erfordrar.]</p> <p>Efter den Initiala Betalningsdagen ska respektive investerares Värdepapper krediteras dennes konto i enlighet med bestämmelserna för motsvarande Clearingsystem.]</p> <p>[För det fall att Värdepapperen fortsätter att erbjudas till allmänheten, infoga följande text:</p> <p>Värdepapperen har erbjudits till allmänheten sedan [ange när Värdepapperen ursprungligen erbjöds till allmänheten: [•]]. Dessa Slutliga Villkor tillämpas för att fortsätta detta erbjudande av Värdepapperen från och med den [ange startdatum för det fortsatta erbjudandet av Värdepapperen: [•]].]</p> <p>[För det fall att Värdepapperen inte erbjuds till allmänheten, men däremot inregistreras på en reglerad marknad, infoga följande text:</p> <p>Värdepapperen erbjuds inte till allmänheten men har registrerats för handel på [specificera värdepapperbörs: [•]].]</p> |
| E.4 | <p>Intressen som är väsentliga för emissionen/erbjudandet inkl. intressekonflikter.</p> | <p><b>Intressekonflikter</b></p> <p>Emittenten och dess dotterbolag kan ingå transaktioner som relaterar till Värdepapperen på ett eller annat sätt, antingen för egen räkning eller på uppdrag av en kund. Sådana transaktioner är inte nödvändigtvis gynnsamma för Värdepappersinnehavarna och kan få positiv eller negativ effekt på värdet av [den Underliggande] [Korgkomponenterna] och, följaktligen, på värdet av Värdepapperen. Vidare kan dotterbolag till Emittenten vara motparter i hedgningstransaktioner som relaterar till Emittentens förpliktelser under Värdepapperen. Som ett resultat kan intressekonflikter uppstå mellan dotterbolag till Emittenten såväl som mellan dessa bolag och investerare, med avseende på skyldigheter beträffande beräkningen av kursen för Värdepapperen och andra därmed förknippade fastställanden. Dessutom kan Emittenten och dess dotterbolag agera i andra egenskaper med avseende på Värdepapperen, såsom som beräkningsagent, betalningsagent eller administrativ agent</p>   |

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|            |   | <p>och/eller indexsponsor.</p> <p>Dessutom kan Emittenten och dess dotterbolag emittera andra derivatinstrument relaterade till den Underliggande eller, i förekommande fall, Korgkomponenterna; introduktionen av sådana konkurrerande produkter kan påverka värdet på Värdepapperen. Emittenten och dess dotterbolag kan erhålla icke-offentlig information relaterad till [den Underliggande] [Korgkomponenterna], och varken Emittenten eller någon av dess dotterbolag åtar sig att göra denna information tillgänglig för Värdepappersinnehavarna. Dessutom kan ett eller flera av Emittentens dotterbolag publicera researchrapporter om [den Underliggande] [Korgkomponenterna]. Sådana aktiviteter kan innebära intressekonflikter och kan påverka Värdepapperens värde negativt.</p> <p>Inom ramen för erbjudandet och försäljningen av Värdepapperen, kan Emittenten eller dotterbolag direkt eller indirekt betala arvoden av olika storlek till tredje parter, såsom distributörer eller investeringsrådgivare, eller erhålla arvoden av olika storlek, inklusive sådana som tas ut i samband med distribution av Värdepapperen, från tredje parter. Potentiella investerare bör vara medvetna om att Emittenten kan behålla arvodena helt eller delvis. Emittenten eller, i förekommande fall, Managern, tillhandahåller på begäran information om dessa arvoden.</p> <p><b>Varje intresse som är väsentligt för emissionen/erbjudandet, inklusive potentiella intressekonflikter</b></p> <p><i>[att infogas*]</i></p> <p>[[Ej tillämpligt.] [Med undantag av de(n) [relevanta] Auktoriserade Erbjudaren(arna) när det gäller [dennes][dessas] arvoden,] [har, så] [Så] långt Emittenten är medveten, [har] ingen person som är inblandad i utfärdandet [och erbjudandet] [och inregistreringen] av [varje Serie av] Värdepapperen något väsentligt intresse i utfärdandet [och erbjudandet] [och inregistreringen] av Värdepapperen].</p> |
| <b>E.7</b> | Förväntade kostnader som debiteras av investeraren eller emittenten eller erbjudaren. | <p>[Ej tillämpligt; inga kostnader debiteras investeraren av emittenten eller Managern.]</p> <p><i>[att infogas*]</i></p>  |

**C. SUMMARY OF THE BASE PROSPECTUS (IN THE DANISH LANGUAGE)****RESUMÉ**

Resuméer består af oplysningskrav, også kaldet "Elementer". Disse elementer er nummereret som Afsnit A – E (A.1 – E.7).

Dette Resumé omfatter alle de Elementer, der skal være indeholdt i et resumé for disse typer af værdipapirer og Udsteder. Da der er nogle Elementer, som ikke kræves adresseret, kan der være huller i Elementernes nummereringsrækkefølge.

Selvom der kan være krav om, at et Element på grund af den pågældende type af værdipapirer og Udsteder skal være indeholdt i resuméet, er det ikke sikkert, at der kan gives relevante oplysninger om Elementet. I så fald vil resuméet indeholde en kort beskrivelse af Elementet sammen med angivelsen 'ikke relevant'. Visse bestemmelser i dette Resumé står anført i skarpe parenteser. Sådanne oplysninger vil blive udfyldt eller, hvor de ikke er relevante, slettet i relation til et specifikt forhold vedrørende Værdipapirerne, og det endelige Resumé i relation til et sådant udbud af Værdipapirer vedhæftes de relevante Endelige Vilkår.

| Element | Afsnit A – Indledning og advarsler |   |
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| A.1     | Advarsel.                          | <p><b>Dette Resumé bør læses som en indledning til Basisprospektet. Investorer bør træffe enhver beslutning om at investere i Værdipapirerne på baggrund af Basisprospektet som helhed.</b></p> <p>Potentielle investorer skal være opmærksomme på, at hvis en sag vedrørende de oplysninger, der er indeholdt i Basisprospektet, indbringes for en domstol, kan den sagsøgende investor være forpligtet til i henhold til national lovgivning i den pågældende medlemsstat i Det Europæiske Økonomiske Samarbejdsområde at betale omkostningerne i forbindelse med oversættelse af Basisprospektet, inden sagen indledes.</p> <p>De personer, som er ansvarlige for resuméet, herunder enhver oversættelse heraf, eller som har foranlediget resuméet udfærdiget, kan ifalde erstatningsansvar, men kun hvis resuméet er misvisende, ukorrekt eller uoverensstemmende, når det læses sammen med de andre dele af Basisprospektet, eller hvis det ikke, når det læses sammen med de andre dele af Basisprospektet, giver alle nødvendige centrale oplysninger.</p> <p>UBS AG kan i sin egenskab af Udsteder, som er ansvarlig for resuméet, herunder oversættelsen heraf, ifalde erstatningsansvar, men kun hvis resuméet er misvisende, ukorrekt eller uoverensstemmende, når det læses sammen med de andre dele af Basisprospektet, eller hvis det ikke, når det læses sammen med de andre dele af Basisprospektet, giver alle nødvendige centrale oplysninger.</p> |
| A.2     | Samtykke til brug af Prospektet.   | <p>[Ikke relevant. Udstederen giver ikke sit samtykke til brug af Basisprospektet.]</p> <p>[[Udstederen giver sit samtykke til brug af Basisprospektet og de relevante Endelige Vilkår i forbindelse med et offentligt udbud af Værdipapirerne (et "<b>Offentligt Udbud</b>") gennem [UBS Limited, 5 Broadgate, London EC2M 2QS, England] [og] [<i>anfør yderligere finansielle formidlere: [•]</i>] [hver for sig] i sin egenskab af formidler i relation til Værdipapirerne (hver for sig en "<b>Formidler</b>" eller, alt efter omstændighederne, en "<b>Autoriseret Udbyder</b>") på følgende grundlag:]</p> <p>[Udstederen giver sit samtykke til brug af Basisprospektet og de relevante Endelige Vilkår i forbindelse med et offentligt udbud af Værdipapirerne (et "<b>Offentligt Udbud</b>") gennem enhver finansiell formidler (hver for sig en "<b>Autoriseret Udbyder</b>"), som er godkendt til at forestå sådanne udbud</p>   |

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|  | <p>i henhold til MiFID-direktivet (Direktiv 2004/39/EF) på følgende grundlag:]</p> <p>[Udstederen giver sit samtykke til brug af Basisprospektet og de relevante Endelige Vilkår i forbindelse med et offentligt udbud af Værdipapirerne (et "<b>Offentligt Udbud</b>") gennem [anfør finansielle formidlere: [•]] (hver for sig en "<b>Autoriseret Udbyder</b>") på følgende grundlag:]</p> <p>(a) det relevante Offentlige Udbud skal foregå i perioden [anfør Udbudsperiode: [•]] ("<b>Udbudsperioden</b>"),</p> <p>(b) det relevante Offentlige Udbud må alene foretages i [Sverige][,][og] [Norge][,][og] [Finland][,][og] [Danmark] [og] [Luxembourg] (hver for sig en "<b>Jurisdiktion for Udbuddet til Offentligheden</b>"),</p> <p>(c) den relevante Autoriserede Udbyder skal være godkendt til at foretage sådanne udbud i den relevante Jurisdiktion for Udbuddet til Offentligheden i henhold til MiFID-direktivet (Direktiv 2004/39/EF), og hvis en Autoriseret Udbyder ophører med at være autoriseret, bortfalder Udsteders ovenfor anførte samtykke,</p> <p>[(d) den relevante Autoriserede Udbyder [bortset fra Formidleren] skal opfylde [hvis relevant, anfør andre entydige og objektive betingelser: [•]] og</p> <p>[(d)[e] enhver Autoriseret Udbyder, som ikke er en Formidler, skal overholde de begrænsninger, der er anført under "Tegning og Salg" (<i>Subscription and Sale</i>), som om denne var en Formidler.</p> <p><b>[Autoriserede Udbydere skal underrette investorer om vilkårene for det offentlige udbud af Værdipapirerne på tidspunktet for den Autoriserede Udbyders Offentlige Udbud til investoren.]</b></p> <p>[Ikke relevant. Værdipapirerne udbydes ikke til offentligheden. De Endelige Vilkår er alene udarbejdet med henblik på optagelse af Værdipapirerne til [notering] [handel].]</p> |
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| Element    | Afsnit B – Udsteder  |   |
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| <b>B.1</b> | Udsteders juridiske navn og forretningsnavn.   | Udsteders juridiske navn og forretningsnavn er UBS AG (" <b>Udsteder</b> ", og sammen med sine datterselskaber benævnt " <b>UBS AG-(konsolideret)</b> " eller " <b>UBS AG-koncernen</b> "; sammen med UBS-koncernen AG, som er holdingselskabet for UBS AG, og UBS AG's datterselskaber benævnt " <b>UBS-koncernen</b> ", " <b>Koncernen</b> ", " <b>UBS</b> " eller " <b>UBS -koncernen AG (konsolideret)</b> ").  |
| <b>B.2</b> | Udsteders hjemsted, selskabsform, lovgivning i henhold til hvilken Udstederen driver virksomhed og Udsteders stiftelsesland. | <p>Udsteder blev den 28. februar 1978 stiftet under navnet SBC AG for en ubegrænset periode og blev samme dato optaget i Handelsregisteret i kantonen Basel-Stadt, Schweiz. Den 8. december 1997 ændrede selskabet navn til UBS AG. UBS AG blev i sin nuværende form stiftet den 29. juni 1998 ved fusionen mellem Union Bank of Switzerland (stiftet i 1862) og Swiss Bank Corporation (stiftet i 1872). UBS AG er optaget i Handelsregisteret i henholdsvis kantonen Zürich og kantonen Basel-Stadt under registreringsnummer CHE-101.329.561.</p> <p>UBS AG er stiftet og hjemmehørende i Schweiz og driver som aktieselskab (<i>Aktiengesellschaft</i>) virksomhed i henhold til den schweiziske obligationsret (<i>Swiss Code of Obligations</i>).</p> |

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|             |  | Kontaktoplysninger til UBS AG's to hjemstedskontorer og hovedkontorer er som følger: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, tlf. nr. +41 44 234 1111 og Aeschenvorstadt 1, CH-4051 Basel, Schweiz, tlf. nr. +41 61 288 5050.  |
| <b>B.4b</b> | Kendte tendenser, der påvirker Udsteder, og brancher inden for hvilke, Udstederen driver virksomhed. | <p><b>Oplysninger om tendenser</b></p> <p>Som beskrevet i UBS-koncernens 2. kvartalsrapport 2016 vil langvarig markedsvolatilitet, underliggende makroøkonomisk usikkerhed og øgede geopolitiske spændinger, der er forværret som følge af indvirkningen af Storbritanniens folkeafstemning, der resulterede i et nej til EU-medlemskab, føre til en fortsat risikoaversion i forhold til kunderne og generelt lave transaktionsvolumener. Det er usandsynligt, at disse tilstande vil ændre sig i den nærmeste fremtid. Desuden vil renter, der er lavere end forventet, negative renter og schweizerfrancens relative styrke, især over for euroen, fortsat give en betydelig modvind. Derudover vil ændringerne af standarderne for schweizisk bankkapital og de forslåede yderligere regulatoriske ændringer for bankerne på internationalt plan medføre øgede kapitalkrav og omkostninger. UBS er godt positioneret i forhold til at udnytte blot en moderat forbedring af forholdene og har fortsat forpligtet sig til at holde sig til sin strategi og sin disciplinerede gennemførelse deraf for at minimere disse effekter.</p>   |
| <b>B.5</b>  | Beskrivelse af koncernen og Udstederens position inden for koncernen.                                | <p>UBS AG er en schweizisk bank og moderselskab for UBS AG-koncernen. Den er 100 % ejet af UBS-koncernen AG, som er holdingselskabet for UBS-koncernen. UBS-koncernen fungerer som en koncern med fem forretningsafdelinger (<i>Wealth Management, Wealth Management Americas, Personal &amp; Corporate Banking, Asset Management og Investment Bank</i>) og et Koncerncenter (<i>Corporate Center</i>).</p> <p>UBS har i de seneste to år truffet en række foranstaltninger til forbedring af koncernens afviklingsmuligheder som følge af de såkaldte "for store til at krakke"-krav (<i>too big to fail</i>) ("<b>TBTF</b>") i Schweiz og andre lande, hvor koncernen driver virksomhed.</p> <p>I december 2014 gennemførte UBS-koncernen AG et ombytningstilbud for aktierne i UBS AG og stiftede UBS-koncernen AG som holdingselskabet for UBS-koncernen. UBS-koncernen AG indledte og gennemførte i løbet af 2015 en retstvist i henhold til den schweiziske børs- og værdipapirhandelslov med henblik på at presse minoritetsaktionærer i UBS AG ud. UBS-koncernen AG ejer som følge heraf nu 100 % af de udestående aktier i UBS AG.</p> <p>I juni 2015 overdrog UBS AG den del af forretningsdivisionerne Retail &amp; Corporate (nu Personal &amp; Corporate Banking) og Wealth Management, som bogføres i Schweiz, til UBS Switzerland AG, som er et bankdatterselskab af UBS AG i Schweiz.</p> <p>I 2015 gennemførte UBS ligeledes implementeringen af en mere selvforsynende forretnings- og driftsmodel for UBS Limited, UBS' investment banking-datterselskab i Storbritannien, i henhold til hvilken, UBS Limited bærer og beholder en større del af de risici henholdsvis det afkast, der er forbundet med bankens forretningsaktiviteter.</p> <p>I 3. kvartal 2015 stiftede UBS selskabet UBS Business Solutions AG som et direkte datterselskab af UBS-koncernen AG med henblik på, at dette selskab skal fungere som koncernens serviceselskab. UBS vil overdrage ejerskabet til hovedparten af sine eksisterende servicedatterselskaber til denne enhed. UBS forventer, at overdragelsen af delte service- og supportfunktioner til dette serviceselskab vil blive implementeret trinvist i løbet af 2018. Formålet med serviceselskabets struktur er at forbedre koncernens afviklingsmuligheder ved at sætte UBS i stand til at opretholde driften af kritiske aktiviteter i tilfælde af et behov for</p> |



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|             |   | <p>genopretning eller opløsning.</p> <p>I 2. kvartal 2016 blev UBS Americas Holding LLC, et datterselskab af UBS AG, udpeget som det mellemliggende holdingselskab for UBS' amerikanske datterselskaber som påkrævet ifølge forordningerne om forhøjede tilsynsstandarder i henhold til Dodd-Frank Wall Street reform- og forbrugerbeskyttelsesloven ("<b>Dodd-Frank</b>"). UBS Americas Holding LLC ejer alle UBS' amerikanske datterselskaber og er underlagt amerikanske krav til kapital, selskabsledelse og anden tilsynsregulering.</p> <p>I 2015 har UBS ligeledes stiftet et nyt datterselskab til UBS AG med navnet UBS Asset Management AG, hvortil UBS forventer at overdrage størstedelen af Asset Managements driftsdatterselskaber i løbet af 2016. UBS overvejer fortsat yderligere ændringer af de juridiske enheder, der anvendes af Asset Management, herunder at overdrage UBS AG's aktiviteter i Schweiz til et datterselskab af UBS Asset Management AG.</p> <p>UBS overvejer fortsat yderligere ændringer til koncernens juridiske struktur som følge af kapital- og øvrige lovgivningsmæssige krav, og med henblik på at opnå en evt. lempelse af kapitalkrav, som koncernen måtte være kvalificeret til. Sådanne ændringer kan fx omfatte en overdragelse af UBS AG's driftsdatterselskaber, således at de bliver direkte datterselskaber i UBS Group AG, en konsolidering af driftsselskaber i den Europæiske Union samt en ændring af bogføringsenheden eller placeringen af produkter og serviceydelser. Disse strukturændringer drøftes løbende med det schweiziske finanstilsyn ("<b>FINMA</b>") og andre tilsynsmyndigheder og er forbundet med en række usikkerheder, som kan indvirke på ændringernes gennemførlighed, omfang og tidsmæssige gennemførelse.</p> |
| <b>B.9</b>  | Resultatforventninger eller -prognoser.           | Ikke relevant. Prospektet indeholder ikke oplysninger om resultatforventninger eller -prognoser.  |
| <b>B.10</b> | Revisorpåtegning med forbehold.                   | Ikke relevant. Revisionspåtegningen i forbindelse med koncernregnskabet for UBS AG og årsregnskabet for UBS AG for årene, som sluttede den 31. december 2015 og den 31. december 2014, er uden forbehold.   |
| <b>B.12</b> | Udvalgte historiske finansielle nøgleoplysninger. | <p>UBS AG har hentet følgende udvalgte konsoliderede regnskabsoplysninger for årene, der sluttede henholdsvis den 31. december 2015, 2014 og 2013, undtagen hvis andet fremgår, fra årsrapporten for 2015, som indeholder UBS AG's reviderede koncernregnskab samt yderligere ureviderede konsoliderede regnskabsoplysninger for året, der sluttede den 31. december 2015, og sammenligningstal for årene, der sluttede henholdsvis den 31. december 2014 og 2013. De udvalgte konsoliderede regnskabsoplysninger, der fremgår af tabellen nedenfor for de seks måneder, der sluttede den 30. juni 2016 og 30. juni 2015, stammer fra UBS AG's 2. kvartalsrapport 2016, der indeholder ureviderede koncernregnskabsoplysninger fra UBS AG, samt yderligere ureviderede konsoliderede regnskabsoplysninger fra de seks måneder, der sluttede den 30. juni 2016 og sammenligningstal for de seks måneder, der sluttede den 30. juni 2015. Koncernregnskabsoplysningerne er udarbejdet i overensstemmelse med de internationale regnskabsstandarder (<i>International Financial Reporting Standards</i> ("<b>IFRS</b>")), som er udstedt af the International Accounting Standards Board ("<b>IASB</b>") og er angivet i schweizerfranc ("<b>CHF</b>"). Regnskabsoplysninger for årene, der sluttede henholdsvis den 31. december 2015, 2014 og 2013 og i forbindelse med hvilke, det i tabellen nedenfor står anført, at de er ureviderede, var indeholdt i årsrapporten for 2015, men er ureviderede af den årsag, at offentliggørelse deraf ikke</p>  |

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|   | er påkrævet i henhold til IFRS, og er således ikke indeholdt i det reviderede årsregnskab. |                 |   |                 |                 |
|   | Pr. eller for kvartalet afsluttet  |                 | Pr. eller for året, der sluttede          |                 |                 |
| <i>CHF mio., medmindre andet fremgår</i>  | <u>30.6.16</u>   | <u>30.6..15</u> | <u>31.12.15</u>                           | <u>31.12.14</u> | <u>31.12.13</u> |
|   | <i>urevideret</i>  |                 | <i>revideret, medmindre andet fremgår</i> |                 |                 |
| <b>Resultat</b>   |  |                 |   |                 |                 |
| Driftsindtægter   | 14.254   | 16.644          | 30.605                                    | 28.026          | 27.732          |
| Driftsudgifter  | 11.818   | 12.254          | 25.198                                    | 25.557          | 24.461          |
| Driftsoverskud (driftstab) før skat   | 2.436  | 4.391           | 5.407                                     | 2.469           | 3.272           |
| Nettooverskud (nettotab) henførbart til UBS AG-aktionærer                               | 1.723  | 3.201           | 6.235                                     | 3.502           | 3.172           |
| <b>Nøgletal</b>   |  |                 |   |                 |                 |
| <b>Rentabilitet</b>   |  |                 |   |                 |                 |
| Afkast på synlig kapital (%) <sup>1</sup>   | 7,3  | 14,1            | 13,5*                                     | 8,2*            | 8,0*            |
| Afkastningsgrad, brutto (%) <sup>2</sup>  | 2,9  | 3,2             | 3,1*                                      | 2,8*            | 2,5*            |
| Omkostninger i forhold til indtægter (%) <sup>3</sup>                                   | 82,9   | 73,5            | 82,0*                                     | 90,9*           | 88,0*           |
| <b>Vækst</b>  |  |                 |   |                 |                 |
| Nettovækst i overskud (%) <sup>4</sup>  | (46,2)   | 73,4            | 78,0*                                     | 10,4*           | -               |
| Nettovækst i nye midler for kombinerede formueforvaltningsvirksomheder (%) <sup>5</sup> | 3,8  | 2,6             | 2,2*                                      | 2,5*            | 3,4*            |
| <b>Ressourcer</b>   |  |                 |   |                 |                 |
| Egentlig kernekapitaldækning (fuldt anvendt, %) <sup>6,7</sup>                          | 15,0   | 15,6            | 15,4*                                     | 14,2*           | 12,8*           |
| Gearingsforhold (indfaset, %) <sup>8,9</sup>  | 5,5  | 5,1             | 5,7*                                      | 5,4*            | 4,7*            |
| <b>Yderligere oplysninger</b>   |  |                 |   |                 |                 |
| <b>Rentabilitet</b>   |  |                 |   |                 |                 |
| Egenkapitalforrentning (RoE) (%)  | 6,3  | 12,1            | 11,7*                                     | 7,0*            | 6,7*            |
| Afkast på risikovægtede aktiver, brutto (%) <sup>10</sup>                               | 13,4   | 15,5            | 14,3*                                     | 12,6*           | 11,6*           |
| <b>Ressourcer</b>   |  |                 |   |                 |                 |
| Aktiver i alt   | 990.135  | 951.528         | 943.256                                   | 1.062.327       | 1.013.355       |
| Egenkapital henførbart til UBS AG-aktionærer  | 53.353   | 51.685          | 55.248                                    | 52.108          | 48.002          |
| Egentlig kernekapital (fuldt anvendt) <sup>7</sup>                                      | 32.184   | 32.834          | 32.042                                    | 30.805          | 28.908          |
| Egentlig kernekapital (indfaset) <sup>7</sup>   | 38.913   | 39.169          | 41.516                                    | 44.090          | 42.179          |
| Risikovægtede aktiver (fuldt anvendt) <sup>7</sup>                                      | 214.210  | 210.400         | 208.186*                                  | 217.158*        | 225.153*        |
| Egentlig kernekapitaldækning (indfaset, %) <sup>6,7</sup>                               | 17,9   | 18,5            | 19,5*                                     | 19,9*           | 18,5*           |
| Kapitaldækning i alt (fuldt anvendt, %) <sup>7</sup>                                    | 21,2   | 20,2            | 21,0*                                     | 19,0*           | 15,4*           |
| Kapitaldækning i alt (indfaset, %) <sup>7</sup>   | 23,5   | 23,8            | 24,9*                                     | 25,6*           | 22,2*           |
| Gearingsforhold (fuldt anvendt, %) <sup>8,9</sup>                                       | 5,0  | 4,5             | 4,9*                                      | 4,1*            | 3,4*            |
| Gearingsforholdets nævner (fuldt anvendt) <sup>9</sup>                                  | 899.075  | 946.457         | 898.251*                                  | 999.124*        | 1.015.306*      |

| Andet   |   |  |         |         |         |
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| Investerede aktiver (CHF mia.) <sup>11</sup>  | 2.677   | 2.628  | 2.689   | 2.734   | 2.390   |
| Medarbejdere (årsværk)  | 57.387  | 59.648   | 58.131* | 60.155* | 60.205* |
| * urevideret  |   |  |         |         |         |
| <p><sup>1</sup> Nettooverskud, som kan henføres til UBS AG-aktionærer inden amortisering og værdiforringelser af goodwill og immaterielle aktiver (på årsbasis, hvor relevant) / gennemsnitlig egenkapital, der kan henføres til UBS AG-aktionærer minus UBS AG's gennemsnitlige goodwill og immaterielle aktiver. <sup>2</sup> Driftsindtægter før kredittab (udgift) eller genindvinding (på årsbasis, hvor relevant) / gennemsnitlig aktivsum i alt. <sup>3</sup> Driftsudgifter / driftsindtægter før kredittab (udgift) eller genindvinding. <sup>4</sup> Ændring i nettooverskud, som kan henføres til UBS AG-aktionærer fra fortsættende aktiviteter mellem nuværende og jävnførelsesperioder / nettooverskud, som kan henføres til UBS AG-aktionærer fra fortsættende aktiviteter fra jävnførelsesperiode. Ikke meningsfuldt og ikke inkluderet, hvis enten rapporteringsperioden eller jävnførelsesperioden er en tabsperiode. <sup>5</sup> Sammenlagt for Wealth Management og Wealth Management Americas' nye nettomidler for perioden (på årsbasis, hvor relevant) / investerede aktiver primo perioden. Tallene fra de første seks måneder i 2015 og ultimo året pr. 31. december 2015, er baseret på korrigerede netto nye midler, hvilket udeholder den negative virkning på netto nye midler på henholdsvis CHF 6,6 mia. i 2. kvartal 2015 og CHF 9,9 mia. i 2015 fra UBS' balance og kapitaloptimeringsbestræbelser. <sup>6</sup> Egentlig kernekapital / risikovægtede aktiver. <sup>7</sup> Baseret på Basel III-regelsættet således som dette gælder for schweiziske systemisk relevante banker (SRB). <sup>8</sup> Egentlig kernekapital og tabsabsorberende kapital / gearingsforholdets nævner. <sup>9</sup> Beregnet i overensstemmelse med schweiziske SRB-regler. Fra den 31. december 2015 og fremefter er beregningen af gearingsforholdets nævner på linje med Basel III-regelsættet. Tal fra perioder forud for den 31. december 2015 er beregnet i overensstemmelse med tidligere schweiziske SRB-regler, og er derfor ikke fuldt sammenlignelige. <sup>10</sup> Baseret på fuldt ud anvendte risikovægtede aktiver for alle præsenterede perioder. Denne metode var tidligere baseret på indfasede risikovægtede aktiver. De ureviderede konsoliderede regnskabsoplysninger er afledt fra UBS AG's 2. kvartalsrapport 2016 og UBS AG's regnskabsfortegnelse. <sup>11</sup> Inkluderer investerede aktiver for Personal &amp; Corporate Banking.</p> |   |  |         |         |         |
|   | Erklæring vedrørende væsentlige negative ændringer.   | Der er ikke siden den 31. december 2015 indtrådt nogen væsentlig negativ ændring i fremtidsudsigterne for UBS AG eller UBS AG-koncernen.   |         |         |         |
|   | Erklæring vedrørende væsentlige ændringer.  | Der er ikke siden den 30. juni 2016, som er slutningen af den sidste regnskabsperiode, for hvilken der er offentliggjort foreløbige regnskabsoplysninger, indtrådt nogen væsentlig ændring i den finansielle eller handelsmæssige stilling for UBS AG eller UBS AG-koncernen.  |         |         |         |
| <b>B.13</b>   | Begivenheder, der er indtruffet for nylig, som er særlige for Udstederen, og som i væsentlig grad er væsentlige ved bedømmelsen af Udstederens solvens. | Ikke relevant. Der er ikke for nylig indtruffet begivenheder, som er særlige for UBS AG, og som er væsentlige ved bedømmelsen af UBS AG's solvens.   |         |         |         |
| <b>B.14</b>   | Beskrivelse af koncernen og Udsteders plads i koncernen.  | Jf. Element B.5.   |         |         |         |
|   | Afhængighed af andre enheder i koncernen.   | UBS AG er moderselskab i UBS AG-koncernen og er som sådan i en vis udstrækning afhængig af visse af sine datterselskaber.  |         |         |         |
| <b>B.15</b>   | Udstederens hovedaktiviteter.   | UBS AG leverer sammen med sine datterselskaber økonomisk rådgivning og løsninger til privatkunder, institutionelle kunder og erhvervs-kunder over hele verden samt til privatkunder i Schweiz. Koncernens driftsstruktur er sammensat af Koncerncentret og fem forretningsdivisioner: Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management og |         |         |         |

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|  |   | <p>Investment Bank. UBS' strategi bygger på styrken fra alle dets aktiviteter og fokuserer sin indsats på områder inden for hvilke, UBS udmærker sig, samtidig med at banken søger at kapitalisere på sine overbevisende vækstudsigter inden for de aktivitetsområder og regioner, hvor UBS driver virksomhed, for derved at generere attraktive og stabile afkast til sine aktionærer. Alle UBS' aktiviteter er kapitaleffektive og bygger på en stærk konkurrencemæssig position i deres fokusmarkeder.</p> <p>I henhold til artikel 2 i UBS AG's vedtægter dateret 4. maj 2016 ("<b>Vedtægter</b>") er UBS AG's formål at drive bankvirksomhed. Bankens virksomhedsformål strækker sig over alle typer af banktjenester, finansielle tjenester, rådgivningstjenester samt handels- og serviceydelser i Schweiz og udlandet. UBS AG kan etablere filialer og repræsentationskontorer såvel som banker, finansieringsselskaber og enhver anden type virksomhed i Schweiz og i udlandet samt have kapitalandele i og lede disse virksomheder. UBS AG har tilladelse til at erhverve, belåne og sælge fast ejendom og byggeret i Schweiz og i udlandet. UBS AG må låne og investere penge på kapitalmarkederne. UBS AG er en del af koncernen, der kontrolleres af koncernmoderselskabet UBS-koncernen AG. UBS AG må fremme koncernmoderselskabets eller andre koncernselskabers interesser. UBS AG må yde lån, garantier og anden form for finansiering og sikkerhedsstillelse for koncernselskaber.</p>   |
| <b>B.16</b>  | Beskrivelse af, om Udstederen er direkte eller indirekte ejet eller kontrolleret. | UBS-koncernen AG ejer 100 % af de udestående aktier i UBS AG.  |
| <p><i>[Nedenstående Element B.17 skal alene indsættes ved Værdipapirer, hvor Udstederen er forpligtet til ved udstedelse at betale investor 100 % af den nominelle værdi:]</i></p> |   |  |
| <b>B.17</b>  | Den kreditvurdering, som Udstederen eller dens gældsværdipapirer har opnået.      | <p>Kreditvurderingsbureauerne Standard &amp; Poor's Credit Market Services Europe Limited ("<b>Standard &amp; Poor's</b>"), Moody's Investors Service Ltd. ("<b>Moody's</b>"), Fitch Ratings Limited ("<b>Fitch Ratings</b>") og Scope Ratings AG ("<b>Scope Ratings</b>") har på opfordring offentliggjort kreditvurderinger, som afspejler deres vurdering af UBS AG's kreditværdighed, dvs. UBS AG's evne til at indfri sine forpligtelser i takt med at disse forfalder, såsom hovedstols- eller rentebetaling på langfristede lån. De kreditvurderinger, som UBS opnår fra Fitch Ratings, Standard &amp; Poor's og Scope Ratings, kan have et efterstillet plus- eller minustegn, og kreditvurderingerne fra Moody's et tal. Disse supplerende betegnelser indikerer den relative placering inden for den pågældende kreditvurderingsklasse. UBS AG's langfristede modpartskreditgivningsaktiviteter har opnået en kreditvurdering på A+ (udsigter: stabile) fra Standard &amp; Poor's, UBS AG's langfristede foranstående gæld har opnået en kreditvurdering på A1 (udsigter: stabile) fra Moody's, UBS AG's langsigtede ustederrating (<i>issuer default rating</i>) har opnået en kreditvurdering på A+ (udsigter: stabile) fra Fitch Ratings, og UBS AG's kreditstyrke har opnået en kreditvurdering på A+ (udsigter: positive) fra Scope Ratings.</p> <p>Alle ovennævnte kreditvurderingsbureauer er registreret som kreditvurderingsbureauer i henhold til Forordning (EF) nr. 1060/2009 som ændret ved Forordning (EU) nr. 513/2011.</p> |

## Element

Afsnit C – Værdipapirer<sup>5</sup>

<sup>5</sup> Når symbolet "\*" er anvendt i Afsnit C – Værdipapirer nedenfor betyder det, at de relevante oplysninger for hver serie af Værdipapirer for så vidt angår Værdipapirer, der er udstedt i flere serier (*Multi-Serie Værdipapirer*), i relevant omfang kan være indsat i en tabel.

|     |  |   |
|-----|--|---|
| C.1 | Beskrivelse af den type og klasse Værdipapirer, der udbydes, samt fondskode. | <p><b>Værdipapirstype og –form</b></p> <p>Værdipapirerne er [certifikater] [obligationer] [warrants].</p> <p>[Værdipapirerne er udstedt i serier (hver for sig en "<b>Serie</b>"), og Værdipapirerne i hver Serie vil være underlagt de samme betingelser (dog undtaget blandt andet for så vidt angår Udstedelseskurs, Udstedelsesdato, Udstedelsesstørrelse og rentestartsdato, som kan være, men ikke nødvendigvis er identiske) for så vidt angår valuta, stykstørrelse, rentetermin eller i øvrigt.]</p> <p><i>[for så vidt angår Værdipapirer, der er reguleret af tysk lovgivning, og som er repræsenteret ved et Globalt Værdipapir, indsæt: Værdipapirerne udstedes i ihændeformer som defineret i § 793 i den tyske retsplejelov (German Civil Code) og vil ved udstedelse være repræsenteret ved [et eller flere permanente globale ihændeformer værdipapir(er) (hver for sig et "<b>Globalt Værdipapir</b>") [et midlertidigt globalt ihændeformer værdipapir (hver for sig et "<b>Midlertidigt Globalt Værdipapir</b>"), som ved dokumentation for ikke-amerikansk egentligt ejerskab kan ombyttes til et permanent globalt ihændeformer værdipapir (hver for sig et "<b>Permanent Globalt Værdipapir</b>" og tilsammen med det Midlertidige Globale Værdipapir benævnt et "<b>Globalt Værdipapir</b>"). Ingen Værdipapirer i ihændeformer vil blive udstedt eller kunne ombyttes til fysiske ihændeformer værdipapirer, hverken på begæring af nogen Værdipapirindehaver eller i øvrigt.</i></p> <p>[Hvert enkelt] [[Det] Globale Værdipapir deponeres hos [Clearstream Banking AG ("<b>Clearstream, Tyskland</b>")] [Clearstream Banking S.A. ("<b>Clearstream, Luxembourg</b>")] [og/eller] [Euroclear Bank S.A./ N.V. ("<b>Euroclear</b>").]</p> <p><i>[for så vidt angår Svenske Værdipapirer, indsæt: Værdipapirerne (også de "<b>Svenske Værdipapirer</b>") cleares gennem Euroclear Sweden AB ("<b>Euroclear Sverige</b>") som det relevante Clearingsystem og udstedes i dematerialiseret, elektronisk form og registreres hos Euroclear Sverige i overensstemmelse med den svenske lov om værdipapircentraler og bogføring af finansielle instrumenter (lag (1998:1479) om centrala värdepappersförvarare och kontoföring av finansiella instrument). Der udstedes ingen fysiske værdipapirer, såsom globale midlertidige eller permanente værdipapirer eller værdipapirer i papirform i forbindelse med de Svenske Værdipapirer.]</i></p> <p><i>[for så vidt angår Finske Værdipapirer, indsæt: Værdipapirerne (også de "<b>Finske Værdipapirer</b>") cleares gennem Euroclear Finland Ltd ("<b>Euroclear Finland</b>") som det relevante Clearingsystem og udstedes i dematerialiseret, elektronisk form og registreres hos Euroclear Finland i overensstemmelse med den finske lov om det Elektroniske Bogføringssystem samt Clearing og Afvikling (laki arvo-osuusjärjestelmästä ja selvitystoiminnasta) og den finske lov om Elektronisk Bogføring af Værdipapirer (1991/827) (laki arvo-osuustileistä). Der udstedes ingen fysiske værdipapirer, såsom globale midlertidige eller permanente værdipapirer eller værdipapirer i papirform i forbindelse med de Finske Værdipapirer.]</i></p> <p><i>[for så vidt angår Norske Værdipapirer, indsæt: Værdipapirerne (også de "<b>Norske Værdipapirer</b>") er registreret hos Værdipapirsentralen ASA ("<b>VPS</b>") som det relevante Clearingsystem og udstedes i dematerialiseret, elektronisk form og registreres hos VPS i overensstemmelse med den norske lov om registrering af finansielle instrumenter (Lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter). Der udstedes ingen fysiske værdipapirer, såsom globale midlertidige eller permanente værdipapirer eller værdipapirer i papirform i forbindelse med de Norske Værdipapirer.]</i></p> |
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|           |  | <p>[for så vidt angår Danske Værdipapirer, indsæt: Værdipapirerne (også de "Danske Værdipapirer") cleares gennem VP Securities A/S ("VP") som det relevante Clearingsystem og udstedes i dematerialiseret, elektronisk form og registreres hos VP i overensstemmelse med den danske værdipapirhandelslov (Lov om værdipapirhandel m.v.), med senere ændringer, og bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral, med senere ændringer, som udstedt i henhold hertil. Der udstedes ingen fysiske værdipapirer, såsom globale midlertidige eller permanente værdipapirer eller værdipapirer i papirform i forbindelse med de Danske Værdipapirer.]</p> <p><b>Fondskode(r) for Værdipapirerne</b></p> <p>ISIN-kode: [•]*</p> <p>[WKN-nummer: [•]*]</p> <p>[Fælleskode: [•]*]</p> <p>[Valor-nummer: [•]*]</p> <p>[I forbindelse med Multi-Serie Værdipapirer indsættes følgende oversigt over relevant information og udfyldes for hver Serie af Værdipapirer.</p> <table border="1"> <thead> <tr> <th>ISIN-kode</th> <th>[WKN-nummer]</th> <th>[Fælles-kode]</th> <th>[Valor-nummer]</th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table> <p>]</p> | ISIN-kode      | [WKN-nummer]      | [Fælles-kode] | [Valor-nummer] | [•] | [•] | [•] | [•] |
|-----------|--|--|----------------|-------------------|---------------|----------------|-----|-----|-----|-----|
| ISIN-kode | [WKN-nummer]   | [Fælles-kode]  | [Valor-nummer] |                   |               |                |     |     |     |     |
| [•]       | [•]  | [•]  | [•]            |                   |               |                |     |     |     |     |
| C.2       | Valuta.  | <p>[Valutaen for hver Serie af Værdipapirer er] [•]* ("Indløsningsvalutaen").</p> <p>[I forbindelse med Multi-Serie Værdipapirer indsættes følgende oversigt over relevant information og udfyldes i relevant omfang for hver Serie af Værdipapirer:</p> <table border="1"> <thead> <tr> <th>ISIN-kode</th> <th>Indløsningsvaluta</th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table> <p>]</p>  | ISIN-kode      | Indløsningsvaluta | [•]           | [•]            |     |     |     |     |
| ISIN-kode | Indløsningsvaluta  |  |                |                   |               |                |     |     |     |     |
| [•]       | [•]  |  |                |                   |               |                |     |     |     |     |
| C.5       | Beskrivelse af indskrænkninger i Værdipapirernes frie omsættelighed.   | Ikke relevant. Der er ingen indskrænkninger i Værdipapirernes frie omsættelighed.  |                |                   |               |                |     |     |     |     |
| C.8       | Beskrivelse af rettigheder, der er knyttet til Værdipapirerne, herunder af Værdipapirernes rangorden og begrænsninger i rettighederne. | <p><b>Gældende ret for Værdipapirerne</b></p> <p>[Hver Serie af] Værdipapirerne vil være reguleret af tysk ret ("Værdipapirer reguleret af tysk ret").</p> <p>[Retsvirkningerne af registreringen af Værdipapirerne hos det relevante Clearingsystem er reguleret af lovgivningen i Clearingsystemets jurisdiktion.]</p> <p><b>Rettigheder tilknyttet Værdipapirerne</b></p> <p>Med forbehold for Betingelserne for Værdipapirerne følger der med Værdipapirerne en ret for Værdipapirindehavere til på forfaldsdagen eller ved udnyttelse at kræve udbetaling af Indløsningsbeløbet i Indløsningsvalutaen [og/eller levering af det Fysiske Underliggende Aktiv i</p>   |                |                   |               |                |     |     |     |     |

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|   |  | <p>relevant antal].</p> <p>[Værdipapirindehavere er desuden i Værdipapirernes løbetid berettiget til, med forbehold for Betingelserne for Værdipapirerne, at modtage betaling af [en] Kuponrente[r] [et] Rentebeløb].]</p> <p><b>Begrænsning i de rettigheder, der er knyttet til Værdipapirerne</b></p> <p>Udsteder er berettiget til under iagttagelse af de betingelser, der er anført i Betingelserne, at afslutte Værdipapirerne og at foretage visse ændringer til Betingelserne.</p> <p><b>Værdipapirernes status</b></p> <p>[Hver Serie af] Værdipapirerne vil udgøre direkte, usikrede og ikke-efterskillede forpligtelser på Udstederen og vil være sideordnet med hinanden og med alle øvrige eksisterende og fremtidige usikrede og ikke-efterskillede forpligtelser på Udstederen, med undtagelse af de forpligtelser, som Udstederen er underlagt i henhold til ufravigelige lovregler.</p>  |
| <p><i>[Følgende Element C.9 skal alene indsættes i tilfælde af Værdipapirer, hvor Udstederen har en forpligtelse til ved udstedelse at betale investoren 100 % af den nominelle værdi (ud over dette kan der også være en rentebetaling):</i></p> |  |  |
| C.9   | <p>Forfaldsdato og aftaler vedrørende afdrag af lånet, herunder tilbagebetalingsprocedurer, indikation af afkast, navn på repræsentant og indehavere af gældsværdipapirer.</p> | <p>[Forfaldsdato: [•]*</p> <p><i>[for så vidt angår værdipapirer med fast/variabel rente, indsæt:</i></p> <p>[Rentesats][Kuponrente]: [•]*</p> <p><i>[for så vidt angår såkaldte step up- eller step down-værdipapirer, indsæt:</i></p> <p>[Rentesats][Kuponrente]: i relation til Beregningsperioden for [Rente][Kuponrente]<sub>(i=1)</sub>: [•]*,</p> <p>i relation til Beregningsperioden for [Rente][Kuponrente]<sub>(i=2)</sub>: [•]*,</p> <p>i relation til Beregningsperioden for [Rente][Kuponrente]<sub>(i=n)</sub>: [•]*</p> <p>Betalingsdato for [Rente] [•]*<br/>[Kuponrente]:</p> <p>Betalingsperiode for [Rente] [•]*<br/>[Kuponrente]:</p> <p><i>[for så vidt angår Værdipapirer, hvor der i de gældende Produktvilkår er fastsat bestemmelse om betaling af et betinget Rentebeløb eller Kuponrente, dvs. hvor betalingen af Rentebeløbet eller Kuponrenten afhænger af udviklingen i det Underliggende Aktiv, indsæt:</i></p> <p>Betalingen af [Rentebeløbet] [Kuponrenten] afhænger af udviklingen i det følgende Underliggende Aktiv (betinget [Rentebeløb] [Kuponrente]): <i>[indsæt beskrivelse af [aktien (herunder et aktiebevis, der omfatter flere aktier)] [Indekset] [valutakursen] [ædelmetallet] [råvaren] [rentesatsen] [værdipapiret med begrænsede rettigheder] [ETF-andelen] [ikke-ETF-andelen] [futureskontrakten (herunder, hvor relevant, de relevante forfaldsmåneder)] [referencerenten] [puljen, der omfatter ovennævnte aktiver]]</i></p> |

|   |                           | <p><i>[porteføljen, der omfatter ovennævnte aktiver. [●]*]</i></p> <p>Afkast: [Ikke relevant. Der er ikke til Værdipapirerne knyttet udbetaling af et fast rentebeløb.]</p> <p><i>[for så vidt angår Værdipapirer, hvortil der er knyttet udbetaling af et fast rentebeløb, angiv afkastet: [●]]</i></p> <p>Afkastet beregnes i henhold til ICMA-metoden. Det er en metode til beregning af afkastet, som tager højde for det daglige effektive renteafkast. De dagligt påløbne renter lægges således til den investerede kapital og indregnes i renteberegningen for den følgende dag i hvert enkelt tilfælde.]*</p> <p>Navn på repræsentanten for indehavere af gældsværdipapirer: Ikke relevant. Der er ingen repræsentant for værdipapirindehavere.]</p> <p><i>[I forbindelse med Multi-Serie Værdipapirer indsættes følgende oversigt over relevant information og udfyldes i relevant omfang for hver Serie af Værdipapirer:</i></p> <table border="1" data-bbox="571 1048 1385 1619"> <thead> <tr> <th>ISIN-kode</th> <th><i>[indsæt ISIN-kode]</i></th> <th><i>[indsæt ISIN-kode]</i></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Forfaldsdato:</td> <td>[●]</td> <td>[●]</td> </tr> <tr> <td>[Rentesats][Kuponrente]:</td> <td>[●]</td> <td>[●]</td> </tr> <tr> <td>Betalingsdato for [Rente] [Kuponrente]:</td> <td>[●]</td> <td>[●]</td> </tr> <tr> <td>Beregningsperiode for [Rente] [Kuponrente]:</td> <td>[●]</td> <td>[●]</td> </tr> <tr> <td>[Afkast:</td> <td>[●]</td> <td>[●]</td> </tr> </tbody> </table> <p><i>]</i></p> <p>Værdipapirindehavere vil på den relevante Forfaldsdato modtage betaling af Indløsningsbeløbet og på [hver] Betalingsdato[en] for [Rente] [Kuponrente] modtage betaling af [Rentebeløbet] [Kuponrenten].</p> <p>Betalinger skal, i alle tilfælde med forbehold for alle gældende skattemæssige eller øvrige love eller regler, som Udsteder erklærer at være underlagt, ske i overensstemmelse med de relevante regler og driftsprocedurer, der gælder for og/eller er udstedt af Clearingsystemet ("CA-reglerne") til det relevante Clearingsystem eller dets relevante formidler, eller ordre, med henblik på kreditering på den relevante kontohavers konto hos Clearingsystemet eller den relevante formidler.</p> | ISIN-kode | <i>[indsæt ISIN-kode]</i> | <i>[indsæt ISIN-kode]</i> |  |  |  | Forfaldsdato: | [●] | [●] | [Rentesats][Kuponrente]: | [●] | [●] | Betalingsdato for [Rente] [Kuponrente]: | [●] | [●] | Beregningsperiode for [Rente] [Kuponrente]: | [●] | [●] | [Afkast: | [●] | [●] |
|---|---------------------------|---|-----------|---------------------------|---------------------------|--|--|--|---------------|-----|-----|--------------------------|-----|-----|---|-----|-----|---|-----|-----|----------|-----|-----|
| ISIN-kode                                   | <i>[indsæt ISIN-kode]</i> | <i>[indsæt ISIN-kode]</i>   |           |                           |                           |  |  |  |               |     |     |                          |     |     |   |     |     |   |     |     |          |     |     |
|   |                           |   |           |                           |                           |  |  |  |               |     |     |                          |     |     |   |     |     |   |     |     |          |     |     |
| Forfaldsdato:                               | [●]                       | [●]   |           |                           |                           |  |  |  |               |     |     |                          |     |     |   |     |     |   |     |     |          |     |     |
| [Rentesats][Kuponrente]:                    | [●]                       | [●]   |           |                           |                           |  |  |  |               |     |     |                          |     |     |   |     |     |   |     |     |          |     |     |
| Betalingsdato for [Rente] [Kuponrente]:     | [●]                       | [●]   |           |                           |                           |  |  |  |               |     |     |                          |     |     |   |     |     |   |     |     |          |     |     |
| Beregningsperiode for [Rente] [Kuponrente]: | [●]                       | [●]   |           |                           |                           |  |  |  |               |     |     |                          |     |     |   |     |     |   |     |     |          |     |     |
| [Afkast:                                    | [●]                       | [●]   |           |                           |                           |  |  |  |               |     |     |                          |     |     |   |     |     |   |     |     |          |     |     |



|  |                                      |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
|--|--------------------------------------|--|----------|------|--------------------------------|------|--------------|------|---|------|--------------|------|--------------------------|------|----------------------|------|-------------|------|------------------|------|--------------------|------|-----------------------|------|-------------------------------------|------|---------------------|------|-----------------|------|------------------|------|---------------------------|------|-----------------------|------|------------------------|------|--|------|
|  |                                      | Udsteder skal ved levering til Clearingsystemet på den ovenfor beskrevne måde frigøres fra sine indløsningsforpligtelser eller evt. øvrige betalings- eller leveringsforpligtelser i henhold til Betingelserne for Værdipapirerne.]  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Følgende Element C.10 skal alene indsættes i tilfælde af Værdipapirer, hvor Udstederen har en forpligtelse til ved udstedelse at betale investoren 100 % af den nominelle værdi (ud over dette kan der også være en rentebetaling): |                                      |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| <b>C. 10</b>   | Derivat-komponent i rentebetalingen. | <p>[Ikke relevant. Der er ikke nogen derivatkomponent i rentebetalingen.]</p> <p>[indsæt beskrivelse af derivatkomponent i rentebetalingen, hvor relevant]</p> <p>[indsættes for hvert enkelt Værdipapir, hvor relevant:]</p> <table border="1"> <tr><td>[Grænse]</td><td>[●]*</td></tr> <tr><td>[Betalingsdato for Kuponrente]</td><td>[●]*</td></tr> <tr><td>[Kuponrente]</td><td>[●]*</td></tr> <tr><td>[Rentekonvention (<i>Day Count Fraction</i>)]</td><td>[●]*</td></tr> <tr><td>[Rentebeløb]</td><td>[●]*</td></tr> <tr><td>[Renteberegningsperiode]</td><td>[●]*</td></tr> <tr><td>[Rentebetalingsdato]</td><td>[●]*</td></tr> <tr><td>[Rentesats]</td><td>[●]*</td></tr> <tr><td>[Nominelt Beløb]</td><td>[●]*</td></tr> <tr><td>[Observationsdato]</td><td>[●]*</td></tr> <tr><td>[Observationsperiode]</td><td>[●]*</td></tr> <tr><td>[Kursen på det Underliggende Aktiv]</td><td>[●]*</td></tr> <tr><td>[Indløsningsvaluta]</td><td>[●]*</td></tr> <tr><td>[Referencekurs]</td><td>[●]*</td></tr> <tr><td>[Afregningskurs]</td><td>[●]*</td></tr> <tr><td>[Værdipapirernes Løbetid]</td><td>[●]*</td></tr> <tr><td>[Underliggende Aktiv]</td><td>[●]*</td></tr> <tr><td>[Værdiansættelsesdato]</td><td>[●]*</td></tr> <tr><td>[indsæt yderligere definitioner i relevant omfang]</td><td>[●]*</td></tr> </table> <p>[I forbindelse med Multi-Serie Værdipapirer indsættes følgende oversigt over relevant information og udfyldes for hver Serie af Værdipapirer med de oplysninger, der fremgår af oversigten ovenfor.</p> | [Grænse] | [●]* | [Betalingsdato for Kuponrente] | [●]* | [Kuponrente] | [●]* | [Rentekonvention ( <i>Day Count Fraction</i> )] | [●]* | [Rentebeløb] | [●]* | [Renteberegningsperiode] | [●]* | [Rentebetalingsdato] | [●]* | [Rentesats] | [●]* | [Nominelt Beløb] | [●]* | [Observationsdato] | [●]* | [Observationsperiode] | [●]* | [Kursen på det Underliggende Aktiv] | [●]* | [Indløsningsvaluta] | [●]* | [Referencekurs] | [●]* | [Afregningskurs] | [●]* | [Værdipapirernes Løbetid] | [●]* | [Underliggende Aktiv] | [●]* | [Værdiansættelsesdato] | [●]* | [indsæt yderligere definitioner i relevant omfang] | [●]* |
| [Grænse]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Betalingsdato for Kuponrente]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Kuponrente]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Rentekonvention ( <i>Day Count Fraction</i> )]  | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Rentebeløb]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Renteberegningsperiode]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Rentebetalingsdato]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Rentesats]  | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Nominelt Beløb]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Observationsdato]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Observationsperiode]  | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Kursen på det Underliggende Aktiv]  | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Indløsningsvaluta]  | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Referencekurs]  | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Afregningskurs]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Værdipapirernes Løbetid]  | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Underliggende Aktiv]  | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [Værdiansættelsesdato]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |
| [indsæt yderligere definitioner i relevant omfang]   | [●]*                                 |  |          |      |                                |      |              |      |   |      |              |      |                          |      |                      |      |             |      |                  |      |                    |      |                       |      |                                     |      |                     |      |                 |      |                  |      |                           |      |                       |      |                        |      |  |      |

|   |  | ISIN-kode   | [indsæt ISIN-kode] | [indsæt ISIN-kode] |
|---|--|---|--------------------|--------------------|
|   |  | [Grænse]  | [•]                | [•]                |
|   |  | [Betalingsdato for Kuponrente]  | [•]                | [•]                |
|   |  | [Kuponrente]  | [•]                | [•]                |
|   |  | [•]   | [•]                | [•]                |
|   |  |   |                    | ]]                 |
| C.11  | Optagelse til handel på et reguleret marked eller andre tilsvarende markeder.  | <p>[Såfremt Udsteder henholdsvis en Forvalter forventer at indlevere en anmodning om optagelse af Værdipapirerne til notering (på enhver fondsbørs med undtagelse af SIX Swiss Exchange), indsættes følgende tekst: [Udstederen] [En Forvalter] forventer at indlevere en anmodning om optagelse af Værdipapirerne til [notering] [handel] på [det Regulerede Marked (<i>Regulerter Markt</i>) på [Frankfurt Stock Exchange] [Stuttgart Stock Exchange] [•]] [den Officielle Liste på [det Regulerede Marked på Luxembourg Stock Exchange] [•]] [[det uofficielle regulerede marked på] [Frankfurt Stock Exchange] [Stuttgart Stock Exchange] [•]] [Nasdaq Stockholm][Nasdaq Helsinki][Nordic Growth Market NGM AB – NDX (Nordic Derivatives Exchange)] [angiv alternativ(e) børs(er) eller handelssystem(er): [•]]. [Forudsat at Udstederen ikke har afsluttet Værdipapirerne[, og forudsat at Værdipapirerne ikke er udløbet førtidigt] før Udløbsdatoen, skal handel med Værdipapirerne ophøre [[to] [•] handelsdag[e] før] [på] [Værdiansættelsesdatoen] [den Endelige Værdiansættelsesdato] [Udløbsdatoen] [Forfaldsdatoen] [•] (idet sådan dag betegnes den "<b>Sidste Dag for Børshandel</b>"). [Med virkning fra den Sidste Dag for Børshandel kan handel alene finde sted uden for markedet direkte med [Forvalteren] [•].]]</p> <p>[De allerede udstedte Værdipapirer er allerede optaget til handel på: [angiv fondsbørs: [•].]</p> <p>[Såfremt Udstederen forventer at indlevere en anmodning om optagelse af Værdipapirerne til notering på SIX Swiss Exchange, indsættes følgende tekst: [Udstederen] [Forvalteren (i dennes egenskab af forvalter for Udstederen)] forventer at indlevere en anmodning om optagelse af Værdipapirerne til notering på SIX Swiss Exchange ("<b>SIX</b>") og om optagelse af Værdipapirerne til handel på platformen for SIX Structured Products Exchange AG.]</p> <p>[Såfremt hverken Udstederen eller en Forvalter forventer at indlevere en anmodning om optagelse af Værdipapirerne til notering, indsættes følgende tekst: Der forventes ikke indleveret anmodning om optagelse af Værdipapirerne til handel på nogen fondsbørs.]</p> |                    |                    |
| [Følgende Elementer C.15, C.16, C.17, C.18, C.19 og C.20 skal ikke indsættes i tilfælde af Værdipapirer, hvor Udstederen har en forpligtelse til ved udstedelse at betale investoren 100 % af den nominelle værdi (ud over dette kan der også være en rentebetaling): |  |   |                    |                    |
| C.15  | Beskrivelse af, hvordan værdien af værdipapirerne påvirkes af de underliggende | <p>Værdien af Værdipapirerne i deres løbetid afhænger af udviklingen i [de[t] Underliggende Aktiv[er]] [Puljekomponenterne] [i forhold til udviklingen i [et andet] [andre] Underliggende Aktiv[er]]. Hvis kursen på [de[t] Underliggende Aktiv[er]] [Puljekomponenterne] [stiger] [falder] [i forhold til udviklingen i [det andet][de andre] Underliggende Aktiv[er]], vil værdien på Værdipapirerne [(uden hensyn til eventuelle særlige</p>   |                    |                    |

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| instrumenter. | <p>egenskaber ved Værdipapirerne)] sandsynligvis også [stige] [falde].</p> <p>Særligt det evt. Indløsningsbeløb, der skal udbetales til Værdipapirindehaveren ved udnyttelse af Værdipapirerne, afhænger af udviklingen i [de[t] Underliggende Aktiv[er]] [Puljekomponenterne] [i forhold til udviklingen i [et andet] [andre] Underliggende Aktiv[er]]. [Det bemærkes desuden, at enhver henvisning nedenfor til det "Underliggende Aktiv" kan være en henvisning til et Underliggende Aktiv med en bestemt udvikling som nærmere anført i de gældende Produktvilkår, fx den dårligste udvikling i en observationsperiode, det såkaldt Relevante Underliggende Aktiv.]</p> <p>Følgende egenskaber er eksempler på, hvordan værdien på Værdipapirerne afhænger af de[t] Underliggende Aktiv[er]:</p> <p><b>[UBS Værdipapirer med Automatisk Indløsning/Ekspresindløsning (<i>UBS Autocallable/Express Securities</i>)</b></p> <p>UBS Værdipapirer med Automatisk Indløsning/Ekspresindløsning er egnede til Værdipapirindehavere, som forventer, at kursen på de(t) Underliggende Aktiv(er) når [et] bestemt[e] niveau[er], som nærmere anført i de gældende Produktvilkår, således at produktet kan indløses førtidigt.</p> <p>Hvis kursen på de(t) Underliggende Aktiv(er) når [et] bestemt[e] niveau[er] på specifikke Observationsdatoer, som nærmere anført i de gældende Produktvilkår, vil der ske førtidig indløsning af Værdipapirerne før Forfaldsdatoen.</p> <p>Hvis de pågældende UBS Værdipapirer med Automatisk Indløsning/Ekspresindløsning ikke udløb førtidigt på nogen af de forudgående Observationsdatoer, vil der ske indløsning af de pågældende UBS Værdipapirer med Automatisk Indløsning/Ekspresindløsning på Forfaldsdatoen som nærmere anført i de gældende Produktvilkår. Indløsningsbeløbet i Indløsningsvalutaen afhænger af den individuelle produktstruktur som nærmere anført i de gældende Produktvilkår.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de gældende Produktvilkår.</p> <p>Værdipapirindehaveren kan desuden som nærmere anført i de relevante Produktvilkår være berettiget til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p><b>[UBS Gearingværdipapirer (<i>UBS Gearing Securities</i>)</b></p> <p>UBS Gearingværdipapirer giver Værdipapirindehavere mulighed for at deltage i den positive udvikling i de(t) Underliggende Aktiv(er). Omvendt kan Værdipapirindehavere af UBS Gearingværdipapirer ligeledes deltage i den negative udvikling i de(t) Underliggende Aktiv(er), idet de pågældende UBS Gearingværdipapirer kan medføre en potentiel tabsrisiko som nærmere anført i de gældende Produktvilkår. UBS Gearingværdipapirer kan ligeledes give Værdipapirindehaveren mulighed for at deltage i den positive udvikling i det Underliggende Aktiv i forhold til et andet Underliggende Aktiv. Omvendt kan Værdipapirindehavere af UBS Gearingværdipapirer deltage i den negative udvikling i det Underliggende Aktiv i forhold til et andet Underliggende Aktiv.</p> <p>UBS Gearingværdipapirer findes også i en såkaldt "Put"-version. Ved sådanne værdipapirer deltager Værdipapirindehavere positivt i den negative udvikling i de[t] Underliggende Aktiv[er]. Omvendt kan</p> |
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|  | <p>Værdipapirindehavere af UBS Gearingværdipapirer (Put) ligeledes deltage i den positive udvikling i de[t] Underliggende Aktiv[er], idet de pågældende UBS Gearingværdipapirer (Put) kan indebære et positivt risikopotentiale som nærmere anført i de gældende Produktvilkår. UBS Gearingværdipapirerne (Put) kan ligeledes give Værdipapirindehaveren mulighed for at deltage i den negative udvikling i det Underliggende Aktiv i forhold til et andet Underliggende Aktiv. Omvendt kan Værdipapirindehavere af UBS Gearingværdipapirer (Put) deltage i den positive udvikling i det Underliggende Aktiv i forhold til et andet Underliggende Aktiv.</p> <p>UBS Gearingværdipapirer kan være værdiløse ved udløb, hvis fx de[t] Underliggende Aktiv[er] udvikler sig negativt ud over en bestemt værdi som nærmere anført i de gældende Produktvilkår.</p> <p>Værdipapirindehavere modtager på Forfaldsdatoen et Indløsningsbeløb i Indløsningsvalutaen, hvor størrelsen af beløbet afhænger af Referencekursen eller Afregningskursen på de(t) Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår. Indløsningsbeløbet beregnes typisk ved at gange det Nominelle Beløb eller et sådant andet beløb, som er nærmere anført i de gældende Produktvilkår, med den relevante udvikling i de(t) Underliggende Aktiv(er), og derefter gange resultatet med Deltagelsesfaktoren, Gearingsfaktoren eller Multiplikatoren, men der kan ligeledes medregnes andre faktorer som nærmere anført i de gældende Produktvilkår.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Værdipapirindehaveren kan desuden som nærmere anført i de relevante Produktvilkår være berettiget til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p><b>[UBS Warrants</b></p> <p>UBS Købswarrants (<i>UBS Call Warrants</i>) giver Værdipapirindehavere mulighed for at deltage uforholdsmæssigt (med gearing) i den positive udvikling i det Underliggende Aktiv. Omvendt kan Værdipapirindehavere af UBS Købswarrants ligeledes deltage uforholdsmæssigt (med gearing) i den negative udvikling i det Underliggende Aktiv. Værdipapirindehavere bærer risikoen for, at de pågældende UBS Købswarrants er værdiløse ved udløb, hvis Referencekursen eller Afregningskursen på det Underliggende Aktiv som nærmere anført i de relevante Produktvilkår for UBS Købswarrants er lig med eller lavere end Aftalekursen.</p> <p>UBS Salgswarrants (<i>UBS Put Warrants</i>) giver Værdipapirindehavere mulighed for positivt at deltage uforholdsmæssigt (med gearing) i den negative udvikling i de(t) Underliggende Aktiv(er). Omvendt kan Værdipapirindehavere af UBS Salgswarrants ligeledes deltage uforholdsmæssigt (med gearing) i den positive udvikling i de(t) Underliggende Aktiv(er). Værdipapirindehavere bærer risikoen for, at de pågældende UBS Salgswarrants er værdiløse ved udløb, hvis Referencekursen eller Afregningskursen på de(t) Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår for UBS Salgswarrants er lig med eller højere end Aftalekursen.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.]</p> <p><b>[UBS Kapitalbeskyttede Værdipapirer/UBS Delvist Kapitalbeskyttede</b></p> |
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|  | <p><b>Værdipapirer (UBS Capital Protected Securities/UBS Partially Capital Protected Securities)</b></p> <p>UBS Kapitalbeskyttede Værdipapirer/UBS Delvist Kapitalbeskyttede Værdipapirer er helt eller delvist kapitalbeskyttede ved forfald og giver samtidig mulighed for det afkastpotentiale, der kan opstå fra kapitalmarkederne (potentielt kun op til et fastlagt maksimum). UBS Kapitalbeskyttede Værdipapirer/UBS Delvist Kapitalbeskyttede Værdipapirer deltager (i hvert fald delvist) i kursbevægelserne for de(t) udvalgte Underliggende Aktiv(er). Denne struktur giver mulighed for deltagelse i udviklingen for de(t) udvalgte Underliggende Aktiv(er). Den fastlagte deltagelsesgrad kan variere som nærmere anført i de relevante Produktvilkår. Den kan, afhængigt af produkttegenskaberne, være proportionel (enten negativ eller positiv) med udviklingen i de(t) Underliggende Aktiv(er).</p> <p>Ved en kapitalbeskyttelse, der er under udstedelseskursen, er det beløb, der svarer til udstedelseskursen, ikke fuldt sikret ved forfald. For at bygge bro over forskellen mellem niveauet for kapitalbeskyttelsen og udstedelseskursen er det nødvendigt, at visse betingelser, afhængigt af kursbevægelserne for de(t) Underliggende Aktiv(er), er opfyldt for at undgå tab ved forfald.</p> <p>Uanset produktets struktur skal UBS AG's udstederrisiko tages i betragtning.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Værdipapirindehaveren kan desuden som nærmere anført i de relevante Produktvilkår være berettiget til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.</p> <p>Udstedelseskursen for UBS Kapitalbeskyttede Værdipapirer/UBS Delvist Kapitalbeskyttede Værdipapirer kan også både være over og under 100.]</p> <p><b>[UBS Sprintværdipapirer (UBS Sprint Securities)</b></p> <p>UBS Sprintværdipapirer giver Værdipapirindehavere mulighed for at deltage i den positive udvikling i de(t) Underliggende Aktiv(er) inden for et fastlagt interval, dvs. mellem Aftalekursen og Maksimummet ganget med en deltagelsesgrad som nærmere anført i de relevante Produktvilkår. Omvendt kan Værdipapirindehavere af UBS Sprintværdipapirer ligeledes deltage i en del af, eller hele, den negative udvikling i de(t) Underliggende Aktiv(er). UBS Sprintværdipapirer findes også med et ubegrænset afkastpotentiale, dvs. uden Maksimum.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Værdipapirindehaveren kan desuden som nærmere anført i de relevante Produktvilkår være berettiget til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p><b>[UBS Bonusværdipapirer (UBS Bonus Securities)</b></p> <p>UBS Bonusværdipapirer giver Værdipapirindehavere mulighed for at deltage i den positive udvikling i de(t) Underliggende Aktiv(er). Omvendt</p> |
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|  | <p>kan Værdipapirindehavere af UBS Bonusværdipapirer ligeledes deltage i den negative udvikling i de(t) Underliggende Aktiv(er). Afhængigt af, om der indtræder en Kick Out-/Kick In-begivenhed i Værdipapirenes løbetid eller i nogen periode eller på nogen dag i Værdipapirenes løbetid som nærmere anført i de gældende Produktvilkår, er Værdipapirindehaveren berettiget til på Forfaldsdatoen at modtage Indløsningsbeløbet i Indløsningsvalutaen som nærmere anført i de gældende Produktvilkår.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Værdipapirindehaveren kan desuden som nærmere anført i de relevante Produktvilkår være berettiget til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p><b>[UBS Outperformance-værdipapirer (<i>UBS Outperformance Securities</i>)</b></p> <p>UBS Outperformance-værdipapirer giver Værdipapirindehavere mulighed for at deltage i den positive udvikling i det Underliggende Aktiv i forhold til et andet Underliggende Aktiv. Omvendt kan Værdipapirindehavere af UBS Outperformance-værdipapirer ligeledes deltage i den negative udvikling i det Underliggende Aktiv i forhold til et andet Underliggende Aktiv. Afhængigt af, om Referencekursen eller Afregningskursen for det Underliggende Aktiv som nærmere anført i de relevante Produktvilkår er højere end eller lig med eller lavere end Aftalekursen, er Værdipapirindehaveren berettiget til på Forfaldsdatoen at modtage Indløsningsbeløbet i Indløsningsvalutaen som nærmere anført i de gældende Produktvilkår.</p> <p>Værdipapirindehaveren har desuden ret til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.]</p> <p><b>[UBS Omvendt Konvertible Værdipapirer/ GOAL (<i>UBS Reverse Convertible Securities/ GOAL</i>)</b></p> <p>Alt efter om Referencekursen eller Afregningskursen for de(t) Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår er lavere end eller lig med Aftalekursen eller højere end Aftalekursen, modtager Værdipapirindehaveren enten det nominelle beløb eller udviklingen i de(t) Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Værdipapirindehaveren har desuden ret til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p><b>[UBS Kick-In GOAL/Omvendt Konvertible Værdipapirer med Grænse (<i>UBS</i></b></p> |
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|  | <p><b><i>Kick-In GOAL/Barrier Reverse Convertible Securities</i></b></p> <p>UBS Kick-In GOAL/Omvendt Konvertible Værdipapirer med Grænse giver mulighed for en sikkerhedsbuffer, som har til formål at beskytte mod, at de(t) Underliggende Aktiv(er) når visse forudbestemte eller variable niveauer. Hvis de(t) Underliggende Aktiv(er) ikke overskrider en fastsat grænse som nærmere anført i de relevante Produktvilkår, er Værdipapirindehavere berettiget til på Forfaldsdatoen at modtage et Indløsningsbeløb i Indløsningsvalutaen svarende til det Nominelle Beløb.</p> <p>Hvis grænsen er overskredet, tilpasses tilbagebetalingen ved forfald til niveauet for de(t) Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår. Hvis de(t) Underliggende Aktiv(er) lukker over et fastsat niveau på en bestemt dag som nærmere anført i de relevante Produktvilkår, er Værdipapirindehavere berettiget til på Forfaldsdatoen at modtage et Indløsningsbeløb i Indløsningsvalutaen svarende til det Nominelle Beløb. Hvis kursen for de(t) Underliggende Aktiv(er) derimod lukker på eller under et fastsat niveau på en bestemt dag som nærmere anført i de relevante Produktvilkår, er Værdipapirindehavere berettiget til på Forfaldsdagen, afhængigt af produktets struktur, enten at modtage det Fysiske Underliggende Aktiv i det relevante antal enten udtrykt ved Multiplikationsfaktoren eller, alt efter omstændighederne og som nærmere anført i de relevante Produktvilkår, svarende til antallet af Referenceaktier pr. Værdienhed eller kontant betaling, afhængigt af værdien af de(t) Underliggende Aktiv(er) eller udviklingen i de(t) Underliggende Aktiv(er) på det pågældende tidspunkt (evt. justeret for det respektive forhold). Grænsen kan observeres enten kontinuerligt eller på fastsatte datoer som nærmere anført i de relevante Produktvilkår.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Værdipapirindehaveren har desuden ret til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p><b>[UBS Performance-værdipapirer (<i>UBS Performance Securities</i>)</b></p> <p>UBS Performance-værdipapirer giver investorer mulighed for (hvis de gældende Produktvilkår indeholder bestemmelser om, at et Forvaltningshonorar (<i>Management Fee</i>) finder anvendelse, i forhold til Forvaltningshonoraret) at deltage i den positive udvikling i de(t) Underliggende Aktiv(er). Omvendt kan Værdipapirindehavere af UBS Performance-værdipapirer ligeledes deltage i den negative udvikling i de(t) Underliggende Aktiv(er).</p> <p>UBS Performance-værdipapirer kan være udstedt såvel med som uden en forudbestemt Forfaldsdato. Der kan til UBS Performance-Værdipapirerne være knyttet en Udstederret og/eller Værdipapirindehaverret, som kan blive udnyttet og medføre, at Værdipapirerne indløses/udløber på et hvilket som helst tidspunkt som nærmere anført i de relevante Produktvilkår.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Værdipapirindehaveren kan desuden som nærmere anført i de relevante Produktvilkår være berettiget til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan</p> |
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|  | <p>udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p><b>[UBS Gearede Værdipapirer (<i>UBS Leveraged Securities</i>)</b></p> <p>Med UBS Gearede Værdipapirer kan Værdipapirindehavere anvende gearing, eftersom UBS Gearede Værdipapirer giver Værdipapirindehavere mulighed for at deltage uforholdsmæssigt og uden begrænsning i stigende kurser for de(t) Underliggende Aktiv(er). Det betyder, at deltagelsesgraden fra et forudbestemt kursniveau som nærmere anført i de relevante Produktvilkår i en potentielt stigende kursudvikling er højere end 100 %. Den præcise udviklingsrate varierer afhængigt af produkttegenskaberne og er fast pr. udstedelse som nærmere anført i de relevante Produktvilkår.</p> <p>Hvis købskursen for et UBS Gearet Værdipapir ligger på niveau med kursen for de(t) Underliggende Aktiv(er), er gearingseffekten endnu ikke indtrådt. I det tilfælde modvirkes den uforholdsmæssige chance for en gevinst af en tabsrisiko, som svarer til en direkte eller, alt efter omstændighederne, gearet investering, og Værdipapirindehavere deltager i den potentielt negative kursudvikling. I det beskrevne eksempel (uden agio) er der således ingen uforholdsmæssig deltagelse i potentielle tab.</p> <p>For at minimere tabsrisikoen kan UBS Gearede Værdipapirer have betinget delvis beskyttelse. Så længe en supplerende sikkerhedstærskel som nærmere anført i de relevante Produktvilkår ikke nås i Værdipapirernes løbetid, genvinder Værdipapirindehaverne som minimum den investerede kapital på forfaldsdagen. Den delvise beskyttelse ophører alene, hvis en tærskel overskrides, og produktet opfører sig som et UBS Gearet Værdipapir uden betinget delvis beskyttelse.</p> <p>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.</p> <p>Værdipapirindehaveren kan desuden som nærmere anført i de relevante Produktvilkår være berettiget til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: En sådan udbetaling af et Rentebeløb/Kuponrentebeløb kan enten være ubetinget (dvs. uanset udviklingen i de(t) Underliggende Aktiv(er)) eller betinget som nærmere beskrevet i de gældende Produktvilkår.]</p> <p><b>[UBS Nulkuponværdipapirer (<i>Zero Coupon Securities</i>)</b></p> <p>UBS Nulkuponværdipapirer giver Værdipapirindehavere ret til på Forfaldsdatoen at modtage det Nominelle Beløb pr. Værdipapir. UBS Nulkuponværdipapirer er således 100 % kapitalbeskyttede ved forfald. En sådan betaling er ikke garanteret af tredjemand, men Udsteder har givet tilsagn om betaling, som således afhænger af, at Udsteder er i stand til at opfylde sine betalingsforpligtelser.</p> <p>Udbudskursen for et UBS Nulkuponværdipapir er lavere end dets Nominelle Beløb. Værdipapirindehaveren er ikke berettiget til renteudbetalinger af nogen art i UBS Nulkuponværdipapirernes løbetid.]</p> <p><b>[UBS Værdipapirer med Fast Rente (<i>UBS Fixed Rate Securities</i>)</b></p> <p>UBS Værdipapirer med Fast Rente giver Værdipapirindehavere ret til på Forfaldsdatoen at modtage det Nominelle Beløb pr. Værdipapir. UBS Værdipapirer med Fast Rente er således 100 % kapitalbeskyttede ved forfald. En sådan betaling er ikke garanteret af tredjemand, men Udsteder har givet tilsagn om betaling, som således afhænger af, at</p> |
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|  | <p>Udsteder er i stand til at opfylde sine betalingsforpligtelser.</p> <p>Værdipapirindehaveren er i løbetiden for UBS Værdipapirer med Fast Rente berettiget til på den relevante Rentebetalingsdato at modtage betaling af Rentebeløbet i relation til den foregående Renteberegningsperiode. Rentebeløbet beregnes ved anvendelse af Rentesatsen og den relevante rentekonvention (<i>Day Count Fraction</i>) på det Nominelle Beløb pr. Værdipapir. Renten er fast i hele løbetiden for UBS Værdipapirer med Fast Rente.].</p> <p><b>[UBS Værdipapirer med Variabel Rente (<i>UBS Floating Rate Securities</i>)</b></p> <p>UBS Værdipapirer med Variabel Rente giver Værdipapirindehavere ret til på Forfaldsdatoen at modtage det Nominelle Beløb pr. Værdipapir. UBS Værdipapirer med Variabel Rente er således 100 % kapitalbeskyttede ved forfald. En sådan betaling er ikke garanteret af tredjemand, men Udsteder har givet tilsagn om betaling, som således afhænger af, at Udsteder er i stand til at opfylde sine betalingsforpligtelser.</p> <p>Værdipapirindehaveren er i løbetiden for UBS Værdipapirer med Variabel Rente berettiget til på den relevante Rentebetalingsdato at modtage betaling af Rentebeløbet i relation til den foregående Renteberegningsperiode. Rentebeløbet beregnes ved anvendelse af Rentesatsen og den relevante rentekonvention (<i>Day Count Fraction</i>) på det Nominelle Beløb pr. Værdipapir.</p> <p>Rentesatsen i relation til hver sådan Renteberegningsperiode (i) er lig med Kursen på det Underliggende Aktiv, hvis dette er nærmere anført, enten (i) plus eller, alt efter omstændighederne, (ii) minus en hvis margin i procent som nærmere anført i de relevante Produktvilkår.].</p> <p><b>Følgende beskrivelser af flere udviklingsstrukturer kan evt. blive anvendt i forbindelse med Værdipapirerne beskrevet i afsnittet ovenfor</b></p> <p><u>Underliggende Aktiver</u></p> <p>Værdipapirer kan være knyttet til et enkelt Underliggende Aktiv, en pulje af Underliggende Aktiver, et eller flere Underliggende Aktiv(er) med den bedste udvikling, et eller flere Underliggende Aktiv(er) med den dårligste udvikling eller en kombination af disse. Puljeudviklingen beregnes som det vægtede gennemsnit af udviklingen i de(t) enkelte Underliggende Aktiv(er).</p> <p>Vægtningen kan afhængigt af bestemte betingelser enten være fastsat på forhånd eller blive defineret i produktets løbetid. Vægtningen kan fx afhænge af den relative udvikling i de Underliggende Aktiver eller af den realiserede volatilitet i de(t) Underliggende Aktiv(er).</p> <p><u>Udvikling</u></p> <p>I princippet vil værdien af Værdipapirerne sandsynligvis (uden hensyn til eventuelle særlige egenskaber ved Værdipapirerne) stige, hvis kursen på det Underliggende Aktiv eller, hvis det af definitionen i de gældende Produktvilkår af det "Underliggende Aktiv" fremgår, at "Pulje" finder anvendelse, Puljekomponenterne stiger. Såfremt kursen på det Underliggende Aktiv eller Puljekomponenterne falder, vil værdien af Værdipapirerne (uden hensyn til eventuelle særlige egenskaber ved Værdipapirerne) sandsynligvis ligeledes falde.</p> <p>Til gengæld kan der til Værdipapirerne, hvis dette er nærmere anført i de relevante Produktvilkår, være knyttet en såkaldt omvendt struktur (<i>reverse structure</i>). I så fald <b>falder Værdipapirerne i værdi</b> (uanset hvilke øvrige egenskaber, der måtte være knyttet til Værdipapirerne, eller andre faktorer, som måtte være relevante for Værdipapirenes værdi), hvis kursen på det Underliggende Aktiv eller, hvis det af definitionen i de gældende Produktvilkår af det "Underliggende Aktiv" fremgår, at "Pulje"</p> |
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|  | <p>finder anvendelse, Puljekomponenterne stiger, henholdsvis <b>stiger Værdipapirerne i værdi</b>, hvis kursen på det Underliggende Aktiv eller, hvis det af definitionen i de gældende Produktvilkår af det "Underliggende Aktiv" fremgår at "Pulje" finder anvendelse, Puljekomponenterne falder.</p> <p>Udviklingen eller niveauet for de(t) Underliggende Aktiv(er) kan måles på forskellige måder.</p> <p>Udviklingen måles normalt som slutniveauet for de(t) Underliggende Aktiv(er) som en procentdel af startniveauet for de(t) Underliggende Aktiv(er). Slutniveauet og/eller startniveauet kan dog også enten defineres som det gennemsnitlige/maksimale/minimale niveau for de(t) Underliggende Aktiv(er), således som dette er observeret i en bestemt periode. Startniveauet behøver ikke nødvendigvis observeres på startdagen for produktet, men kan også observeres i produktets løbetid.</p> <p>Udviklingen kan også måles som den relative udvikling for et eller flere Underliggende Aktiv(er) i forhold til udviklingen for et eller flere andre Underliggende Aktiv(er).</p> <p>Udviklingen kan også have et fastlagt eller et variabelt og/eller betinget maksimum. Det betyder, at Værdipapirindehavere accepterer en begrænsning af afkastpotentialet ("Maksimum") og kun at kunne deltage i eventuelle kursstigninger (eller fald) for de(t) Underliggende Aktiv(er), indtil et bestemt niveau er nået og ikke længere. Desuden kan udviklingen også have et fastlagt eller et variabelt og/eller betinget minimum. Det betyder, at Værdipapirindehavere har et minimum for afkastpotentiale ("Minimum") og negativt kun kan deltage i eventuelle kursfald (eller stigninger) for de(t) Underliggende Aktiv(er), indtil et bestemt niveau er nået og ikke længere.</p> <p><u>Grænser</u></p> <p>Produkter kan have grænser, der aktiveres så snart bestemte betingelser er opfyldt. Disse grænser repræsenterer sædvanligvis visse niveauer, der skal nås af de(t) Underliggende Aktiv(er) på bestemte observationsdatoer.</p> <p>Grænser kan enten udløses af de(t) Underliggende Aktiv(er), udviklingen eller andre mål, som når bestemte forudbestemte niveauer. Nogle grænser udløses kun, hvis mere end en betingelse er opfyldt. Grænser kan være fastsat til enten at skulle observeres på bestemte datoer eller kontinuerligt.</p> <p>Grænser kan føre til, at bestemte egenskaber ved Værdipapirerne enten fjernes (Kick-Out) eller tilføjes (Kick-In). Som egenskaber, der tilføjes eller fjernes, kan fx nævnes kuponrenter, deltagelsesgrader eller Underliggende Aktiv(er).</p> <p><u>Lock-In og Endelig Lock-In</u></p> <p>De gældende Produktvilkår kan indeholde bestemmelse om en såkaldt "Lock-In"-egenskab, hvilket betyder, at visse beløb eller resultater, som nærmere anført i Produktvilkårene, i tilfælde af, at der indtræder en på forhånd fastlagt lock-in-begivenhed, vil blive "låst fast", dvs bundne, reserveret eller på anden måde sikret i økonomisk henseende, således som nærmere anført i Produktvilkårene. I det omfang og på de vilkår, der gælder for andre egenskaber, der er beskrevet i dette pkt. 13 af Basisprospektet, og som nærmere bestemt i de gældende Produktvilkår, deltager Værdipapirindehavere stadig i det Underliggende Aktivs henholdsvis Puljekomponenternes fremtidige udvikling.</p> <p>Hvis de relevante Produktvilkår indeholder bestemmelse om, at en såkaldt "Endeligt Lock-In"-egenskab finder anvendelse, vil visse beløb eller resultater, som nærmere anført i Produktvilkårene, i tilfælde af, at der indtræder en på forhånd fastlagt lock-in-begivenhed, blive "låst fast" i et sådant omfang, at Værdipapirindehaverens deltagelse i det</p> |
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|  |  | <p>Underliggende Aktivs henholdsvis Puljekomponenternes fremtidige udvikling vil være begrænset eller endda udelukket.</p> <p><u>Automatisk Afslutning (<i>Automatic Termination Feature</i>)</u></p> <p>Hvis det af de relevante Produktvilkår fremgår, at produktet omfatter Automatisk Afslutning, kan Værdipapirerne afsluttes og indløses førtidigt, såfremt der indtræder en automatisk afslutningsbegivenhed (herunder, men ikke begrænset til, en Stop Loss- eller Knock Out-Begivenhed).</p> <p><u>Investeringsstrategier</u></p> <p>Udvikling kan defineres som den hypotetiske udvikling for en forudbestemt investeringsstrategi. Det kan fx være en strategi, hvor der kun investeres i de(t) Underliggende Aktiv(er) på bestemte fastlagte datoer. Et andet eksempel er en strategi, hvor der investeres i de(t) Underliggende Aktiv(er) alt afhængigt af den realiserede volatilitet, udvikling, fremdrift eller et andet mål for de(t) Underliggende Aktiv(er)s niveau i produktets løbetid.</p> <p><u>Baissepræget/Haussepræget/Variabel Deltagelsesgrad (<i>Bearish/Bullish/Variable Participation Rate</i>)</u></p> <p>Deltagelse er normalt proportional med en bestemt kurs (som selv kan afhænge af bestemte forudsætninger, fx udviklingen i et eller flere Underliggende Aktiv(er)), og som kan være enten negativ eller positiv.</p> <p><u>Valutaomregning</u></p> <p>Værdipapirindehaverens tilsikrede ret i Værdipapirerne kan fastsættes på baggrund af en anden valuta end Indløsningsvalutaen, en valutaenhed eller en beregningsenhed, ligesom også værdien af det Underliggende Aktiv henholdsvis Puljekomponenterne kan fastsættes i en sådan anden valuta end Indløsningsvalutaen, valutaenhed eller beregningsenhed. Den valutakurs, der skal anvendes til den endelige afkastberegning, kan enten være forudbestemt (quanto-funktion) eller variabel.</p> <p><u>Dobbeltvaluta</u></p> <p>Værdipapirindehaveren er berettiget til at modtage betalinger i den på forhånd fastsatte valuta, der er anført i de relevante Produktvilkår som Indløsningsvalutaen. Hvis det i de relevante Produktvilkår er anført, at produkttegnsken "Dobbeltvaluta" finder anvendelse, er Udstederen dog enten i Værdipapirernes løbetid eller ved den endelige indløsning berettiget til at erstatte denne på forhånd fastsatte valuta med en anden valuta, der er anført til dette formål i de relevante Produktvilkår. Alle efterfølgende betalinger til Værdipapirindehaveren vil derefter blive foretaget i en sådan anden valuta. I så fald kan Værdipapirindehaveren være eksponeret for valutarisiko.</p> <p><u>Kuponrente/Rentebeløb/Øvrigt Provenu</u></p> <p>Hvis det af de relevante Produktvilkår fremgår, at ubetinget Kuponrente, Rentebeløb eller øvrigt provenu finder anvendelse, er Værdipapirindehaveren berettiget til at modtage betaling af den relevante Kuponrente henholdsvis det relevante Rentebeløb eller øvrige provenu som nærmere anført i de relevante Produktvilkår.</p> <p>Hvis det af de relevante Produktvilkår fremgår, at betinget Kuponrente, Rentebeløb eller øvrigt provenu finder anvendelse, er Værdipapirindehaveren berettiget til at modtage betaling af den relevante Kuponrente henholdsvis det relevante Rentebeløb eller øvrige provenu, forudsat at relevante betingelser er opfyldt. Hvis disse krav ikke er opfyldt i relation til en betinget Kuponrente henholdsvis et Rentebeløb eller øvrigt provenu, udbetales der ikke nogen Kuponrente henholdsvis noget Rentebeløb eller øvrigt provenu.</p> |
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|           |  | <p>Værdipapirer kan således i deres løbetid generere løbende indtægter. De fleste Værdipapirer genererer dog ikke ubetingede indtægter, fx udbytte eller rente.</p> <p><u>Kapitalbeskyttelse</u></p> <p>Kun når det af de relevante Produktvilkår fremgår, at produkttegenskaben "Kapitalbeskyttelse" finder anvendelse, modsvarer Afregningsbeløbet under alle omstændigheder som minimum det kapitalbeskyttede Minimumsbeløb.</p> <p><u>Maksimumbeløb</u></p> <p>Hvis det af de relevante Produktvilkår fremgår, at produkttegenskaben "Maksimumbeløb" finder anvendelse, kan Afviklingsbeløbet maksimalt udgøre Maksimumbeløbet.</p> <p><u>Fysisk eller Kontant Afvikling</u></p> <p>Kun når det af de relevante Produktvilkår fremgår, at produkttegenskaben "Fysisk Afvikling" finder anvendelse, afvikles Produktet eventuelt fysisk. Ellers sker afvikling ved kontant betaling. Afviklingsformen kan afhænge af udviklingen i de(t) Underliggende Aktiv(er).</p> <p><u>Generel førtidig indløsningsret</u></p> <p>Udstederen og Værdipapirindehavere vil kun have en generel førtidig indløsningsret i relation til Værdipapirerne inden Udløbsdatoen, hvis det fremgår af de gældende Produktvilkår.</p> <p><i>Udstederens Call-ret</i></p> <p>Såfremt det er bestemt i de gældende Produktvilkår, har Udstederen ret til at kræve førtidig indløsning af Værdipapirerne ved at give meddelelse herom på visse nærmere angivne datoer. Indløsningsværdien kan enten være fastsat på forhånd eller være afhængig af de(t) Underliggende Aktiv(er), visse datoer eller andre parametre.</p> <p><i>Værdipapirindehavernes Put-ret</i></p> <p>Såfremt det er bestemt i de gældende Produktvilkår, har Værdipapirindehaveren en ret til at indstille Værdipapirerne til førtidig indløsning. Indløsningsværdien kan enten være fastsat på forhånd eller være afhængig af de(t) Underliggende Aktiv(er), visse datoer eller andre parametre.</p> |   |   |               |   |   |     |     |     |     |     |
|-----------|--|---|---|---|---------------|---|---|-----|-----|-----|-----|-----|
| C.16      | Udløbs- eller forfaldsdato, udnyttelsesdato eller endelig referencedato. | <p>[Forfaldsdato: [•]*]</p> <p>[Udløbsdato: [•]*]</p> <p>[[Udnyttelsesdato[er]][Udnyttelsesperiode]: [•]*]</p> <p>[[Endelig] Værdiansættelsesdato: [•]*]</p> <p>[Gennemsnitlige Værdiansættelsesdatoer: [•]*]</p> <p><i>[I forbindelse med Multi-Serie Værdipapirer indsættes følgende oversigt over relevant information og udfyldes for hver Serie af Værdipapirer.</i></p> <table border="1" data-bbox="571 1742 1433 1989"> <thead> <tr> <th data-bbox="571 1742 671 1928">ISIN-kode</th> <th data-bbox="671 1742 815 1928">Forfalds-dato</th> <th data-bbox="815 1742 970 1928">[Udløbs-dato]</th> <th data-bbox="970 1742 1161 1928">[Udnyttelses-dato[er]][Udnyttelses-periode]</th> <th data-bbox="1161 1742 1433 1928">[[Endelig] Værdiansættelsesdato][Gennemsnitlige Værdiansættelsesdatoer]</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 1928 671 1989">[•]</td> <td data-bbox="671 1928 815 1989">[•]</td> <td data-bbox="815 1928 970 1989">[•]</td> <td data-bbox="970 1928 1161 1989">[•]</td> <td data-bbox="1161 1928 1433 1989">[•]</td> </tr> </tbody> </table>  | ISIN-kode                                   | Forfalds-dato   | [Udløbs-dato] | [Udnyttelses-dato[er]][Udnyttelses-periode] | [[Endelig] Værdiansættelsesdato][Gennemsnitlige Værdiansættelsesdatoer] | [•] | [•] | [•] | [•] | [•] |
| ISIN-kode | Forfalds-dato  | [Udløbs-dato]   | [Udnyttelses-dato[er]][Udnyttelses-periode] | [[Endelig] Værdiansættelsesdato][Gennemsnitlige Værdiansættelsesdatoer] |               |   |   |     |     |     |     |     |
| [•]       | [•]  | [•]   | [•]   | [•]   |               |   |   |     |     |     |     |     |

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| C.17      | Afregningsprocedure for derivaterne.  | <p>Betalinger [og/eller, alt efter omstændighederne, levering af det Fysiske Underliggende Aktiv i det relevante antal] skal, i alle tilfælde med forbehold for alle gældende skattemæssige eller øvrige love eller regler, som måtte gælde i betalingslandet [eller, alt efter omstændighederne, leveringslandet] eller øvrige love og regler, som Udsteder erklærer at være underlagt, ske i overensstemmelse med de relevante CA-regler til det relevante Clearingsystem eller dets relevante formidler, eller ordre, med henblik på kreditering på den relevante kontohavers konto hos Clearingsystemet eller den relevante formidler.</p> <p>Udsteder skal ved betaling og/eller levering til Clearingsystemet på den ovenfor beskrevne måde frigøres fra sine indløsningsforpligtelser eller evt. øvrige betalings- eller leveringsforpligtelser i henhold til Betingelserne for Værdipapirerne.</p>   |           |                                  |     |   |
| C.18      | Beskrivelse af, hvordan udbyttet fra derivaterne udbetales.   | Værdipapirindehavere vil på den relevante Forfaldsdato modtage [betaling af Indløsningsbeløbet] [og/eller] [levering af det Fysiske Underliggende Aktiv i det relevante antal].  |           |                                  |     |   |
| C.19      | Udnyttelseskurs eller endelig referencekurs for de underliggende aktiver.   | <p>[Afregningskurs:           [•]*]</p> <p>[Referencekurs:           [•]*]</p> <p><i>[I forbindelse med Multi-Serie Værdipapirer indsættes følgende oversigt over relevant information og udfyldes for hver Serie af Værdipapirer.</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">ISIN-kode</td> <td style="width: 50%; text-align: center;">[Afregningskurs] [Referencekurs]</td> </tr> <tr> <td style="text-align: center;">[•]</td> <td style="text-align: center;">[•]</td> </tr> </table> <p style="text-align: right;">]</p>  | ISIN-kode | [Afregningskurs] [Referencekurs] | [•] | [•]   |
| ISIN-kode | [Afregningskurs] [Referencekurs]  |  |           |                                  |     |   |
| [•]       | [•]   |  |           |                                  |     |   |
| C.20      | Typen af det underliggende aktiv, og hvor oplysninger om det underliggende aktiv kan findes.                      | <p><b>Typen af Underliggende Aktiv:</b></p> <p><i>[indsæt beskrivelse af [aktien (herunder et aktiebevis, der omfatter flere aktier)] [Indekset] [valutakursen] [ædelmetallet] [råvaren] [rentesatsen] [værdipapiret med begrænsede rettigheder] [ETF-andelen] [ikke-ETF-andelen] [futureskontrakten (herunder, hvor relevant, de relevante forfaldsmåneder)] [referencerenten] [puljen, der omfatter ovennævnte aktiver] [porteføljen, der omfatter ovennævnte aktiver. [•]*]</i></p> <p>Oplysninger om [•] [og] de[t] Underliggende Aktiv[er]s hidtidige og fremtidige udvikling og [dets] [deres] volatilitet kan rekvireres [på hjemmesiden] [•].</p> <p><i>[I forbindelse med Multi-Serie Værdipapirer indsættes følgende oversigt over relevant information og udfyldes for hver Serie af Værdipapirer.</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">ISIN-kode</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">[•]</td> <td><i>[indsæt beskrivelse af det underliggende aktiv, og hvor oplysninger om det underliggende aktiv kan findes]</i></td> </tr> </table> | ISIN-kode |                                  | [•] | <i>[indsæt beskrivelse af det underliggende aktiv, og hvor oplysninger om det underliggende aktiv kan findes]</i> |
| ISIN-kode |   |  |           |                                  |     |   |
| [•]       | <i>[indsæt beskrivelse af det underliggende aktiv, og hvor oplysninger om det underliggende aktiv kan findes]</i> |  |           |                                  |     |   |

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| Element | Afsnit D – Risici |
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| D.2 | <p>Nøgleoplysning-er om de vigtigste risici, der er specifikke for Udstederen.</p> | <p>Værdipapirerne indebærer en udstederrisiko, også kaldet en debitorrisiko eller kreditrisiko for potentielle investorer. En udstederrisiko er den risiko, at UBS AG midlertidigt eller varigt bliver ude af stand til at opfylde sine forpligtelser i henhold til Værdipapirerne.</p> <p><b>Generel insolvensrisiko</b></p> <p>Den enkelte investor bærer den generelle risiko for, at Udsteders finansielle situation kan forværres. Gældsverdipapirerne eller derivaterne vil udgøre direkte, usikrede og ikke-efterstillede forpligtelser på Udstederen, som særligt i tilfælde af Udstederens insolvens vil være sideordnet med hinanden og med alle øvrige nuværende og fremtidige usikrede og ikke-efterstillede forpligtelser på Udstederen, bortset fra de forpligtelser, som har fortrinsret i henhold til ufravigelige lovregler. Udstederens forpligtelser i henhold til Værdipapirerne er ikke beskyttet af obligatoriske eller frivillige indskudsgarantisystemer eller kompensationsordninger. <b>I tilfælde af Udstederens insolvens risikerer investorer således at miste hele deres investering i Værdipapirerne.</b></p> <p>UBS AG som Udsteder og UBS er eksponeret for forskellige brancherelaterede risici. Nedenfor følger en opsummering af de risici, som kan indvirke på Koncernens evne til at gennemføre sin strategi og på Koncernens forretningsaktiviteter, finansielle stilling, driftsresultat og udsigter, hvilket Koncernen anser for væsentligt, og som Koncernen p.t. er opmærksom på:</p> <ul style="list-style-type: none"> <li>• Valutakursudsving og fortsat lave eller negative renter kan have en skadelig indvirkning på UBS' kapitalstyrke, UBS' stilling i forhold til likviditets- og kapitalfremskaffelse samt UBS' rentabilitet.</li> <li>• Regulerings- og lovgivningsmæssige ændringer kan have en negativ indvirkning på UBS' virksomhed og evne til at udføre sine virksomhedsstrategier.</li> <li>• Hvis UBS bliver ude af stand til at opretholde sin konsolidering, kan dette have en negativ indvirkning på UBS' strategigennemførelse, kundeforhold og konkurrence-situation.</li> <li>• UBS kan mislykkes med sine udmeldte strategiske planer.</li> <li>• Der opstår væsentlige juridiske og lovgivningsmæssige risici i udførelsen af UBS' aktiviteter.</li> <li>• Operationelle risici indvirker på UBS' aktiviteter.</li> <li>• UBS' omdømme er væsentlig for fremgangen i UBS' aktiviteter.</li> <li>• Udviklingen i branchen for finansielle serviceydelser påvirkes af markedsforskel og det makroøkonomiske klima.</li> <li>• UBS kan mislykkes med at gennemføre ændringer i sine formueforvaltningsaktiviteter, der foretages med henblik på at imødekomme ændrede markedsmæssige, lovgivningsmæssige og andre betingelser.</li> <li>• Det er ikke nødvendigvis muligt for UBS at identificere eller udnytte indtjenings- eller konkurrencemuligheder eller fastholde og tiltrække kvalificerede medarbejdere.</li> <li>• UBS har ældre og andre risikopositioner, som kan påvirkes negativt af markedsforskel. Ældre risikopositioner kan desuden være vanskelige at</li> </ul> |
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|     |   | <p>afvikle.</p> <ul style="list-style-type: none"> <li>• UBS er afhængig af sine risikostyrings- og kontrolprocesser for at undgå eller begrænse potentielle tab på sine aktiviteter.</li> <li>• Værdiansættelsen af visse positioner er baseret på modeller; modeller har indbyggede begrænsninger og kan være baseret på input, som ikke har en kontrollerbar kilde.</li> <li>• Likviditet og finansieringsstyring er kritisk for UBS' fortsatte resultater.</li> <li>• UBS' regnskabsresultat kan blive påvirket negativt af ændringer i regnskabsstandarder.</li> <li>• UBS' regnskabsresultat kan blive påvirket negativt af ændringer i forudsætninger, der har betydning for værdien af UBS' goodwill.</li> <li>• Virkningen af skatter på UBS' regnskabsresultat påvirkes væsentligt af ændringer i UBS' udskudte skatteaktiver.</li> <li>• UBS' anførte målsætning for kapitalafkast er delvist baseret på en soliditetsprocent, der er omfattet af lovgivningsmæssige ændringer, og som kan svinge meget.</li> <li>• UBS AG's driftsresultat, finansielle stilling og evne til at opfylde sine forpligtelser kan i fremtiden blive påvirket af midler, udbytter og øvrige udlodninger modtaget fra UBS Switzerland AG eller ethvert andet direkte datterselskab, som kan være omfattet af begrænsninger.</li> <li>• Hvis UBS kommer i økonomiske vanskeligheder, kan FINMA indgive opløsnings- eller konkursbegæring eller pålægge, at der træffes forholdsregler i forhold til UBS Group AG, UBS AG eller UBS Switzerland AG, og en sådan proces henholdsvis sådanne forholdsregler kan have en væsentlig negativ indvirkning på UBS' aktionærer og kreditorer.</li> </ul> <p>Fordi aktiviteterne for en velfunderet international finansiel virksomhed som UBS ifølge sagens natur er udsat for risici, som alene bliver tydelige i bagklogskabens klare lys, kan risici, som UBS ikke p.t. er opmærksom på, eller som UBS ikke p.t. anser for væsentlige, dog ligeledes indvirke på UBS' evne til at gennemføre sin strategi og på UBS' forretningsaktiviteter, finansielle stilling, driftsresultat og udsigter.</p> |
| D.3 | <p>Nøgleoplysning-er om de vigtigste risici, der er specifikke for Værdipa-pirerne.</p> | <p>Potentielle investorer i Værdipapirerne skal være opmærksomme på, at Værdipapirerne <b>udgør en risikoinvestering</b>, som kan medføre, at de <b>mister hele</b> deres investering i Værdipapirerne. Værdipapirindehaverne vil pådrage sig et tab, hvis de beløb [henholdsvis den værdi af de(t) Fysiske Underliggende Aktiv(er)], der modtages i overensstemmelse med Betingelserne for Værdipapirerne, er lavere end den købspris, der er betalt for Værdipapirerne (inklusive transaktionsomkostninger). [Selv hvor Værdipapirerne er kapitalbeskyttet ved forfald med Minimumsbeløbet, og risikoen for tab i begyndelsen således er begrænset til Minimumsbeløbet, bærer hver enkelt investor i Værdipapirerne] [Hver enkelt investor bærer] risikoen for, at Udstederens økonomiske situation forværres, og at Udstederen eventuelt efterfølgende ikke længere er i stand til at opfylde sine betalingsforpligtelser i henhold til Værdipapirerne. Potentielle investorer skal således være parate til og kunne klare at <b>miste</b> den investerede kapital <b>helt</b> eller delvist. Eventuelle investorer, som måtte være interesseret i at købe Værdipapirerne, bør foretage en vurdering af deres økonomiske stilling for at sikre sig, at de kan bære den <b>risiko for tab</b>, der er forbundet med</p>  |

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|  |  | <p>Værdipapirerne.</p> <p><b><u>Særlige risici forbundet med de konkrete elementer i Værdipapirernes struktur</u></b></p> <p><i>[Hvis Værdipapirer er knyttet til et Underliggende Aktiv, indsæt: Potentielle investorer skal være opmærksomme på, at størrelsen [af [de[t] Rentebeløb] og] af det Indløsningsbeløb, der skal betales i henhold til Betingelserne for Værdipapirerne, afhænger af udviklingen i det Underliggende Aktiv. Hvis kursen på [det Underliggende Aktiv] [Puljekomponenterne] udvikler sig negativt, kan et eventuelt beløb, der modtages i henhold til Værdipapirerne, være lavere end forventet af investorerne <b>og kan endda være 0. I så fald vil Værdipapirindehaverne miste hele deres investering (inklusive evt. transaktionsomkostninger).</b>]</i></p> <p><i>[Hvis produktet omfatter henholdsvis "Deltagelsesfaktor", "Gearingsfaktor", "Multiplikationsfaktor" eller "Multiplikator", indsæt: Potentielle investorer skal være opmærksomme på, at anvendelse af [Deltagelsesfaktoren] [Gearingsfaktoren] [Multiplikationsfaktoren] [Multiplikatoren] ved fastlæggelse af Værdipapirrettigheder medfører, at Værdipapirerne i økonomisk forstand kommer til at ligne en direkte investering i [det Underliggende Aktiv] [Puljekomponenterne] uden dog at være fuldt ud sammenlignelige med en sådan direkte investering[, især fordi Værdipapirindehaverne ikke deltager i [det Underliggende Aktivs] [Puljekomponenternes] relevante udvikling i et 1:1 forhold, men i det forhold, der følger af [Deltagelsesfaktoren] [Gearingsfaktoren] [Multiplikationsfaktoren] [Multiplikatoren].]</i></p> <p><i>[Hvis produktet omfatter "Omvendt Struktur", indsæt: Potentielle investorer skal være opmærksomme på, at Værdipapirerne har en såkaldt omvendt struktur, og at Værdipapirerne således (uanset hvilke øvrige egenskaber, der måtte være knyttet til Værdipapirerne, eller andre faktorer, som måtte være relevante for Værdipapirernes værdi) <b>falder i værdi</b>, hvis kursen på [det Underliggende Aktiv] [Puljekomponenterne] stiger, eller Værdipapirerne <b>stiger i værdi</b>, hvis kursen på [det Underliggende Aktiv] [Puljekomponenterne] falder. Der er således en risiko for at miste den investerede kapital, hvis kursen på [det Underliggende Aktiv] [Puljekomponenterne] stiger korrelativt set. Endvidere er det potentielle afkast for hvert Værdipapir som hovedregel begrænset, da [det Underliggende Aktivs] [Puljekomponenternes] negative udvikling ikke må overstige 100 %.]</i></p> <p><i>[Hvis produktet omfatter "Ekspresstruktur", indsæt: Potentielle investorer skal være opmærksomme på, at Værdipapirerne i henhold til Betingelserne for Værdipapirerne under visse omstændigheder kan udløbe forud for Forfaldsdatoen, uden at afgivelse af varsel eller erklæring fra Udstederen eller Værdipapirindehaveren er påkrævet, også kaldet en ekspresstruktur. Hvis Værdipapirerne udløber forud for Forfaldsdatoen, er Værdipapirindehaveren berettiget til at få [udbetalt et kontantbeløb] [eller, alt efter omstændighederne,] [udleveret det Fysiske Underliggende Aktiv i det relevante antal] i relation til det førtidige udløb. Værdipapirindehaveren er dog ikke berettiget til at få [yderligere beløb udbetalt på Værdipapirerne] [eller, alt efter omstændighederne,] [det Fysiske Underliggende Aktiv udløbet] efter et sådant førtidigt udløb.</i></p> <p>Værdipapirindehaveren bærer således risikoen for ikke at deltage i udviklingen af [det Underliggende Aktiv] [Puljekomponenterne] i det forventede omfang og i den forventede periode.</p> <p>I tilfælde af Værdipapirernes førtidige udløb bærer Værdipapirindehaverne tillige den såkaldte <b>reinvesteringsrisiko</b>. Værdipapirindehaverne vil muligvis kun kunne reinvestere et eventuelt beløb, som er udbetalt af Udstederen i forbindelse med et eventuelt førtidigt udløb, på markedsvilkår, som er mindre gunstige end dem, der gjorde sig gældende på tidspunktet for</p> |
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|  |  | <p>Værdipapirernes erhvervelse.]</p> <p>[<i>Hvis produktet omfatter "Minimumsgrænser, Barrierer eller Niveauer", indsæt:</i> Potentielle investorer skal være opmærksomme på, at [det eventuelle Indløsningsbeløb] [eller, alt efter omstændighederne,] [værdien af det Fysiske Underliggende Aktiv, som eventuelt skal leveres i det relevante antal] i henhold til Værdipapirerne, afhænger af, om kursen på [det Underliggende Aktiv] [Puljekomponenterne] svarer til og/eller er lavere henholdsvis højere end en bestemt minimumsgrænse, en bestemt barriere eller et bestemt niveau som nærmere anført i de relevante Endelige Vilkår på et givent tidspunkt henholdsvis inden for en given periode som anført i Betingelserne for Værdipapirerne.</p> <p>Alene såfremt den relevante minimumsgrænse, barriere henholdsvis det relevante niveau ikke er nået og/eller er lavere end henholdsvis højere end et bestemt niveau på et givent tidspunkt henholdsvis inden for en given periode som anført i Betingelserne for Værdipapirerne, modtager Værdipapirindehaveren et beløb, der er fastsat i Betingelserne for Værdipapirerne, som Indløsningsbeløb. Såfremt det følger af de relevante Endelige Vilkår, kan anvendelsen af minimumsgrænser, barrierer eller niveauer som nærmere anført i de relevante Endelige Vilkår i overensstemmelse med Betingelserne for Værdipapirerne endda resultere i et Indløsningsbeløb på nul (0). I andre henseender deltager Værdipapirindehaveren i udviklingen i [det Underliggende Aktiv] [Puljekomponenterne] og bærer derfor risikoen for helt at miste den investerede kapital.]</p> <p>[<i>Hvis produktet omfatter "Maksimumbeløb", indsæt:</i> Potentielle investorer skal være opmærksomme på, at [det eventuelle Indløsningsbeløb] [eller, alt efter omstændighederne,] [værdien af det Fysiske Underliggende Aktiv, som eventuelt skal leveres i det relevante antal] i henhold til Værdipapirerne, maksimalt kan beløbe sig til Maksimumbeløbet, der er fastsat i Betingelserne for Værdipapirerne. I modsætning til en direkte investering i [det Underliggende Aktiv] [Puljekomponenterne] er det potentielle afkast på Værdipapirerne derfor begrænset til Maksimumbeløbet.]</p> <p>[<i>Hvis produktet omfatter "Relevant Underliggende Aktiv", indsæt:</i> Potentielle investorer skal være opmærksomme på, at beregningen af niveauet for [det eventuelle Indløsningsbeløb] [eller, alt efter omstændighederne,] [værdien af det Fysiske Underliggende Aktiv, som eventuelt skal leveres i det relevante antal] alene er knyttet til udviklingen i det Relevante Underliggende Aktiv og således til det Underliggende Aktiv med en bestemt udvikling, fx den dårligste udvikling i en observationsperiode.</p> <p>Potentielle investorer bør således være opmærksomme på, at sammenlignet med Værdipapirer, som kun er knyttet til ét underliggende aktiv, er der en større tabsrisiko i forbindelse med Værdipapirerne. Denne risiko kan ikke mindskes af en positiv henholdsvis en negativ udvikling i de resterende Underliggende Aktiver, fordi der ikke tages højde for de resterende Underliggende Aktiver ved beregningen af [niveauet for Indløsningsbeløbet] [eller, alt efter omstændighederne,] [værdien af det Fysiske Underliggende Aktiv, som skal leveres i det relevante antal].]</p> <p>[<i>Hvis produktet omfatter "Fysisk Levering", indsæt:</i> Potentielle investorer skal være opmærksomme på, at der ved Værdipapirernes forfald ikke vil ske udbetaling af Indløsningsbeløbet, men evt. levering af det Fysiske Underliggende Aktiv som beskrevet i Betingelserne for Værdipapirerne i det relevante antal. Potentielle investorer bør således være opmærksomme på, at de ved indløsning af Værdipapirerne ved fysisk levering af det Fysiske Underliggende Aktiv i det relevante antal ikke modtager et kontant beløb, men en ret til det relevante værdipapir, som kan overdrages i overensstemmelse med det relevante depotsystems betingelser.</p> |
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|  | <p>Da Værdipapirindehaverne i denne situation er eksponeret for de udsteder- og værdipapirrisici, der er forbundet med det Fysiske Underliggende Aktiv, der evt. skal leveres, bør potentielle investorer før et køb af Værdipapirerne gøre sig bekendt med det Fysiske Underliggende Aktiv, der eventuelt skal leveres. Investorer bør ligeledes ikke forvente, at de kan sælge det Fysiske Underliggende Aktiv efter indløsning af Værdipapirerne til en bestemt kurs og især ikke til en kurs, der svarer til investeringen ved køb af Værdipapirerne. Det Fysiske Underliggende Aktiv, der er leveret i relevant antal, kan under visse omstændigheder have en meget lav værdi eller endda være værdiløs. Værdipapirindehaverne bærer i så fald risikoen for helt at tabe den købspris, der er betalt for Værdipapirerne (inklusive transaktionsomkostningerne).</p> <p>Potentielle investorer i Værdipapirerne bør ligeledes være opmærksomme på, at risikoen for eventuelle udsving i kursen for det Fysiske Underliggende Aktiv i perioden fra udgangen af Værdipapirernes løbetid og frem til den faktiske levering af det Fysiske Underliggende Aktiv på Forfaldsdatoen, påhviler Værdipapirindehaveren. Ethvert fald i værdien af det Fysiske Underliggende Aktiv fra udgangen af Værdipapirernes løbetid påhviler Værdipapirindehaveren.]</p> <p>[Hvis produktet omfatter "<b>Endelig Lock-In</b>", indsæt: Såfremt de for Værdipapirerne gældende Betingelser indeholder bestemmelser om "Endelig Lock-In", bør potentielle investorer være opmærksomme på, at visse beløb eller resultater, som nærmere anført i Produktvilkårene, i tilfælde af, at der indtræder en på forhånd fastlagt lock-in-begivenhed, vil blive "låst fast" i et sådant omfang, at Værdipapirindehavernes deltagelse i [det Underliggende Aktivs] [Puljekomponenternes] fremtidige udvikling, vil være begrænset eller endda udelukket.</p> <p>Værdipapirindehavere deltager i dette tilfælde ikke, eller kun i begrænset omfang, i en eventuel fremtidig udvikling i [det Underliggende Aktiv] [Puljekomponenterne].]</p> <p>[Hvis produktet omfatter "<b>Valutaomregning</b>", indsæt: Potentielle investorer skal være opmærksomme på, at Værdipapirindehaverens tilsikrede ret i Værdipapirerne fastsættes på baggrund af en anden valuta end Indløsningsvalutaen, en valutaenhed eller en beregningsenhed, ligesom værdien af [det Underliggende Aktiv] [Puljekomponenterne] ligeledes fastsættes i en sådan anden valuta end Indløsningsvalutaen, valutaenhed eller beregningsenhed. Potentielle investorer bør således være opmærksomme på, at investeringer i disse Værdipapirer indebærer risici som følge af valutakursudsving, og at risikoen for tab ikke udelukkende afhænger af udviklingen i [det Underliggende Aktiv] [Puljekomponenterne], men også af en negativ udvikling i værdien af valutaen, valutaenheden eller beregningsenheden.</p> <p>En sådan udvikling kan yderligere øge Værdipapirindehaverens risiko for tab, fordi en ugunstig udvikling i den relevante valutakurs tilsvarende kan reducere værdien af de erhvervede Værdipapirer i deres løbetid henholdsvis [niveauet for Indløsningsbeløbet] [eller, alt efter omstændighederne,] [værdien af det Fysiske Underliggende Aktiv, som evt. skal leveres i det relevante antal]. Valutakurser bestemmes af udbud og efterspørgsel på de internationale valutamarkeder, som selv er eksponeret for konjunkturer, spekulationer og indgreb fra offentlige myndigheder og centralbanker (fx udlånskontrol og -restriktioner).]</p> <p>[Hvis produktet omfatter "<b>Dobbeltvaluta</b>", indsæt: Potentielle investorer skal være opmærksomme på, at selvom Værdipapirindehaveren er berettiget til at modtage betalinger i den på forhånd fastsatte valuta, der er anført i de relevante Produktvilkår som Indløsningsvalutaen, er Udstederen dog i overensstemmelse med vilkårene og betingelserne enten i Værdipapirernes løbetid eller ved den endelige indløsning berettiget til at erstatte denne på</p> |
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|  |  | <p>forhånd fastsatte valuta med en anden valuta, der er anført til dette formål i de relevante Produktvilkår. Alle efterfølgende betalinger til Værdipapirindehaveren vil derefter blive foretaget i en sådan anden valuta.</p> <p>Potentielle investorer bør derfor være opmærksomme på, at investeringer i disse Værdipapirer indebærer specifikke risici på grund af udsving i valutakurserne mellem den på forhånd fastsatte valuta, der er anført i de relevante Produktvilkår, og den alternative valuta. Således afhænger risikoen for tab ikke kun af udviklingen i det Underliggende aktiv eller, alt efter omstændighederne, Puljekomponenterne, men også af en negativ udvikling i værdien af den på forhånd fastsatte valuta og den alternative valuta.]</p> <p><i>[Hvis produktet omfatter "Kapitalbeskyttelse", indsæt:</i> Potentielle investorer skal være opmærksomme på, at Værdipapirerne ved udgangen af deres løbetid er kapitalbeskyttet op til et Minimumsbeløb (ekskl. overkursen ved udstedelse), dvs. at investor ved udgangen af Værdipapirets løbetid uanset den faktiske udvikling i [det Underliggende Aktiv] [Puljekomponenterne] modtager Minimumbeløbet. Hvis en investor erhverver Værdipapirerne til en kurs, som er højere end Mindstebeløbet, bør den potentielle investor være opmærksom på, at kapitalbeskyttelsen (proportionalt set) kun gælder det lavere Minimumsbeløb. Det skal i denne sammenhæng tages i betragtning, at kapitalbeskyttelsen kun gælder ved udgangen af løbetiden, dvs. forudsat at Værdipapirerne ikke er afsluttet [henholdsvis udløbet førtidigt]. [Det kontante beløb, der skal betales] [henholdsvis] [[V/V] værdien af det Fysiske Underliggende Aktiv, der evt. skal leveres i et relevant antal], kan ved førtidig indløsning af Værdipapirerne være betydeligt lavere end det beløb, som mindst ville skulle betales ved udgangen af Værdipapirens løbetid, hvor kapitalbeskyttelsen gælder op til Minimumsbeløbet, og kan endda være 0. I så fald vil Værdipapirindehaverne <b>miste hele deres investering</b> (inklusive evt. transaktionsomkostninger).</p> <p>Potentielle investorer i Værdipapirerne bør desuden være opmærksomme på, at til trods for kapitalbeskyttelsen op til Minimumbeløbet, bærer investor risikoen for, at Udstederens finansielle formåen forværres med den deraf følgende potentielle risiko for, at Udsteder bliver ude af stand til at opfylde sine forpligtelser i henhold til Værdipapirerne. I tilfælde af Udstederens insolvens risikerer Værdipapirindehavere således at <b>miste hele deres investering</b> i Værdipapirerne. Potentielle investorer skal således være parate til og kunne klare at miste den investerede kapital helt eller delvist. Eventuelle investorer, som måtte være interesseret i at købe Værdipapirerne, bør foretage en vurdering af deres økonomiske stilling for at sikre sig, at de kan bære den risiko for tab, der er forbundet med Værdipapirerne.]</p> <p><i>[Hvis produktet omfatter "Ingen Fast Løbetid", indsæt:</i> Potentielle investorer skal være opmærksomme på, at – i modsætning til værdipapirer med en tidsbestemt løbetid – har Værdipapirerne ikke nogen forudbestemt udløbsdato, og således ikke nogen fast løbetid. Værdipapirindehaverens tilsikrede ret i sådanne Værdipapirer skal således udnyttes af de respektive Værdipapirindehavere på en bestemt Udnyttelsesdato i overensstemmelse med den udnyttelsesprocedure, der er beskrevet i Betingelserne for Værdipapirerne, hvis Værdipapirindehaveren ønsker at gøre sin Værdipapirrettighed gældende. Såfremt den påkrævede Udnyttelsesmeddelelse ikke er behørigt modtaget på den relevante Udnyttelsesdato, kan Værdipapirerne ikke udnyttes før den næstfølgende udnyttelsesdato, som fremgår af Betingelserne for Værdipapirerne.]</p> <p><i>[Hvis produktet omfatter "Tidsforskudt Værdiansættelse", indsæt:</i> Potentielle investorer skal være opmærksomme på, at i tilfælde af udnyttelse af Værdipapirerne på en Udnyttelsesdato eller, alt efter omstændighederne, såfremt der indtræder en automatisk afslutningsbegivenhed (herunder, men ikke begrænset til, en Stop Loss- eller Knock Out-begivenhed) i</p> |
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|  | <p>overensstemmelse med Betingelserne for Værdipapirerne, vil den Værdiansættelsesdato eller den Endelige Værdiansættelsesdato, der er relevant for fastsættelsen af Referencekursen eller Afregningskursen, som nærmere anført i de Endelige Vilkår, i overensstemmelse med Betingelserne for Værdipapirerne være en dag, som følger efter en signifikant periode efter den relevante Udnyttelsesdato, henholdsvis det relevante automatiske afslutningstidspunkt, som i Produktvilkårene er anført som gældende. Ethvert negativt udsving i Kursen for det Underliggende Aktiv henholdsvis for Puljekomponenterne i perioden mellem en sådan dato og Værdiansættelsesdatoen eller den Endelige Værdiansættelsesdato som nærmere angivet i de Endelige Vilkår påhviler den relevante Værdipapirindehaver.]</p> <p>[Hvis produktet omfatter "<b>Automatisk Afslutning</b>", indsæt: Potentielle investorer skal være opmærksomme på, at såfremt der indtræder en automatisk afslutningsbegivenhed (herunder, men ikke begrænset til, en Stop Loss- eller Knock Out-begivenhed) i overensstemmelse med Betingelserne for Værdipapirerne, afsluttes løbetiden for alle cirkulerende Værdipapirer automatisk.</p> <p>Værdipapirindehaveren bærer således risikoen for ikke at deltage i udviklingen af det Underliggende Aktiv henholdsvis Puljekomponenterne i det forventede omfang og i den forventede periode og modtager således mindre end sin investerede kapital.</p> <p>Såfremt der indtræder en automatisk afslutningsbegivenhed, bærer Værdipapirindehaveren ligeledes risikoen for en reinvestering, dvs. Investoren bærer risikoen for at skulle reinvestere et eventuelt indløsningsbeløb, som Udstederen måtte udbetale i tilfælde af, at der er indtrådt en automatisk afslutningsbegivenhed, på markedsvilkår, som kan være mindre gunstige end dem, der gjorde sig gældende på tidspunktet for Værdipapirindehaverens erhvervelse af Værdipapirerne.]</p> <p>[Hvis produktet omfatter "<b>Mindsteantallet for Udnyttelse</b>", indsæt: Potentielle investorer skal være opmærksomme på, at enhver Værdipapirindehaver i overensstemmelse med Betingelserne for Værdipapirerne skal udbyde et nærmere angivet mindsteantal Værdipapirer for at kunne udnytte sin Værdipapirrettighed, også kaldet Mindsteantallet for Udnyttelse. Værdipapirindehavere med et antal Værdipapirer, der er lavere end Mindsteantallet for Udnyttelse, vil således enten skulle afhænde deres Værdipapirer eller erhverve yderligere Værdipapirer (og derved i hvert enkelt tilfælde pådrage sig transaktionsomkostninger). Et salg af Værdipapirerne forudsætter, at markedsdeltagere er indstillet på at erhverve Værdipapirerne til en bestemt kurs. Såfremt ingen markedsdeltagere umiddelbart er indstillet på det, kan værdien af Værdipapirerne ikke realiseres.]</p> <p>[Hvis produktet specifikt er anført til <b>ikke at omfatte "Værdipapirindehaveres Afslutningsret"</b>, indsæt: Potentielle investorer skal være opmærksomme på, at Værdipapirindehavere ikke har en afslutningsret, og Værdipapirerne kan således ikke afsluttes af Værdipapirindehavere i deres løbetid. Inden Værdipapirernes forfald er realisation af Værdipapirernes kapitalværdi (eller dele deraf), medmindre Udsteder har indløst eller afsluttet Værdipapirerne førtidigt i overensstemmelse med Betingelserne for Værdipapirerne eller, hvis dette er nærmere anført i de relevante Endelige Vilkår, Værdipapirindehavere har udnyttet deres Værdipapirrettigheder i overensstemmelse med Betingelserne for Værdipapirerne, kun mulig gennem afhændelse af Værdipapirerne.</p> <p>Afhændelse af Værdipapirerne forudsætter, at markedsdeltagere er indstillet på at erhverve Værdipapirerne til en bestemt kurs. Såfremt ingen markedsdeltagere umiddelbart er indstillet på det, kan værdien af Værdipapirerne ikke realiseres. Udstedelsen af Værdipapirerne medfører ikke</p> |
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|  |  | <p>en forpligtelse for Udsteder over for Værdipapirindehaverne til at kompensere for dette eller til at generhverve Værdipapirerne.]</p> <p>[Hvis produktet omfatter "<b>Quanto</b>", indsæt: Potentielle investorer skal være opmærksomme på, at Kursen for [det Underliggende Aktiv] [Puljekomponenterne] fastsættes i en valuta, som ikke er Indløsningsvalutaen, en såkaldt underliggende valuta. Den relevante Kurs for [det Underliggende Aktiv] [Puljekomponenterne], som anvendes til at beregne beløb, der skal betales i henhold til Værdipapirerne, udtrykkes i Indløsningsvalutaen uden reference til valutakursen mellem den underliggende valuta for [det Underliggende Aktiv] [Puljekomponenterne] og Indløsningsvalutaen (såkaldt "quanto"-egenskab). Den relative forskel mellem den faktiske rentesats i relation til den Underliggende Valuta og den faktiske rentesats i relation til Indløsningsvalutaen kan således have en negativ indvirkning på Værdipapirernes værdi.]</p> <p><b>Generelle risici vedrørende Værdipapirerne</b></p> <p><b><i>Konsekvensen af en nedgradering af Udstederens kreditvurdering</i></b></p> <p>Den generelle vurdering af Udstederens kreditværdighed kan påvirke Værdipapirernes værdi. Et kreditvurderingsbureaus eventuelle nedgradering af Udstederens kreditvurdering kan således have en negativ indvirkning på Værdipapirernes værdi.</p> <p><b><i>Kreditvurderinger er ikke anbefalinger</i></b></p> <p>UBS AG's kreditvurderinger som Udsteder bør vurderes uafhængigt af lignende kreditvurderinger for andre enheder og af enhver kreditvurdering af udstedte gældsinstrumenter eller derivater. En kreditvurdering er ikke en anbefaling til at købe, sælge eller eje værdipapirer, der er udstedt eller garanteret af den kreditvurderede enhed, og kan til enhver tid blive revurderet, korrigeret, frakendt, nedsat eller trukket tilbage af det pågældende kreditvurderingsbureau.</p> <p>En evt. kreditvurdering af Værdipapirerne er ikke en anbefaling til at købe, sælge eller eje Værdipapirerne og kan til enhver tid blive revurderet eller trukket tilbage af det pågældende kreditvurderingsbureau. Hver enkelt kreditvurdering bør vurderes uafhængigt af enhver anden kreditvurdering af værdipapirer, både for såvel angår det pågældende kreditvurderingsbureau og værdipapirtypen. Kreditvurderingsbureauer, som ikke er engageret til af Udsteder, eller på anden vis, at kreditvurdere Værdipapirerne, kunne desuden søge at kreditvurdere Værdipapirerne, og hvis en sådan "uanmodet kreditvurdering" er lavere end den tilsvarende kreditvurdering for Værdipapirerne foretaget af det relevante engagerede kreditvurderingsbureau, kan sådanne kreditvurderinger have en negativ indvirkning på Værdipapirernes værdi.</p> <p><b><i>Værdipapirindehavere er eksponeret for risikoen forbundet med brugen af det såkaldte bail in-værktøj</i></b></p> <p>Udstederen og Værdipapirerne er underlagt den schweiziske banklov og det schweiziske finanstillens (Swiss Financial Market Supervisory Authority) ("<b>FINMA</b>") regelsæt for bankers insolvens, som giver FINMA bemyndigelse til som kompetent afviklingsmyndighed under visse omstændigheder at anvende visse afviklingsværktøjer på kreditinstitutter. Disse foranstaltninger omfatter særligt nedskrivning eller konvertering af værdipapirer til egenkapital for et sådant kreditinstitut (det såkaldte bail in-værktøj). En nedskrivning eller konvertering vil resultere i, at Udsteder bliver frigjort fra sine forpligtelser i henhold til Værdipapirerne. Værdipapirindehavere ville ikke kunne gøre yderligere krav gældende mod Udsteder i henhold til Værdipapirerne. Afviklingsværktøjerne kan således have en væsentlig negativ indvirkning på Værdipapirindehavernes rettigheder ved at suspendere, ændre og helt eller delvist at ophæve krav i henhold til Værdipapirerne. Dette kan i værste fald føre til, at Værdipapirindehaverne <b>mister deres</b></p> |
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|  |  | <p><b>investering i Værdipapirerne helt.</b></p> <p>Sådanne lovbestemmelser og/eller reguleringsmæssige tiltag kan i alvorlig grad påvirke Værdipapirindehavernes rettigheder og kan have en negativ indvirkning på Værdipapirernes værdi, selv før Udsteder eventuelt bliver ulevedygtig eller afvikles.</p> <p><b><i>De for Værdipapirerne gældende Betingelser indeholder ingen begrænsninger i forhold til Udstederens eller UBS' evne til at omstrukturere sine aktiviteter</i></b></p> <p>De for Værdipapirerne gældende Betingelser indeholder ingen begrænsninger i relation til ændringer af kontrollen eller strukturelle ændringer såsom sammenlægning, fusion eller spaltning af Udsteder eller salg, overdragelse, udskillelse, indskud, udlodning eller anden afhændelse helt eller delvist af Udsteders eller Udsteders datterselskabers værdier eller aktiver i forbindelse med de udmeldte strukturelle ændringer eller i øvrigt, og ingen misligholdelsestilfælde, krav om tilbagekøb af Værdipapirerne eller anden begivenhed vil blive udløst i henhold til Betingelserne for Værdipapirerne grundet sådanne ændringer. Der kan ikke gives nogen sikkerhed for, at sådanne ændringer, skulle de opstå, ikke vil påvirke Udstederens kreditvurdering negativt og/eller forøge sandsynligheden for, at der opstår en misligholdelsesbegivenhed. Sådanne ændringer kan, hvis de indtræder, påvirke Udstederens evne til at indløse eller betale renter af Værdipapirerne negativt og/eller føre til omstændigheder, hvorunder Udstederen kan vælge at annullere sådanne eventuelle renter.</p> <p><b><i>Afslutning og Førtidig Indløsning efter Udstederens valg</i></b></p> <p>Potentielle investorer i Værdipapirerne bør desuden være opmærksomme på, at Udstederen i henhold til Betingelserne for Værdipapirerne under visse omstændigheder har ret til at afslutte og indløse Værdipapirerne samlet set forud for den planlagte Forfaldsdato. I så fald har Værdipapirindehaveren i overensstemmelse med Betingelserne for Værdipapirerne ret til at opkræve et beløb for en sådan førtidig indløsning. Værdipapirindehaveren har dog ikke ret til at anmode om betaling af yderligere beløb på Værdipapirerne efter den relevante afslutningsdato. Endvidere kan et eventuelt Afslutningsgebyr, der måtte skulle betales ved Udstederens førtidige indløsning af Værdipapirerne, være væsentligt lavere end det beløb, som ellers skulle være betalt på det tidspunkt, hvor Værdipapirernes løbetid var planlagt til at slutte.</p> <p>Værdipapirindehaveren bærer således risikoen for ikke at deltage i udviklingen af [det Underliggende Aktiv] [Puljekomponenterne] i det forventede omfang og i den forventede periode.</p> <p>I tilfælde af, at Udstederen afslutter Værdipapirerne, bærer Værdipapirindehaveren risikoen for reinvestering, dvs. investoren bærer risikoen for at skulle reinvestere et eventuelt Afslutningsgebyr, som Udstederen måtte udbetale ved en afslutning, på markedsvilkår, som er mindre gunstige end dem, der gjorde sig gældende på tidspunktet for Værdipapirernes erhvervelse.</p> <p><b><i>Negativ indvirkning af tilpasninger af Værdipapirrettighederne</i></b></p> <p>Der er en risiko for, at der kan finde begivenheder sted eller blive truffet foranstaltninger (af andre end Udstederen) i relation til [det Underliggende Aktiv] [Puljekomponenterne], som potentielt kan medføre ændringer i [det Underliggende Aktiv] [Puljekomponenterne] eller indebære en ændring af det underliggende koncept for [det Underliggende Aktiv] [Puljekomponenterne], såkaldte Potentielle Tilpasningsbegivenheder. Hvis en Potentiel Tilpasningsbegivenhed finder sted, har Udstederen ret til at foretage tilpasninger i overensstemmelse med Betingelserne for Værdipapirerne med henblik på at tage højde for sådanne begivenheder eller foranstaltninger. Sådanne tilpasninger kan have en negativ indvirkning på</p> |
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|  |  | <p>Værdipapirernes værdi.</p> <p><b><i>Udskiftning af Udstederen</i></b></p> <p>Forudsat at Udstederen ikke har misligholdt sine forpligtelser i henhold til Værdipapirerne, er Udstederen i henhold til Betingelserne for Værdipapirerne til enhver tid berettiget til uden Værdipapirindehavernes samtykke at lade sig udskifte som udsteder med et andet selskab i UBS-koncernen (den "<b>Indskiftede Udsteder</b>") for så vidt angår alle de i henhold til eller i forbindelse med Værdipapirerne gældende forpligtelser.</p> <p>Dette kan indvirke på en evt. notering af Værdipapirerne, og det kan navnlig være nødvendigt for den Indskiftede Udsteder at indlevere en fornyet anmodning om optagelse til notering på det relevante marked eller den relevante fondsbørs, som Værdipapirerne er noteret på. Efter en sådan udskiftning vil Værdipapirindehaverne desuden blive eksponeret for den kreditrisiko, der er forbundet med den Indskiftede Udsteder.</p> <p><b><i>Handel med Værdipapirerne/Illikviditet</i></b></p> <p>Det er ikke muligt at forudsige, om og i hvilket omfang der vil udvikle sig et sekundært marked for Værdipapirerne, eller til hvilken kurs Værdipapirerne vil blive handlet på det sekundære marked, eller om et sådant marked vil være likvidt eller illikvidt.</p> <p>[Der er eller vil blive indsendt ansøgninger til de(n) anførte Børs(er) om optagelse eller notering af Værdipapirerne. Hvis Værdipapirerne er optaget eller noteret, er der en risiko for, at sådan optagelse eller notering ikke kan opretholdes. Det forhold, at Værdipapirerne er optaget til handel eller notering, betyder ikke nødvendigvis, at de har en større likviditet, end hvis dette ikke var tilfældet. Hvis Værdipapirerne ikke er noteret eller ikke handles på en børs, kan det være vanskeligere at få oplysninger om Værdipapirernes kursdannelse, og det kan have en negativ indvirkning på Værdipapirernes likviditet.] Værdipapirernes likviditet kan også blive påvirket af begrænsninger for køb og salg af Værdipapirerne i visse jurisdiktioner. Herudover har Udstederen til enhver tid ret (men ikke pligt) til at købe Værdipapirer til en hvilken som helst kurs på det åbne marked eller ved bud eller privat aftale. Alle Værdipapirer, der købes på denne måde, kan beholdes eller sælges videre eller afleveres til annullering.</p> <p>Der er desuden en risiko for, at det antal Værdipapirer, der faktisk udstedes og købes af investorer, er lavere end Værdipapirernes påtænkte [Udstedelsesstørrelse] [Samlede Nominelle Beløb]. Der er således en risiko for, at Værdipapirernes likviditet som følge af det lave antal faktisk udstedte Værdipapirer er mindre, end hvis alle Værdipapirerne var blevet udstedt og købt af investorer.</p> <p>Formidler(en/ne) har til hensigt ved normale markedsforhold løbende at oplyse købs- og salgskurser på Værdipapirerne i en emission. Formidler(en/ne) giver dog ingen fast garanti over for Udstederen om at ville give likviditet ved hjælp af købs- og salgskurser for Værdipapirerne og påtager sig ingen juridisk forpligtelse til at oplyse sådanne kurser eller i forhold til deres niveau eller fastsættelse. <b>Potentielle investorer bør således ikke forvente, at de kan sælge Værdipapirerne på et bestemt tidspunkt eller til en bestemt kurs.</b></p> <p><b><i>Beskatning i relation til Værdipapirerne</i></b></p> <p>Potentielle investorer skal være opmærksomme på, at de kan være pligtige til at betale skat eller andre dokumentationsafgifter eller -gebyrer i overensstemmelse med lovgivningen og sædvaner i det land, hvor Værdipapirerne overdrages, eller andre jurisdiktioner. I nogle jurisdiktioner er der muligvis ingen officielle tilkendegivelser fra skattemyndighedernes side eller domstolsafgørelser vedrørende innovative finansielle instrumenter såsom Værdipapirerne. Potentielle investorer anbefales ikke at basere sig på</p> |
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|  | <p>skatteresuméet i Basisprospektet alene, men at rådføre sig med deres egen skatterådgiver om deres individuelle skatteforhold i forbindelse med erhvervelse, salg og indløsning af Værdipapirerne. Kun disse rådgivere er i stand til at tage den potentielle investors konkrete forhold i behørig betragtning.</p> <p><b><i>Udbetalinger i henhold til Værdipapirerne kan være underlagt amerikansk udbytteskat</i></b></p> <p>Værdipapirindehavere bør således være opmærksomme på, at udbetalinger i henhold til Værdipapirerne under visse omstændigheder kan være underlagt amerikansk udbytteskat. Hvis der således i forhold til udbetalinger på Værdipapirerne fratrækkes eller indeholdes amerikansk udbytteskat, vil hverken Udsteder, nogen betalingsagent eller nogen anden person i henhold til de for Værdipapirerne gældende Betingelser være forpligtet til at udbetale yderligere beløb som følge af en sådan fratrækning henholdsvis en sådan indeholdelse.</p> <p><b><i>Ændringer i Beskatning i relation til Værdipapirerne</i></b></p> <p>De i Basisprospektet anførte betragtninger vedrørende beskatning af Værdipapirerne udtrykker Udstederens opfattelse på baggrund af den juridiske situation, der kan identificeres pr. dags dato. Der er dog en risiko for, at der kan finde en anden skattemæssig behandling sted fra skattemyndighedernes og skattedomstolens side, der resulterer i en anderledes skattemæssig behandling af Værdipapirerne. Hver enkelt investor bør søge rådgivning hos sin personlige skatterådgiver forud for beslutningen om at erhverve Værdipapirerne.</p> <p>Hverken Udstederen eller Formidleren påtager sig noget ansvar over for Værdipapirindehaverne for de skattemæssige konsekvenser af en investering i Værdipapirerne.</p> <p><b><i>Potentielle interessekonflikter</i></b></p> <p>Udstederen og dennes koncernforbundne selskaber kan for deres egen eller en klients regning deltage i transaktioner, som på en eller anden måde vedrører Værdipapirerne. Sådanne transaktioner tilgodeser muligvis ikke Værdipapirindehaverne og kan have en positiv eller negativ indvirkning på [det Underliggende Aktiv] [Puljekomponenternes] værdi og dermed også på Værdipapirernes værdi. Endvidere kan Udstederens koncernforbundne selskaber indgå som modparter i kurssikringstransaktioner vedrørende Udstederens forpligtelser, som stammer fra Værdipapirerne. Som følge heraf kan der opstå interessekonflikter mellem Udstederens koncernforbundne selskaber samt mellem disse selskaber og investorer i relation til forpligtelser vedrørende beregningen af Værdipapirernes kurs og andre hermed forbundne fastsættelser. Herudover kan Udstederen og dennes koncernforbundne selskaber handle i andre roller for så vidt angår Værdipapirerne, fx som beregningsagent, betalingsagent og administrationsagent og/eller indekseringssponsor.</p> <p>Udstederen og dennes koncernforbundne selskaber kan desuden udstede andre derivative instrumenter i relation til det Underliggende Aktiv henholdsvis Puljekomponenterne. Udstedelsen af sådanne konkurrerende produkter kan påvirke Værdipapirernes værdi. Udstederen og dennes koncernforbundne selskaber kan komme i besiddelse af intern viden om [det Underliggende Aktiv] [Puljekomponenterne], og hverken Udstederen eller nogen af dennes koncernforbundne selskaber forpligter sig til at videregive en sådan viden til Værdipapirindehavere. Derudover kan en eller flere af Udstederens koncernforbundne selskaber offentliggøre analyserapporter vedrørende [det Underliggende Aktiv] [Puljekomponenterne]. Sådanne aktiviteter kunne udgøre interessekonflikter og kan have en negativ indvirkning på Værdipapirernes værdi.</p> |
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|     |   | <p>Udstederen eller enhver af dennes koncernforbundne selskaber kan i forbindelse med udbuddet og salget af Værdipapirerne direkte eller indirekte udbetale honorarer i forskellige beløbsstørrelser til tredjemand såsom distributører eller investeringsrådgivere eller fra tredjemand modtage honorarbetalingen i forskellige beløbsstørrelser, herunder beløb, der pålægges distributionen af Værdipapirerne. Potentielle investorer skal være opmærksomme på, at Udstederen kan beholde honorarudbetalinger helt eller delvist. Udstederen henholdsvis Formidleren vil på anmodning oplyse størrelsen på disse honorarer.</p> <p><b>Risikofaktorer forbundet med [det Underliggende Aktiv] [Puljekomponenterne]</b></p> <p>Værdipapirerne afhænger af værdien af [det Underliggende Aktiv] [Puljekomponenterne] og den risiko, der er forbundet med [et sådant Underliggende Aktiv] [sådanne Puljekomponenter]. Værdien af [det Underliggende Aktiv] [Puljekomponenterne] afhænger af en række faktorer, som kan være indbyrdes forbundet, fx økonomiske, finansielle og politiske begivenheder, som ligger uden for Udstederens kontrol. [Et Underliggende Aktiv] [en Puljekomponents] hidtidige udvikling bør ikke betragtes som en indikator for den fremtidige udvikling deraf i Værdipapirernes løbetid, og Udsteder fremsætter hverken eksplicit eller implicit nogen oplysninger eller garantierklæringer vedrørende den fremtidige udvikling for [det Underliggende Aktiv] [Puljekomponenterne].</p> <p><i>[hvis det Underliggende Aktiv henholdsvis en portefølje af Underliggende Aktiver er en pulje, indsæt: Investorer skal ligeledes være opmærksomme på, at niveauet for Indløsningsbeløbet afhænger af udviklingen i [puljen bestående af Puljekomponenter] [en portefølje bestående af Underliggende Aktiver]. Udsving i værdien af [en Puljekomponent] [et Underliggende Aktiv] kan som følge deraf blive udlignet eller forstærket af udsving i værdien af de øvrige [Puljekomponenter i puljen] [Underliggende Aktiver i porteføljen]. Selv i tilfælde af en positiv udvikling i [en eller flere Puljekomponenter] [et eller flere Underliggende Aktiver] kan udviklingen i [puljen] [porteføljen] samlet set være negativ, hvis udviklingen i de øvrige [Puljekomponenter] [Underliggende Aktiver] er negativ i større omfang. Det kan have en væsentlig negativ indvirkning på beregningen eller fastsættelsen af indløsningsbeløbet, hvis udviklingen i [en eller flere Puljekomponenter i Puljen] [et eller flere Underliggende Aktiver i porteføljen], som danner grundlag for beregningen eller fastsættelsen af indløsningsbeløbet, er blevet væsentligt forringet.]</i></p> <p><i>[ved fastsættelsen af en relativ udvikling i det Underliggende Aktiv i forhold til et andet Underliggende Aktiv, indsæt: Investorer skal ligeledes være opmærksomme på, at niveauet for Indløsningsbeløbet afhænger af den relative udvikling i [det Underliggende Aktiv] [de Underliggende Aktiver] sammenlignet med udviklingen i [et andet Underliggende Aktiv] [de andre Underliggende Aktiver]. Værdien af Værdipapirerne vil derfor selv i tilfælde af en positiv udvikling i de[t] relevante Underliggende Aktiv[er] forblive konstant, hvis de[t] [andet][andre] Underliggende Aktiv[er] udvikler sig parallelt.]</i></p> <p>Investorer skal være opmærksomme på, at Udsteder ikke forvalter [det relevante Underliggende Aktiv] [de relevante Puljekomponenter] til fordel for Værdipapirindehaverne, og at Værdipapirindehaverne ikke opnår nogen ejendomsret (herunder, uden begrænsning, nogen stemmerettigheder, nogen ret til udbytte eller andre udlodninger eller rettigheder i øvrigt) med hensyn til [det Underliggende Aktiv] [Puljekomponenterne].</p> |
| D.6 | Advarsel om, at investorerne helt eller delvist kan miste det | [Selv når Værdipapirerne er kapitalbeskyttet ved forfald med Minimumsbeløbet, og risikoen for tab således er begrænset i begyndelsen, bærer hver enkelt] [Hver enkelt] investor i Værdipapirerne [bærer] risikoen for, at Udstederens økonomiske situation forværres. Potentielle investorer  |

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| investerede beløb. | skal således være parate til og kunne klare at <b>miste deres investering helt</b> eller delvist. Eventuelle investorer, som måtte være interesseret i at købe Værdipapirerne, bør foretage en vurdering af deres økonomiske stilling for at sikre sig, at de kan bære den <b>risiko for tab</b> , der er forbundet med Værdipapirerne. |
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| Element | Afsnit E – Udbud <sup>6</sup>                   |  |
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| E.2b    | Årsag til udbud og anvendelsen af provenuet.    | Ikke relevant. Årsagen til udbuddet og anvendelsen af provenuet er ikke forskellig fra det at skabe en fortjeneste og/eller foretage afdækning af visse risici.  |
| E.3     | Beskrivelse af udbuddets vilkår og betingelser. | <p><i>[Hvis Værdipapirerne udbydes til offentligheden, indsættes følgende tekst:</i></p> <p>Det er aftalt, at Formidleren kan købe Værdipapirer på Værdipapirernes respektive Udstedelsesdatoer eller senere, og at Formidleren skal udbyde Værdipapirerne til salg [til [Udstedelseskursen] [<i>angiv Udstedelseskurs: [●]</i>] ("<b>Udstedelseskursen</b>")] i henhold til vilkår, som kan ændres, i det Offentlige Udbuds Jurisdiktioner [i [Tegningsperioden] [Udbudsperioden] (som defineret nedenfor)]. [Udstedelseskursen [vil blive] [er] fastsat [ved Starten på det offentlige udbud af Værdipapirerne (som defineret nedenfor)] [på [<i>angiv Fastsættelsesdatoen: [●]</i>] ("<b>Fastsættelsesdatoen</b>")] [baseret på de gældende markedsforhold og kursen på det Underliggende Aktiv [og [vil [derefter] blive gjort] [er] tilgængelig på [●].] [Efter udløbet af Tegningsperioden (som defineret nedenfor)] [Med virkning fra Starten på det offentlige udbud af Værdipapirerne (som defineret nedenfor)] [Med virkning fra Fastsættelsesdatoen] [Herefter] [vil salgskursen [herefter] blive] [er salgskursen blevet] løbende tilpasset, således at den afspejler de gældende markedsforhold.]</p> <p><i>[ved tilvalg af Tegningsperiode indsættes følgende tekst:</i> Værdipapirerne kan tegnes hos Formidleren [og] [<i>indsæt eventuelt alternative eller yderligere finansielle mellemænd, der placerer Værdipapirerne til salg eller efterfølgende videresælger Værdipapirerne: [●]</i>] inden for normal bankåbningstid i [<i>angiv Tegningsperiode: [●]</i>] ("<b>Tegningsperiode</b>"). [Der kan kun tegnes Værdipapirer for et minimumsinvesteringsbeløb på [<i>angiv Minimumsinvesteringsbeløb: [●]</i>] ("<b>Minimumsinvesteringsbeløb</b>").] Udstedelseskursen pr. Værdipapir skal betales den [<i>angiv Første Betalingsdato: [●]</i>] ("<b>Første Betalingsdato</b>").</p> <p>Udstederen forbeholder sig ret [til at afbryde] [eller] [forlænge] Tegningsperioden, hvis markedsforholdene tilsiger dette.</p> <p>Efter den Første Betalingsdato skal investorens konto krediteres med det rette antal Værdipapirer i overensstemmelse med det pågældende Clearingsystems regler. Hvis Tegningsperioden forkortes eller forlænges, kan den Første Betalingsdato fremrykkes eller udskydes tilsvarende.]</p> <p><i>[ved fravalg af Tegningsperiode indsættes følgende tekst:</i> [Værdipapirerne kan [med virkning fra [<i>angiv Starten på det offentlige udbud af Værdipapirerne: [●]</i>] ("<b>Starten på det offentlige udbud af Værdipapirerne</b>")] købes hos Formidleren [og] [<i>indsæt eventuelt alternative eller yderligere finansielle mellemænd, der placerer Værdipapirerne til salg eller efterfølgende videresælger Værdipapirerne: [●]</i>] inden for normal bankåbningstid [i Udbudsperioden]. [Et sådant udbud af Værdipapirerne foretages løbende.] [Der kan kun købes Værdipapirer for et minimumsinvesteringsbeløb på [<i>angiv Minimumsinvesteringsbeløb:</i></p> |

<sup>6</sup> Når symbolet "\*" er anvendt i Afsnit E – Udbud nedenfor betyder det, at de relevante oplysninger for hver serie af Værdipapirer for så vidt angår Værdipapirer, der er udstedt i flere serier (*Multi-Serie Værdipapirer*), i relevant omfang kan være indsat i en tabel.

|     |  |   |
|-----|--|---|
|     |  | <p>[•] ("<b>Minimumsinvesteringsbeløb</b>").] Der er ingen tegningsperiode. Udstedelseskursen pr. Værdipapir skal betales den [<i>angiv Første Betalingsdato</i>: [•]] ("<b>Første Betalingsdato</b>").</p> <p>[Udstederen forbeholder sig ret [til at afbryde] [eller] [forlænge] Udbudsperioden, hvis markedsforholdene tilsiger dette.]</p> <p>Efter den Første Betalingsdato skal investorens konto krediteres med det rette antal Værdipapirer i overensstemmelse med det pågældende Clearingsystems regler.]</p> <p style="text-align: right;">]</p> <p>[<i>ved et fortsat offentligt udbud af Værdipapirerne tilføjes følgende tekst:</i></p> <p>Værdipapirerne er blevet udbudt til det offentlige siden [<i>angiv starten på det oprindelige udbud af Værdipapirerne</i>: [•]]. Disse Endelige Vilkår anvendes til at fortsætte dette udbud af Værdipapirerne med virkning fra [<i>angiv starten på det fortsatte udbud af Værdipapirerne</i>: [•].]</p> <p>[<i>Hvis Værdipapirerne ikke udbydes til offentligheden, men er optaget til notering på et reguleret marked, indsættes følgende tekst:</i></p> <p>Værdipapirerne udbydes ikke til offentligheden, men de skal optages til handel på: [<i>angiv fondsbørs</i>: [•].]</p>  |
| E.4 | <p>Beskrivelse af eventuelle interesser, der er væsentlige for udstedelsen/udbuddet, herunder interessekonflikter.</p> | <p><b>Interessekonflikter</b></p> <p>Udstederen og dennes koncernforbundne selskaber kan for deres egen eller en klients regning deltage i transaktioner, som på en eller anden måde vedrører Værdipapirerne. Sådanne transaktioner tilgodeser muligvis ikke Værdipapirindehaverne og kan have en positiv eller negativ indvirkning på [det Underliggende Aktiv] [Puljekomponenternes] værdi og dermed også på Værdipapirernes værdi. Endvidere kan Udstederens koncernforbundne selskaber indgå som modparter i risikoafdækningsstransaktioner vedrørende Udstederens forpligtelser, som stammer fra Værdipapirerne. Som følge heraf kan der opstå interessekonflikter mellem Udstederens koncernforbundne selskaber samt mellem disse selskaber og investorer i relation til forpligtelser vedrørende beregningen af Værdipapirernes kurs og andre hermed forbundne fastsættelser. Herudover kan Udstederen og dennes koncernforbundne selskaber handle i andre roller for så vidt angår Værdipapirerne, fx som beregningsagent, betalingsagent og administrationsagent og/eller indekseringssponsor.</p> <p>Udstederen og dennes koncernforbundne selskaber kan desuden udstede andre afledte instrumenter i relation til [det Underliggende Aktiv] [Puljekomponenterne]. Udstedelsen af sådanne konkurrerende produkter kan påvirke Værdipapirernes værdi. Udstederen og dennes koncernforbundne selskaber kan komme i besiddelse af intern viden om [det Underliggende Aktiv] [Puljekomponenterne], og hverken Udstederen eller nogen af dennes koncernforbundne selskaber forpligter sig til at videregive en sådan viden til Værdipapirindehavere. Derudover kan en eller flere af Udstederens koncernforbundne selskaber offentliggøre analyserapporter vedrørende [det Underliggende Aktiv] [Puljekomponenterne]. Sådanne aktiviteter kunne udgøre interessekonflikter og kan have en negativ indvirkning på Værdipapirernes værdi.</p> <p>Udstederen eller enhver af dennes koncernforbundne selskaber kan i forbindelse med udbuddet og salget af Værdipapirerne direkte eller indirekte udbetale honorarer i forskellige beløbsstørrelser til tredjemand såsom distributører eller investeringsrådgivere eller fra tredjemand</p> |

|            |   |   |
|------------|---|---|
|            |   | <p>modtage honorarbetaling i forskellige beløbsstørrelser, herunder beløb, der pålægges distributionen af Værdipapirerne. Potentielle investorer skal være opmærksomme på, at Udstederen kan beholde honorarudbetalinger helt eller delvist. Udstederen henholdsvis Formidleren vil på anmodning oplyse størrelsen på disse honorarer.</p> <p><b>Eventuelle interesser, der er væsentlige for udstedelsen/udbuddet, herunder potentielle interessekonflikter</b></p> <p><i>[indsættes*]</i></p> <p>[[Ikke relevant.] [[Bortset fra de[n] [relevante] Autoriserede Udbyder[e] for så vidt angår [dennes] [deres] honorar er der] [Udstederen bekendt [er der] ingen person, der er involveret i udstedelsen [og udbuddet] [og noteringen] af [hver Værdipapirserie] [Værdipapirerne], som har en væsentlig interesse i udstedelsen [og udbuddet] [og noteringen] af Værdipapirerne.]</p> |
| <b>E.7</b> | Anslåede udgifter, som investor pålægges af udbyder/udsteder. | [[Ikke relevant. Hverken den pågældende Udsteder eller Formidleren vil opkræve betaling fra investorerne i Værdipapirerne.] <i>[indsættes*]</i>   |

## D. RISK FACTORS

The different risk factors associated with an investment in the Securities are outlined below. Which of these are relevant to the Securities issued under the Base Prospectus depends upon a number of interrelated factors, especially the type of Securities and of the Underlying, if any, or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Components, if any. 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 Base Prospectus and, if necessary, consult their legal, tax, financial or other advisor.**

### 1. Issuer specific Risks

*Investing in the debt or derivative securities of the Issuer involves certain issuer-specific risks. Investments in debt or derivative securities of the Issuer should not be made until all these risk factors have been acknowledged and carefully considered. When making decisions relating to investments in the debt or derivative securities of the Issuer, potential investors should consider following risks factors in respect of the Issuer, which may affect the Issuer's ability to fulfil its obligations under its debt or derivative securities and, if necessary, consult their legal, tax, financial or other advisor.*

*Prospective investors in any debt or derivative securities of the Issuer should read the entire Base Prospectus and the relevant summary and securities note, base prospectus or other prospectus, either incorporating information from this Base Prospectus by reference, containing disclosure on certain debt or derivative securities (and where appropriate, the relevant summary note applicable to the relevant debt or derivative securities).*

As a global financial services provider, the business activities of UBS AG ("Issuer") with its subsidiaries (together, "UBS AG (consolidated)" or "UBS AG Group"; together with UBS Group AG, which is the holding company of UBS AG, and its subsidiaries, "UBS Group" "Group", "UBS" or "UBS Group AG (consolidated)") are affected by certain risks, including those described below, which may impact UBS's ability to execute its strategy or otherwise affect its business activities, financial condition, results of operations and prospects. Because the business of a broad-based international financial services firm such as UBS is inherently exposed to risks that become apparent only with the benefit of hindsight, risks of which UBS is not presently aware or which UBS currently does not consider to be material could also impact its ability to execute its strategy. In addition, these risks could affect UBS's business activities, financial condition, results of operations and prospects. The order of presentation of the risk factors below does not indicate the likelihood of their occurrence or the potential magnitude of their consequences.

#### General insolvency risk

Each investor bears the general risk that the financial situation of the Issuer could deteriorate. The Securities constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, in particular in the case of insolvency of the Issuer, rank *pari passu* 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 obligations of the Issuer created by the Securities are not secured by a system of deposit guarantees or a compensation scheme. In case of an insolvency of the Issuer, Securityholders may, consequently, suffer a **total loss** of their investment in the Securities.

#### **Fluctuation in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on UBS's capital strength, its liquidity and funding position, and its profitability**

UBS prepares its consolidated financial statements in Swiss francs. However, a substantial portion of its assets, liabilities, invested assets, revenues and expenses, equity of foreign operations and risk-weighted assets ("RWA") are denominated in other currencies, particularly the US dollar, the euro and the British pound. Accordingly, changes in foreign exchange rates have an effect on its reported income and expenses, and on other reported figures such as other comprehensive income, invested assets, balance sheet assets, RWA and common equity tier 1 ("CET1") capital. These effects may adversely affect UBS's income, balance sheet, capital, leverage and liquidity ratios.

The portion of UBS's operating income denominated in non-Swiss franc currencies is greater than the portion of operating expenses denominated in non-Swiss franc currencies. Moreover, a significant portion of the equity of its foreign operations is denominated in US dollars, euros, British pounds and other foreign currencies. Therefore, the appreciation of the Swiss franc against other currencies generally has an adverse effect on its earnings and equity, including on deferred tax assets, in the absence of any mitigating actions.

Similarly, a significant portion of UBS's capital and RWA is denominated in US dollars, euros, British pounds and other foreign currencies. In order to hedge the CET1 capital ratio, CET1 capital needs to have foreign currency exposure, leading to currency sensitivity of CET1 capital. As a consequence, it is not possible to simultaneously fully hedge the capital and the capital ratio. As the proportion of RWA denominated in foreign currencies outweighs the capital in these currencies, a significant appreciation of the Swiss franc against these currencies could benefit its capital ratios, while a significant depreciation of the Swiss franc against these currencies could adversely affect its Basel III capital ratios.

On 15 January 2015, the Swiss National Bank ("SNB") discontinued the minimum targeted exchange rate for the Swiss franc versus the euro, which had been in place since September 2011. At the same time, the SNB lowered the interest rate on deposit account balances at the SNB that exceed a given exemption threshold. These decisions resulted in an immediate, considerable strengthening of the Swiss franc against the euro, US dollar, British pound, Japanese yen and several other currencies, as well as a reduction in Swiss franc interest rates. The longer-term exchange rate of the Swiss franc against these other currencies is not certain, nor is the future direction of Swiss franc interest rates. Several other central banks have also adopted a negative-interest-rate policy.

Swiss counterparties are, in general, highly reliant on the domestic economy and the economies to which they export, in particular the EU and the US. In addition, the EUR / CHF exchange rate is an important risk factor for Swiss corporates. The stronger Swiss franc may have a negative effect on the Swiss economy, particularly on exporters, which could adversely affect some of the counterparties within its domestic lending portfolio and lead to an increase in the level of credit loss expenses in future periods from the low levels recently observed.

Moreover, UBS's equity and capital are also affected by changes in interest rates. In particular, the calculation of its net defined benefit assets and liabilities is sensitive to the discount rate applied. Any further reduction in interest rates would lower the discount rates and result in an increase in pension plan deficits due to the long duration of corresponding liabilities. This would lead to a corresponding reduction in UBS's equity and fully applied CET1 capital.

A continuing low or negative interest rate environment would likely have an adverse effect on the repricing of UBS's assets and liabilities, and may significantly impact the net interest income generated from its wealth management businesses and Personal & Corporate Banking. The low or negative interest rate environment may affect customer behavior and hence the overall balance sheet structure. It may also affect the performance of UBS's wealth management businesses, particularly given the associated cost of maintaining the high-quality liquid assets ("HQLA") required to cover regulatory outflow assumptions embedded in the liquidity coverage ratio ("LCR"), which could be exacerbated by a reduction of the aforementioned SNB deposit exemption threshold for banks. Mitigating actions that UBS has taken, or may take in the future, to counteract these effects, such as the introduction of selective deposit fees or minimum lending rates, have resulted and could further result in the loss of customer deposits, a key source of UBS's funding, net new money outflows and / or a declining market share in its domestic lending.

### **Regulatory and legal changes may adversely affect UBS's business and its ability to execute its strategic plans**

Fundamental changes in the laws and regulations affecting financial institutions can have a material and adverse effect on UBS's business. In the wake of the 2007–2009 financial crisis and the subsequent instability in global financial markets, regulators and legislators have proposed, have adopted, or are actively considering, a wide range of changes to these laws and regulations. These measures are generally designed to address the perceived causes of the crisis and to limit the systemic risks posed by major financial institutions. They include the following:

- significantly higher regulatory capital requirements;
- changes in the definition and calculation of regulatory capital;

- changes in the calculation of RWA, including potential requirements to calculate or disclose RWA using less risk-sensitive standardized approaches rather than the internal models approach UBS currently uses as required by the Swiss Financial Market Supervisory Authority FINMA ("FINMA") under the Basel III framework;
- prudential adjustments to valuation of assets at the discretion of regulators;
- changes in the calculation of the leverage ratio and the introduction of a more demanding leverage ratio;
- new or significantly enhanced liquidity and stable funding requirements;
- requirements to maintain liquidity and capital in jurisdictions in which activities are conducted and booked;
- limitations on principal trading and other activities;
- new licensing, registration and compliance regimes;
- limitations on risk concentrations and maximum levels of risk;
- taxes and government levies that would effectively limit balance sheet growth or reduce the profitability of trading and other activities;
- cross-border market access restrictions;
- a variety of measures constraining, taxing or imposing additional requirements relating to compensation;
- adoption of new liquidation regimes intended to prioritize the preservation of systemically significant functions;
- requirements to maintain loss-absorbing capital or debt instruments subject to write-down as part of recovery measures or a resolution of the Group or a Group company, including requirements for subsidiaries to maintain such instruments;
- requirements to adopt structural and other changes designed to reduce systemic risk and to make major financial institutions easier to manage, restructure, disassemble or liquidate, including ring-fencing certain activities and operations within separate legal entities; and
- requirements to adopt risk and other governance structures at a local jurisdiction or entity level.

Many of these measures have been adopted and their implementation has had a material effect on UBS's business. Others will be implemented over the next several years; some are subject to legislative action or to further rulemaking by regulatory authorities before final implementation. As a result, there remains significant uncertainty regarding a number of the measures referred to above, including whether, or the form in which, they will be adopted, the timing and content of implementing regulations and interpretations, and the dates of their effectiveness. In addition, the cumulative effect of the changes in laws and regulations in Switzerland and the other jurisdictions in which UBS operates remains uncertain. The implementation of such measures and further, more restrictive changes may materially affect UBS's business and ability to execute its strategic plans, impose additional implementation, compliance and other costs on UBS, or require UBS to increase prices for, or cease offering of, certain services and products.

Notwithstanding attempts by regulators to align their efforts, the measures adopted or proposed differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. Moreover, the absence of a coordinated approach puts institutions headquartered in jurisdictions that impose relatively more stringent standards at a disadvantage. Switzerland has adopted capital and liquidity requirements for its major international banks that are among the strictest of the major financial centers. This could put Swiss banks, such as UBS, at a disadvantage when they compete with peer financial institutions subject to more lenient regulation or with unregulated non-bank competitors. Refer to the "*Regulatory and legal developments*" section of the Annual Report 2015, and the "*Recent developments - Regulatory and legal*

*developments*" sections of the First Quarter 2016 Report and the Second Quarter 2016 Report, for more information on regulatory and legislative changes.

#### Regulatory and legislative changes in Switzerland

Swiss regulatory changes with regards to capital, liquidity and other areas have generally proceeded more quickly than those in other major jurisdictions. FINMA, the SNB and the Swiss Federal Council are implementing requirements that are significantly more onerous and restrictive for major Swiss banks, such as UBS, than those adopted or proposed by regulatory authorities in other major global financial centers.

*Capital and TBTF regulation:* A revised banking ordinance and capital adequacy ordinance implementing the Basel III capital standards and the Swiss TBTF law became effective on 1 January 2013. As a systemically relevant Swiss bank, UBS is subject to base capital requirements, as well as a buffer that scales with its total exposure (a metric that is based on its balance sheet size) and market share in Switzerland. In May 2016, the Swiss Federal Council adopted revisions to the Swiss capital adequacy ordinance and the TBTF framework it details, significantly increasing UBS's capital requirements based on RWA, imposing a significantly higher leverage ratio requirement and in addition a total loss absorbing capacity ("**TLAC**") requirement. Moreover, Swiss governmental authorities have, and have exercised, the authority to impose an additional countercyclical buffer capital requirement and have further required banks using the internal ratings-based ("**IRB**") approach to use a bank-specific multiplier when calculating RWA for Swiss residential mortgages, income-producing residential and commercial real estate ("**IPRE**") and credit exposures to corporates for the Investment Bank. This multiplier is expected to increase UBS's RWA by approximately CHF 2 billion in the second half of 2016 and by CHF 5 to 6 billion in each of 2017 and 2018. In addition, between 2013 and 2016 UBS was subject to an incremental operational capital requirement, mutually agreed with FINMA, to be held against litigation, regulatory and similar matters and other contingent liabilities, which added CHF 13.3 billion to UBS's RWA as of 31 December 2015. FINMA approved revisions to UBS's advanced measurement approach model effective for the first quarter of 2016. Concurrently, FINMA agreed to remove the incremental capital requirement, but there is no assurance that UBS will not be subject to increases in capital requirements in the future, from the imposition of further add-ons in the calculation of RWA or other components of minimum capital requirements.

Switzerland has implemented new Basel Committee on Banking Supervision ("**BCBS**") requirements for the mandatory Pillar 3 disclosures of RWA based on a harmonized approach, and UBS expects it will implement, when finalized, the BCBS revisions relating to (i) modifications of the internal ratings-based approach for credit risk, (ii) the fundamental review of the trading book, including a standardized approach, for market risk, (iii) the standardized approach for credit risk, (iv) the introduction of a floor based on the standardized approach, and (v) the calculation of operational risks. The revisions to the BCBS standards are likely to significantly increase UBS's credit risk and market risk RWA and also its operational risk RWA. Implementation of these revisions would result in significant implementation costs to UBS. In addition, a floor based on a standardized approach would likely be less risk sensitive and may result in significantly higher RWA.

*Liquidity and funding:* As a Swiss systemically relevant bank ("**SRB**"), UBS is required to maintain an LCR of high-quality liquid assets to estimated stressed short-term net cash outflows, and UBS will also be required to maintain a net stable funding ratio ("**NSFR**"). Both of these requirements are intended to ensure that UBS is not overly reliant on short-term funding and that it has sufficient long-term funding for illiquid assets.

These requirements, together with liquidity and funding requirements imposed by other jurisdictions in which UBS operates, oblige it to maintain substantially higher levels of overall liquidity than was previously the case, or limit its efforts to optimize interest expense. Increased capital, funding and liquidity requirements make certain lines of business less attractive and may reduce UBS's overall ability to generate profits. The LCR and NSFR calculations make assumptions about the relative likelihood and amount of outflows of funding and available sources of additional funding in a market or firm-specific stress situation. There can be no assurance that in an actual stress situation UBS's funding outflows would not exceed the assumed amounts.

*Resolution planning and resolvability:* The Swiss banking act and implementing ordinances provide FINMA with significant powers to intervene in order to prevent a failure of, or resolve, a failing financial institution. FINMA has considerable discretion in determining whether, when, or in what manner to exercise such powers.

In case of a threatened insolvency, FINMA may impose more onerous requirements on UBS, including restrictions on the payment of dividends and interest. FINMA could also require UBS, directly or indirectly, for example, to alter its legal structure, including by separating lines of business into dedicated entities, with



limitations on intra-group funding and certain guarantees, or to further reduce business risk levels in some manner.

The Swiss banking act also provides FINMA with the ability to write-down or convert into common equity the capital instruments and other liabilities of UBS Group AG, UBS AG and UBS Switzerland AG in connection with a resolution. FINMA has broad powers and significant discretion in the exercise of its powers in connection with a resolution proceeding. Certain classes of creditors, such as certain types of deposits, are protected. As a result, holders of obligations of an entity subject to a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on a parity with or junior to such obligations are not restructured.

Swiss TBTF requirements require Swiss SRBs, including UBS, to put in place viable emergency plans to preserve the operation of systemically important functions in the event of a failure of the institution, to the extent that such activities are not sufficiently separated in advance. The Swiss TBTF ordinance provides for the possibility of a limited rebate on the gone concern requirement for Swiss SRBs that adopt measures to reduce resolvability risk beyond what is legally required. Such actions include changes to the legal structure of a bank group in a manner that would insulate parts of the group to exposure from risks arising from other parts of the group, thereby making it easier to dispose of certain parts of the group in a recovery scenario, to liquidate or dispose of certain parts of the group in a resolution scenario or to execute a debt bail-in. Although FINMA has confirmed that the actions UBS has taken qualify for a rebate, the ultimate amount of the rebate will be determined by FINMA over time as actions to improve resolvability are completed and there is therefore significant uncertainty as to the amount size of the rebate.

Movement of businesses to subsidiaries, referred to in this section as subsidiarization, will require significant time and resources to implement. As also discussed below, subsidiarization in Switzerland and elsewhere may create operational, capital, liquidity, funding and tax inefficiencies and may increase UBS's and its counterparties' credit risk.

There can be no assurance that the execution of the changes UBS has undertaken, planned or may implement in the future, will result in a material reduction in gone concern requirements or that these changes will satisfy existing or future requirements for resolvability or mandatory structural change in banking organizations.

*Market regulation:* In June 2015, the Swiss Parliament adopted new regulation of the financial market infrastructure in Switzerland which came into effect on 1 January 2016, subject to phase-in provisions, and mandates, among other things, the clearing of over-the-counter ("**OTC**") derivatives with a central counterparty. These laws may have a material impact on the market infrastructure that UBS uses, available platforms, collateral management and the way it interacts with clients. In addition, these initiatives may cause UBS to incur material implementation costs.

#### Regulatory and legislative changes outside Switzerland

Regulatory and legislative changes in other locations in which it operates may subject UBS to a wide range of new restrictions both in individual jurisdictions and, in some cases, globally.

*Banking structure and activity limitations:* Regulatory and legislative changes may subject UBS to requirements to move activities from UBS AG branches into subsidiaries. Such subsidiarization can create operational, capital, liquidity, funding and tax inefficiencies, increase UBS's aggregate credit exposure to counterparties as they transact with multiple entities within the UBS Group, expose UBS's businesses to local capital, liquidity and funding requirements, and potentially give rise to client and counterparty concerns about the credit quality of individual subsidiaries. Such changes could also negatively affect UBS's funding model and severely limit its booking flexibility.

For example, UBS has significant operations in the UK and currently uses UBS AG's London branch as a global booking center for many types of products. UBS has been required by the Prudential Regulatory Authority ("**PRA**") and by FINMA to very substantially increase the capitalization of its UK bank subsidiary, UBS Limited, and may be required to change its booking practices to reduce, or even eliminate, its utilization of UBS AG's London branch as a global booking center for the ongoing business of the Investment Bank.

UBS is subject to the US "Volcker Rule" under the Dodd-Frank Act and may become subject to other regulations substantively limiting the types of activities in which it may engage. UBS has incurred substantial

costs to implement a compliance and monitoring framework to comply with the Volcker Rule and has been required to modify its business activities both inside and outside of the US to conform to its activity limitations. The Volcker Rule may also have a substantial impact on market liquidity and the economics of market-making activities.

*OTC derivatives regulation:* In 2009, the G20 countries committed to require all standardized OTC derivative contracts to be traded on exchanges or trading facilities and cleared through central counterparties. This commitment is being implemented through Dodd-Frank in the US and corresponding legislation in the EU, Switzerland – where the new regulation came into effect on 1 January 2016 – and other jurisdictions, and has and will continue to have a significant effect on UBS's OTC derivatives business, which is conducted primarily in the Investment Bank. For example, UBS expects that, as a rule, the shift of OTC derivatives trading to a central clearing model will tend to reduce profit margins in these products. These market changes are likely to reduce the revenue potential of certain lines of business for market participants generally, and UBS may be adversely affected.

UBS AG registered as a swap dealer with the Commodity Futures Trading Commission ("CFTC") in the US at the end of 2012, enabling the continuation of its swaps business with US persons. UBS expects to register UBS AG as a security-based swap dealer with the SEC, when its registration is required. Some of these regulations, including those relating to swap data reporting, recordkeeping, compliance and supervision, apply to UBS AG globally. The changes in OTC derivative regulation in the US, the EU, Switzerland and elsewhere continue to present a substantial implementation burden, and in some cases US rules will likely duplicate or conflict with legal requirements applicable to UBS elsewhere, including in Switzerland, and may place UBS at a competitive disadvantage to firms that are not required to register as swap dealers in the US with the SEC or CFTC.

*Regulation of cross-border provision of financial services:* In many instances, UBS provides services on a cross-border basis. UBS is therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the EU to harmonize the regime for third-country firms to access the European market may have the effect of creating new barriers that adversely affect UBS's ability to conduct business in these jurisdictions from Switzerland. In addition, a number of jurisdictions are increasingly regulating cross-border activities on the basis of some notion of comity, e.g., substituted compliance and equivalence determination. A negative determination in certain jurisdictions could limit UBS's access to the market in those jurisdictions and may negatively influence UBS's ability to act as a global firm. In addition, as jurisdictions tend to apply such determinations on a jurisdictional level rather than on an entity level, UBS will generally need to rely on jurisdictions' willingness to collaborate.

#### Resolution and recovery; bail-in

UBS is currently required to produce recovery and resolution plans in the US, the UK, Switzerland and Germany and is likely to face similar requirements for its operations in other jurisdictions, including its operations in the EU as a whole as part of the EU Bank Recovery and Resolution Directive. If a recovery or resolution plan is determined by the relevant authority to be inadequate or not credible, relevant regulation may authorize the authority to place limitations on the scope or size of UBS's business in that jurisdiction, oblige UBS to hold higher amounts of capital or liquidity, or to change its legal structure or business in order to remove the relevant impediments to resolution. Resolution plans may increase the pressure on UBS to make structural changes, such as the creation of separate legal entities, if the resolution plan in any jurisdiction identifies impediments that are not acceptable to the relevant regulators. Such structural changes may negatively affect UBS's ability to benefit from synergies between business units, and if they include the creation of separate legal entities, may have the other negative consequences mentioned above with respect to subsidiarization more generally.

Regulatory requirements for banks to maintain minimum TLAC, such as those contemplated under the revised Swiss TBTF ordinance, or requirements to maintain TLAC at subsidiaries, e.g., those proposed by the Federal Reserve Board for US intermediate holding companies ("IHC"), as well as the power of resolution authorities to bail in TLAC and other debt obligations and uncertainty as to how such powers will be exercised, will likely increase UBS's cost of funding and could potentially increase the total amount of funding required absent other changes in UBS's business.

#### Possible consequences of regulatory and legislative developments

Planned and potential regulatory and legislative developments in Switzerland and in other jurisdictions in which UBS has operations may have a material adverse effect on its ability to execute its strategic plans, on the profitability or viability of certain business lines globally or in particular locations, and in some cases, on its ability to compete with other financial institutions. The developments have been, and will likely continue to be costly to implement. They could also have a negative effect on UBS's legal structure or business model, potentially generating capital inefficiencies and affecting UBS's profitability. Finally, the uncertainty related to, or the implementation of, legislative and regulatory changes may have a negative impact on UBS's relationships with clients and its success in attracting client business.

**If UBS is unable to maintain its capital strength, this may adversely affect its ability to execute its strategy, client franchise and competitive position**

UBS's capital position, as measured by its risk-weighted capital and leverage ratios under Swiss SRB Basel III requirements, is determined by its RWA, its leverage ratio denominator ("LRD") and its eligible capital. RWA, leverage ratio denominator and eligible capital may fluctuate based on a number of factors.

RWA are credit, non-counterparty related, market and operational risk positions, measured and risk-weighted according to regulatory criteria. They are driven by UBS's business activities and by changes in the risk profile of UBS's exposures, as well as the effect of currency and methodology changes and regulatory requirements. For instance, substantial market volatility, a widening of credit spreads, which is a major driver of UBS's value-at-risk, adverse currency movements, increased counterparty risk, deterioration in the economic environment, or increased operational risk could result in a rise in RWA. UBS's eligible capital would be reduced if UBS experienced losses recognized within net profit or other comprehensive income, as determined for the purpose of the regulatory capital calculation, which may also render it more difficult or more costly for UBS to raise new capital. In addition, eligible capital can be reduced for a number of other reasons, including certain reductions in the ratings of securitization exposures, acquisitions and divestments changing the level of goodwill, adverse currency movements affecting the value of equity, prudential adjustments that may be required due to the valuation uncertainty associated with certain types of positions, and changes in the value of certain pension fund assets and liabilities or in the interest rate and other assumptions used to calculate the changes in UBS's net defined benefit obligation recognized in other comprehensive income. Refer to "*Fluctuation in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on UBS's capital strength, its liquidity and funding position, and its profitability*" above for more information on the effect on capital of changes to pension plan defined benefit obligations. Any such increase in RWA or reduction in eligible capital could materially reduce UBS's capital ratios.

Risks captured in the operational risk component of RWA have become increasingly significant as a component of UBS's overall RWA. UBS has significantly reduced its market risk and credit risk RWA as UBS has executed its strategy, however, operational risk events, particularly those arising from litigation, regulatory and similar matters have resulted in significant increases in operational risk RWA. Between 2013 and 2016 UBS was subject to an incremental operational capital requirement, mutually agreed with FINMA, to be held against litigation, regulatory and similar matters and other contingent liabilities, which added CHF 13.3 billion to UBS's RWA as of 31 December 2015. FINMA approved revisions to UBS's advanced measurement approach model effective for the first quarter of 2016. Concurrently, FINMA agreed to remove the incremental capital requirement, but there can be no assurance that UBS will be successful in settling these matters at existing or future provision levels, and reducing or eliminating their effect on RWA.

The required levels and calculation of UBS's regulatory capital and the calculation of its RWA are also subject, in Switzerland or in other jurisdictions in which UBS operates, to changes in regulatory requirements or their interpretation, as well as the exercise of regulatory discretion. Changes in the calculation of RWA, or, as already discussed above, the imposition of additional supplemental RWA charges or multipliers applied to certain exposures, or the imposition of a RWA floor based on the standardized approach or other methodology changes could substantially increase UBS's RWA. In addition, UBS may not be successful in its plans to further reduce RWA, either because it is unable to carry out fully the actions it has planned or because other business or regulatory developments or actions counteract to some degree the benefit of its actions.

In addition to the risk-based capital requirements, UBS is subject to significantly higher leverage ratio-based capital and TLAC requirements under the revised Swiss TBTF ordinance. The leverage ratio operates separately from the risk-based capital requirements. It is a simple balance sheet measure and therefore limits balance sheet-intensive activities, such as lending, more than activities that are less balance sheet-intensive, and it may constrain UBS's business activities even if UBS satisfies other risk-based capital requirements. Increases in the

minimum leverage ratio or the imposition of other LRD-based requirements, such as in the recently revised Swiss TBTF ordinance, may adversely affect the profitability of some of UBS's businesses, make these businesses less competitive and adversely affect UBS's profitability. Refer to the "*Regulatory and legal developments*" section of the Annual Report 2015, and the "*Recent Developments - Regulatory and legal developments*" sections of the First Quarter 2016 Report and the Second Quarter 2016 Report for more information on regulatory and legislative changes.

### **UBS may not be successful in completing its announced strategic plans**

In October 2012, UBS announced a significant acceleration in the implementation of its strategy. The strategy included transforming its Investment Bank to focus it on its traditional strengths, very significantly reducing Basel III RWA and further strengthening its capital position, and significantly reducing costs and improving efficiency. UBS has substantially completed the transformation of its business. As part of its strategy, UBS has also announced annual performance expectations and targets for the Group, the business divisions and Corporate Center. In the third quarter of 2015 UBS amended some of these for 2016 and future years and in the third quarter of 2016 eliminated guidance on short term expectations while maintaining its longer term targets, in light of actual and forecasted changes in macroeconomic conditions, geopolitical uncertainty the changes to the Swiss TBTF framework and the continuing costs of meeting new regulatory requirements. A risk remains that UBS may need to further amend its targets and expectations, that UBS may not succeed in executing the rest of its plans, that its plans may be delayed, that market events or other factors may adversely affect the implementation of its plans or that their effects may differ from those intended.

In particular, UBS has substantially reduced the RWA and LRD usage of its Non-core and Legacy Portfolio positions, but there is no assurance that it will continue to be able to exit the remaining positions as quickly as its plans suggest or that it will not incur significant losses in doing so. The continued illiquidity and complexity of many of its legacy risk positions in particular could make it difficult to sell or otherwise exit these positions and reduce the RWA and LRD usage associated with these exposures.

As part of its strategy, UBS also has a program underway to achieve significant incremental cost reductions. Delivering on its cost reduction initiatives is one of UBS's key priorities, but a number of factors could negatively impact its plans. Higher permanent regulatory costs and business demand than UBS had originally anticipated have partly offset its gross cost reductions, and although UBS achieved by the second quarter of 2016 the net cost reduction that it had targeted for 2015, it could continue to be challenged in the execution of its further cost reduction plans. Moreover, the success of its strategy and its ability to reach some of its announced targets depends on the success of the effectiveness and efficiency measures it is able to carry out. As is often the case with major effectiveness and efficiency programs, its plans involve significant risks. Included among these are the risks that restructuring costs may be higher and may be recognized sooner than it has projected, that it may not be able to identify feasible cost reduction opportunities that are also consistent with its business goals, and that cost reductions may be realized later or may be less than it anticipates. Changes in UBS's work force as a result of outsourcing, nearshoring or offshoring or staff reductions may introduce new operational risks that, if not effectively addressed could affect UBS's ability to recognize the desired cost and other benefits from such changes or could result in operational losses. Changes in workforce location or reductions in workforce can lead to expenses recognized in the income statement well in advance of the cost savings intended to be achieved through such workforce strategy. For example, under International Financial Reporting Standards ("*IFRS*") UBS is required to recognize provisions for real estate lease contracts when the unavoidable costs of meeting the obligations under the contracts exceed the benefits expected to be received under them. Additionally, closure or disposal of operations may result in foreign currency translation losses (or gains) previously recorded in other comprehensive income being reclassified to the income statement.

As UBS implements its effectiveness and efficiency programs it may also experience unintended consequences such as the loss or degradation of capabilities that UBS needs in order to maintain its competitive position and achieve its targeted returns.

### **Material legal and regulatory risks arise in the conduct of UBS's business**

The nature of UBS's business subjects it to significant regulatory oversight and liability risk. As a global financial services firm operating in more than 50 countries, it is subject to many different legal, tax and regulatory regimes. It is involved in a variety of claims, disputes, legal proceedings and government investigations and inquiries, including matters related to its cross border business and licensing, trading practices, securities offerings including residential mortgage-backed securities, sales practices and suitability, accounting matters,

anti-money laundering, sanctions and anti-corruption laws and investment management practices. These proceedings expose it to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil penalties, in addition to potential regulatory restrictions on its businesses. The outcome of most of these matters, and their potential effect on UBS's future business financial results, or financial condition, is extremely difficult to predict.

In December 2012, UBS announced settlements totaling approximately CHF 1.4 billion in fines by and disgorgements to US, UK and Swiss authorities to resolve investigations by those authorities relating to LIBOR and other benchmark interest rates. UBS entered into a non-prosecution agreement ("NPA") with the US Department of Justice ("DOJ") and UBS Securities Japan Co. Ltd. also pleaded guilty to one count of wire fraud relating to the manipulation of certain benchmark interest rates. In May 2015, the DOJ exercised its discretion to terminate the NPA based on its determination that UBS had committed a US crime in relation to foreign exchange matters. As a consequence, UBS AG has pleaded guilty to one count of wire fraud for conduct in the LIBOR matter, and has agreed to pay a USD 203 million fine and accept a three-year term of probation.

UBS's settlements with governmental authorities in connection with foreign exchange and LIBOR and benchmark interest rates starkly illustrate the much-increased level of financial and reputational risk now associated with regulatory matters in major jurisdictions. Very large fines and disgorgement amounts were assessed against UBS, and UBS was required to enter guilty pleas, despite UBS's full cooperation with the authorities in the investigations relating to LIBOR and other benchmark interest rates, and despite UBS's receipt of conditional leniency or conditional immunity from antitrust authorities in a number of jurisdictions, including the US and Switzerland. UBS understands that, in determining the consequences for UBS, the authorities considered the fact that it had in the recent past been determined that UBS had engaged in serious misconduct in several other matters.

UBS continues to be subject to a large number of claims, disputes, legal proceedings and government investigations, including the matters described in "Note 16 Provisions and contingent liabilities" to the UBS Group AG unaudited interim consolidated financial statements included in the Second Quarter 2016 Report and UBS expects that its ongoing business activities will continue to give rise to such matters in the future. The extent of its financial exposure to these and other matters is material and could substantially exceed the level of provisions that UBS has established. UBS is not able to predict the financial and other terms on which some of these matters may be resolved. Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. Among other things, a guilty plea to, or conviction of, a crime (including as a result of termination of the NPA) could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

Ever since its material losses arising from the 2007 to 2009 financial crisis, UBS has been subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain its strategic flexibility. While it believes that it has remediated the deficiencies that led to those losses as well as the unauthorized trading incident announced in September 2011, the LIBOR-related settlements of 2012 and settlements with some regulators of matters related to UBS's foreign exchange and precious metals business, the resulting effects of these matters on its reputation and relationships with regulatory authorities have proven to be more difficult to overcome. UBS is determined to address the issues that have arisen in these and other matters in a thorough and constructive manner. UBS is in active dialog with its regulators concerning the actions that it is taking to improve its operational risk management and control framework, but there can be no assurance that its efforts will have the desired effects. As a result of this history, UBS's level of risk with respect to regulatory enforcement may be greater than that of some of its peers.

### **Operational risks affect UBS's business**

UBS's businesses depend on its ability to process a large number of complex transactions across multiple and diverse markets in different currencies, to comply with requirements of many different legal and regulatory regimes to which it is subject and to prevent, or promptly detect and stop, unauthorized, fictitious or fraudulent transactions. UBS also relies on access to, and on the functioning of, systems maintained by third parties, including clearing systems, exchanges, information processors and central counterparties. Failure of its systems or third party systems could have an adverse effect on UBS. UBS's operational risk management and

control systems and processes are designed to help ensure that the risks associated with its activities, including those arising from process error, failed execution, misconduct, unauthorized trading, fraud, system failures, financial crime, cyber-attacks, breaches of information security and failure of security and physical protection, are appropriately controlled.

UBS devotes significant resources to maintain systems and processes that are designed to protect its systems, networks and software and to protect the confidentiality of information belonging to its customers and UBS. However, UBS and other financial services firms have been subject to breaches of security and to cyber and other forms of attack, some of which are sophisticated and targeted attacks intended to gain access to confidential information or systems, disrupt service or destroy data. It is possible that UBS may not be able to anticipate, detect or recognize threats to its systems or data or that its preventative measures will not be effective to prevent an attack or a security breach. A successful breach or circumvention of security of UBS's systems or data could have significant negative consequences for UBS, including disruption of UBS's operations, misappropriation of confidential information concerning UBS or its customers, damage to UBS's systems, financial losses for UBS or customers, violations of data privacy and similar laws, litigation exposure and damage to UBS's reputation.

A major focus of US and other countries governmental policies relating to financial institutions in recent years has been fighting money laundering and terrorist financing. Regulations applicable to UBS impose obligations to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of UBS's clients. UBS is also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. UBS has implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Failure to maintain and implement adequate programs to combat money laundering, terrorist financing or corruption, or any failure of UBS's programs in these areas, could have serious consequences both from legal enforcement action and from damage to UBS's reputation.

Although UBS seeks to continuously adapt its capability to detect and respond to the risks described above, if its internal controls fail or prove ineffective in identifying and remedying these risks, it could suffer operational failures that might result in material losses, such as the loss from the unauthorized trading incident announced in September 2011.

UBS's wealth and asset management businesses operate in an environment of increasing regulatory scrutiny and changing standards. Legislation and regulation have changed and are likely to continue to change fiduciary and other standards of care for asset managers and advisors and have increased focus on mitigating or eliminating conflicts of interest between a manager or advisor and the client. These changes have presented, and likely will continue to present, regulatory and operational risks if not implemented effectively across the global systems and processes of investment managers and other industry participants. If UBS fails to effectively implement controls to ensure full compliance with new, more stringent standards in the wealth and asset management industry, it could be subject to additional fines and sanctions as a result. These could have an impact on UBS's ability to operate or grow its wealth and asset management businesses in line with its strategy.

Certain types of operational control weaknesses and failures could also adversely affect UBS's ability to prepare and publish accurate and timely financial reports. Following the unauthorized trading incident announced in September 2011, management determined that UBS had a material weakness in its internal control over financial reporting as of the end of 2010 and 2011, although this did not affect the reliability of its financial statements for either year.

In addition, despite the contingency plans UBS has in place, its ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities in which it is located. This may include a disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services used by UBS or third parties with whom it conducts business.

### **UBS's reputation is critical to the success of its business**

UBS's reputation is critical to the success of its strategic plans. Damage to its reputation can have fundamental negative effects on its business and prospects. Reputational damage is difficult to reverse, and improvements tend to be slow and difficult to measure. This was demonstrated in recent years, as UBS's very large losses during the financial crisis, the US cross-border matter (relating to the governmental inquiries and investigations

relating to UBS's cross-border private banking services to US private clients during the years 2000–2007 and the settlements entered into with US authorities with respect to this matter) and other events seriously damaged UBS's reputation. Reputational damage was an important factor in UBS's loss of clients and client assets across its asset-gathering businesses, and contributed to its loss of and difficulty in attracting staff in 2008 and 2009. These developments had short-term and also more lasting adverse effects on UBS's financial performance, and UBS recognized that restoring its reputation would be essential to maintaining its relationships with clients, investors, regulators and the general public, as well as with its employees. More recently, the unauthorized trading incident announced in September 2011 and UBS's involvement in the LIBOR matter and investigations relating to its foreign exchange and precious metals business have also adversely affected its reputation. Any further reputational damage could have a material adverse effect on its operational results and financial condition and on its ability to achieve its strategic goals and financial targets.

### **Performance in the financial services industry is affected by market conditions and the macroeconomic climate**

UBS's businesses are materially affected by market and economic conditions. Adverse changes in interest rates, credit spreads, securities' prices, market volatility and liquidity, foreign exchange levels, commodity prices, and other market fluctuations, as well as changes in investor sentiment, can affect UBS's earnings and ultimately its financial and capital positions.

A market downturn and weak macroeconomic conditions can be precipitated by a number of factors, including geopolitical events, changes in monetary or fiscal policy, trade imbalances, natural disasters, pandemics, civil unrest, acts of violence, war or terrorism. Because financial markets are global and highly interconnected, even local and regional events, such as the ongoing European sovereign debt concerns or concerns and uncertainty around the exit from the EU by the UK or a significant slowing of economic growth in China can have widespread impact well beyond the countries in which they occur. The timing and the manner of the UK's withdrawal from the EU and the terms of any successor arrangements between the UK and the EU are currently unknown and may not become clear in the short term. UBS maintains significant operations in the UK. Limitations on providing financial services into the EU from UBS's UK operations that could arise following the UK's exit from the EU could require UBS to make potentially significant changes to its operations in the UK and its legal structure.

A crisis could develop, regionally or globally, as a result of disruptions in emerging markets as well as developed markets that are susceptible to macroeconomic and political developments, or as a result of the failure of a major market participant. Macroeconomic and political developments can have unpredictable and destabilizing effects, as reflected in UBS's Global Recession scenario, which UBS implemented in 2015 as the binding scenario in its combined stress-testing framework, and which assumes a hard landing in China leading to severe contagion of Asian and emerging markets economies and at the same time multiple debt restructurings in Europe, related direct losses for European banks and fear of a eurozone breakup severely affecting developed markets such as Switzerland, the UK and the US.

UBS has material exposures to a number of markets, both as a wealth manager and as an investment bank. Moreover, UBS's strategic plans depend more heavily on its ability to generate growth and revenue in emerging markets, including China, causing UBS to be more exposed to the risks associated with them. Toward the end of 2015, uncertainties regarding macroeconomic developments in China, and emerging markets more broadly, as well as weakening of commodity prices, particularly oil, have given rise to increased market volatility, which could well persist throughout 2016.

A reduction in business and client activity and market volumes, as significant market volatility can determine and, as UBS has recently experienced, affects transaction fees, commissions and margins, particularly in its wealth management businesses and its Investment Bank. A market downturn is likely to reduce the volume and valuations of assets that UBS manages on behalf of clients, reducing its asset and performance-based fees. On the other side, reduced market liquidity or volatility limits trading and arbitrage opportunities and impedes UBS's ability to manage risks, impacting both trading income and performance-based fees. Additionally, deteriorating market conditions could cause a decline in the value of assets that UBS owns and account for as investments or trading positions.

The regional balance of UBS's business mix also exposes UBS to risk. UBS's Investment Bank equities business, for example, is more heavily weighted to Europe and Asia, and therein its derivatives business is more heavily weighted to structured products for wealth management clients, in particular with European and Asian underlyings. Turbulence in these markets can therefore affect UBS more than other financial service providers.

The ongoing low interest rate environment will further erode interest margins in several of UBS's businesses and adversely affect its net defined benefit obligations in relation to its pension plans. Moreover, negative interest rates announced by central banks in Switzerland or elsewhere and uncertainty about changes in interest rates by central banks may also affect client behavior. Changes to UBS's deposit and lending pricing and structure that UBS has made and may make to respond to negative interest rates and client behavior may cause deposit outflows (as happened with Wealth Management's balance sheet and capital optimization program in 2015), reduce business volumes or otherwise adversely affect UBS's businesses, particularly given the associated cost of maintaining the high-quality liquid assets required to cover regulatory outflow assumptions embedded in the LCR.

Credit risk is an integral part of many of UBS's activities, including lending, underwriting and derivatives activities. Worsening economic conditions and adverse market developments could lead to impairments and defaults on credit exposures and on UBS's trading and investment positions. Losses may be exacerbated by declines in the value of collateral it holds. UBS is exposed to risk in, among others, its prime brokerage, reverse repurchase and Lombard lending activities, as the value or liquidity of the assets against which UBS provides financing may decline rapidly.

Because UBS has very substantial exposures to other major financial institutions, the failure of one or more such institutions could also have a material effect on UBS.

UBS is a member of numerous securities and derivative exchanges and clearing houses. In connection with some of those memberships, UBS may be required to pay a share of the financial obligations of another member who defaults or UBS may be otherwise exposed to additional financial obligations.

Moreover, if individual countries impose restrictions on cross-border payments or other exchange or capital controls, or change their currency, for example, if one or more countries should leave the euro, UBS could suffer losses from enforced default by counterparties, be unable to access its own assets, or be impeded in, or prevented from, managing its risks.

The developments mentioned above have in the past affected and could materially affect the performance of the business units and of UBS as a whole, and ultimately UBS's financial and capital position. There are related risks that, as a result of the factors listed above, the carrying value of goodwill of a business unit might suffer impairment and deferred tax asset levels may need to be adjusted.

#### **UBS may not be successful in implementing changes in its wealth management businesses to meet changing market, regulatory and other conditions**

UBS is exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of its wealth management businesses and UBS may not be successful in implementing the business changes needed to address them.

UBS experienced substantial net outflows of client assets in its wealth management and asset management businesses in 2008 and 2009. The net outflows resulted from a number of different factors, including UBS's substantial losses, damage to UBS's reputation, the loss of client advisors, difficulty in recruiting qualified client advisors and tax, legal and regulatory developments concerning UBS's cross-border private banking business. Many of these factors have been successfully addressed. However, long-term changes affecting the cross-border private banking business model will continue to affect client flows in the wealth management businesses for an extended period of time.

One of the important drivers behind the longer-term reduction in the amount of cross-border private banking assets, particularly in Europe but increasingly also in other regions, including emerging markets, is the heightened focus of fiscal authorities on cross-border investments. For the last several years, UBS has experienced net withdrawals in its Swiss booking center from clients domiciled elsewhere in Europe, in many cases related to the negotiation of tax treaties between Switzerland and other countries. Changes in local tax laws or regulations and their enforcement, the implementation of cross-border tax information exchange regimes, including international agreements for automatic tax information exchange, national tax amnesty or enforcement programs or similar actions, in Europe or elsewhere in the world, may affect the ability or the willingness of UBS's clients to do business with UBS, and result in additional, and possibly material, cross-border outflows, or affect the viability of UBS's strategies and business model.



The net new money inflows in recent years in UBS's Wealth Management business division have come predominantly from clients in Asia Pacific and in the ultra-high net worth segment globally. Over time, inflows from these lower-margin segments and markets have been replacing outflows from higher-margin segments and markets, in particular cross-border clients. This dynamic, combined with changes in client product preferences as a result of which low-margin products account for a larger share of UBS's revenues than in the past, put downward pressure on its return on invested assets and adversely affect the profitability of UBS's Wealth Management business division.

UBS will continue its efforts to adjust to client trends, regulatory and market dynamics as necessary, in an effort to overcome the effects of changes in the business environment on its profitability, balance sheet and capital positions, but there is no assurance that UBS will be able to counteract those effects. Moreover, initiatives that UBS may carry out for this purpose may cause net new money outflows and reductions in client deposits, as happened with Wealth Management's balance sheet and capital optimization program in 2015, for more information on which refer to "Wealth Management" in the "Financial and operating performance" section of the Annual Report 2015. In addition, UBS has made changes to its business offerings and pricing practices in line with the Swiss Supreme Court case concerning retrocessions (fees paid to a bank for distributing third-party and intra-group investment funds and structured products) and other industry developments. These changes may adversely affect UBS's margins on these products and the current offering may be less attractive to clients than the products it replaces. There is no assurance that UBS will be successful in its efforts to offset the adverse impact of these or similar trends and developments.

**UBS may be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees**

The financial services industry is characterized by intense competition, continuous innovation, detailed, and sometimes fragmented, regulation and ongoing consolidation. UBS faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to it in their size and breadth. Barriers to entry in individual markets and pricing levels are being eroded by new technology. UBS expects these trends to continue and competition to increase. UBS's competitive strength and market position could be eroded if it is unable to identify market trends and developments, do not respond to them by devising and implementing adequate business strategies, adequately developing or updating its technology, particularly in trading businesses, or is unable to attract or retain the qualified people needed to carry them out.

The amount and structure of UBS's employee compensation is affected not only by its business results but also by competitive factors and regulatory considerations. Constraints on the amount or structure of employee compensation, higher levels of deferral, performance conditions and other circumstances triggering the forfeiture of unvested awards may adversely affect its ability to retain and attract key employees, and may in turn negatively affect its business performance.

UBS has made changes to the terms of compensation awards to reflect the demands of various stakeholders, including regulatory authorities and shareholders. These terms include the introduction of a deferred contingent capital plan with many of the features of the loss-absorbing capital that UBS has issued in the market but with a higher capital ratio write-down trigger for members of the Group Executive Board, increased average deferral periods for stock awards, and expanded forfeiture, and to a more limited extent claw-back, provisions for certain awards linked to business performance.

In the EU UBS is subject to legislation that caps the amount of variable compensation in proportion to the amount of fixed compensation for employees in key risk-taker roles, and whose application could potentially extend to a wider group of employees, on the basis of the revised guidelines on sound remuneration policies published by the European Banking Authority in December 2015.

Moreover, from the 2015 annual general meeting, Swiss law requires UBS to submit to the binding vote of the shareholders the aggregate compensation of each of the board of directors and the executive board on an annual basis.

These requirements, while intended to better align the interests of UBS's staff with those of other stakeholders, increase the risk that key employees will be attracted by competitors and decide to leave UBS, and that UBS may be less successful than its competitors in attracting qualified employees. The loss of key staff and the inability to attract qualified replacements, depending on which and how many roles are affected, could

seriously compromise UBS's ability to execute its strategy and to successfully improve its operating and control environment.

**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**

Like other financial market participants, UBS was severely affected by the financial crisis that began in 2007. The deterioration of financial markets since the beginning of the crisis was extremely severe by historical standards, and UBS recorded substantial losses on fixed income trading positions, particularly in 2008 and 2009. Although UBS has significantly reduced its risk exposures starting in 2008, and more recently as it progresses its strategy and focuses on complying with Swiss TBTF standards, UBS continues to hold substantial legacy risk positions, primarily in Corporate Center - Non-core and Legacy Portfolio. In many cases, these risk positions remain illiquid, and UBS continues to be exposed to the risk that the remaining positions may again deteriorate in value.

Moreover, UBS holds positions related to real estate in various countries, and could suffer losses on these positions. These positions include a substantial Swiss mortgage portfolio. Although management believes that this portfolio has been very prudently managed, UBS could nevertheless be exposed to losses if the concerns expressed by the Swiss National Bank and others about unsustainable price escalation in the Swiss real estate market come to fruition. Other macroeconomic developments, such as the implications on export markets of the appreciation of the Swiss franc, the adoption of negative interest rates by the Swiss National Bank or other central banks or any return of crisis conditions within the eurozone, or the EU, and the potential implications of the decision in Switzerland to reinstate immigration quotas for EU / EEA countries, could also adversely affect the Swiss economy, UBS's business in Switzerland in general and, in particular, UBS's Swiss mortgage and corporate loan portfolios.

**UBS depends on its risk management and control processes to avoid or limit potential losses in its businesses**

Controlled risk-taking is a major part of the business of a financial services firm. Some losses from risk-taking activities are inevitable, but to be successful over time, UBS must balance the risks it takes against the returns it generates. UBS must, therefore, diligently identify, assess, manage and control its risks, not only in normal market conditions but also as they might develop under more extreme, stressed conditions, when concentrations of exposures can lead to severe losses.

As seen during the financial crisis of 2007–2009, UBS is not always able to prevent serious losses arising from extreme or sudden market events that are not anticipated by its risk measures and systems. Value-at-risk, a statistical measure for market risk, is derived from historical market data, and thus by definition could not have anticipated the losses suffered in the stressed conditions of the financial crisis. Moreover, stress loss and concentration controls and the dimensions in which UBS aggregated risk to identify potentially highly correlated exposures proved to be inadequate. Notwithstanding the steps UBS has taken to strengthen its risk management and control framework, UBS could suffer further losses in the future if, for example:

- UBS does not fully identify the risks in its portfolio, in particular risk concentrations and correlated risks;
- UBS's assessment of the risks identified or its response to negative trends proves to be untimely, inadequate, insufficient or incorrect;
- markets move in ways that UBS does not expect – in terms of their speed, direction, severity or correlation – and its ability to manage risks in the resulting environment is, therefore, affected;
- third parties to whom UBS has credit exposure or whose securities it holds for its own account are severely affected by events not anticipated by its models, and accordingly UBS suffers defaults and impairments beyond the level implied by its risk assessment; or
- collateral or other security provided by UBS's counterparties proves inadequate to cover their obligations at the time of their default.

UBS also manages risk on behalf of its clients in its asset and wealth management businesses. The performance of assets UBS holds for its clients in these activities could be adversely affected by the same factors. If clients suffer losses or the performance of their assets held with UBS is not in line with relevant benchmarks against

which clients assess investment performance, UBS may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

If UBS decides to support a fund or another investment that it sponsors in its asset or wealth management businesses, UBS might, depending on the facts and circumstances, incur expenses that could increase to material levels.

Investment positions, such as equity investments made as part of strategic initiatives and seed investments made at the inception of funds that UBS manages, may also be affected by market risk factors. These investments are often not liquid and generally are intended or required to be held beyond a normal trading horizon. They are subject to a distinct control framework. Deteriorations in the fair value of these positions would have a negative impact on its earnings.

#### **Valuations of certain positions rely on models; models have inherent limitations and may use inputs that have no observable source**

If available, the fair value of a financial instrument or non-financial asset or liability is determined using quoted prices in active markets for identical assets or liabilities. Where the market is not active, fair value is established using a valuation technique, including pricing models. Where available, valuation techniques use market observable assumptions and inputs. If such information is not available, inputs may be derived by reference to similar instruments in active markets, from recent prices for comparable transactions or from other observable market data. If market observable data is not available, UBS selects non-market observable inputs to be used in its valuation techniques.

UBS also uses internally developed valuation models. Such models have inherent limitations; different assumptions and inputs would generate different results, and these differences could have a significant impact on its financial results. UBS regularly reviews and updates its valuation models to incorporate all factors that market participants would consider in setting a price, including factoring in current market conditions. Judgment is an important component of this process, and failure to make the changes necessary to reflect evolving market conditions could have a material adverse effect on UBS's financial results. Moreover, evolving market practice may result in changes to valuation techniques that could have a material impact on its financial results.

Changes in model inputs or calibration, changes in the valuation methodology incorporated in models, or failure to make the changes necessary to reflect evolving market conditions could have a material adverse effect on UBS's financial results.

#### **Liquidity and funding management are critical to UBS's ongoing performance**

The viability of UBS's business depends on the availability of funding sources, and its success depends on its ability to obtain funding at times, in amounts, for tenors and at rates that enable UBS to efficiently support its asset base in all market conditions. A substantial part of UBS's liquidity and funding requirements is met using short-term unsecured funding sources, including retail and wholesale deposits and the regular issuance of money market securities. The volume of UBS's funding sources has generally been stable, but could change in the future due to, among other things, general market disruptions or widening credit spreads, which could also influence the cost of funding. A change in the availability of short-term funding could occur quickly.

Reductions in UBS's credit ratings can increase its funding costs, in particular with regard to funding from wholesale unsecured sources, and can affect the availability of certain kinds of funding. In addition, as UBS experienced in connection with Moody's downgrade of UBS's long-term rating in June 2012, rating downgrades can require UBS to post additional collateral or make additional cash payments under master trading agreements relating to its derivatives businesses. UBS's credit ratings, together with its capital strength and reputation, also contribute to maintaining client and counterparty confidence and it is possible that ratings changes could influence the performance of some of its businesses.

More stringent capital and liquidity and funding requirements will likely lead to increased competition for both secured funding and deposits as a stable source of funding, and to higher funding costs. The addition of loss-absorbing debt as a component of capital requirements and the recent requirements to maintain senior unsecured debt that could be written down in the event of UBS's insolvency or other resolution, may increase its funding costs or limit the availability of funding of the types required.

**UBS's financial results may be negatively affected by changes to accounting standards**

UBS reports its results and financial position in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). Changes to IFRS or interpretations thereof, may cause UBS's future reported results and financial position to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect UBS's regulatory capital and ratios. UBS monitors potential accounting changes and when these are finalized by the IASB, it determines the potential impact and disclose significant future changes in its financial statements. Currently, there are a number of issued but not yet effective IFRS changes, as well as potential IFRS changes, some of which could be expected to impact UBS's reported results, financial position and regulatory capital in the future. For example, IFRS 9, when fully adopted, will require UBS to record loans at inception net of expected losses instead of recording credit losses on an incurred loss basis.

**UBS's financial results may be negatively affected by changes to assumptions supporting the value of its goodwill**

The goodwill that UBS has recognized on the respective balance sheets of its operating segments is tested for impairment at least annually. UBS's impairment test in respect of the assets recognized as of 31 December 2015 indicated that its respective goodwill balances are not impaired. The impairment test is based on assumptions regarding estimated earnings, discount rates and long-term growth rates impacting the recoverable amount of each segment and on estimates of the carrying amounts of the segments to which the goodwill relates. If the estimated earnings and other assumptions in future periods deviate from the current outlook, the value of the goodwill in any one or more of UBS's businesses may become impaired in the future, giving rise to losses in the income statement.

**The effect of taxes on UBS's financial results is significantly influenced by reassessments of its deferred tax assets**

The deferred tax assets ("DTAs") that UBS has recognized on its balance sheet as of 31 December 2015 based on prior years' tax losses reflect the probable recoverable level based on future taxable profit as informed by its business plans. If the business plan earnings and assumptions in future periods substantially deviate from current forecasts, the amount of recognized DTAs may need to be adjusted in the future. These adjustments may include write-downs of DTAs through the income statement.

UBS's effective tax rate is highly sensitive both to its performance as well as its expectation of future profitability as reflected in its business plans. UBS's results in recent periods have demonstrated that changes in the recognition of DTAs can have a very significant effect on its reported results. If its performance is expected to improve, particularly in the US, or the UK, UBS could potentially recognize additional DTAs as a result of that assessment. The effect of doing so would be to significantly reduce its effective tax rate in years in which additional DTAs are recognized and to increase its effective tax rate in future years. Conversely, if UBS's performance in those countries is expected to produce diminished taxable profit in future years, it may be required to write down all or a portion of the currently recognized DTAs through the income statement. This would have the effect of increasing UBS's effective tax rate in the year in which any write-downs are taken.

For 2016, notwithstanding the effects of any potential reassessment of the level of deferred tax assets, UBS expects the effective tax rate to be in the range of 22 per cent. to 25 per cent. Consistent with past practice, UBS expects to revalue its deferred tax assets in the second half of 2016 based on a reassessment of future profitability taking into account updated business plan forecasts. The full-year effective tax rate could change significantly on the basis of this reassessment. It could also change if aggregate tax expenses in respect of profits from branches and subsidiaries without loss coverage differ from what is expected. Part of the aforementioned reassessment of future profitability includes consideration of a possible further extension of the forecast period used for US deferred tax asset recognition purposes to eight years from the seven years used as of 31 December 2015. The determination of whether to extend the forecast period by an additional year will be made on the basis of all relevant facts and circumstances existing at that time. Inasmuch as the ex-ante parameters UBS has established for further extending the forecast period are more challenging to satisfy than in prior years, it is therefore less probable that UBS will add an eighth year to the forecast period in 2016 for purposes of revaluing its US deferred tax assets.

UBS's effective tax rate is also sensitive to any future reductions in statutory tax rates, particularly in the US and Switzerland. Reductions in the statutory tax rate would cause the expected future tax benefit from items such

as tax loss carry-forwards in the affected locations to diminish in value. This in turn would cause a write-down of the associated DTAs. For example, In March 2016, the UK government announced a proposed change in law which would reduce the proportion of banks' annual taxable profits that can be offset by UK tax losses carried forward from 50% to 25% with effect from 1 April 2016. The UK government also proposed to reduce the UK corporate income tax rate from 18% to 17% with effect from 1 April 2020. To the extent that these changes are enacted in the second half of 2016, UBS expects to incur a reduction in recognized UK deferred tax assets of approximately CHF 110 million. In addition, During the second quarter of 2016, Her Majesty's Revenue and Customs (HMRC) indicated that it may seek to challenge this transfer of net operating loss carryforwards, notwithstanding its prior confirmation to the contrary. To the extent that UBS Limited does not prevail in a dispute on the validity of the transfer of net operating loss carryforwards, it would incur a reduction in recognized deferred tax assets of approximately CHF 113 million as well as potential current tax expenses for prior periods.

In addition, statutory and regulatory changes, as well as changes to the way in which courts and tax authorities interpret tax laws could cause the amount of taxes ultimately paid by UBS to materially differ from the amount accrued.

Moreover, UBS has undertaken, or is considering, changes to its legal structure in the US, the UK, Switzerland and other countries in response to regulatory changes. Tax laws or the tax authorities in these countries may prevent the transfer of tax losses incurred in one legal entity to newly organized or reorganized subsidiaries or affiliates or may impose limitations on the utilization of tax losses that relate to businesses formerly conducted by the transferor. Were this to occur in situations where there were also limited planning opportunities to utilize the tax losses in the originating entity, the DTAs associated with such tax losses could be written down through the income statement.

**UBS's stated capital returns objective is based, in part, on capital ratios that are subject to regulatory change and may fluctuate significantly**

UBS is committed to a total capital return to shareholders of at least 50 per cent. of net profit attributable to its shareholders, provided that UBS maintains a fully applied CET1 capital ratio of at least 13 per cent., and consistent with its objective of maintaining a post-stress fully applied CET1 capital ratio of at least 10 per cent..

UBS's ability to maintain a fully applied CET1 capital ratio of at least 13 per cent. is subject to numerous risks, including the financial results of its businesses, the impact of changes to capital standards such as those recently introduced in Switzerland, methodologies and interpretation that may adversely affect the calculation of UBS's fully applied CET1 capital ratio, the imposition of risk add-ons or capital buffers and application of additional capital, liquidity and similar requirements to subsidiaries. Refer to "*Fluctuation in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on UBS's capital strength, its liquidity and funding position, and its profitability*" and to "*If UBS is unable to maintain its capital strength, this may adversely affect its ability to execute its strategy, client franchise and competitive position*" above for more information on certain factors that could cause its capital ratios to fluctuate significantly, including the effect on capital of changes to pension plan defined benefit obligations.

Moreover, changes in the methodology, assumptions, stress scenario, market conditions, business volumes and other factors may result in material changes in UBS's post-stress fully applied CET1 capital ratio. These factors may lead to material fluctuations in UBS's post-stress fully applied CET1 capital ratio during any period. In assessing whether UBS's post-stress fully applied CET1 capital ratio objective has been met at any time, UBS may consider both the current ratio and its expectation as to future developments in the ratio.

To calculate its post-stress CET1 capital ratio, UBS forecasts capital one year ahead based on internal projections of earnings, expenses, distributions to shareholders and other factors affecting CET1 capital, including UBS's net defined benefit plan assets and liabilities. It also forecasts one-year developments in RWA. It adjusts these forecasts based on assumptions as to how they may change as a result of a severe stress event. It then further deducts from capital the stress loss estimated using its combined stress test ("**CST**") framework to arrive at the post-stress fully applied CET1 capital ratio. Changes to its results, business plans and forecasts, in the assumptions used to reflect the effect of a stress event on its business forecasts or in the results of its CST, could have a material effect on its stress scenario results and on the calculation of its post-stress fully applied CET1 capital ratio.

UBS's CST framework relies on various risk exposure measurement methodologies which are predominantly proprietary, on its selection and definition of potential stress scenarios and on its assumptions regarding estimates of changes in a wide range of macroeconomic variables and certain idiosyncratic events for each of those scenarios. UBS periodically reviews these methodologies, and assumptions are subject to periodic review and change on a regular basis. UBS's risk exposure measurement methodologies may change in response to developing market practice and enhancements to its own risk control environment, and input parameters for models may change due to changes in positions, market parameters and other factors.

UBS's stress scenarios, the events comprising a scenario and the assumed shocks and market and economic consequences applied in each scenario are subject to periodic review and change. A change in the CST scenario used to calculate the post-stress fully applied CET1 capital ratio, or in the assumptions used in a particular scenario, may cause the post-stress fully applied CET1 capital ratio to fluctuate materially.

UBS's business plans and forecasts are subject to inherent uncertainty, its choice of stress test scenarios and the market and macroeconomic assumptions used in each scenario are based on judgments and assumptions about possible future events. UBS's risk exposure measurement methodologies are subject to inherent limitations, rely on numerous assumptions as well as on data which may have inherent limitations. In particular, certain data is not available on a monthly basis and UBS may therefore rely on prior month / quarter data as an estimate.

All of these factors may result in UBS's post-stress fully applied CET1 capital ratio, as calculated using its methodology for any period, being materially higher or lower than the actual effect of a stress scenario.

**UBS AG's operating results, financial condition and ability to pay obligations in the future may be affected by funding, dividends and other distributions received from UBS Switzerland AG or any other direct subsidiary, which may be subject to restrictions**

UBS AG's ability to pay its obligations in the future may be affected by the level of funding, dividends and other distributions, if any, received from UBS Switzerland AG and any other subsidiaries currently existing or established by UBS AG in the future. The ability of such subsidiaries to make loans or distributions (directly or indirectly) to UBS AG may be restricted as a result of several factors, including restrictions in financing agreements, the requirements of applicable laws and regulatory, fiscal or other restrictions. UBS AG's subsidiaries, including UBS Switzerland AG, UBS Limited and the US IHC are subject to laws and regulations that restrict dividend payments, authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to UBS AG, or limit or prohibit transactions with affiliates. Restrictions and regulatory actions of this kind could impede access to funds that UBS AG may need to make payments.

In addition, UBS AG's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to all prior claims of the subsidiary's creditors.

Furthermore, UBS AG may guarantee some of the payment obligations of certain of its subsidiaries from time to time. Additionally, in connection with the transfer of the Retail & Corporate (now Personal & Corporate Banking) and Wealth Management business booked in Switzerland from UBS AG to UBS Switzerland AG in June 2015, under the Swiss Merger Act UBS AG is jointly liable for obligations existing on the asset transfer date, 14 June 2015, that were transferred to UBS Switzerland AG. These guarantees may require UBS AG to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS AG is in need of liquidity to fund its own obligations.

**If UBS experiences financial difficulties, FINMA has the power to open resolution or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and such proceedings or measures may have a material adverse effect on its shareholders and creditors**

Under the Swiss Banking Act, FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS AG, UBS Group AG and UBS Switzerland AG, if there is justified concern that the entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfils capital adequacy requirements. Such powers include ordering protective measures, instituting restructuring proceedings (and exercising any Swiss resolution powers in connection therewith), and instituting liquidation proceedings, all of which may have a material adverse effect on UBS's shareholders and creditors or may prevent UBS Group AG or UBS AG from paying dividends or making payments on debt obligations.

Protective measures may include, but are not limited to, certain measures that could require or result in a moratorium on, or the deferment of, payments. UBS would have limited ability to challenge any such protective measures. Additionally, creditors would have no right under Swiss law or in Swiss courts to reject, seek the suspension of, or challenge the imposition of any such protective measures, including those that require or result in the deferment of payments owed to creditors. If restructuring proceedings are opened with respect to UBS Group AG, UBS AG or UBS Switzerland AG, the resolution powers that FINMA may exercise include the power to (i) transfer all or some of the assets, debt and other liabilities, and contracts of the entity subject to proceedings to another entity, (ii) stay for a maximum of two business days the termination of, or the exercise of rights to terminate, netting rights, rights to enforce or dispose of certain types of collateral or rights to transfer claims, liabilities or certain collateral under, contracts to which the entity subject to proceedings is a party, and/or (iii) partially or fully write down the equity capital and, if such equity capital is fully written down, convert into equity or write down the capital and other debt instruments of the entity subject to proceedings. Shareholders and creditors would have no right to reject, or to seek the suspension of, any restructuring plan pursuant to which such resolution powers are exercised. They would have only limited rights to challenge any decision to exercise resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Upon full or partial write-down of the equity and of the debt of the entity subject to restructuring proceedings, the relevant shareholders and creditors would receive no payment in respect of the equity and debt that is written down, the write-down would be permanent, and the investors would not, at such time or at any time thereafter, receive any shares or other participation rights, or be entitled to any write-up or any other compensation in the event of a potential recovery of the debtor. If FINMA orders the conversion of debt of the entity subject to restructuring proceedings into equity, the securities received by the investors may be worth significantly less than the original debt and may have a significantly different risk profile, and such conversion would also dilute the ownership of existing shareholders. In addition, creditors receiving equity would be effectively subordinated to all creditors in the event of a subsequent winding up, liquidation or dissolution of the entity subject to restructuring proceedings, which would increase the risk that investors would lose all or some of their investment.

FINMA has broad powers and significant discretion in the exercise of its powers in connection with a resolution proceeding. Certain categories of debt obligations, such as certain types of deposits, are protected. As a result, holders of obligations of an entity subject to a Swiss restructuring proceeding may have their obligations written down or converted into equity even though obligations ranking on par with or junior to such obligations are not written down or converted.

Moreover, FINMA has expressed its preference for a "single-point-of-entry" resolution strategy for global systemically important financial groups, led by the bank's home supervisory and resolution authorities and focused on the top-level group company. This would mean that, if UBS AG or one of UBS Group AG's other subsidiaries faces substantial losses, FINMA could open restructuring proceedings with respect to UBS Group AG only and order a bail-in of its liabilities if there is a justified concern that in the near future such losses could impact UBS Group AG. In that case, it is possible that the obligations of UBS AG or any other subsidiary of UBS Group AG would remain untouched and outstanding, while the equity capital and the capital and other debt instruments of UBS Group AG would be written down and / or converted into equity of UBS Group AG in order to recapitalize UBS AG or such other subsidiary.

## 2. Security specific Risks

Investing in the Securities involves certain risks. Among others, these risks may be related to equity markets, commodity markets, bond markets, foreign exchanges, interest rates, market volatility and economic and political risks and any combination of these and other risks. The material risks are presented below. Potential investors should be experienced with regard to transactions in instruments such as the Securities and in the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Components. **Potential 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 or, as the case may be, the Basket Components.**

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 or, as the case may be, of the Basket Components, as

the value of the Securities and, hence, any amount, if any, payable in accordance with the relevant Product Terms comprised in the Final Terms in conjunction with the General Conditions comprised in this Base Prospectus, together constituting the “**Conditions**”, of the relevant Securities or, in case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms the product feature “**Physical Delivery**” is specified to be applicable, the value of the Physical Underlying to be delivered in a number as expressed by the Participation Factor, the Leverage Factor or the Multiplier 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. There is the risk that any combination of risk factors may have a significantly negative effect 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 or, in case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms, the product feature “Physical Delivery” is specified to be applicable, the value of the Physical Underlying received in accordance with the Conditions of the Securities is below the purchase price of the Securities (including the transaction costs). Even when the Securities are capital protected at maturity to the extent of the Minimum Amount and, hence, the risk of a loss is initially limited to the Minimum Amount, the investor 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.

Unless explicitly specified in the Product Terms of the relevant Final Terms, 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 the Base 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, if specified to be applicable in the relevant Final Terms, 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 or, as the case may be, the delivery of the Physical Underlying in an appropriate number and that the Securities accordingly have special risk profiles:

In the case of Securities linked to an **Underlying** as specified in the section “Product Terms” of the relevant Final Terms,

potential investors should be aware that the amount of the Interest Amount, if specified to be applicable in the Final Terms, and of the Redemption Amount payable in accordance with the Conditions of the Securities depends on the performance of the Underlying or, as the case may be, the Basket Components. In case of an unfavourable development of the price of the Underlying or, as the case may be, the Basket Components, any amount received under the Securities may be lower than expected by the investors **and may even be equal to zero. In such case the Securityholders will incur a total loss of its investment (including any transaction costs).**

In the case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms the product feature “**Participation Factor**”, “**Leverage Factor**”, “**Multiplication Factor**” or, as the case may be, “**Multiplier**” is specified to be applicable,

potential investors should consider that the application of the Participation Factor, Leverage Factor, Multiplication Factor or of the Multiplier, as specified to be applicable in the Final Terms, within the determination of the Security Right results in the Securities being in economic terms similar to a direct investment in the Underlying or, as the case may be, in the Basket Components, but being nonetheless



not fully comparable with such a direct investment, in particular because the Securityholders do, if so specified in the relevant Final Terms, not participate in the relevant performance of the Underlying or, as the case may be, Basket Components by a 1:1 ratio, but by the proportion of the Participation Factor, the Leverage Factor, the Multiplication Factor or of the Multiplier.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Reverse Structure**" is specified to be applicable,

potential investors should consider that the Securities provide for a so-called reverse structure and that, hence, the Securities (irrespective of the other features attached to the Securities or of any other factors, which may be relevant for the value of the Securities) **depreciate in value**, if the price of the Underlying or, as the case may be, in the Basket Components, increases, or the Securities **increase in value**, if the price of the Underlying or, as the case may be, in the Basket Components, decreases. Consequently, there is the risk of a loss of the invested capital, if the price of the Underlying or, as the case may be, Basket Components increases correlatively. In addition, the potential return under each Security is, as a principle rule, limited, since the negative performance of the Underlying or, as the case may be, Basket Components may not exceed 100 %.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Express Structure**" is specified to be applicable,

potential investors should consider that the Securities may according to the Conditions of the Securities under certain circumstances expire prior to the Maturity Date without any notice or declaration by the Issuer or the Securityholder being required, so-called express structure. In case the Securities expire prior to the Maturity Date, the Securityholder is entitled to demand the payment of a cash amount and, if a "**Physical Delivery**" is specified to be applicable in the Final Terms, the delivery of the Physical Underlying in an appropriate number in relation to the early expiration. However, the Securityholder is not entitled to request any further payments on the Securities or, as the case may be, and if specified in the relevant Final Terms, the delivery of the Physical Underlying after such early expiration.

The Securityholder, therefore, bears the risk of not participating in the performance of the Underlying or, as the case may be, the Basket Components to the expected extent and during the expected period.

In the case of an early expiration of the Securities, the Securityholder also bears the so-called **risk of reinvestment**. The Securityholder may only be able to re-invest any amount paid by the Issuer in the case of an early expiration, if any, at market conditions, which are less favourable than those existing prevailing at the time of the acquisition of the Securities.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Thresholds, Barriers or Levels**" is specified to be applicable,

potential investors should consider that the Redemption Amount or, as the case may be, and as specified in the relevant Final Terms, the value of the Physical Underlying to be delivered in an appropriate number, if any, under the Securities depends on whether the price of the Underlying or, as the case may be, the Basket Components equals, and/or falls below respectively exceeds a certain threshold, barrier or level as specified in the relevant Final Terms, at a given time or, as the case may be, within a given period as determined by the Conditions of the Securities.

Only provided that the relevant threshold, barrier or, as the case may be, level has not been reached and/or fallen below respectively exceeded at the time or period as determined by the Conditions of the Securities, the holder of a Security receives an amount, predetermined in the Conditions of the Securities as Redemption Amount. If so specified in the relevant Final Terms, the application of thresholds, barriers or levels as specified in the relevant Final Terms may in accordance with the Conditions of the Securities even result in a Redemption Amount of zero (0). Otherwise the Securityholder participates in the performance of the Underlying or, as the case may be, the Basket Components and, therefore, bears the risks of a total loss of the invested capital.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Maximum Amount**" is specified to be applicable,

potential investors should consider that the Redemption Amount or, as the case may be, and as specified in the relevant Final Terms, the value of the Physical Underlying to be delivered in an appropriate number, if any, under the Securities is limited to the Maximum Amount as determined in the Conditions of the Securities. In contrast to a direct investment in the Underlying or, as the case may be, the Basket Components the potential profit of the Securities is, therefore, limited to the Maximum Amount.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Relevant Underlying**" is specified to be applicable,

potential investors should consider that the calculation of the level of the Redemption Amount or, as the case may be, and as specified in the relevant Final Terms, the value of the Physical Underlying to be delivered in an appropriate number, if any, solely refers to the performance of the Relevant Underlying and, thereby, to the Underlying, showing a certain predetermined performance, *e.g.* the **worst** performance during an observation period.

Potential investors should, consequently, be aware that compared to Securities, which refer to only one underlying, the Securities show a higher exposure to loss. This risk may not be reduced by a positive or, as the case may be, negative performance of the remaining Underlyings, because the remaining Underlyings are not taken into account when calculating the level of the Redemption Amount or, as the case may be, and as specified in the relevant Final Terms, the value of the Physical Underlying to be delivered in an appropriate number.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Physical Delivery**" is specified to be applicable,

potential investors should consider that as far as the Conditions of the Securities provide for settlement through physical delivery, upon maturity of the Securities, no payment of a Redemption Amount, but the delivery, if any, of the Physical Underlying as described in the Conditions of the Securities in the appropriate number will occur. Potential investors should, hence, consider that, in the case of a redemption of the Securities by physical delivery of the Physical Underlying in the appropriate number, investors do not receive any cash amount, but a right to the relevant security, which is transferable according to the conditions of the relevant depository system.

As in such case the Securityholders of the Securities are exposed to the issuer- and security-specific risks related to the Physical Underlying to be delivered, if any, potential investors in the Securities should make themselves familiar with the Physical Underlying, to be delivered, if any, before purchasing the Securities. Moreover, investors should not rely on being able to sell the Physical Underlying after redemption of the Securities at a certain price, in particular not at a price, which corresponds to the capital invested for the acquisition of the Securities. The Physical Underlying delivered in the appropriate number can, under certain circumstances, possibly have a very low or even no value. In such case the Securityholders bear the risk of a total loss of the capital invested for purchasing the Securities (including the transaction costs).

Potential investors in the Securities should also consider that possible fluctuations in the price of the Physical Underlying between the end of the term of the Securities and the actual delivery of the Physical Underlying on the Maturity Date remain with the Securityholder. Any decrease in value of the Physical Underlying after the end of the term of the Securities has to be borne by the Securityholder.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Final Lock-In**" is specified to be applicable,

potential investors should be aware that, as far as the Conditions of the Securities provide for a "Final Lock-In" feature, certain amounts or performances, as specified in the Product Terms, will in the case of the occurrence of a predetermined lock-in event be "locked-in" to an extent that the participation of the Securityholders in the future performance of the Underlying or, as the case may be, the Basket Components is limited or even excluded.

Securityholder do in this case, not, or only to a limited extent, participate in any future performance of the Underlying or, as the case may be, the Basket Components.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Currency Conversion**" is specified to be applicable,

potential investors should consider that the Securityholder's right vested in the Securities is determined on the basis of a currency other than the Redemption Currency, currency unit or calculation unit, and also the value of the Underlying or, as the case may be, the Basket Components is determined in such a currency other than the Redemption Currency, currency unit or calculation unit. Potential investors should, therefore, be aware that investments in these Securities could entail risks due to fluctuating exchange rates, and that the risk of loss does not depend solely on the performance of the Underlying or, as the case may be, the Basket Components, but also on unfavourable developments in the value of the foreign currency, currency unit or calculation unit.

Such developments can additionally increase the Securityholders' exposure to losses, because an unfavourable performance of the relevant currency exchange rate may correspondingly decrease the value of the purchased Securities during their term or, as the case may be, the level of the Redemption Amount or, as the case may be, the value of the Physical Underlying to be delivered in an appropriate number, if any. Currency exchange rates are determined by factors of offer and demand on the international currency exchange markets, which are themselves exposed to economic factors, speculations and measures by governments and central banks (for example monetary controls or restrictions).

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Dual Currency**" is specified to be applicable,

potential investors should consider that – although Securityholders are entitled to receive payments in the predetermined currency specified in the applicable Product Terms as the Redemption Currency – the Issuer is in accordance with the Terms and Conditions entitled to replace, either during the life of the Securities or at the final redemption, this predetermined currency by another currency specified for that purposes in the applicable Product Terms. All following payments to the Securityholder will then be made in such other currency.

Potential investors should, therefore, be aware that investments in these Securities could entail specific risks due to fluctuating exchange rates between the predetermined currency specified in the applicable Product Terms and the alternative currency. Consequently, the risk of loss does not depend solely on the performance of the Underlying or, as the case may be, the Basket Components, but also on unfavourable developments in the value of the predetermined currency and the alternative currency.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Capital Protection**" is specified to be applicable,

potential investors should consider that the Securities are as at the end of their term only capital protected to the extent of a Minimum Amount (without consideration of the offering premium), *i.e.* the investor receives at the end of the term, in case of Securities linked to the performance of an Underlying even disregarding the actual performance of the Underlying or, as the case may be, the Basket Components, in any case the capital protected Minimum Amount specified in the relevant Final Terms. If an investor acquires the Securities at a price, which is higher than the Minimum Amount, the prospective investor should be aware that the (proportional) capital protection only refers to the lower Minimum Amount. In this context, it has to be considered that the capital protection only applies at the end of the term, *i.e.* provided that the Securities have not been terminated or, if so specified in the applicable Final Terms, expired early. The cash amount to be paid or, as the case may be and as specified in the applicable Final Terms, the value of the Physical Underlying to be delivered in an appropriate number, if any, in the case of an early redemption of the Securities can be considerably below the amount, which would be payable as a minimum at the end of the term of the Securities, where the capital protection applies to the extent of the Minimum Amount, and may even be equal to zero. In such case the Securityholders will incur a **total loss** of its investment (including any transaction costs).

Potential investors of the Securities should furthermore recognise that despite the capital protection to the extent of the Minimum Amount, the investor bears the risk of the Issuer's financial ability worsening and the potential subsequent inability of the Issuer to pay its obligations under the

Securities. In case of an insolvency of the Issuer, Securityholders may suffer a **total loss** of their investment in the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the capital invested. Purchasers of the Securities should in any case assess their financial situation, to ensure that they are in a position to bear the risks of loss connected with the Securities.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**No predefined term**" is specified to be applicable,

potential investors should consider that the Securities have - in contrast to securities with a fixed term - no predetermined 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 Date 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.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Time-lagged Valuation**" is specified to be applicable,

potential investors should note that in case of an exercise of the Securities on an Exercise Date or, as the case may be, of the occurrence of an automatic termination event (including, but not limited to, a Stop Loss Event or Knock Out Event) in accordance with the Conditions of the Securities, the Valuation Date or the Final Valuation Date relevant for determining the Reference Price or the Settlement Price, as specified in the Final Terms, will in accordance with the Conditions of the Securities be a day following a significant period after the relevant Exercise Date or, as the case may be, the relevant automatic termination date, as specified to be applicable in the Product Terms. Any adverse fluctuations in the Price of the Underlying or, as the case may be, of the Basket Components between such date and the Valuation Date or the Final Valuation Date, as specified in the Final Terms are borne by the relevant Securityholder.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Automatic Termination**" is specified to be applicable,

potential investors should consider that in case of the occurrence of an automatic termination event (including, but not limited to, a Stop Loss Event or Knock Out Event) in accordance with the Conditions of the Securities, the term of all outstanding Securities is automatically terminated.

The Securityholder, therefore, bears the risk of not participating in the performance of the Underlying or, as the case may be, the Basket Components to the expected extent and during the expected period and, therefore, receives less than its capital invested.

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

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Minimum Exercise Size**" is specified to be applicable,

potential investors should consider that any Securityholder, must in accordance with the Conditions of the Securities tender a specified minimum number of the Securities, in order to exercise the Security Right vested in the Securities, the so-called Minimum Exercise Size. Securityholders with fewer than the specified Minimum Exercise Size of Securities will, therefore, either have to sell their Securities or purchase additional Securities (incurring transaction costs in each case). Selling the Securities requires that market participants are willing to acquire the Securities at a certain price. In case that no market participants are readily available, the value of the Securities may not be realised.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant

Final Terms the product feature "**Securityholder's Termination Right**" is specified to be **not** applicable,

potential investors should consider that Securityholders do not have a termination right and the Securities may, hence, not be terminated by the Securityholders during their term. Prior to the maturity of the Securities the realisation of the economic value of the Securities (or parts thereof), is, unless the Securities have been subject to early redemption or termination by the Issuer in accordance with the Conditions of the Securities or, if so specified in the relevant Final Terms, an exercise of the Security Right by the Securityholders in accordance with the Conditions of the Securities, only possible by way of selling the Securities.

Selling the Securities requires that market participants are willing to acquire the Securities at a certain price. In case that no market participants are readily available, the value of the Securities may not be realised. The issuance of the Securities does not result in an obligation of the Issuer towards the Securityholders to compensate for this or to repurchase the Securities.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Quanto**" is specified to be applicable,

potential investors should consider that the Price of the Underlying or, as the case may be, the Basket Components is determined in a currency other than the Redemption Currency, so-called underlying currency. The relevant Price of the Underlying or of the Basket Components used for the calculation of any amounts payable under the Securities is expressed in the Redemption Currency without any reference to the currency exchange rate between the underlying currency of the Underlying or, as the case may be, the Basket Components, and the Redemption Currency (so-called "quanto"-feature). As a result, the relative difference between the actual interest rate in relation to the Underlying Currency and the actual interest rate in relation to the Redemption Currency may have a negative impact on the value of the Securities.

**2. Effect of downgrading of the Issuer's rating**

The general assessment of the Issuer's creditworthiness may affect the value of the Securities. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited, Moody's Investors Service, Inc. and Scope Ratings AG. As a result, any downgrading of the Issuer's rating by a rating agency may have a negative impact on the value of the Securities.

**3. Ratings are not Recommendations**

The ratings of UBS AG as Issuer should be evaluated independently from similar ratings of other entities, and from the rating, if any, of the debt or derivative securities issued. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

A rating of the Securities, if any, is not a recommendation to buy, sell or hold the Securities and may be subject to revision or withdrawal at any time by the relevant rating agency. Each rating should be evaluated independently of any other securities rating, both in respect of the rating agency and the type of security. Furthermore, rating agencies which have not been hired by the Issuer or otherwise to rate the Securities could seek to rate the Securities and if such "unsolicited ratings" are lower than the equivalent rating assigned to the Securities by the relevant hired rating agency, such ratings could have an adverse effect on the value of the Securities.

**4. 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.**

**5. Securityholders are exposed to the risk of a bail-in**

The Issuer and the Securities are subject to the Swiss Banking Act and the Swiss Financial Market Supervisory Authority's ("FINMA") bank insolvency ordinance, which empowers FINMA as the competent resolution authority to in particular apply under certain circumstances certain resolution tools to credit institutions. These measures include in particular the write-down or conversion of

securities into common equity of such credit institution (the so called bail-in). A write-down or conversion would have the effect that the Issuer would insofar be released from its obligations under the Securities. Securityholders would have no further claim against the Issuer under the Securities. The resolution tools may, hence, have a significant negative impact on the Securityholders' rights by suspending, modifying and wholly or partially extinguishing claims under the Securities. In the worst case, this can lead to a **total loss of the Securityholders' investment in the Securities**.

Such legal provisions and/or regulatory measures may severely affect the rights of the Securityholders and may have a negative impact on the value of the Securities even prior to any non-viability or resolution in relation to the Issuer.

6. **UBS has announced its intention to make certain structural changes in light of regulatory trends and requirements and the Conditions of the Securities do not contain any restrictions on the Issuer's or UBS's ability to restructure its business**

Over the past two years, UBS has undertaken a series of measures to improve the resolvability of the Group in response to too big to fail requirements in Switzerland and other countries in which the Group operates.

In December 2014, UBS Group AG completed an exchange offer for the shares of UBS AG, becoming the holding company for the UBS Group. Subsequently, during 2015, UBS Group AG filed and completed a procedure under the Swiss Stock Exchange and Securities Trading Act to squeeze out minority shareholders of UBS AG, as a result of which UBS Group AG acquired all of the outstanding shares of UBS AG.

In June 2015, UBS AG transferred its Retail & Corporate (now Personal & Corporate Banking) and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland.

In 2015, UBS also completed the implementation of a more self-sufficient business and operating model for UBS Limited, UBS's investment banking subsidiary in the UK, under which UBS Limited bears and retains a larger proportion of the risk and reward in its business activities.

In the third quarter of 2015, UBS established UBS Business Solutions AG as a direct subsidiary of UBS Group AG to act as the Group service company. UBS will transfer the ownership of the majority of its existing service subsidiaries to this entity. UBS expects that the transfer of shared service and support functions into the service company structure will be implemented in a staged approach through 2018. The purpose of the service company structure is to improve the resolvability of the Group by enabling UBS to maintain operational continuity of critical services should a recovery or resolution event occur.

In the second quarter of 2016, UBS Americas Holding LLC, a subsidiary of UBS AG, has been designated as the intermediate holding company for UBS's US subsidiaries as required under the enhanced prudential standards regulations pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"). UBS Americas Holding LLC holds all of UBS's US subsidiaries and is subject to US capital requirements, governance requirements and other prudential regulation.

In 2015, UBS has also established a new subsidiary of UBS AG, UBS Asset Management AG, into which UBS expects to transfer the majority of the operating subsidiaries of Asset Management during 2016. UBS continues to consider further changes to the legal entities used by Asset Management, including the transfer of operations conducted by UBS AG in Switzerland into a subsidiary of UBS Asset Management AG.

UBS continues to consider further changes to the Group's legal structure in response to capital and other regulatory requirements, and in order to obtain any rebate in capital requirements for which the Group may be eligible. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, consolidation of operating subsidiaries in the European Union, and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with FINMA and other regulatory authorities, and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.

The Conditions of the Securities contain no restrictions on change of control events or structural changes, such as consolidations or mergers or demergers of the Issuer or the sale, assignment, spin-off, contribution, distribution, transfer or other disposal of all or any portion of the Issuer's or its subsidiaries' properties or assets in connection with the announced changes to its legal structure or otherwise and no event of default, requirement to repurchase the Securities or other event will be triggered under the Conditions of the Securities as a result of such changes. There can be no assurance that such changes, should they occur, would not adversely affect the credit rating of the Issuer and/or increase the likelihood of the occurrence of an event of default. Such changes, should they occur, may adversely affect the Issuer's ability to redeem or pay interest on the Securities and/or lead to circumstances in which the Issuer may elect to cancel such interest (if applicable).

**7. Termination and Early Redemption at the option of the Issuer**

Potential investors in the Securities should furthermore be aware that the Issuer is, pursuant to the Conditions of the Securities, under certain circumstances, e.g. in case that (i) the determination and/or publication of the price of the Underlying or, as the case may be, a Basket Component is discontinued permanently or (ii) that due to the coming into effect of changes in laws or regulations (including but not limited to tax laws) at the reasonable discretion of the Issuer the holding, acquisition or sale of the Underlying or, as the case may be, a Basket Component is or becomes wholly or partially illegal, entitled to terminate and redeem the Securities in total prior to the scheduled Maturity Date. In case of a **share as the Underlying or a Basket Component**, as the case may be, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the Issuer is pursuant to the Conditions of the Securities also entitled to termination, if the liquidity of the shares of the affected company is, in the Issuer's opinion, significantly affected by a take-over of the relevant shares, even without the occurrence of a delisting of the stock company. In case the Issuer terminates and redeems the Securities prior to the Maturity Date, the Securityholder is in accordance with the Conditions of the Securities entitled to demand the payment of a redemption amount in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the relevant termination date. Furthermore, the Termination Amount, if any, payable in the case of an early redemption of the Securities by the Issuer can be considerably below the amount, which would be payable at the scheduled end of the term of the Securities.

The Securityholder, therefore, bears the risk of not participating in the performance of the Underlying or, as the case may be, the Basket Components, to the expected extent and during the expected period.

In the case of a termination the Issuer shall pay to each Securityholder an amount in the Redemption Currency with respect to each Security held by it, which is determined by the Calculation Agent at its reasonable discretion and, if applicable, considering the then prevailing Price of the Underlying or, as the case may be, the Basket Components and the expenses of the Issuer caused by the termination, as the fair market price of a Security at the occurrence of the termination. When determining a fair market price of a Security, the Calculation Agent is entitled to consider all factors, including any adjustments of option contracts on the Underlying or, as the case may be, the Basket Components, without being bound to any third party measures or assessments, in particular any measures or assessments of any futures or options exchange. Due to the fact that the Calculation Agent may take into consideration the market factors it considers to be relevant at its reasonable discretion without being bound to third party measures or assessments, there is the risk that the amount determined by the Calculation Agent at its reasonable discretion as the fair market price of the Security at the occurrence of the termination – and, hence, the Termination Amount – may differ from the market price of comparable Securities relating to the Underlying or, as the case may be, the Basket Components, as determined by a third party.

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 are less favourable than those prevailing at the time of the acquisition of the Securities.

**8. Possible fluctuations in the Price of the Underlying or, as the case may be, the Basket Components after termination of the Securities**

In the event that the term of the Securities is terminated early by the Issuer pursuant to the Conditions of the Securities, potential investors of the Securities should note that any adverse fluctuations in the

Price of the Underlying or, as the case may be, of the Basket Components between the announcement of the termination by the Issuer and the determination of the Price of the Underlying or, as the case may be, the Basket Components relevant for the calculation of the then payable relevant Termination Amount or, if in the applicable Product Terms in the definition of "Securities" the product feature "**Securityholder's Termination Right**" is specified to be applicable, of the Securityholder Termination Amount, as the case may be, are borne by the Securityholders.

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

There is the risk that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlying or, as the case may be, the Basket Components, which potentially lead to changes to the Underlying or, as the case may be, the Basket Components or result in the underlying concept of the Underlying or, as the case may be, the Basket Components being changed, so-called Potential Adjustment Events. In the case of the occurrence of a Potential Adjustment Event, the Issuer shall be entitled to effect adjustments according to the Conditions of the Securities to account for these events or measures. These adjustments might have a negative impact on the value of the Securities.

**10. Substitution of the Issuer**

Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is in accordance with the Conditions of the Securities, at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the "**Substitute Issuer**") with respect to all obligations under or in connection with the Securities.

This may impact any listing of the Securities and, in particular, it may be necessary for the Substitute Issuer to reapply for listing on the relevant market or stock exchange on which the Securities are listed. In addition, following such a substitution, Securityholders will become subject to the credit risk of the Substitute Issuer.

**11. 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 Potential Adjustment Event or 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 or, as the case may be, the Basket Components and (iv) to postpone valuations or payments under the Securities. The Calculation Agent will make any such determination at its reasonable discretion 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.

**12. Other factors affecting the value**

The value of a Security is determined not only by changes in the Price of the Underlying or, as the case may be, the Basket Components, 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. There is the risk that any combination of risk factors may have a significantly negative effect 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 Price of the Underlying or, as the case may be, the Basket Components remain(s) constant.

Potential investors of the Securities should be aware that an investment in the Securities involves a valuation risk with regard to the Underlying or, as the case may be, the Basket Components. They should have experience with transactions in securities with a value derived from the Underlying or, as the case may be, the Basket Components. The value of the Underlying or, as the case may be, the Basket Components may vary over time and may increase or decrease by reference to a variety of factors which may include UBS corporate action, macro economic factors and speculation. In addition, the historical performance of the Underlying or, as the case may be, the Basket Components is not an



indication of its future performance. Changes in the market price of the Underlying or, as the case may be, the Basket Components will affect the trading price of the Securities, and it is impossible to predict whether the market price of the Underlying or, as the case may be, the Basket Components will rise or fall or improve or worsen, respectively.

**13. 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.

**14. 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.

**15. 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.

If so specified in the relevant Final Terms, applications will be or have been made to the Security Exchange(s) specified for admission or listing of the Securities. If the Securities are admitted or listed, there is the risk that any such admission or listing will not 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, there is the risk that the number of Securities actually issued and purchased by investors is less than the intended Issue Size or, as the case may be, the intended Aggregate Nominal Amount 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.

The Manager(s) intend, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager(s) make 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. The Manager(s) determine(s) any bid and offer prices of the Securities by using common pricing models taking into account the changes in parameters that determine market prices. Unlike stock exchange trading prices (of shares, for example) these prices are not directly determined by the principle of offer and demand in relation to Securities. In case of extraordinary market conditions or technical problems, it may be temporarily complicated or impossible to purchase or sell the Securities. **Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.**

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

Securities under the Base Prospectus may be issued either physically in bearer form (including Swiss Global Securities and (Temporary or Permanent) Global Security(s)) to be kept with the relevant Clearing System or on its behalf) or in uncertificated and dematerialised form to be registered in book-entry form with the relevant Clearing System (in case of Intermediated Securities, Swedish Securities, Finnish Securities, Norwegian Securities and Danish Securities).

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.

**17. 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 or, as the case may be, the Basket Components 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.

**18. 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 intrinsic value of the Securities at the time of their sale.

**19. 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.

**20. 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. However, there is the risk that the Price of the Underlying or, as the case may be, the Basket Components, 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 or, as the case may be, the Basket Components, entering into or closing out such hedging transactions may affect the likelihood of this event occurring or not occurring.

**21. 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 the Base Prospectus but to ask for their own tax advisor'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.

**22. 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 U.S. 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 U.S. Treasury Department regulations, certain payments or deemed payments to non-U.S. Securityholders with respect to certain equity-linked instruments that reference U.S. stocks or indices that include U.S. equities may be treated as dividend equivalents that are subject to U.S. withholding tax at a rate of 30% (or lower treaty rate). Under these 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 an Underlying or, as the case may be, a Basket Component, providing for dividends from sources within the United States, it is possible that these rules could apply to the Securities.**

Section 871(m) of the U.S. Tax Code and the applicable regulations may apply to Securities that are issued (or significantly modified) on or after 1 January 2017. 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") generally imposes a 30% U.S. withholding tax on payments of certain U.S. source interest, dividends and certain other fixed or determinable annual or periodical income, on the gross proceeds from the sale, maturity, or other disposition of certain assets after 31 December 2018 and on certain "foreign passthru payments" made after 31 December 2018 (or, if later, the date that final regulations defining the term "foreign passthru payments" are published) 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 (or to a non-U.S. governmental authority under a relevant Intergovernmental Agreement entered into between such non-U.S. governmental authority and the United States, which would then provide this information 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 about holders of the Securities directly to the IRS (or to a non-U.S. governmental authority as described above). Moreover, the Issuer may be required to withhold on a portion of payments made on the Securities to (i) holders who do not provide any information requested to enable the Issuer to comply with FATCA, 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 any payments under the Securities 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.**

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

The considerations concerning the taxation of the Securities set forth in this Base Prospectus reflect the opinion of the Issuer on the basis of the legal situation identifiable as of the date hereof. However, there is the risk that the fiscal authorities and tax courts might take a different view, resulting in a different tax treatment of the Securities. In addition, the tax considerations set forth in this Base Prospectus 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 Base Prospectus 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. 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 Managers assumes any responsibility vis-à-vis the Securityholders for the tax consequences of an investment in the Securities.

#### 24. 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 or, as the case may be, the Basket Components, 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 and/or index sponsor.

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the Underlying or, as the case may be, the Basket Components; 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 or, as the case may be, the Basket Components, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders. In addition, one or more of the Issuer's affiliated companies may publish research reports on the Underlying(s) or, as the case may be, the Basket Components. Such activities could present conflicts of interest and may negatively affect the value of the Securities.

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 Managers, upon request, will provide information on the amount of these fees.

### 3. **Underlying specific Risks**

The Securities issued under the Base Prospectus may be linked to a share, a non-equity security, a precious metal, a commodity, an index, an exchange traded fund unit, a not exchange traded fund unit, a futures contract, a currency exchange rate, an interest rate or a reference rate. The Securities may relate to one or more of these Underlyings or a combination of them.

Some or all of the amounts payable or the Physical Underlying to be delivered on exercise, redemption or periodically under the Securities will be determined by reference to the price or value of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, of the Basket Components. Accordingly, investing in the Securities also involves certain risks that are related to the Underlying and investors should review carefully the Base Prospectus and the applicable Final Terms in order to understand the effect on the Securities of such linkage to the Underlying.

The purchase of, or investment in, Securities linked to an Underlying 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 Base Prospectus, the Conditions of the Securities and the applicable Final Terms and be aware of the nature and extent of the exposure to risk of loss.

1. **General risks related to the Underlying or a Basket Component, as the case may be**

Investors should be aware that some risks are related to the Underlying or, as the case may be, the Basket Components in general:

**Risk of fluctuations in the value of the Underlying or the Basket Components, as the case may be**

By investing in Securities linked to an Underlying, Securityholders are subject to the risks related to such Underlying. The performance of the Underlying or, as the case may be, the Basket Components is subject to fluctuations. Therefore, Securityholders cannot foresee what consideration they can expect to receive for the Securities on a certain day in the future. When the Securities are redeemed, exercised or otherwise disposed of on a certain day, substantial losses in value might occur in comparison to a disposal at a later or earlier point in time.

**Uncertainty about future performance of the Underlying or the Basket Components, as the case may be**

The value of the Underlying or, as the case may be, the Basket Components may vary over time and may increase or decrease by reference to a variety of factors, e.g. corporate actions, macroeconomic factors and speculation. Potential investors should note that an investment in Securities linked to an Underlying may be subject to similar risks than a direct investment in the Underlying or, as the case may be, the Basket Components.

It is not possible to reliably predict the future performance of the Underlying or, as the case may be, the Basket Components. Likewise, the historical data of the Underlying or, as the case may be, the Basket Components does not allow for any conclusions to be drawn about the future performance of the Underlying or, as the case may be, the Basket Components and the Securities. The Underlying or Basket Components may have only a short operating history or may have been in existence only for a short period of time and may deliver results over the longer term that may be lower than originally expected.

**No warranties or representations regarding the future performance of the Underlying or the Basket Components, as the case may be**

The Issuer does not give any explicit or tacit warranty or representation regarding the future performance of the Underlying or, as the case may be, the Basket Components. In addition, the issuer or the sponsor of the Underlying or, as the case may be, the Basket Component 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 or the Basket Components, as the case may be**

Potential investors should be aware that the relevant Underlying or, as the case may be, the Basket Components 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 or, as the case may be, Basket Component 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 or Basket Component.

**Risks associated with Underlyings or a Basket Component, as the case may be, which are subject to emerging market jurisdictions**

An Underlying or, as the case may be, a Basket Component may be subject to the jurisdiction of an emerging market. Investing in Securities with such an Underlyings or, as the case may be, Basket Component involves additional legal, political (e.g. rapid political upheavals) or economical (e.g. economic crises) risks.

Countries that fall into this category are usually considered to be “emerging” because of their developments and reforms and their economy being in the process of changing from those of a moderately developed country to an industrial country. In emerging markets, expropriation, taxation equivalent to confiscation, political or social instability or diplomatic incidents may have a negative impact on an investment in the Securities. The amount of publicly available information with respect to the Underlying or any components thereof may be less than that normally made available to Securityholders. Transparency requirements, accounting, auditing and financial reporting standards as well as regulatory standards are in many ways less stringent than standards in industrial countries.

Although they generally record rising volumes, some emerging financial markets have much lower trading volumes than developed markets and the securities of many companies are less liquid and their prices are subject to stronger fluctuations than those of similar companies in developed markets.

**Risks associated with a limited information base regarding the Underlying or the Basket Components, as the case may be, and a possible information advantage of the Issuer**

Information regarding the Underlying or the Basket Components, as the case may be may not be publicly available or only available to a certain extent. Therefore, investors may have no or only limited access to detailed information regarding the relevant Underlying or the Basket Components, as the case may be, in particular on its current price or value, on its past and future performance and on its volatility.

In contrast, the Issuer may have access to information which is not publicly available and may thereby generate an information advantage.

In addition, any publicly available information may be published with delay and may not have been published or published in full at the time the investors seeks the information or at the time the amounts payable or the Physical Underlying to be delivered on exercise, redemption or periodically under the Securities will be determined by reference to the price or value of the Underlying or the Basket Components, as the case may be.

**Consequence of the linkage to a basket as the Underlying or, as the case may be, a portfolio of Underlyings**

In case of a basket or a portfolio used as the Underlying, as specified in the definition of “Underlying” contained in the section “Product Terms” of the relevant Final Terms, the level of the Redemption Amount depends on the performance of the Basket comprising the Basket Components or, as the case may be, a portfolio comprising the Underlyings.

As a result, fluctuations in the value of one Basket Component or, as the case may be, one Underlying may be offset or intensified by fluctuations in the value of other Basket Components comprised in the Basket or, as the case may be, Underlyings comprised in the portfolio. Even in the case of a positive performance of one or more Basket Components comprised in the Basket or Underlyings comprised in the portfolio, the performance of the Basket or the portfolio, respectively, as a whole may be negative if the performance of the other Basket Components or, as the case may be, Underlyings is negative to a greater extent. There can be a significant adverse effect on the calculation or specification of the redemption amount if the performance of one or more Basket Components comprised in the Basket or, as the case may be, Underlyings comprised in the portfolio, on which the calculation or specification of the redemption amount is based, has deteriorated significantly.

Furthermore, also the degree of the Basket Components' or the Underlyings' dependency from each other, so-called correlation, is of importance when calculating the level of the Redemption Amount. If all of the Basket Components or the Underlyings derive from the same economy sector or, as the case may be, the same country the development of the Basket Components or the Underlyings therefore depends on the development of a single economy sector or a single country. That implies that in the case of an unfavourable development of a single economy sector or a single country, which is represented by the Basket comprising the Basket Components or, as the case may be, the portfolio comprising the Underlyings, the Basket or the portfolio may be affected over proportionally by this unfavourable development.

In the case of an Underlying consisting of different shares (except those of the Issuer or of any of its affiliates), indices, currency exchange rates, precious metals, commodities, interest rates, non-equity

securities, exchange traded fund units, not exchange traded fund units, futures contracts or reference rates (each a “**Basket**”), the Issuer may have the right, in certain circumstances as specified in the Final Terms, to subsequently adjust the Basket (i.e. remove a component of the Basket without replacing it or replace the component of the Basket in whole or in part by another basket component and/or if necessary by adjusting the weighting of the Basket). The Securityholder may not assume that the composition of a Basket will remain constant during the life of the Securities.

Depending on the features of the relevant Securities, there can be a significant adverse effect on the calculation or specification of the redemption amount or interest amounts if the performance of one or more basket components, on which the calculation or specification of the redemption amount or interest amounts is based, has deteriorated significantly.

#### **Relative performance of the Underlying to another Underlying used as benchmark**

In case of a determination of a relative performance of the Underlying or, as the case may be, the Underlyings to another Underlying or, as the case may be, the Underlyings, as specified in the section “Product Terms” of the relevant Final Terms, investors should also note that the value of the Securities will even in case of a positive performance of the relevant Underlying or, as the case may be, Underlyings remain constant, if the other Underlying or, as the case may be, Underlyings perform(s) in parallel.

#### **2. Specific risks related to the Underlying or a Basket Component, as the case may be**

In addition, the following risks are specifically related to the Underlying or a Basket Component, as the case may be:

In case of a **share as the Underlying or a Basket Component**, as the case may be, as specified in the definition of “Underlying” contained in the section “Product Terms” of the relevant Final Terms,

potential investors should consider the following **risks specifically related to shares as Underlying or a Basket Component**, as the case may be:

#### **Specific risks related to the performance of shares**

The performance of a share used as the Underlying or, as the case may be, a Basket Component depends on the performance of the company issuing the shares. But even regardless of the financial position, cash flows, liquidity and results of operations of the company issuing the shares, the price of a share can be subject to fluctuations or adverse changes in value. In particular, the development of the share price can be influenced by the general economic situation and market sentiment.

#### **Similar risks to a direct investment in shares**

The market price of Securities with a share used as the Underlying or, as the case may be, a Basket Component depends on the performance of the share. The performance of a share may be subject to factors like the dividend or distribution policy, financial prospects, market position, corporate actions, shareholder structure and risk situation of the issuer of the share, short selling activities and low market liquidity as well as to political influences. Accordingly, an investment in Securities with a share as Underlying or, as the case may be, a Basket Component may bear similar risks to a direct investment in shares.

The performance of the share may be subject to factors outside the Issuer's sphere of influence, such as the risk of the relevant company becoming insolvent, insolvency proceedings being opened over the company's assets or similar proceedings under the laws applicable to the company being commenced or similar events taking place with regard to the company, which may result in a total loss for the Securityholder, or the risk that the share price is highly volatile. The issuer's dividend or distribution policy, its financial prospects, market position, any capitalisation measures, shareholder structure and risk situation may also affect the share price.

In addition, the performance of the shares depends particularly on the development of the capital markets, which in turn are dependent on the global situation and the specific economic and political environment. Shares in companies with low or average market capitalisation may be subject to even higher risks (e.g. with regard to volatility or insolvency) than shares in larger companies. Furthermore, shares in companies with a low market capitalisation may be extremely illiquid due to smaller trading

volumes. Shares in companies having their seat or exerting their relevant operations in countries with a high legal uncertainty are subject to additional risks, such as the risk of governmental measures being taken or nationalisation taking place. This may result in the partial or total loss of the share's value. The realisation of these risks may result in Securityholders relating to such shares losing all or parts of the capital invested.

#### **Investors in the Securities have no shareholder rights**

The Securities constitute no interest in a share as the Underlying or, as the case may be, a Basket Component including any voting rights or rights to receive dividends, interest or other distributions, as applicable, or any other rights with respect to the share. The Issuer and any of its affiliates may choose not to hold the shares or any derivatives contracts linked to the shares used as Underlying or, as the case may be, a Basket Component. Neither the Issuer nor any of its affiliates is restricted from selling, pledging or otherwise conveying all right, title and interest in any shares or any derivatives contracts linked to the shares by virtue solely of it having issued the Securities.

#### **No registration in the register of members in the case of physical delivery of Registered Shares**

If the share used as the Underlying or, as the case may be, a Basket Component is a share that is registered in the name of the holder or if the shares contained in an Underlying (e.g. in an index or a Basket) are registered in the name of the holder (each a "**Registered Share**"), and if the Issuer is obliged, as specified in the applicable Conditions of the Securities, to physically deliver these shares to the investor in accordance with the Conditions of the Securities, the rights under the shares (e.g. participation in the annual general meeting and exercise of voting rights) may only be exercised by shareholders that are registered in the register of members or a comparable official shareholder register of the issuer of such Registered Shares. In the case of Registered Shares, any obligation incumbent upon the Issuer to deliver the shares is limited solely to the provision of the shares in a form and with features that allow for stock-exchange delivery and does not cover entry into the register of members. In such cases, any claims due to non-performance, in particular reversal of the transaction or damages, are excluded.

#### **Currency risks**

In case of investments of the company, the shares of which are used as the Underlying or, as the case may be, a Basket Component, being denominated in currencies other than the currency in which the share value is calculated, certain additional correlation risks may apply. These correlation risks depend on the degree of dependency of currency fluctuations of the relevant foreign currency to the currency in which the share value is calculated. Hedging transactions, if any, of the company may not exclude these risks.

#### **Issuer's conflicts of interest with regard to the Shares**

It is possible that the Issuer or any of its affiliates hold shares in the company which has issued the Underlying or, as the case may be, the Basket Component which may result in conflicts of interest. The Issuer and any of its affiliates may also decide not to hold the Underlying or, as the case may be, a Basket Component, or not to conclude any derivative contracts linked to the share. Neither the Issuer nor any of its affiliates are limited in selling, pledging or otherwise assigning rights, claims and holdings regarding the Underlying or, as the case may be, the Basket Component or any derivative contracts relating to the Underlying or, as the case may be, the Basket Component solely based on the fact that the Securities were issued.

In case of a **certificate representing shares as the Underlying or a Basket Component**, as the case may be, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

potential investors should consider the following **risks specifically related to certificates representing shares as Underlying or a Basket Component**, as the case may be:

#### **Similar risks to a direct investment in certificates representing shares and the Underlying Shares respectively**

The level of the Redemption Amount is determined by reference to the price of the certificate representing shares used as the Underlying or, as the case may be, a Basket Component. A certificate representing shares represents shares of a stock corporation (each a "**Underlying Share**") and, as such, mirrors the performance of these Underlying Shares. Consequently, any investment in the Securities is,



to a certain extent, subject to market risks similar to a direct investment in the certificate representing shares and the Underlying Shares respectively.

Potential investors should, as a result, also consider the **risks specifically related to shares as Underlying or a Basket Component**, as the case may be, related to the Underlying Shares when investing in the Securities.

In case of a **non-equity security as the Underlying or a Basket Component, as the case may be**, as specified in the applicable Product Terms in the definition of "Underlying",

potential investors should consider the following risks **specifically related to non-equity securities as Underlying or a Basket Component**, as the case may be:

#### **Similar risks to a direct investment in non-equity securities**

The level of the Redemption Amount is determined by reference to the price of the non-equity security used as the Underlying or, as the case may be, a Basket Component. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in the non-equity security.

#### **Market Price Developments**

The market price development of Securities using non-equity securities as the Underlying or, as the case may be, a Basket Component depends on the development of the non-equity securities which are subject to influences outside of the Issuer's sphere of influence, such as the risk that the issuer of the non-equity securities becoming insolvent or that the market price is subject to considerable fluctuations.

#### **No endorsement of the issuer**

Securities with non-equity securities used as the Underlying or, as the case may be, a Basket Component are not in any way sponsored, endorsed, sold or promoted by the issuer of the underlying non-equity securities and such issuer makes no warranty or representation whatsoever, express or implied, as to the future performance of the non-equity securities. Furthermore, the issuer of the non-equity securities used as the Underlying or, as the case may be, a Basket Component does not assume any obligations to take the interest of the Issuer of the Securities or those of the Securityholders into consideration for any reason. None of the issuers of the underlying non-equity securities are responsible for, and have participated in, the determination of the timing of, prices for or quantities of, the Securities.

In case of a **precious metal or commodity as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

potential investors should consider the following risks **specifically related to precious metals or commodities as Underlying or a Basket Component**, as the case may be:

#### **Similar risks to a direct investment in the precious metals or commodities**

An investment in Securities using precious metals or commodities as the Underlying or, as the case may be, a Basket Component may bear similar risks to a direct investment in the relevant underlying commodity(ies) or precious metal(s). Commodities (e.g. oil, gas, wheat, corn) and precious metals (e.g. gold, silver) are traded mainly on specialised exchanges or directly among market participants (over the counter). An investment in commodities and precious metals is associated with a greater risk than investments in e.g. bonds, currencies or stocks as prices in this asset category are subject to greater fluctuations (volatility) as trading in commodities and precious metals serves speculative reasons and may be less liquid than e.g. stock markets.

#### **Dependence on the value of the precious metals or commodities**

The following factors (which is a non-exhaustive list) may influence commodity and precious metal prices: supply and demand; speculations in the financial markets; production bottlenecks; delivery difficulties; few market participants; production in emerging markets (political disturbances, economic crises); political risks (war, terrorist actions); unfavourable weather conditions; natural disasters.

In cases of precious metals or commodities used as the Underlying, it should be noted that the values are traded 24 hours a day through the time zones of Australia, Asia, Europe and America. This may lead to a determination of different values of the relevant Underlying in different places. **Potential investors of the Securities should, therefore, be aware that a relevant limit, barrier or, as the case may be, threshold, if applicable, described in the Conditions of the Securities, may be reached, exceeded or fallen short at any time and even outside of local or the business hours of the Issuer, the Calculation Agent or the Managers.**

#### **Cartels and regulatory changes**

A number of companies or countries producing commodities and precious metals have formed organisations or cartels to control the offer and thus influence prices. On the other hand, the commodities and precious metals trade is subject to regulatory supervision or market rules the application of which may also have negative impacts on the pricing of the precious metals concerned.

#### **Limited liquidity**

Many commodities and precious metals markets are not particularly liquid and may therefore not be able to react swiftly and in a sufficient manner to changes to the offer or demand side. In case of a low liquidity, speculative investments of individual market participants may result in distorted prices.

#### **Political risks**

Precious metals are often extracted in emerging markets and acquired by industrialised nations. The political and economic situation of emerging markets, however, is less stable than in the industrialised nations. They are more likely to face risks of quick political change or cyclical downturns. Political crises may unsettle the confidence of Securityholders which, in turn, may affect the prices of the goods. Acts of war or conflicts may change the offer and demand sides of specific precious metals. It is also possible that industrialised nations lay an embargo on the import or export of precious metals and services which may directly or indirectly affect the price of a precious metal used as the Underlying or, as the case may be, a Basket Component.

In case of an **index as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

potential investors should consider the following risks **specifically related to indices as Underlying or a Basket Component**, as the case may be:

#### **Similar risks to a direct investment in the index components**

The market price of the Securities with an index used as the Underlying or, as the case may be, a Basket Component depends on the performance of the index. The performance of the index is subject to the performance of the components of the respective index. Accordingly, an investment in Securities with an index used as the Underlying or, as the case may be, Basket Component may bear similar risks to a direct investment in the index components.

#### **Dependence on the value of the index components**

The value of the index will be calculated on the basis of the value of its components. Changes to the prices of the index components, the composition of the index as well as other factors which (may) affect the value of the index components, will also affect the value of the Securities which are linked to the relevant index and may thus affect the return on any investment in such Securities. Fluctuations in the value of an index component may be set-off or enhanced by fluctuations in the value of other index components. The historic performance of the index does not constitute a guarantee of its future performance. An index used as the Underlying or, as the case may be, a Basket Component might not be available during the full term of the Securities, might be exchanged or continued to be calculated by the Issuer itself. In such or other cases as mentioned in the Conditions of the Securities, the Issuer is in accordance with the Conditions entitled to terminate the Securities.

It is possible that the Index used as Underlying or, as the case may be, a Basket Component only reflects the performance of assets in certain countries or certain industry sectors. In that case, the Securityholders are facing concentration risks. In case of unfavourable economic developments in a country or with regard to one industry sector such development may have negative impacts for the Securityholder. If several countries or sectors are represented in one index, it is possible that these are weighted in an uneven manner. This means that an unfavourable development in a country or one

industry sector with high weighting in the index will affect the value of the index in an unproportionately negative manner.

Securityholders should be aware that selecting an index is not based on the expectations or evaluations of the Issuer or the Calculation Agent with regard to the future performance of the selected index. Securityholders should therefore assess the future performance of an index based on their own knowledge and the information available to them.

#### **Influence of the Issuer or the index sponsor on the index**

If the Issuer or any of its affiliates is not the index sponsor, the index composition of the respective index as well as the method of calculating the index is determined by the index sponsor alone or in cooperation with other entities. In this case, the Issuer has no influence on the composition or method of calculating the index. An amendment of the index composition may have an adverse impact on its performance. If, after an amendment by the index sponsor, the index is no longer comparable to the original index the Issuer has the right to adjust or terminate the Securities, if so specified in the Final Terms. Such an adjustment or termination may lead to losses for the Securityholders.

In accordance with the relevant index rules, the index sponsor may be entitled to make changes to the composition or calculation of the index, which may have a negative effect on the performance of the Securities, or to permanently discontinue the calculation and publication of the index used as the Underlying or, as the case may be, a Basket Component without issuing a successor index.

If the Issuer or any of its affiliates is not the index sponsor, Securities with an index as Underlying are not in any way sponsored, endorsed, sold or promoted by the index sponsor. Such index sponsor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index or the value at which the index stands at any particular time. Such an index is determined, composed and calculated by its respective index sponsor, without regard to the Issuer or the Securities. Such an index sponsor is not responsible or liable for the Securities to be issued, the administration, marketing or trading of the Securities.

If the Issuer or any of its affiliates acts as index sponsor or as index calculation agent, conflicts of interests may arise, since any calculation and/or determination of the index sponsor or as index calculation agent has immediate impact on the amount payable under the Securities.

Potential investors in the Securities should furthermore be aware that the Issuer is in case that the calculation and/or publication of the index used as the Underlying is permanently discontinued, pursuant to the Conditions of the Securities, entitled to terminate and redeem the Securities in total prior to the scheduled maturity of the Securities.

#### **Risks associated with new or not recognised indices or with the regulation and reform of benchmarks**

Using a not recognised or new index as Underlying or, as the case may be, Basket Component may involve a lower level of transparency as regards the composition, continuation and calculation of the index than using a recognised index would. Information concerning a not recognised index may be less readily available and the composition of such an index may depend much more on subjective criteria than the composition of a recognised index would.

Also, indices generally constitute benchmarks and as such may be subject to supervisory law regulations and reform proposals. Innovations such as the ones introduced by the Regulation of the European Parliament and of the Council on indices used as benchmarks in certain financial instruments and financial contracts or to measure the performance of investment funds (the “**EU Benchmark Regulation**”) may result in the different performance of the relevant benchmarks or exclude them from being used as benchmarks (e.g. because the indices may incur higher costs if regulatory requirements for the administrator are tightened or because the use of benchmarks by unrecognised administrators may be prohibited), or may have other effects which are not foreseeable at present.

Potential investors should be aware that each of these consequences may have a material adverse effect on the level of the index and consequently on the value of the Securities.

#### **Adverse effect of fees on the index**

An index used as the Underlying or, as the case may be, a Basket Component may in accordance with its index rules include fees (e.g. calculation fees or fees related to changes in the composition of the Index), which are taken into account when calculating the level of the Index. As a result, any of these index fees reduce the level of the index and have an adverse effect on the index and on any amounts to be paid under the Securities.

**Dividends are not taken into account / price index**

If the index used as the Underlying or, as the case may be, a Basket Component is calculated as a so-called price index, dividends or other distributions, if any, that are paid out from the index components are not taken into account when calculating the level of the index and may have a negative impact on the price of the index, because the index components will be traded at a discount after the pay-out of dividends or distributions. Thus, Securityholders generally do not participate in any dividends or other distributions paid out or made on components contained in the index used as an Underlying or, as the case may be, as a Basket Component.

**Risks in relation to the comparison of the performance of a price index and a performance or total return index**

If, for the calculation or specification of amounts payable under the Securities, the performance of a price index is compared with the performance of a total return index potential investors should note that the calculation of the price index does – in contrast to a total return index – not take into account dividends or other distributions, if any, that are paid out from the index components. As a result, the performance of a total return index will – compared to the performance of a price index – always look more positive than the performance of the price index.

**The basis of calculating the price of the Underlying or, as the case may be, the Basket Component may change during the term of the Security**

The basis of calculating the price of the index used as the Underlying or, as the case may be, a Basket Component or of the index components may vary during the term of the Securities and may negatively affect the market value of the Securities.

**Risk of country or sector related indices**

If an index used as the Underlying or, as the case may be, a Basket Component reflects the performance only of assets in some countries or industries, this index is affected disproportionately negative in case of an unfavourable development in such a country or sector.

**Currency exchange risk contained in the index**

Index components may be listed in a different currency and therefore be exposed to different currency influences (this applies particularly for country or sector related indices). Also, it is possible that index components are converted first from one currency to the currency which is relevant for the calculation of the index only to then have to be converted again in order to calculate or specify an amount payable under the Securities. In such cases, Securityholders bear several currency risks, which may not be clearly recognisable for Securityholders.

**Adverse effect of fees on the index level**

If the index composition, specified in the relevant description of the index, changes, fees may arise, which reduce the level of the index used as the Underlying or, as the case may be, a Basket Component. This may have a negative effect on the performance of the index and on the amounts to be paid under the Securities. In case of indices which reflect certain markets or industry sectors by using certain derivative financial Securities, this may lead to higher fees and thus lower performance of the index than in case of a direct investment in these markets or industry sectors.

**Publication of the index composition not constantly updated**

Some index sponsors publish the composition of the relevant indices not completely or only after a time lag on a website or in other media specified in the Final Terms. In this case the composition shown might not always be the current composition of the respective index used for calculating the Securities. The delay may be substantial, may under certain circumstances last several months and the calculation of the Securities may be negatively affected.

In case of the **UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section

“Product Terms” of the relevant Final Terms,

potential investors should consider the following risks **specifically related to the UBS Multi Asset Portfolio T10 Total Return Index as Underlying or a Basket Component**, as the case may be:

#### **Rules-Based Index**

The UBS Multi Asset Portfolio T10 Total Return Index operates on the basis of predetermined rules. Accordingly, potential investors in Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component should determine whether those rules are appropriate in light of their individual circumstances and investment objectives.

No assurance can be given that the algorithm on which the UBS Multi Asset Portfolio T10 Total Return Index is based will be successful or that the UBS Multi Asset Portfolio T10 Total Return Index will outperform any alternative algorithm that might be employed.

#### **Equity market risks may affect the market value of the UBS Multi Asset Portfolio T10 Total Return Index and the Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component.**

Because the components of the UBS Multi Asset Portfolio T10 Total Return Index include equity securities, UBS expects that the UBS Multi Asset Portfolio T10 Total Return Index will fluctuate in accordance with changes in the financial condition of the relevant issuer(s) of the component stocks of the components of the UBS Multi Asset Portfolio T10 Total Return Index, the value of common stocks generally and other factors. The financial condition of the issuer(s) of the components of the UBS Multi Asset Portfolio T10 Total Return Index may become impaired or the general condition of the equity market may deteriorate, either of which may cause a decrease in the level of the UBS Multi Asset Portfolio T10 Total Return Index. 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 components of the UBS Multi Asset Portfolio T10 Total Return Index change. Investor perceptions regarding the issuer of an equity security comprising the components of the UBS Multi Asset Portfolio T10 Total Return Index 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.

#### **The UBS Multi Asset Portfolio T10 Total Return Index is not actively managed.**

The UBS Multi Asset Portfolio T10 Total Return Index operates in accordance with a predetermined methodology and formulae, and the sponsor of the UBS Multi Asset Portfolio T10 Total Return Index exercises discretion in limited situations. The UBS Multi Asset Portfolio T10 Total Return Index is, therefore, not managed. The sponsor of the UBS Multi Asset Portfolio T10 Total Return Index is not acting as an investment adviser or performing a discretionary management role with respect to the UBS Multi Asset Portfolio T10 Total Return Index and, as a result, has no fiduciary duty to any person in respect of the UBS Multi Asset Portfolio T10 Total Return Index.

#### **Commodity prices may change unpredictably, affecting the value of the UBS Multi Asset Portfolio T10 Total Return Index in unforeseeable ways.**

Trading in futures contracts on physical commodities, including trading in certain components of the UBS Multi Asset Portfolio T10 Total Return Index (which are subindices composed of commodity futures contracts), is speculative and can be extremely volatile. Market prices of such components of the UBS Multi Asset Portfolio T10 Total Return Index, the underlying futures contracts and the underlying physical commodities may fluctuate rapidly based on numerous factors, including changes in supply and demand relationships (whether actual, perceived, anticipated, unanticipated or unrealized); weather; agriculture; trade; fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; disease; pestilence; technological developments; changes in interest rates, whether through governmental action or market movements; and monetary and other governmental policies, action and inaction. The current or “spot” prices of the underlying physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of the relevant physical commodity. These factors may affect the value of the UBS Multi Asset Portfolio T10 Total Return Index, and different factors may cause the prices of the components of the UBS Multi Asset Portfolio T10 Total Return Index, and the volatilities of their prices, to move in inconsistent directions at inconsistent rates.

**Influence of Interest Rates**

The components of the UBS Multi Asset Portfolio T10 Total Return Index are affected in changes in interest rates of the relative currencies and such movements would affect the performance of the UBS Multi Asset Portfolio T10 Total Return Index. Market prices of the components of the UBS Multi Asset Portfolio T10 Total Return Index, the underlying futures contracts and the underlying physical bonds may fluctuate due to volatility and trends in the interest rates markets based on numerous factors, including (but not limited to) investors perception of quality of the bond issuer; fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; governmental action or market movements; and monetary and other governmental policies. These factors may affect the value of the UBS Multi Asset Portfolio T10 Total Return Index, and different factors may cause the prices of the components of the UBS Multi Asset Portfolio T10 Total Return Index, and the volatilities of their prices, to move in inconsistent directions at inconsistent rates.

**Influence of Currency Exchange Rates**

The components of the UBS Multi Asset Portfolio T10 Total Return Index may be denominated in currencies different from the currency of the UBS Multi Asset Portfolio T10 Total Return Index, and even if the components of the UBS Multi Asset Portfolio T10 Total Return Index are currency-hedged, some residual currency exposure could affect the performance of the UBS Multi Asset Portfolio T10 Total Return Index. Furthermore, Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component may also be denominated in currencies different from the currency of the UBS Multi Asset Portfolio T10 Total Return Index. An unfavourable performance of such currencies in relation to the currency of the UBS Multi Asset Portfolio T10 Total Return Index may have an adverse effect on the level calculated for the UBS Multi Asset Portfolio T10 Total Return Index at any given time or the value of the Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component (if such Securities are not currency-hedged).

**Securityholders have no rights in the property, nor shareholder rights in any of the security or securities comprising the components of the UBS Multi Asset Portfolio T10 Total Return Index.**

The UBS Multi Asset Portfolio T10 Total Return Index is purely synthetic. The exposure to each component of the UBS Multi Asset Portfolio T10 Total Return Index is purely notional and will exist only in the records held by the sponsor of the UBS Multi Asset Portfolio T10 Total Return Index. Investing in Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component will not make Securityholders holders of the security or securities comprising the components of the UBS Multi Asset Portfolio T10 Total Return Index. Neither the Securityholders nor any other holder or owner of the Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component will have any voting rights, any right to receive dividends or other distributions, or any other rights with respect to any property or securities of any issuer or with respect to any security or securities comprising the components of the UBS Multi Asset Portfolio T10 Total Return Index.

**UBS obtained the information about the issuer of any securities comprising the components of the UBS Multi Asset Portfolio T10 Total Return Index from public sources.**

UBS has derived all information about the issuer of the security or securities comprising any component of the UBS Multi Asset Portfolio T10 Total Return Index 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 make any "due diligence" investigation or any inquiry with respect to the sponsor or issuer of the security or securities comprising any component of the UBS Multi Asset Portfolio T10 Total Return Index in connection with the maintenance of the UBS Multi Asset Portfolio T10 Total Return Index. UBS does not make any representation that any publicly available document or any other publicly available information about the issuer of the security or securities comprising any component of the UBS Multi Asset Portfolio T10 Total Return Index 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 component of the UBS Multi Asset Portfolio T10 Total Return Index, have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of or failure to disclose material future events concerning the issuer of the security or securities comprising any component of the UBS Multi Asset Portfolio T10 Total Return Index could affect the value of the UBS Multi Asset Portfolio T10 Total Return Index, and the hence the value of any Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component.

**As sponsor of the UBS Multi Asset Portfolio T10 Total Return Index, UBS will have the authority to make determinations that could materially affect the UBS Multi Asset Portfolio T10 Total Return Index in various ways and create conflicts of interest.**

UBS is the sponsor of the UBS Multi Asset Portfolio T10 Total Return Index. The sponsor of the UBS Multi Asset Portfolio T10 Total Return Index is responsible for the composition, calculation and maintenance of the UBS Multi Asset Portfolio T10 Total Return Index and the components of the UBS Multi Asset Portfolio T10 Total Return Index. The sponsor of the UBS Multi Asset Portfolio T10 Total Return Index has the discretion in a number of circumstances to make judgments and take actions in connection with the composition, calculation and maintenance of the UBS Multi Asset Portfolio T10 Total Return Index and the components of the UBS Multi Asset Portfolio T10 Total Return Index, and any such judgments or actions may adversely affect the value of the Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component. The role played by UBS, as sponsor both of the UBS Multi Asset Portfolio T10 Total Return Index and the components of the UBS Multi Asset Portfolio T10 Total Return Index, and the exercise of the kinds of discretion described above could present it with significant conflicts of interest. The sponsor of the UBS Multi Asset Portfolio T10 Total Return Index has no obligation to take the needs of any buyer, seller or holder of interest in the UBS Multi Asset Portfolio T10 Total Return Index into consideration at any time.

**The policies of the sponsor of the UBS Multi Asset Portfolio T10 Total Return Index and changes that affect the composition and the components of the UBS Multi Asset Portfolio T10 Total Return Index could affect the valuation of the UBS Multi Asset Portfolio T10 Total Return Index.**

The policies of the sponsor and/or the calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index, as applicable, concerning the calculation of the level of the UBS Multi Asset Portfolio T10 Total Return Index and the values of the components of the UBS Multi Asset Portfolio T10 Total Return Index could affect the level of the UBS Multi Asset Portfolio T10 Total Return Index.

The sponsor and/or the calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index, as applicable, may modify the methodology for calculating the level of the UBS Multi Asset Portfolio T10 Total Return Index and the values of the components of the UBS Multi Asset Portfolio T10 Total Return Index. In addition under a number of circumstances the sponsor and/or the calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index, as applicable, may make certain changes to the way in which the UBS Multi Asset Portfolio T10 Total Return Index or any of the components of the UBS Multi Asset Portfolio T10 Total Return Index is calculated. The sponsor of the UBS Multi Asset Portfolio T10 Total Return Index may also discontinue or suspend calculation or publication of the UBS Multi Asset Portfolio T10 Total Return Index or any of the components of the UBS Multi Asset Portfolio T10 Total Return Index, in which case it may become difficult to determine the market value of the UBS Multi Asset Portfolio T10 Total Return Index. Any such changes could adversely affect the value of Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component.

If the level of the UBS Multi Asset Portfolio T10 Total Return Index cannot be calculated for any reason, the calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index may be required to make, in its sole discretion and acting in good faith, an estimate of the level of the UBS Multi Asset Portfolio T10 Total Return Index.

**Use of leverage can amplify losses and gains on Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component**

Because the UBS Multi Asset Portfolio T10 Total Return Index exposure will be based upon the performance of one or more reference assets multiplied by a leverage factor which can be over 100 per cent. or 1.00, the purchaser may participate disproportionately in any positive performance and/or may have a disproportionate exposure to any negative performance of the reference assets. Due to this leverage effect, the Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component represent a very speculative and risky form of investment since any loss in the value of the reference assets carries the risk of a correspondingly higher loss.

**The historical or hypothetical performance of the UBS Multi Asset Portfolio T10 Total Return Index or any component of the UBS Multi Asset Portfolio T10 Total Return Index is not an indication of future performance.**

The historical or hypothetical performance of the UBS Multi Asset Portfolio T10 Total Return Index or any component of the UBS Multi Asset Portfolio T10 Total Return Index should not be taken as an indication of the future performance of the UBS Multi Asset Portfolio T10 Total Return Index or any component of the UBS Multi Asset Portfolio T10 Total Return Index. It is impossible to predict whether the future level, value or price of the UBS Multi Asset Portfolio T10 Total Return Index or any component of the UBS Multi Asset Portfolio T10 Total Return Index will fall or rise. Past fluctuations and trends in the UBS Multi Asset Portfolio T10 Total Return Index or any component of the UBS Multi Asset Portfolio T10 Total Return Index are not necessarily indicative of fluctuations or trends that may occur in the future.

**Changes to a component of the UBS Multi Asset Portfolio T10 Total Return Index may affect the value of the Index.**

Where a given component of the UBS Multi Asset Portfolio T10 Total Return Index ceases to exist or is no longer tradable, as determined by the sponsor and/or calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index in good faith, including where UBS and its affiliates would be prevented from entering into transactions in respect of components of a given component of the UBS Multi Asset Portfolio T10 Total Return Index by any applicable law or regulation, or where any constituent security of any component of the UBS Multi Asset Portfolio T10 Total Return Index is delisted, becomes insolvent or bankrupt, is the target of a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity that results in such entity or person purchasing, or otherwise obtaining, or having the right to obtain, by conversion or other means, greater than ten percent (10%) and less than one hundred percent (100%) of its outstanding shares, is subject to a merger or does not have its net asset value published by its management company for more than a short period of time which has a material effect on its shares, in each case as determined by the sponsor or calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index or sponsor of the component of the UBS Multi Asset Portfolio T10 Total Return Index, the sponsor and/or calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index may (but is not obliged to) substitute another component of the UBS Multi Asset Portfolio T10 Total Return Index (including without limitation one for which UBS or one of its affiliates is the sponsor or involved in the creation thereof) for the original one where it considers in good faith that a similar alternative is available. If the sponsor and/or calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index do not select any substitute component of the UBS Multi Asset Portfolio T10 Total Return Index, the component of the UBS Multi Asset Portfolio T10 Total Return Index in question will be assigned a zero weight in the Index. Any such substitution or assignment could alter the exposure provided by the UBS Multi Asset Portfolio T10 Total Return Index and materially affect the performance and value of the UBS Multi Asset Portfolio T10 Total Return Index.

**Termination or Suspension of the UBS Multi Asset Portfolio T10 Total Return Index.**

The calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index is under no obligation to continue the calculation, publication and dissemination of the UBS Multi Asset Portfolio T10 Total Return Index. The UBS Multi Asset Portfolio T10 Total Return Index may be terminated or temporarily suspended at any time. Should the UBS Multi Asset Portfolio T10 Total Return Index cease to exist, this may have a negative impact on the return on any investment in Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component.

**Amendment or Modification to the Index**

The Index may be amended, modified or adjusted from time to time by the Index Sponsor and/or the Index Calculation Agent, as applicable. Any such amendment may have an adverse effect on the level of the Index and may be made without the consent of investors in Index Products. The Index Calculation Agent shall apply the method described in this Index Manual for the composition and calculation of the Index. 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 Calculation Agent may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. Notice of such amendments shall be provided on the Bloomberg Page.

**Index Calculation Agent and Index Sponsor Discretion**

The UBS Multi Asset Portfolio T10 Total Return Index confers on the calculation agent and the sponsor of the UBS Multi Asset Portfolio T10 Total Return Index, as applicable, discretion in making certain



determinations, calculations and corrections from time to time. Although any such determinations, calculations and corrections must be made by the sponsor and/or calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index, as applicable, in good faith, the exercise of such discretion in the making of calculations and determinations may adversely affect the performance of the Index. Any such determination by the sponsor and/or the calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index, as applicable, will be, in the absence of manifest error, final, conclusive and binding. The calculation agent and the sponsor of the UBS Multi Asset Portfolio T10 Total Return Index shall determine whether any such correction shall apply retrospectively or from the relevant date forward.

The role played by UBS, as calculation agent and sponsor of the UBS Multi Asset Portfolio T10 Total Return Index and the exercise of the kinds of discretion described above and could present it with significant conflicts of interest in light of the fact that UBS, of which the calculation agent and sponsor of the UBS Multi Asset Portfolio T10 Total Return Index are a division, is the issuer of products linked to the UBS Multi Asset Portfolio T10 Total Return Index. The calculation agent or sponsor of the UBS Multi Asset Portfolio T10 Total Return Index has no obligation to take the needs of any buyer, seller or holder of Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component into consideration at any time.

#### **Change of Index Sponsor and Index Calculation Agent**

The sponsor of the UBS Multi Asset Portfolio T10 Total Return Index may without the consent of investors in Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component replace the calculation agent of the UBS Multi Asset Portfolio T10 Total Return Index at its discretion, and furthermore, may also designate a successor index sponsor at its discretion – in case of such replacement, any reference to the “calculation agent” and/or the “index sponsor” shall be construed as a reference to the successor calculation Agent and the successor sponsor of the UBS Multi Asset Portfolio T10 Total Return Index, respectively.

#### **Fees and Costs**

The level of the UBS Multi Asset Portfolio T10 Total Return Index will be reduced by the accumulated management fees of 0.5% per annum and may be reduced by the borrowing cost for borrowed amounts. There will be a rebalancing cost of 0.08% on each rebalancing date. Prospective investors should understand that such fees and costs may have a material effect on the level of the UBS Multi Asset Portfolio T10 Total Return Index.

#### **Simulated history**

As limited historical performance data exist with respect to the Index, any Securities using the UBS Multi Asset Portfolio T10 Total Return Index as the Underlying or, as the case may be, a Basket Component which is linked to the UBS Multi Asset Portfolio T10 Total Return Index may involve greater risk than an exposure linked to indices or strategies with a proven track record. The UBS Multi Asset Portfolio T10 Total Return Index will be first calculated on or around the commencement date of the UBS Multi Asset Portfolio T10 Total Return Index and therefore lacks historical performance. All such retrospective closing levels are simulated and must be considered hypothetical and illustrative only.

The actual performance of the UBS Multi Asset Portfolio T10 Total Return Index may be materially different from the results presented in any simulated history relating to the UBS Multi Asset Portfolio T10 Total Return Index. Past performance should not be considered indicative of future performance.

In case of a **not exchange traded fund unit as the Underlying or a Basket Component, as the case may be**, as specified in the definition of “Underlying” contained in the section “Product Terms” of the relevant Final Terms,

potential investors should consider the following risks **specifically related to not exchange traded fund units as Underlying or a Basket Component**, as the case may be:

#### **Similar risks to a direct investment in fund units**

The level of the Redemption Amount, if any is determined by reference to the price of the fund units used as the Underlying or, as the case may be, a Basket Component. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to direct investment in the Fund Units. **Potential investors should seek respective advice and familiarise themselves with the specific risk**

profile of the fund and the category of assets, in which the fund invests, and seek the advice of a professional, if necessary.

#### **Market risk**

Given that reduced market prices or losses in value incurred by the securities or other investments held by the fund used as the Underlying or, as the case may be, a Basket Component, will be reflected in the price of individual fund units, there is a principal risk of a decrease in the unit prices. Even a broad variation and diversification of the fund's investments cannot avoid the risk that a decreasing overall development at certain markets or stock exchanges results in a decrease of fund unit prices.

#### **Illiquid investments**

The fund may invest in assets that are illiquid or subject to a minimum holding period. It may therefore be difficult for the fund to sell these assets at a reasonable price or at all if it is forced to do so in order to generate liquidity. The fund may suffer considerable losses if it needs to sell illiquid assets in order to redeem units and selling the illiquid assets is only possible at a very low price. This may negatively affect the value of the fund and thus of the Securities.

Investments in illiquid assets may also result in difficulties when calculating the net asset value of the fund and thus delay distributions in connection with the Securities.

#### **Delayed publication of the net asset value**

It may be possible in certain situations that the publication of the net asset value by a fund is delayed. This may result in a delay of the redemption of the Securities and have a disadvantageous effect on the value of the securities, for instance, in case of a negative market development. In addition, Securityholders face the risk that in case of a delayed redemption of the Securities they will be able to reinvest the relevant return only at a later point in time and, maybe at less favourable terms.

#### **Liquidation of a fund**

There is the risk that a fund is liquidated during the term of the Securities. In such case, the issuer shall be entitled to modify the relevant Conditions of the Securities accordingly. Such modifications may, in particular, consist of one fund being replaced by another fund. In addition, there is also the possibility of a premature termination of the Securities by the Issuer.

#### **Concentration risks**

The fund used as the Underlying or, as the case may be, a Basket Component may in accordance with its fund rules concentrate its assets with a focus on certain countries, regions or industry sectors. This can result in the fund being subject to a higher volatility as compared to funds with a broader diversification as regards countries, regions or industry sectors. The value of investments in certain sectors, countries or regions may be subject to strong volatility within short periods of time. This also applies to funds focusing their investments on certain asset classes such as commodities. Funds investing their assets in less regulated, small and exotic markets, are subject to certain further risks. Such risks may include the risk of government interventions resulting in a total or partial loss of assets or of the ability to acquire or sell them at the fund's discretion. Such markets may not be regulated in a manner typically expected from more developed markets. If a fund concentrates its assets in emerging markets, this may involve a higher degree of risk as exchanges and markets in these emerging market countries or certain Asian countries such as Indonesia may be subject to stronger volatility than exchanges and markets in more developed countries. Political changes, foreign currency exchange restrictions, foreign exchange controls, taxes, restrictions on foreign investments and repatriation of invested capital can have a negative impact on the investment result and therefore the value of the Fund Units in the fund.

#### **Currency risks**

In case of the investments of the fund used as the Underlying or, as the case may be, a Basket Component being denominated in different currencies or in case of the investment and the Fund Units being denominated in a currency other than the currency in which the net asset value is calculated, certain additional correlation risks may apply. These correlation risks depend on the degree of dependency of currency fluctuations of the relevant foreign currency to the currency in which the net asset value is calculated. Hedging transactions, if any, of the fund may not exclude these risks.

#### **Markets with limited legal certainty**

The fund used as the Underlying or, as the case may be, a Basket Component may invest in markets with a low legal certainty and will then be subject to additional risks, such as the risk of reliable governmental measures, which may entail a loss in the fund's value.

#### **Dependence on investment manager**

The performance of the fund used as the Underlying or, as the case may be, a Basket Component depends on the performance of the investments chosen by the investment manager in order to implement the applicable investment strategy. In practice, the fund's performance strongly depends on the expertise of the investment manager responsible for making the investment decisions. If such investment manager leaves the fund or is replaced, this may result in losses and/or a liquidation of the fund concerned.

The investment strategies, the investment restrictions and investment objectives of a fund may allow for considerable room for an investment manager's discretionary decision when investing the relevant assets and no warranty can be given that the investment manager's investment decisions will result in profits or that these constitute an effective hedging against market or other risks. No warranty can be given that the fund will be able to successfully implement its investment strategy as outlined in its documentation. It is therefore possible that, despite funds with a similar investment strategy experiencing a positive performance, the performance of the fund underlying the Securities (and thus the Securities) undergo a negative development.

#### **Conflicts of interest**

In the operation of the fund used as the Underlying or, as the case may be, a Basket Component certain conflicts of interest may arise that can have negative impact on the fund's performance. For persons involved in the fund management or advisory activities in relation to the fund conflicts of interest can arise from retrocessions or other inducements. In addition, persons involved in the fund management or advisory activities to the fund or their employees may provide services such as management, trading or advisory services for third parties at the same time. Although they will usually aim to distribute the investment opportunities equally to their clients, the fund portfolio and portfolios of other clients may differ even if their investment objectives are similar. Any of these persons might be induced to allocate lucrative assets first to a portfolio involving the highest fees. Persons providing management, trading or advisory services to the fund may make recommendations or enter into transactions which are different to those of the fund or may even compete with the fund.

#### **Fees on different levels**

Fees charged by the fund used as the Underlying or, as the case may be, a Basket may have a significant negative impact on the value of the Fund Units and the net asset value of the fund. Fees charged in relation to a fund can be incurred on different levels. Usually fees, e.g. management fees, are incurred at fund level. In addition, expenses and cost may be incurred when the services of third parties are commissioned in connection with the fund administration. With respect to investments made by the fund, such as investments in other funds or other collective investment vehicles, further charges might be incurred. This may have a negative impact on these investments and, consequently, in the fund's performance.

Performance fees may be agreed upon on the level of the fund. Such fee arrangements can create an inducement to invest assets in a more risk oriented or speculative manner than would be the case if no performance fee arrangement existed. Performance fees may even be incurred where the overall fund performance is negative. Consequently performance fees can be incurred on the level of the fund even if an investment in the Securities results in a loss to the investor.

#### **Limited Supervision**

Funds may not be regulated or may invest in investment vehicles that are not subject to supervision. If unregulated funds become subject to supervision, this may negatively impact the value of the Fund, and, consequently, of the Securities.

In case of an **exchange traded fund unit as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

potential investors should consider the following risks **specifically related to exchange traded fund units in an exchange traded fund as Underlying or a Basket Component**, as the case may be:

#### **Similar risks to a direct investment in fund units**

The level of the Redemption Amount, if any is determined by reference to the price of so-called exchange traded funds used as the Underlying or, as the case may be, a Basket Component. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to direct investment in the Fund Units. **Potential investors should seek respective advice and familiarise themselves with the specific risk profile of the fund and the category of assets, in which the fund invests, and seek the advice of a professional, if necessary.**

#### **Concept of an Exchange Traded Fund; Listing**

An exchange traded fund (“ETF” or the “Fund”) is a fund managed by a domestic or non-domestic management company or, as the case may be, an estate organised as a corporate fund, whose fund units (“Fund Units”) are listed on a securities exchange. There is the risk that such admission or listing will not be maintained during the whole life of the Securities. In addition, a listing does not imply that the Fund Units are liquid at any time and, hence, may be sold via the securities exchange at any time, since trading in the securities exchange may be suspended in accordance with the relevant trading rules.

#### **Pricing Factors; Use of Estimates**

The price of the ETF used as the Underlying or, as the case may be, a Basket Component mainly depends in the price per unit of the ETF and, consequently, on the aggregate value of assets held by the ETF less any liabilities, so-called net asset value. Any negative performance or losses of the securities or other investments made by the Fund for the purposes of replicating the performance of a benchmark (*cf.* below “Replication of the performance of a benchmark; tracking error”) will result in a loss of the Fund and a decline in the value of the Fund Units. Even a broad spread of its investments and a strong diversification of the Fund's investments cannot exclude the risk that any negative development on certain markets or exchanges will lead to a decline in the price per unit of the ETF.

As ETFs generally calculate their net asset value on a daily basis only, the price of the ETF as continuously published by the securities exchange is usually based on the estimated net asset values. These estimates may differ from the final net asset value as subsequently published by the Funds. Therefore, the general risks during trading hours exists that the performance of the ETF and of its actual Net Asset Value may deviate.

#### **Replication of the performance of a benchmark; tracking error**

ETFs are designed to replicate as closely as possible the performance of an index, basket or specific single assets (each a “Benchmark”). However, the ETF conditions can allow a Benchmark to be substituted. Therefore, an ETF might not always replicate the original Benchmark.

For the purpose of tracking a Benchmark, ETFs can use full replication and invest directly in all components comprised in the Benchmark, synthetic replication using for example a swap, or other tracking techniques such as sampling. The value of the ETFs is therefore in particular based on the performance of the holdings used to replicate the Benchmark. There is the risk that the performance of the ETF differs from the performance of the Benchmark (tracking error).

Unlike other collective investment schemes, ETFs are usually not actively managed by the management company of the ETF. In fact, investment decisions are determined by the relevant Benchmark and its components. In case that the underlying Benchmark shows a negative performance, ETFs are subject to an unlimited performance risk in particular when they are using full replication or synthetic replication techniques. This can have a negative impact on the performance of the Securities.

Tracking a Benchmark typically entails further risks:

- An ETF using a full replication technique for tracking the performance of the Benchmark may not be able to acquire all components of that Benchmark or sell them at reasonable prices. This can affect the ETF's ability to replicate the Benchmark and may have a negative effect on the ETF's overall performance.

- ETFs using swaps for synthetic replication of the Benchmark may be exposed to the risk of a default of their swap counterparties. ETFs might retain substituting contractual rights in case of default of the swap counterparty. However, there is the risk that the ETF does not receive or not receive the full amount due to it if the Swap counterparty were not in default.
- ETFs replicating the Benchmark using sampling techniques (i.e. not using full replication and without using swaps) may create portfolios of assets which are not Benchmark components at all or do only comprise some components of the Benchmark. Therefore, the risk profile of such ETF is not necessarily consistent with the risk profile of the Benchmark.
- If ETFs use derivatives to replicate or to hedge its positions, this may result in losses which are significantly higher than any losses of the Benchmark (leverage effect).

#### **Concentration risks**

An ETF used as the Underlying or, as the case may be, a Basket Component may in accordance with its fund rules concentrate its assets with a focus on certain countries, regions or industry sectors while replicating the Benchmark. This can result in the ETFs being subject to a higher volatility as compared to funds with a broader diversification as regards countries, regions or industry sectors. The value of investments in certain sectors, countries or regions may be subject to strong volatility within short periods of time. This also applies to ETFs focusing their investments on certain asset classes such as commodities. ETFs investing their assets in less regulated, small and exotic markets, are subject to certain further risks. Such risks may include the risk of government interventions resulting in a total or partial loss of assets or of the ability to acquire or sell them at the fund's discretion. Such markets may not be regulated in a manner typically expected from more developed markets. If an ETF concentrates its assets in emerging markets, this may involve a higher degree of risk as exchanges and markets in these emerging market countries or certain Asian countries such as Indonesia may be subject to stronger volatility than exchanges and markets in more developed countries. Political changes, foreign currency exchange restrictions, foreign exchange controls, taxes, restrictions on foreign investments and repatriation of invested capital can have a negative impact on the investment result and therefore the value of the Fund Units in the ETF.

#### **Currency risks**

In case of the investments of the ETF fund used as the Underlying or, as the case may be, a Basket Component being denominated in different currencies or in case of the investment and the Fund Units being denominated in a currency other than the currency in which the net asset value is calculated, certain additional correlation risks may apply. These correlation risks depend on the degree of dependency of currency fluctuations of the relevant foreign currency to the currency in which the net asset value is calculated. Hedging transactions, if any, of the ETF may not exclude these risks. Furthermore, it should be noted that the Benchmark may not be denominated in the fund's base currency. If the Benchmark is converted into the ETF currency in particular for determining fees and costs, currency exchange rate fluctuations may have a negative impact on the value of the Fund Units in the ETF.

#### **Fees on different levels**

Fees charged by the ETF may have a significant negative impact on the value of the Fund Units and the net asset value of the ETF. Fees charged in relation to an ETF can be incurred on different levels. Usually fees, e.g. management fees, are incurred at fund level. In addition, expenses and cost may be incurred when the services of third parties are commissioned in connection with the fund administration. With respect to investments made by the ETF, such as investments in other funds or other collective investment vehicles, further charges might be incurred. This may have a negative impact on these investments and, consequently, in the ETF's performance.

Performance fees may be agreed upon on the level of the ETF. Such fee arrangements can create an inducement to invest assets in a more risk oriented or speculative manner than would be the case if no performance fee arrangement existed. Performance fees may even be incurred where the ETF underperforms the Benchmark. Even if the ETF outperforms its Benchmark, performance fees might be triggered even though the overall fund performance is negative (for example where the Benchmark's

performance is negative). Consequently performance fees can be incurred on the level of the ETF even if an investment in the Securities results in a loss to the investor.

#### Limited Supervision

Funds may not be regulated or may invest in investment vehicles that are not subject to supervision. If unregulated funds become subject to supervision, this may negatively impact the value of the Fund, and, consequently, of the Securities.

In case of a **futures contract as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

potential investors should consider the following risks **specifically related to futures contracts as Underlying or a Basket Component**, as the case may be:

#### Similar risks to a direct investment in futures contracts

The level of the Redemption Amount, if any is determined by reference to the price of the futures contract used as the Underlying or, as the case may be, a Basket Component. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to direct investment in the futures contract.

#### Futures contracts are standardised transactions

Futures contracts used as the Underlying or, as the case may be, a Basket Component are standardised transactions relating to financial instruments (e.g. shares, indices, interest rates, currencies) - so-called financial futures- or to commodities and precious metals (e.g. oil, wheat, sugar, gold, silver) - so-called commodities futures.

A futures contract represents a contractual obligation to buy or sell a fixed amount of the underlying commodities, precious metals or financial instruments on a fixed date at an agreed price. Futures contracts are traded on futures exchanges and are standardised with respect to contract amount, type, and quality of the underlying, as well as to delivery locations and dates (where applicable). Futures, however, are normally traded at a discount or premium to the spot prices of their underlying.

#### Securities with rolling futures contracts as Underlying or, as the case may be, as Basket Component

For the purpose of trading on an exchange, futures contracts are standardised with respect to their term (e.g. 3, 6, 9 months). Futures contracts used as the Underlying or, as the case may be, a Basket Component may have an expiration date different from the term of the Securities. In such a case, the Issuer will replace the underlying futures contract by a futures contract which - except for its expiration date, which will occur on a later date - has the same contract specifications as the initial underlying (the "**Roll-over**"). Such a Roll-over can be repeated several times.

#### Contango and backwardation

The prices of the longer-term and the shorter-term futures contract used as the Underlying or, as the case may be, a Basket Component can differ even if all other contract specifications are the same. If the prices of longer-term futures contracts are higher than the price of the shorter-term futures contract to be exchanged (so-called contango), the number of futures contracts held is reduced with the Roll-over. Conversely, if the prices of short-term futures are higher (so-called backwardation), the number of futures contracts held is increased with the Roll-over (without taking into account roll-over expenses). In addition, expenses for the roll-over itself are incurred. This may result in a negative effect for the value of the Securities and the redemption.

#### Replacement or termination

If it is impossible to replace an expiring futures contract with a futures contract with identical features (except for the term to maturity), the Final Terms may provide for replacement with another, potentially less advantageous, futures contract or termination by the Issuer. Therefore, Securityholder cannot rely on participating in the performance of the original futures contract throughout the entire term of the Securities.

#### No parallel development of spot price and futures price

Futures prices can differ substantially from the spot price of the underlying financial instrument (e.g. shares, indices, interest rates, currencies) or underlying commodity and precious metal (e.g. oil, wheat, sugar, gold, silver). Moreover, the investor in Securities linked to the futures price of a certain underlying (e.g. financial instrument, commodity or precious metal) must be aware of the fact that the futures price and, accordingly, the value of the Securities does not always move in the same direction or at the same rate as the spot price of such underlying. Therefore, the value of the Securities can fall substantially even if the spot price of the relevant underlying of the futures contract remains stable or rises.

In case of an **interest rate and a reference rate as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

potential investors should consider the following risks **specifically related to interest rates and reference rates as Underlying or a Basket Component**, as the case may be:

**Similar risks to a direct investment in interest rates or, as the case may be, reference rates**

The level of the Redemption Amount, if any is determined by reference to the price of the interest rate or, as the case may be, reference rate used as the Underlying or, as the case may be, a Basket Component. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to direct investment in an interest rate or, as the case may be, a reference rate.

Interest rates and reference rates used as the Underlying or, as the case may be, a Basket Component are determined by offer and demand on the international money and capital markets, which in turn are influenced by economic factors, speculation and interventions by central banks and governments as well as other political factors. The interest rate level on the money and capital markets is often highly volatile. Securityholders are subject to the risk of changing interest rates, because an investment in the Securities linked to an interest rate as the Underlying or, as the case may be, a Basket Component may bear similar market risks to a direct investment in an interest rate.

In case of an **currency exchange rate as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

potential investors should consider the following risks **specifically related to currency exchange rates as Underlying or a Basket Component**, as the case may be:

Securities with currency exchange rates used as the Underlying or, as the case may be, a Basket Component refer to a specific currency or specific currencies. Payments depend on the performance of the underlying currency(ies) and may be substantially less than the amount originally invested by the Securityholder. An investment in Securities linked to currency exchange rates as the Underlying or, as the case may be, a Basket Component may bear similar market risks to a direct investment in the relevant underlying currency(ies). In particular, this will apply if the relevant underlying currency is the currency of an emerging market jurisdiction. Therefore, potential investors should be familiar with foreign exchange rates as an asset class. Furthermore, legal restrictions on the free exchangeability may adversely affect the value of the Securities.

In cases of currency exchange rates used as the Underlying or, as the case may be, a Basket Component, it should be noted that the values are traded 24 hours a day through the time zones of Australia, Asia, Europe and America. **Potential investors of the Securities should, therefore, be aware that a relevant limit or, as the case may be, threshold, if applicable, described in the Conditions of the Securities, may be reached, exceeded or fallen short at any time and even outside of local or the business hours of the Issuer, the Calculation Agent or the Manager.**

## E. GENERAL INFORMATION ON THE BASE PROSPECTUS

### 1. Important Notice

The Base Prospectus should be read and construed in conjunction with any supplement thereto and with any other documents incorporated by reference the Base Prospectus 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 Base Prospectus or any other document entered into in relation to the Base 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 Base Prospectus or any Final Terms nor the offering, sale or delivery of any Security shall, in any circumstances, create any implication that the information contained in the Base Prospectus is true subsequent to the date hereof or the date upon which the Base 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 Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Base 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 Base Prospectus will be updated in accordance with the provisions of the Prospectus Directive and the Financial Instruments Trading Act (SFS 1991:980).

The distribution of the Base Prospectus, any Final Terms or any simplified prospectus in case Securities in Switzerland are not publicly distributed by listing them at SIX but by publishing a simplified prospectus pursuant to Article 5 Swiss Federal Act on Collective Investment Schemes (*Collective Investment Scheme Act, "CISA"*) (hereinafter a "**Simplified 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 Base Prospectus or any Final Terms or any Simplified Prospectus for the purpose of an offer or solicitation if in any jurisdiction such use would be unlawful. Persons into whose possession the Base Prospectus or any Final Terms 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 Base Prospectus or any Final Terms 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 Base 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.

Neither the Base Prospectus nor any Final Terms 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 Managers that any recipient of the Base Prospectus or any Final Terms should subscribe for or purchase any Securities.

### 2. Responsibility Statement

UBS AG, having its registered offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland as Issuer accepts responsibility for the content of the Base Prospectus and declares that the information contained in the Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Where the Base Prospectus contains information obtained from third parties, such information was reproduced accurately, and to the best knowledge of the Issuer - as far as it is able to ascertain from information provided or published by such third party - no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer is liable for the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, all required key information.



The Issuer accents that following the date of publication of the Base Prospectus, events and changes may occur, which render the information contained in the Base Prospectus incorrect or incomplete. Supplemental information will only be published as required by and in a manner stipulated in Chapter 2, section 34 of the Swedish Financial Instruments Trading Act (SFS 1991:980) and, in the case of a listing of Securities at the SIX Swiss Exchange Ltd (the “SIX”), as required by and in a manner stipulated in the listing rules of the SIX (the “SIX Listing Rules”).

### 3. Consent to use the Prospectus

In the context of any offer 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 Swedish Financial Supervisory Authority (*Finansinspektionen*) – “SFSA” 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 Base Prospectus to the competent authorities of Norway, Finland, Denmark and Luxembourg (the “Host Member States”). Even though the Issuer has elected to passport the Base Prospectus into the Host Member States, it does not mean that they will choose to make any Public Offer in the Host Member States. Investors should refer to the Final Terms for any issue of Securities to see whether the Issuer has elected to make a public offer of the Securities in either Sweden or a Host Member State (each a “Public Offer Jurisdiction”).

The Issuer accepts responsibility in the Public Offer Jurisdictions for which it has given consent referred to herein for the content of the Base Prospectus together with the relevant Final Terms in relation to any person (an “Investor”) in a Public Offer Jurisdiction to whom an offer of any Securities is made by any financial intermediary to whom the Issuer has given its consent to use the Base Prospectus together with the relevant Final Terms (an “Authorised Offeror”), where the offer is made during the period for which that consent is given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, neither the Issuer nor any Manager has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The applicable Final Terms in respect of any Series of Securities will specify whether the Issuer consents to the use of the Base Prospectus together with the relevant Final Terms in connection with a Public Offer.

If so specified in the applicable Final Terms in respect of any Series of Securities, the Issuer consents to the use of the Base Prospectus together with the relevant Final Terms in connection with a Public Offer of any relevant Securities by either (1) any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) or (2) the financial intermediaries specified in the relevant Final Terms, in either case on the following basis:

- (a) the relevant Public Offer must occur during the Offer Period specified in the relevant Final Terms (the “Offer Period”);
- (b) the relevant Public Offer may only be made in a Public Offer Jurisdiction specified in the relevant Final Terms;
- (c) the relevant Authorised Offeror must be authorised to make such offers in the relevant Public Offer Jurisdiction under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and if any Authorised Offeror ceases to be so authorised then the above consent of the Issuer shall thereupon terminate;
- (d) the relevant Authorised Offeror, if so specified in the relevant Final Terms, other than the Manager, must satisfy the conditions (if any) specified in the relevant Final Terms; and
- (e) any Authorised Offeror which is not a Manager must comply with the restrictions set out in “Subscription and Sale” as if it were a Manager.

The Issuer reserves the right to withdraw its consent to the use of the Base Prospectus together with the relevant Final Terms in relation to certain dealers and/or each financial intermediaries. The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if they do 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.

The consent referred to above relates to Public Offers occurring as long as the Base Prospectus is valid in accordance with chapter 2 section 24 of the Swedish Financial Instruments Trading Act (*Lag (1991:980) om handel med finansiella instrument*).

**Any Authorised Offeror who wishes to use the Base Prospectus in connection with a Public Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using the Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

To the extent specified in the relevant Final Terms, an offer may be made during the relevant Offer Period by any of the Issuer, the Manager or any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

Neither the Issuer nor any of the Manager has 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 Base Prospectus in connection with its offer of any Securities unless (1) the offer is made by an Authorised Offeror 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, any Manager or any Authorised Offeror and none of the Issuer, any Manager or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any Securities from an Authorised Offeror will do so, and offers and sales of the Securities to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror 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 Managers) in connection with the offer or sale of the Securities and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer, any of the Managers or other Authorised Offerors has any responsibility or liability for such information.**

## F. GENERAL INFORMATION ON THE SECURITIES

### 1. Types of Securities

The following Securities are described in the Base Prospectus:

- principal protected securities which (i) either provide for interest payments and a repayment at maturity of at least 100 per cent. of their specified denomination or their nominal amount per Security or (ii) provide for derivative and structured payment components, but are at maturity subject to a (re-)payment of at least 100 per cent. of their specified denomination or their nominal amount per Security (the "**Capital Protected Securities**"), and
- securities, including securities without a denomination which provide for a structured payment component and which are only partly (the "**Partly Capital Protected Securities**" or not capital protected (the "**Not Capital Protected Securities**").

The Securities may, as specified in the relevant Final Terms, be based on the performance of a share (including a certificate representing shares), an index (including indices composed by the Issuer and other legal entities belonging to the UBS group, where each such index is also referred to as "**Proprietary Index**"), a currency exchange rate, a precious metal, a commodity, an interest rate, a non-equity security, an exchange traded fund unit, a not exchange traded fund unit, a futures contract, or, as the case may be, and as specified in the relevant Final Terms, a reference rate (including, but not limited to, interest rate swap (IRS) rates, currency swap rates or, as the case may be, credit default swap levels), as well as a basket or portfolio comprising the aforementioned assets.

Securities may be issued in series (each a "**Series**") and Securities of each Series will all be subject to identical terms (except, inter alia, for Issue Price, Issue Date, Issue Size and interest commencement date, which may or may not be identical) whether as to currency, denomination, interest or maturity or otherwise.

### 2. Law governing the Securities

The Securities issued by the Issuer are, save for the legal effects of the registration of the Securities with the relevant Clearing System as described below, governed by German law ("**German law governed Securities**").

In case of Swedish Securities, Finnish Securities, Norwegian Securities and Danish Securities, the legal effects of the registration of the Securities with the relevant Clearing System will be governed by the laws of the Kingdom of Sweden, Republic of Finland, the Kingdom of Norway and the Kingdom of Denmark respectively.

### 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 may, as the case may be, and as specified in the relevant Final Terms, be issued as bearer securities or in dematerialised book-entry form:

#### ***German law governed Securities represented by a Global Security***

German law governed Securities issued in bearer form will be represented on issue by either one or more permanent global bearer security/ies (each a "**Global Security**") or, as specified in the relevant Final Terms, by a temporary global bearer security (each a "**Temporary Global Security**" exchangeable upon certification of non-U.S. beneficial ownership for a permanent global bearer security (each a "**Permanent Global Security**", and

together with the Temporary Global Security, a “**Global Security**”). No bearer Securities will be issued in or exchangeable into bearer definitive form, whether pursuant to the request of any Securityholder or otherwise.

Global Securities are deposited with Clearstream Banking AG (“**Clearstream, Germany**”), Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), and/or Euroclear Bank S.A./ N.V. (“**Euroclear**”), as specified as Clearing System in the relevant Final Terms, or a depository for such Clearing System. The depository on behalf of Euroclear and Clearstream Luxembourg, shall be a common depository.

***Securities cleared through Euroclear Sweden AB***

Securities cleared through Euroclear Sweden AB (“**Euroclear Sweden**”) as the relevant Clearing System (also the “**Swedish Securities**”) are issued in uncertificated and dematerialised book-entry form, and registered at Euroclear Sweden AB in accordance with the *Swedish Central Securities Depositories and Financial Instruments Accounts Act (lag (1998:1479) om centrala värdepappersförvarare och kontoföring av finansiella instrument)*. No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of Swedish Securities.

Swedish Securities are governed by German law, except for the legal effects of the registration of Swedish Securities with Euroclear Sweden.

***Securities cleared through Euroclear Finland Ltd***

Securities cleared through Euroclear Finland Ltd (“**Euroclear Finland**”) as the relevant Clearing System (also the “**Finnish Securities**”) are issued in uncertificated and dematerialised book-entry form, and registered at Euroclear Finland Ltd in accordance with the Finnish Act on the Book-Entry System and Clearing and Settlement (*laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) and the Finnish Act on Book-Entry Accounts (827/1991) (*laki arvo-osuustileistä*). No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of Finnish Securities.

Finnish Securities are governed by German law, except for the legal effects of the registration of the Finnish Securities with the Euroclear Finland.

***Securities cleared through VPS ASA***

Securities registered with Verdipapirsentralen ASA (“**VPS**”) as the relevant Clearing System (also the “**Norwegian Securities**”) are issued in uncertificated and dematerialised book-entry form, and registered with VPS in accordance with the Norwegian Securities Register Act (*Lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter*). No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of Norwegian Securities.

Norwegian Securities are governed by German law, except for the legal effects of the registration of Norwegian Securities with VPS.

***Securities cleared through VP Securities A/S***

Securities cleared through VP Securities A/S (“**VP**”) as the relevant Clearing System (also the “**Danish Securities**”) are issued in uncertificated and dematerialised book-entry form, and registered at VP in accordance with the Danish Securities Trading etc. Act (*Lov om værdipapirhandel m.v.*), as amended from time to time, and the Executive Order on Book Entry, etc. of Dematerialised Securities in a Central Securities Depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*), as amended from time to time, issued pursuant thereto. No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of the Danish Securities.

Danish Securities are governed by German law, except for the legal effects of the registration of Danish Securities with VP.

## 5. Clearing and Settlement of the Securities

*The information set out below is subject to changes in or reinterpretation of the rules, regulations and procedures of UBS AG, Clearstream Banking AG, Clearstream Banking S.A., Euroclear Bank S.A./ N.V., Euroclear Sweden AB, Euroclear Finland Ltd, VPS ASA and VP Securities A/S, or other Clearing System as specified as “Clearing System” in the applicable Product Terms in the relevant Final Terms from time to time.*

*Investors wishing to use the facilities of any Clearing System must check the rules, regulations and procedures of the relevant Clearing System which are in effect at the relevant time.*

### General

The Securities will be cleared through UBS AG, Clearstream, Germany, Clearstream, Luxembourg, and/or Euroclear, or other Clearing System specified in relevant Final Terms, or, in the case of Swedish Securities, Euroclear Sweden or, in the case of Finnish Securities, Euroclear Finland, or, in the case of Norwegian Securities, VPS or, in the case of Danish Securities, VP, each as defined below.

The Common Code, the International Securities Identification Number (ISIN) and/or identification number for any clearing system will be specified in the relevant Final Terms.

### UBS AG

UBS AG may in relation to Intermediated Securities act as FISA Depository. In such case, the relevant Securities can only be held in a securities account with UBS AG.

The address of UBS AG is Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland.

### Clearstream Banking AG

Clearstream Banking AG ("**Clearstream, Germany**"), is a wholly owned subsidiary of Clearstream International S.A., Luxembourg and is established and incorporated in Germany as a stock corporation. Clearstream, Germany is a licensed central securities depository in accordance with the provisions of the Securities Deposit Act (*Depotgesetz*) and is supervised by the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"*).

Clearstream, Germany, holds securities for its customers and facilitates the clearance and settlement of securities transactions by book entry transfers between their accounts. Clearstream, Germany provides various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Indirect access to Clearstream, Germany, is available to other institutions which clear through or maintain a custodial relationship with an account holder of Clearstream, Germany.

The address of Clearstream, Germany, is Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.

### Clearstream Banking S.A., Luxembourg

Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), located at 42 Avenue JF Kennedy, L-1855 Luxembourg was incorporated in 1970 as a limited company under Luxembourg law. It is registered as a bank in Luxembourg, and as such is subject to regulation by the CSSF, which supervises Luxembourg banks.

Clearstream, Luxembourg, holds securities for its customers and facilitates the clearance and settlement of securities transactions by book entry transfers between their accounts. Clearstream, Luxembourg provides various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also deals with domestic securities markets in several countries through established depository and custodial relationships. Over 300,000 domestic and internationally traded bonds, equities and investment funds are currently deposited with Clearstream. Currently, Clearstream, Luxembourg has approximately 2,500 customers in over 110 countries. Indirect access to Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an account holder of Clearstream, Luxembourg.

The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Euroclear Bank S.A./ N.V., Brussels

The Euroclear System was created in 1968 to hold securities for participants in Euroclear ("**Euroclear Participants**") and to effect transactions between Euroclear Participants through simultaneous book entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfer of securities and cash. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear group reshaped its corporate structure in 2000 and 2001, transforming the Belgian company Euroclear Clearance System (*Société Coopérative*) into Euroclear Bank SA/NV, which now operates the Euroclear System. In 2005, a new Belgian holding company, Euroclear SA/NV ("**Euroclear**") was created as the owner of all the shared technology and services supplied to each of the Euroclear CSDs and the ICSD. Euroclear SA/NV is owned by Euroclear plc, a company organised under the laws of England and Wales, which is owned by market participants using Euroclear services as members.

As an ICSD, Euroclear provides settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, derivatives and investment funds, and offers clients a single access point to post-trade services in over 40 markets.

Distributions with respect to interests in Bearer Global Securities held through Euroclear will be credited to the Euroclear cash accounts of Euroclear Participants to the extent received by Euroclear's depository, in accordance with the Euroclear terms and conditions. Euroclear will take any other action permitted to be taken by a holder of any such Bearer Global Securities on behalf of a Euroclear Participant only in accordance with the Euroclear terms and conditions.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels.

#### **Euroclear Sweden AB**

Euroclear Sweden AB ("**Euroclear Sweden**") is a Swedish private company which operates under the supervision of the Swedish Financial Supervisory Authority and is authorised as a central securities depository and clearinghouse.

Settlement of sale and purchase transactions in respect of the Securities in Euroclear Sweden (also the "**Swedish Securities**") will take place three Stockholm business days after the date of the relevant transaction. Swedish Securities may be transferred between accountholders at Euroclear Sweden in accordance with the procedures and regulations, for the time being, of Euroclear Sweden. A transfer of Swedish Securities which are held in Euroclear Sweden through Clearstream, Germany, Euroclear or Clearstream, Luxembourg, is only possible by using an account operator linked to Euroclear Sweden.

The address of Euroclear Sweden is Swedish Central Securities Depository, Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm, Sweden.

#### **Euroclear Finland Ltd**

Euroclear Finland Ltd ("**Euroclear Finland**") is a Finnish private company which operates under the supervision of the Finnish Financial Supervisory Authority and is authorised as a central securities depository and clearinghouse.

Settlement of sale and purchase transactions in respect of the Securities in Euroclear Finland (also the "**Finnish Securities**") will take place two Helsinki business days after the date of the relevant transaction. Finnish Securities may be transferred between accountholders at Euroclear Finland in accordance with the procedures and regulations, for the time being, of Euroclear Finland. A transfer of Finnish Securities which are held in Euroclear Finland through Clearstream, Germany, Euroclear or Clearstream, Luxembourg, is only possible by using an account operator linked to Euroclear Finland.

The address of Euroclear Finland is Euroclear Finland Ltd, Urho Kekkosen katu 5 C, FI-00101 Helsinki, Finland.

#### **Verdipapirsentralen ASA**

Verdipapirsentralen ASA ("**VPS**") is a Norwegian public limited company authorised to register rights to financial instruments subject to the legal effects laid down in the Securities Register Act. VPS maintains the shareholder register and records trades in the Norwegian securities market, and provides services relating to stock issues, distribution of dividends and other corporate actions for companies registered in VPS.

Settlement of sale and purchase transactions effected by or through members of the Norwegian Securities Settlement System (which is operated by VPS and the Central Bank of Norway) in respect of Securities in the VPS (also the "**Norwegian Securities**") will take place two Oslo business days after the date of the relevant transaction. Norwegian Securities may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of Norwegian Securities which are

held in the VPS through Clearstream, Germany, Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS.

The address of VPS is Norwegian Central Securities Depository, Verdipapirsentralen ASA, P.O. 4, 0051 Sentrum, Oslo, Norway.

#### **VP Securities A/S**

VP Securities A/S (“VP”) is a Danish limited liability company licensed as a clearing centre and a central securities depository pursuant to the Danish Securities Trading etc. Act (*Lov om værdipapirhandel m.v.*), as amended from time to time, and subject to the supervision of the Danish Financial Supervisory Authority. VP is the central organisation for registering, clearing and settlement of securities in Denmark.

Settlement of sale and purchase transactions in respect of Securities in the VP (also the “**Danish Securities**”) will take place in accordance with market practice at the time of the transaction. Transfers of interests in Danish Securities will take place in accordance with the VP Rules. Secondary market clearance and settlement through Euroclear is possible through depository links established between the VP and Euroclear. Transfers of Danish Securities held in the VP through Clearstream, Germany or Clearstream, Luxembourg are only possible by using an account holding institute linked to the VP.

The address of VP is VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, 2300 Koebenhavn S, Denmark.

### **6. Further Information relating to the Securities**

The details regarding a specific issue of Securities, in particular the relevant issue date, calculations regarding the redemption amount, the redemption currency, minimum trading size, securities identification codes with regard to each issue of Securities under the Base Prospectus as well as any interests, including conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities will be set out in the applicable Final Terms.

The Issuer does not intend to provide any post-issuance information.

### **7. Listing or Trading of the Securities**

Application may be made for admission of the Securities to trading on one or more stock exchanges or multilateral trading facilities or markets, including but not limited to the Frankfurt Stock Exchange, the Luxembourg Stock Exchange, the Nasdaq Stockholm, the Nasdaq Helsinki, the Nordic Growth Market NGM AB – NDX (Nordic Derivatives Exchange), the SIX Swiss Exchange and on the platform of the SIX Structured Products Exchange AG. Securities which are neither admitted to trading nor listed on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Securities are to be admitted to trading and/or listed and, if so, on which stock exchange(s) and/or multilateral trading facility(ies) and/or markets. In addition, and where applicable, the applicable Final Terms may also state the First Exchange Trading Day, the Last Exchange Trading Day and the Last Exchange Trading Time, as the case may be, and in case of a listing of the Securities at the SIX Swiss Exchange, the relevant SIX Symbol. Where applicable, the applicable Final Terms will also state all the regulated markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Securities to be offered or admitted to trading are already admitted to trading.

### **8. Offering of the Securities**

The details of the offer and sale of the Securities, in particular the relevant initial payment date, the aggregate amount of the issue, the relevant issue size or aggregate nominal amount, as the case may be, the relevant issue price, the relevant subscription period, if any, the relevant minimum investment amount, if any, information with regard to the manner and date, in which the result of the offer are to be made public, if required, the relevant name and address of the co-ordinator(s) of the offer, and the relevant conditions, if any, to which the offer of the Securities is subject, with regard to each issue of Securities under the Base Prospectus will be set out in the applicable Final Terms.

The Issuer may grant sales and recurring commissions to distributors related to the amount/number of placed or sold Securities. 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. The applicable Final Terms will state the commissions paid by the Issuer, if any, in particular any underwriting and/or placing fee, selling commission and listing commission.

## 9. Rating of the Securities

Securities to be issued under the Base Prospectus may be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The applicable Final Terms will state whether the Securities are rated or not and, if rated, specify the rating.

## 10. Maturity of the Securities

Unless the applicable Product Terms of the Securities in the definition of "Securities" specify the product feature "**No predefined term**" to be applicable, the Securities expire – provided that the Securities are not terminated or expired early in accordance with the Conditions of the Securities – on the Maturity Date or, as the case may be, and as specified in the relevant Final Terms on the Expiration Date.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**No predefined term**" is specified to be applicable, the Securities have - in contrast to securities with a fixed term - no predetermined 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 in accordance with the exercise procedure described in the Conditions of the Securities, if the Security Right is to be asserted.

## 11. Termination Rights of the Issuer and the Securityholders

The following termination rights are, in accordance with the Conditions of the Securities, attached to the Securities:

### Termination and Early Redemption at the option of the Issuer

The Issuer is in accordance with the Conditions of the Securities, under certain circumstances, e.g. in case that (i) the determination and/or publication of the price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of a Basket Component is discontinued permanently or (ii) that due to the coming into effect of changes in laws or regulations (including but not limited to tax laws) at the reasonable discretion of the Issuer the holding, acquisition or sale of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of a Basket Component is or becomes wholly or partially illegal, entitled to terminate and redeem the Securities in total prior to the Maturity Date. In such case, each Securityholder is entitled to demand the payment of a redemption amount in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the relevant termination date.

### Termination Right of the Securityholders

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Securityholder's Termination Right**" is specified to be not applicable, Securityholders do not have a termination right and the Securities may, hence, not be terminated by the Securityholders during their term.

Otherwise, any Securityholder may, if any of the following events (each an "**Event of Default**") occurs, by written notice to the Issuer declare such Security to be forthwith due and payable, whereupon the Securityholder Termination Amount as specified to be applicable in the relevant Product Terms together with accrued interest to the date of payment, if any, shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer:



- (a) there is a default for more than 30 days in the payment of any principal or interest due in respect of the Security; or
- (b) there is a default in the performance by the Issuer of any other obligation under the Securities which is incapable of remedy or which, being a default capable of remedy, continues for 60 days after written notice of such default has been given by any Securityholder to the Issuer; or
- (c) any order shall be made by any competent court or other authority in any jurisdiction or any resolution passed by the Issuer for (a) the dissolution or winding-up of the Issuer, or (b) for the appointment of a liquidator, receiver or administrator of the Issuer or of all or a substantial part of the Issuer's assets, or (c) with analogous effect for the Issuer, it is understood that anything in connection with a solvent reorganisation, reconstruction, amalgamation or merger shall not constitute an event of default; or
- (d) the Issuer shall stop payment or shall be unable to, or shall admit to creditors generally its inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent, or shall enter into any composition or other arrangements with its creditors generally.

### General Early Redemption Right

The Issuer and the Securityholders will only have a general early redemption right in relation to the Securities prior to the Maturity Date, if so specified in the applicable Product Terms.

#### Issuer's Call Right

If so specified in the applicable Product Terms, the Issuer has a right to call the Securities for early redemption by giving notice to that effect on certain predefined dates. The redemption value can either be predefined or dependent on the Underlying(s) level, certain dates or other parameters.

#### Securityholder's Put Right

If so specified in the applicable Product Terms, the Securityholder has the right to put the Securities for early redemption. The redemption value can either be predefined or dependent on the Underlying(s) level, certain dates or other parameters.

## 12. Dependency on the Underlying in general

The following features describe the dependency of the value of the Securities from the Underlying, if any:

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Participation Factor**", "**Leverage Factor**", "**Multiplication Factor**" or, as the case may be, "**Multiplier**" is specified to be applicable,

potential investors should be aware that the application of the Participation Factor, Leverage Factor, Multiplication Factor or of the Multiplier, as specified to be applicable in the Final Terms, as well as of any other proportion factor within the determination of the Security Right results in the Securities being in economic terms similar to a direct investment in the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Components, but being nonetheless not fully comparable with such a direct investment, in particular because the Securityholders do, if so specified in the relevant Final Terms, not participate in the relevant performance of the Underlying or, as the case may be, Basket Components by a 1:1 ratio, but by the proportion of the Participation Factor, the Leverage Factor, Multiplication Factor or of the Multiplier.

In the case that in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms the product feature "**Reverse Structure**" is specified to be applicable,

potential investors should consider that the Securities provide for a so-called reverse structure and that, hence, the Securities (irrespective of the other features attached to the Securities or of any other factors, which may be relevant for the value of the Securities) **depreciate in value**, if the price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, in the Basket Components, increases, or the Securities **increase in value**, if the price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a

“Basket” is specified to be applicable, in the Basket Components, decreases. Consequently, there is the risk of a loss of the invested capital, if the price of the Underlying or, as the case may be, Basket Components increases correlatively. In addition, the potential return under each Security is, as a principle rule, limited, since the negative performance of the Underlying or, as the case may be, Basket Components may not exceed 100 %.

In the case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms the product feature “**Express Structure**” is specified to be applicable,

potential investors should consider that the Securities may according to the Conditions of the Securities under certain circumstances expire prior to the Maturity Date without any notice or declaration by the Issuer or the Securityholder being required, so-called express structure. In case the Securities expire prior to the Maturity Date, the Securityholder is entitled to demand the payment of a cash amount and, if a “**Physical Delivery**” is specified to be applicable in the Final Terms, the delivery of the Physical Underlying in an appropriate number in relation to the early expiration. However, the Securityholder is not entitled to request any further payments on the Securities or, as the case may be, and if specified in the relevant Final Terms, the delivery of the Physical Underlying after such early expiration.

The Securityholder, therefore, bears the risk of not participating in the performance of the Underlying or, if in the applicable Product Terms in the definition of “Underlying” a “**Basket**” is specified to be applicable, of the Basket Components to the expected extent and during the expected period.

In the case of an early expiration of the Securities, the Securityholder also bears the so-called risk of reinvestment. The Securityholder may be able to re-invest any amount paid by the Issuer in the case of an early expiration, if any, at market conditions, which are less favourable than those existing prevailing at the time of the acquisition of the Securities.

In the case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms the product feature “**Thresholds, Barriers or Levels**” is specified to be applicable,

potential investors should consider that the Redemption Amount or, as the case may be, and as specified in the relevant Final Terms, the value of the Physical Underlying to be delivered in an appropriate number, if any, under the Securities depends on whether the price of the Underlying or, if in the applicable Product Terms in the definition of “Underlying” a “**Basket**” is specified to be applicable, of the Basket Components equals, and/or falls below respectively exceeds a certain threshold, barrier, level or rating as specified in the relevant Final Terms, at a given time or, as the case may be, within a given period as determined by the Conditions of the Securities.

Only provided that the relevant threshold, barrier or level has not been reached and/or fallen below respectively exceeded at the time or period as determined by the Conditions of the Securities, the Securityholder receives an amount, predetermined in the Conditions of the Securities as Redemption Amount. If so specified in the relevant Final Terms, the application of thresholds, barriers or levels as specified in the relevant Final Terms may in accordance with the Conditions of the Securities even result in a Redemption Amount of zero (0). Otherwise the Securityholder participates in the performance of the Underlying or, as the case may be, the Basket Components and, therefore, bears the risks of a total loss of the invested capital.

In the case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms the product feature “**Maximum Amount**” is specified to be applicable,

potential investors should consider that the Redemption Amount or, as the case may be, and as specified in the relevant Final Terms, the value of the Physical Underlying to be delivered in an appropriate number, if any, under the Securities is limited to the Maximum Amount as determined in the Conditions of the Securities. In contrast to a direct investment in the Underlying or, if in the applicable Product Terms in the definition of “Underlying” a “**Basket**” is specified to be applicable, in the Basket Components the potential profit of the Securities is, therefore, limited to the Maximum Amount.

In the case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms the product feature “**Final Lock-In**” is specified to be applicable,

potential investors should be aware that, as far as the Conditions of the Securities provide for a “Final Lock-In” feature, certain amounts or performances, as specified in the Product Terms, will in the case of the occurrence of a predetermined lock-in event be “locked-in” to an extent that the participation of the Securityholders in the future performance of the Underlying or, as the case may be, the Basket Components is limited or even excluded.

Securityholder do in this case, not, or only to a limited extent, participate in any future performance of the Underlying or, as the case may be, the Basket Components.

In the case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms the product feature “**Relevant Underlying**” is specified to be applicable,

potential investors should consider that the calculation of the level of the Redemption Amount or, as the case may be, and as specified in the relevant Final Terms, the value of the Physical Underlying to be delivered in an appropriate number, if any, solely refers to the performance of the Relevant Underlying and, thereby, to the Underlying, showing a certain predetermined performance, e.g. the worst performance during an observation period.

Potential investors should, consequently, be aware that compared to Securities, which refer to only one underlying, the Securities show a higher exposure to loss. This risk may not be reduced by a positive or, as the case may be, negative performance of the remaining Underlyings, because the remaining Underlyings are not taken into account when calculating the level of the Redemption Amount or, as the case may be, and as specified in the relevant Final Terms, the value of the Physical Underlying to be delivered in an appropriate number.

### 13. Functioning of the Securities

The following description of the Securities includes a description of the entitlement and further features of the Securities, as provided for in the Conditions of the Securities, and terms and expressions defined in other parts of the Base Prospectus and not otherwise defined in this “General information on the Securities” shall have the same meanings in this part of the Base Prospectus.

For the purposes the following, it should be noted that any reference to “Underlying” shall not only refer to single assets (e.g. a share, an index, a non-equity security or a fund unit), but also to baskets or portfolios of assets. In the context of baskets and portfolios, and as specified in the applicable Product Terms, reference may be made to the Relevant Underlying only, i.e. to the Underlying, showing a certain predetermined performance, e.g. the worst performance during an observation period.

In the case of fixed rate Securities, the Final Terms will specify the yield and include a description of the method for calculating the yield.

All payments relating to the Securities are made in the Redemption Currency specified in the relevant Final Terms.

The following features are examples describing the dependency of the value of the Securities from the Underlying, if any:

#### **UBS Autocallable/Express Securities**

UBS Autocallable/Express Securities are suitable for Securityholders expecting the price of the Underlying(s) to reach certain level(s), as specified in the applicable Product Terms, so that the product can early redeem.

In case the price of the Underlying(s) reaches certain level(s) on specific Observation Dates, as specified in the applicable Product Terms, the Securities will be early redeemed prior to the Maturity Date.

If the UBS Autocallable/Express Securities did not expire early on any of the previous Observation Dates, the UBS Autocallable/Express Securities will be redeemed at the Maturity Date, as specified in the applicable Product Terms. The Redemption Amount in the Redemption Currency depends on the individual product structure, as specified in the applicable Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

### **UBS Gearing Securities**

UBS Gearing Securities allow Securityholders to participate in the positive development of the Underlying(s). Conversely, Securityholders in UBS Gearing Securities may also participate in the negative development of the Underlying(s), as the UBS Gearing Securities may provide downside risk potential as specified in the applicable Product Terms. UBS Gearing Securities may also allow Securityholders to participate in the positive development of the Underlying relative to another Underlying. Conversely, Securityholders in UBS Gearing Securities may participate in the negative development of the Underlying relative to another Underlying.

UBS Gearing Securities also exist in a so-called "Put" version. In such case Securityholders participate positively in the negative development of the Underlying(s). Conversely, Securityholders in UBS Gearing Securities (Put) may also participate in the positive development of the Underlying(s), as the UBS Gearing Securities (Put) may provide upside risk potential as specified in the applicable Product Terms. UBS Gearing Securities (Put) may also allow Securityholders to participate in the negative development of the Underlying relative to another Underlying. Conversely, Securityholders in UBS Gearing Securities (Put) may participate in the positive development of the Underlying relative to another Underlying.

UBS Gearing Securities may expire worthless upon the unfavourable development of the Underlying(s) beyond a certain value, as specified in the applicable Product Terms.

Securityholders receive on the Maturity Date a Redemption Amount in the Redemption Currency, the amount of which depends on the Reference Price or the Settlement Price of the Underlying(s), as specified in the relevant Product Terms. The Redemption Amount is typically calculated by multiplying the Nominal Amount or such other amount as specified in the applicable Product Terms with the relevant performance of the Underlying(s), thereafter multiplied by the Participation Factor, the Leverage Factor or the Multiplier, but may also take other factors into account, as specified in the applicable Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

### **UBS Warrants**

UBS Call Warrants allow Securityholders to participate disproportionately (with leverage) in the positive development of the Underlying. Conversely, Securityholders in UBS Call Warrants also participate disproportionately (with leverage) in the negative development of the Underlying. Securityholders bear the risk of the UBS Call Warrants expiring worthless, if the Reference Price or the Settlement Price of the Underlying, as specified in the relevant Product Terms of the UBS Call Warrants, is equal to or below the Strike.

UBS Put Warrants allow Securityholders to positively participate disproportionately (with leverage) in the negative development of the Underlying(s). Conversely, Securityholders in UBS Put Warrants also participate disproportionately (with leverage) in the positive development of the Underlying(s). Securityholders bear the risk of the UBS Put Warrants expiring worthless, if the Reference Price or the Settlement Price of the Underlying(s), as specified in the relevant Product Terms of the UBS Put Warrants, is equal to or above the Strike.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

### **UBS Capital Protected Securities/UBS Partially Capital Protected Securities**

UBS Capital Protected Securities/UBS Partially Capital Protected Securities have full or partial capital protection at maturity and at the same time offer the earning potential that can arise from the capital markets (potentially only up to a predefined cap). To this end, UBS Capital Protected Securities/UBS Partially Capital Protected Securities (at least partly) participate in the price movements of selected Underlying(s). The structure offers participation in the performance of the selected Underlying(s). The predetermined participation rate can vary, as specified in the relevant Product Terms. Depending on the product features, it can be proportional (either negative or positive) to the performance of the Underlying(s).

With a capital protection level below the issue price, the amount equivalent to the issue price is not fully secured at maturity. For the difference between the level of capital protection and the issue price to be bridged, certain conditions, dependent on the Underlying(s) asset's price movements, will have to be met to avoid losses at maturity. Irrespective of the product structure, the issuer risk of UBS AG must be taken into consideration.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

The issue price of UBS Capital Protected Securities/UBS Partially Capital Protected Securities can also be above as well as below 100 per cent.

#### **UBS Sprint Securities**

UBS Sprint Securities allow Securityholders to participate in the positive development of the Underlying(s) within a predetermined range, i.e. between the Strike and the Cap multiplied by a participation, as specified in the relevant Product Terms. Conversely, Securityholders in UBS Sprint Securities may also participate in part of, or the whole, negative development of the Underlying(s). UBS Sprint Securities also exist with unlimited upside potential, i.e. without Cap.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

#### **UBS Bonus Securities**

UBS Bonus Securities allow Securityholders to participate in the positive development of the Underlying(s). Conversely, Securityholders in UBS Bonus Securities may also participate in the negative development of the Underlying(s). Depending on the occurrence of a Kick Out/Kick in Event during the term of the Securities or any period or day during the term of the Securities, as specified in the applicable Product Terms, the Securityholder is entitled to receive at the Maturity Date the Redemption Amount in the Redemption Currency, as specified in the applicable Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

#### **UBS Outperformance Securities**

UBS Outperformance Securities allow Securityholders to participate in the positive development of the Underlying relative to another Underlying. Conversely, Securityholders in UBS Outperformance Securities may also participate in the negative development of the Underlying relative to another Underlying. Depending, if the Reference Price or the Settlement Price of the Underlying, as specified in the relevant Product Terms, is

higher than or equal to or lower than the Strike, the Securityholder is entitled to receive on the Maturity Date the Redemption Amount in the Redemption Currency, as specified in the applicable Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

#### **UBS Reverse Convertible Securities/GOAL**

Depending on whether the Reference Price or the Settlement Price of the Underlying(s), as specified in the relevant Product Terms, is lower than or equal to the Strike or higher than the Strike, the Securityholder either receives the nominal amount or the performance of the Underlying(s) as further specified in the relevant Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

#### **UBS Kick-In GOAL/Barrier Reverse Convertible Securities**

The UBS Kick-In GOAL/Barrier Reverse Convertible Securities offers a safety buffer that aims to provide protection from the Underlying(s) reaching certain predefined or variable levels. If the Underlying(s) do not breach a predefined barrier, as specified in the relevant Product Terms, Securityholders are entitled to receive on the Maturity Date the Redemption Amount in the Redemption Currency equal to the Nominal Amount.

If the barrier is breached, the repayment at maturity is aligned to the level of the Underlying(s), as specified in the relevant Product Terms. If the Underlying(s) close(s) above a predefined level on a certain day as specified in the relevant Product Terms, Securityholders are entitled to receive on the Maturity Date the Redemption Amount in the Redemption Currency equal to the Nominal Amount. If the price of the Underlying(s), however, closes at or below a predefined level on a certain day as specified in the relevant Product Terms, Securityholders are entitled to receive on the Maturity Date, depending on the structure of the product, either the Physical Underlying in the appropriate number either expressed by the Multiplication Factor or, as the case may be, and as specified in the relevant Product Terms, equal to the number of Reference Shares per Denomination or a cash payment depending on the then current value of the Underlying(s) or the performance of the Underlying(s) (if applicable, adjusted by the respective ratio), as specified in the relevant Product Terms. The barrier can be observed either continuously or on predefined dates, as specified in the relevant Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

#### **UBS Performance Securities**

UBS Performance Securities allow investors to participate - if the applicable Product Terms specify a Management Fee to be applicable, considering the Management Fee - in the positive development of the Underlying(s). Conversely, investors in UBS Performance Securities also participate in the negative development of the Underlying(s).

UBS Performance Securities can be issued either as open end securities with no predefined Maturity Date or with a predefined Maturity Date. They may have an Issuer and/or Securityholder's right vested in the Securities

that could be exercised and cause the Securities to redeem/expire at any time, as specified in the relevant Product Terms.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

### **UBS Leveraged Securities**

With UBS Leveraged Securities, Securityholders can apply leverage, since UBS Leveraged Securities offer Securityholders the chance to participate disproportionately and without restriction in rising prices of the Underlying(s). This means that as of a predefined price level, as specified in the relevant Product Terms, participation in a potentially rising price performance is higher than 100%. The exact performance rate varies depending on the product features and is fixed per issue, as specified in the relevant Product Terms.

If the purchase price of a UBS Leveraged Security is at the price level of the Underlying(s), the effect of the leverage effect does not come to fruition yet. In this case, the disproportionate chance of a gain is counteracted by a loss risk that is equivalent to a direct, or as the case may be leveraged, investment and Securityholders participate in potential negative price development. In the described case (without agio) there is thus no disproportionate participation in potential losses.

To minimize the loss risk, UBS Leveraged Securities may have conditional partial protection. As long as an additionally included safety threshold, as specified in the relevant Product Terms, is not reached during the term, Securityholders recoup at least the capital invested on the due date. The partial protection only ceases to apply if a threshold is breached and the product behaves like a UBS Leveraged Security without conditional partial protection.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as specified in the relevant Product Terms.

In addition, the Securityholder may, as specified in the relevant Product Terms, be entitled to receive on the relevant Interest/Coupon Payment Date payment of an Interest Amount/a Coupon: Such payment of an Interest Amount/a Coupon can either be unconditional (i.e. disregarding the performance of the Underlying(s)) or conditional, all as specified in the applicable Product Terms.

### **UBS Zero Coupon Securities**

UBS Zero Coupon Securities entitle their Securityholders to receive on the Maturity Date the payment of the Nominal Amount per Security. As result, UBS Zero Coupon Securities are 100% capital-protected at maturity. Such payment is not guaranteed by a third party, but promised by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations.

The initial Issue Price of a UBS Zero Coupon Security is below its Nominal Amount. During the term of the UBS Zero Coupon Securities, the Securityholders is not entitled to receive any payments of interest.

### **UBS Fixed Rate Securities**

UBS Fixed Rate Securities entitle their Securityholders to receive on the Maturity Date the payment of the Nominal Amount per Security. As result, UBS Fixed Rate Securities are 100% capital-protected at maturity. Such payment is not guaranteed by a third party, but promised by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations.

During the term of the UBS Fixed Rate Securities, the Securityholder is entitled to receive on the relevant Interest Payment Date the payment of the Interest Amount in relation to the preceding Interest Calculation Period. The Interest Amount is calculated by applying the Interest Rate and the Day Count Fraction to the Nominal Amount per Security. The Interest Rate is fix for the whole term of the UBS Fixed Rate Securities.

### **UBS Floating Rate Securities**

UBS Floating Rate Securities entitle their Securityholders to receive on the Maturity Date the payment of the Nominal Amount per Security. As result, UBS Floating Rate Securities are 100% capital-protected at maturity. Such payment is not guaranteed by a third party, but promised by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations.

During the term of the UBS Floating Rate Securities, the Securityholder is entitled to receive on the relevant Interest Payment Date the payment of the Interest Amount in relation to the preceding Interest Calculation Period. The Interest Amount is calculated by applying the Interest Rate and the Day Count Fraction to the Nominal Amount per Security.

The Interest Rate in relation to each Interest Calculation Period(i) equals the Price of the Underlying, if so specified, either (i) plus or, as the case may be, (ii) minus a certain margin percentage, as specified in the relevant Product Terms.

**The following descriptions of several performance structures might be used for the Securities described in the section above, if applicable.**

#### Underlyings

Securities can either depend on one single Underlying, a basket of Underlyings, the best performing Underlying(s), the worst performing Underlying(s) or a combination of those. Basket performances are calculated as the weighted average of the performances of the individual Underlying(s).

The weightings can either be predefined or be defined during the life of the product depending on certain

conditions. Weights can for example depend on the relative performance of the Underlyings or the realised volatility of the Underlying(s).

#### Performances

In principle, the value of the Securities (disregarding any special features of the Securities) is likely to increase, in case the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Components, increases. In case the Price of the Underlying or Basket Components decreases, also the value of the Securities (disregarding any special features of the Securities) is likely to decrease.

In contrast thereto, Securities may, if so specified in the relevant Product Terms, provide for a so-called reverse structure. In this case the Securities (irrespective of the other features attached to the Securities or of any other factors, which may be relevant for the value of the Securities) **depreciate in value**, if the price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Components, increases, or the Securities **increase in value**, if the price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Components, decreases.

The performance or levels of the Underlying(s) can be measured in various ways.

Usually the performance is measured as the final level of the Underlying(s) as a percentage of the initial level of the Underlying(s). However the final level and / or the initial level can also either be defined as the average / maximum / minimum level of the Underlying(s) observed within a certain period. The initial level does not necessarily need to be observed on the strike date of the product but can also be observed during the life of the product.

Performance can also be measured as the relative performance of one or more Underlying(s) relative to the performance of one or more different Underlying(s).

Performances can also have a predefined or a variable and/or conditional cap. This means Securityholders accept a limitation of earning potential ("Cap") and may only participate in possible price increases (or decreases) of the Underlying(s) until a certain level is reached and no further. Additionally, performances can also have a predefined or a variable and/or conditional floor. This means Securityholders will have a minimum of earning potential ("Floor") and may only negatively participate in possible price decreases (or increases) of the Underlying(s) until a certain level is reached and no further.



### Barriers

Products can have barriers that are activated as soon as certain conditions are met. Usually these barriers represent certain levels to be reached by the Underlying(s) on certain observation dates.

Barriers can either be triggered by Underlying(s), performances or other measures reaching certain predefined levels. Some barriers are only triggered if more than one condition is met.

Barriers can be either defined to be observed only on certain dates or continuously.

Barriers either lead to the removal (Kick-Out) or addition (Kick-In) of certain features of the Securities. Features which are added or removed are for example coupons, participations or Underlying(s).

### Lock-In and Final Lock-In

The relevant Product Terms may provide for a "Lock-In" feature, which means that certain amounts or performances, as specified in the Product Terms, will in the case of the occurrence of a predetermined lock-in event be "locked-in", i.e. fixed, set aside or otherwise economically preserved, as specified in the Product Terms. To the extent and under the conditions of applicable other features described in this section 13 of the Base Prospectus and as further specified in the applicable Product Terms, Securityholders do still participate in the future performance of the Underlying or, as the case may be, the Basket Components.

If the relevant Product Terms specify that a "Final Lock-In" feature applies, certain amounts or performances, as specified in the Product Terms, will in the case of the occurrence of a predetermined lock-in event be "locked-in" to an extent that the participation of the Securityholders in the future performance of the Underlying or, as the case may be, the Basket Components is limited or even excluded.

### Automatic Termination Feature

If the relevant Product Terms specify that the Automatic Termination feature applies, then the Securities may be terminated and redeemed early upon the occurrence of an automatic termination event (including, but not limited to, a Stop Loss Event or Knock Out Event).

### Investment Strategies

Performance can be defined as the hypothetical performance of a certain predefined investment strategy. This can for example be a strategy that invests into the Underlying(s) only on certain predefined dates. Another example would be a strategy that invests into the Underlying(s) dependent on the realised volatility, performance, momentum or other metric of the Underlying(s) level over the life of the Securities.

### Bearish/Bullish/Variable Participation Rate

Participation is usually proportional with a certain rate (which can itself be dependent on certain pre-conditions for example the performance of one or more Underlying(s)) and can be either negative or positive.

### Currency Conversion

The Securityholder's right vested in the Securities may be determined on the basis of a currency other than the Redemption Currency, currency unit or calculation unit, and also the value of the Underlying or, as the case may be, the Basket Components may be determined in such a currency other than the Redemption Currency, currency unit or calculation unit. The currency exchange rate to be used to determine the Redemption Amount can either be predefined (quanto feature) or variable.

### Dual Currency

The Securityholders are entitled to receive payments in the pre determined currency specified in the applicable Product Terms as the Redemption Currency. If the relevant Product Terms, however, specify the product feature "Dual Currency" to be applicable, the Issuer is entitled to replace, either during the life of the Securities or at the final redemption, this pre determined currency by another currency specified for that purposes in the applicable Product Terms. All following payments to the Securityholder will then be made in such other currency. The Securityholder may be exposed to currency risk in such event.

### Coupons/Interest Amounts/Other Proceeds

If the relevant Product Terms specify unconditional Coupon, Interest Amount or other proceeds to apply, the Securityholder is entitled to receive payment of the relevant Coupon, Interest Amount or other proceeds, as specified in the applicable Product Terms.

If the relevant Product Terms specify conditional Coupon, Interest Amount or other proceeds to apply, the Securityholder is entitled to receive payment of the relevant Coupon, Interest Amount or other proceeds provided that relevant conditions are met. If, in case of a conditional Coupon, Interest Amount or other proceeds, these requirements are not met, no Coupon, Interest Amount or other proceeds are paid.

During their term products can therefore generate regular income. However, most products do not generate unconditional income, e.g. dividends or interest.

#### Capital Protection

Only if the product feature "Capital Protection" is specified to be applicable in the relevant Product Terms, the Settlement Amount is, in any case, at least equal to the capital protected Minimum Amount.

#### Maximum Amount

If the product feature "Maximum Amount" is specified to be applicable in the relevant Product Terms, the Settlement Amount is capped to the Maximum Amount.

#### Physical or Cash Settlement

Only if the product feature "Physical Settlement" is specified to be applicable in the relevant Product Terms, the Product is possibly settled physically. Otherwise the settlement occurs in cash payment. The settlement can depend on the performance of the Underlying(s).

#### General Early Redemption Right

The Issuer and the Securityholders will only have a general early redemption right in relation to the Securities prior to the Maturity Date, if so specified in the applicable Product Terms.

#### *Issuer's Call Right*

If so specified in the applicable Product Terms, the Issuer has a right to call the Securities for early redemption by giving notice to that effect on certain predefined dates. The redemption value can either be predefined or dependent on the Underlying(s) level, certain dates or other parameters.

#### *Securityholder's Put Right*

If so specified in the applicable Product Terms, the Securityholder has the right to put the Securities for early redemption. The redemption value can either be predefined or dependent on the Underlying(s) level, certain dates or other parameters.

## G. CONDITIONS OF THE SECURITIES

The Securities will be issued either (i) under the Conditions of the Securities as contained on pages 157 to 241 of the Base Prospectus dated 23 June 2014 of UBS AG as filed with SFSA and incorporated by reference in this Base Prospectus, (ii) under the Conditions of the Securities as contained on pages 212 to 318 of the Base Prospectus dated 17 April 2015 of UBS AG as filed with SFSA and incorporated by reference in this Base Prospectus, (iii) under the Conditions of the Securities as contained on pages 192 to 289 of the Base Prospectus dated 8 January 2016 of UBS AG as filed with SFSA and incorporated by reference in this Base Prospectus or (iv) under the Conditions of the Securities as contained in this Base Prospectus.

### 1. Structure of the Conditions of the Securities

Securities will be issued (i) on the General Conditions of the Securities as set out under "General Conditions" in the Base Prospectus, (ii) as completed by the Security specific Product Terms for the relevant series of Securities as set out under "Product Terms" in the Base Prospectus.

The Product Terms shall in the relevant Final Terms amend and put in concrete terms the General Conditions of the Securities for the purposes of the relevant Securities.

The Product Terms and the General Conditions together constitute the "Conditions" of the relevant Securities. Full information on the Conditions is only available on the basis of the combination of the Final Terms and the Base Prospectus.

#### Summarised Contents of the Conditions

|                 | Product Terms   | Page |
|-----------------|---|------|
| Part 1:         | <i>Key Terms and Definitions of the Securities</i>  | [•]  |
| Part 2: § 1 - 3 | <i>Special Conditions of the Securities</i>   | [•]  |
|                 | <b>General Conditions</b>   |      |
| § 4             | <i>Form of Securities; Title and Transfer; Status</i>   | [•]  |
| § 5             | <i>Settlement</i>   | [•]  |
| § 6 (a) - (m)   | <i>Adjustments for Securities on Baskets; Adjustments in connection with Shares, Certificates representing Shares, Non-Equity Securities, Commodities, Precious Metals, Indices, exchange traded Fund Units, not exchange traded Fund Units, Futures Contracts, Interest Rates, Currency Exchange Rates and Reference Rates</i> | [•]  |
| § 7             | <i>Adjustments due to the European Economic and Monetary Union</i>  | [•]  |
| § 8             | <i>Extraordinary Termination Right of the Issuer</i>  | [•]  |
| § 9             | <i>Termination Right of the Securityholders</i>   | [•]  |
| § 10            | <i>Taxes</i>  | [•]  |
| § 11            | <i>Market Disruptions</i>   | [•]  |
| § 12            | <i>Security Agents</i>  | [•]  |
| § 13            | <i>Substitution of the Issuer</i>   | [•]  |

|      |  |     |
|------|--|-----|
| § 14 | <i>Publications</i>  | [•] |
| § 15 | <i>Issue of further Securities; Purchase of Securities; Cancellation</i> | [•] |
| § 16 | <i>Governing Law; Jurisdiction</i>                                       | [•] |
| § 17 | <i>Corrections; Severability</i>   | [•] |

## 2. Product Terms

The following “**Product Terms**” of the Securities shall, for the relevant Securities, amend and put in concrete terms the General Conditions for the purposes of such Securities. A version of these Product Terms as amended and completed for the specific issue will be contained in the applicable Final Terms and must be read in conjunction with the General Conditions.

The Product Terms are composed of

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

**Part 2: Special Conditions of the Securities** (for the individual types of Securities)

Product Terms and General Conditions together constitute the “**Conditions**” of the relevant Securities.

In the event of any inconsistency between these Product Terms and the General Conditions, these Product Terms shall prevail for the purposes of the Securities.

## Part 1: Product Terms: Key Terms and Definitions of the Securities

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. 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 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.

#### **[Accumulated Borrowing Fee<sub>(t)</sub>:**

The Accumulated Borrowing Fee<sub>(t)</sub> [means [•]] [(i) on any [Fund Business Day] [•]'t' which is not immediately following a Borrowing Rebalancing Date, (A) the sum of the Borrowing Fees calculated in respect of each [Fund Business Day] [•] in the period from but excluding the immediately preceding Borrowing Rebalancing Date or, if none, the [Fixing Date] [•] to but excluding the relevant [Fund Business Day] [•] 't' plus (B) the Borrowing Fee in respect of [Fund Business Day] [•] 't'; and (ii) on any [Fund Business Day] [•] 't' which is immediately following a Borrowing Rebalancing Date, the Borrowing Fee in respect of [Fund Business Day] [•] 't'.

The Accumulated Borrowing Fee and the Rate shall be reset on each [quarterly] [monthly] [•] Borrowing Rebalancing Date.]]

#### **[Additional Termination Event:**

Additional Termination Event [means [•]] [, in relation to a currency exchange rate used as [the Underlying] [the Basket Component] means any of the following events:

- (i) The determination and/or publication of the price of a currency used in relation to the currency exchange rate is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (iii) The currency used in connection with the currency exchange rate is, in its function as legal tender, in the country or jurisdiction, or countries or jurisdictions, maintaining the authority, institution or other body which issues such currency, replaced by another currency, or merged with another currency to become a common currency, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (iv) A Relevant Country (aa) imposes any controls or announces its intention to impose any controls or (bb) (i) implements or announces its intention to implement or (ii) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Calculation Agent determines is likely to affect the Issuer's and/or any of its affiliates' ability to acquire, hold, transfer or realise the currency used in connection with the currency exchange rate or otherwise to effect transactions in relation to such currency.
- (v) The occurrence at any time of an event, which the Calculation Agent determines would have the effect of preventing, restricting or delaying the Issuer and/or any of its affiliates from:
  - (aa) converting the currency used in connection with the

currency exchange rate into the Redemption Currency or into another currency through customary legal channels or transferring within or from any Relevant Country any of these currencies, due to the imposition by such Relevant Country of any controls restricting or prohibiting such conversion or transfer, as the case may be;

- (bb) converting the currency used in connection with the currency exchange rate into the Redemption Currency or into another currency at a rate at least as favourable as the rate for domestic institutions located in any Relevant Country;
- (cc) delivering the currency used in connection with the currency exchange rate from accounts inside any Relevant Country to accounts outside such Relevant Country; or
- (dd) transferring the currency used in connection with the currency exchange rate between accounts inside any Relevant Country or to a party that is a non-resident of such Relevant Country.]

[and] [, in relation to a share used as [the Underlying] [the Basket Component] means any of the following events:

- (i) The Issuer obtains knowledge about the intention to discontinue permanently the quotation of the shares of the Company [in the Relevant Trading System] [or] [on the Relevant Exchange] [, as the case may be,] due to a merger or a new company formation, due to a transformation of the Company into a legal form without shares, or due to any other comparable reason, in particular as a result of a delisting of the Company.
- (ii) An insolvency proceeding or any other similar proceeding under the jurisdiction applicable to and governing the Company is initiated with respect to the assets of the Company.
- (iii) Take-over of the shares of the Company, which in the Issuer's opinion, results in a significant impact on the liquidity of such shares in the market.
- (iv) Offer to the shareholders of the Company pursuant to the German Stock Corporation Act (*Aktiengesetz*), the German Law regulating the Transformation of Companies (*Umwandlungsgesetz*) or any other similar proceeding under the jurisdiction applicable to and governing the Company to convert existing shares of the Company to cash settlement, to Securities other than shares or rights, which are not quoted on a stock exchange and/or in a trading system.]

[and] [, in relation to a certificate representing shares used as [the Underlying] [the Basket Component] means any of the following events:

- (i) The Issuer obtains knowledge about the intention to discontinue permanently the quotation of the certificate representing shares on the Relevant Exchange.
- (ii) An insolvency proceeding or any other similar proceeding under

the jurisdiction applicable to and governing the company, which has issued the Underlying Shares is initiated with respect to the assets of such company.]

**[Aggregate Nominal Amount:** The Aggregate Nominal Amount equals [●]. [Indicative. The Aggregate Nominal Amount will be fixed on [the Fixing Date [at Fixing Time]] [the end of the Subscription Period depending on the demand for the Securities during the Subscription Period].\*]]

**[American Depositary Receipt:** American Depositary Receipt means a negotiable instrument issued by a United States commercial bank acting as a depository that represents a specified number of Underlying Shares issued by an entity organised outside the United States held in a safekeeping account with the depository's custodian.]

## B.

### Banking Day:

The Banking Day means [●] [each day on which the banks in [Frankfurt am Main, Federal Republic of Germany,] [and] [[●]] are open for business[, the Trans-European Automated Real-time Gross settlement Express Transfer System ("TARGET2") is open] and the Clearing System settles securities dealings.]

### [Barrier:

The Barrier

[equals [●].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [●] ("**Barrier<sub>(i=1)</sub>**") , [●] and

the Barrier in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [●] ("**Barrier<sub>(i=n)</sub>**").]

[indicative. The Barrier [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].\*]

[The term "Barrier" shall also refer to all Barriers<sub>(i=1)</sub> to <sub>(i=n)</sub>.]

### [Basket Component:

The Basket Component<sub>(i=1)</sub> equals [, subject to a Roll Over in accordance with § 6 (j) of the Conditions of the Securities,] [*Description of [the share or of the American Depositary Receipt, the Global Depositary Receipt or other depository receipt on the share] [the Index] [the currency exchange rate] [the precious metal] [the commodity] [the interest rate] [the non-equity security] [the exchange traded fund unit] [the not exchange traded fund unit] [the futures contract (if applicable, including determination of the relevant expiration months)] [the reference rate]. [●] [in the case of an Index as the Basket Component insert, if appropriate, the following text: (the "Index<sub>(i=1)</sub>") , [as maintained, calculated and published by [●] (the "Index Sponsor<sub>(i=1)</sub>") [as maintained by [●] (the "Index Sponsor<sub>(i=1)</sub>") and calculated and published by [●] (the "Index Calculator<sub>(i=1)</sub>")]*] [*in the case of a fund unit as the Basket Component insert, if appropriate, the following text: (the "Fund Unit<sub>(i=1)</sub>") in the [●] (the "Fund<sub>(i=1)</sub>") [in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [(also "ADR<sub>(i=1)</sub>") [(also "GDR<sub>(i=1)</sub>") [(also "DR<sub>(i=1)</sub>") (In such context, the Share<sub>(i=1)</sub> underlying [the ADR<sub>(i=1)</sub>] [the GDR<sub>(i=1)</sub>] [the DR<sub>(i=1)</sub>] is also referred to as the "Underlying Share<sub>(i=1)</sub>"); [●] and*

the Basket Component<sub>(i=n)</sub> equals [, subject to a Roll Over in accordance with § 6 (j) of the Conditions of the Securities,] [*Description of [the share or of the American Depositary Receipt, the Global Depositary*



*Receipt or other depositary receipt on the share* *[the Index]* *[the currency exchange rate]* *[the precious metal]* *[the commodity]* *[the interest rate]* *[the non-equity security]* *[the exchange traded fund unit]* *[the not exchange traded fund unit]* *[the futures contract (if applicable, including determination of the relevant expiration months)]* *[the reference rate]*. [•] *[in the case of an Index as the Basket Component insert, if appropriate, the following text: (the "Index<sub>(i=n)</sub>"), [as maintained, calculated and published by [•] (the "Index Sponsor<sub>(i=n)</sub>")] [as maintained by [•] (the "Index Sponsor<sub>(i=n)</sub>") and calculated and published by [•] (the "Index Calculator<sub>(i=n)</sub>")] [in the case of a fund unit as the Basket Component insert, if appropriate, the following text: (the "Fund Unit<sub>(i=n)</sub>") in the [•] (the "Fund<sub>(i=n)</sub>")] [in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [(also "ADR<sub>(i=n)</sub>") [also "GDR<sub>(i=n)</sub>")] [(also "DR<sub>(i=n)</sub>")] (In such context, the Share<sub>(i=n)</sub> underlying [the ADR<sub>(i=n)</sub>] [the GDR<sub>(i=n)</sub>] [the DR<sub>(i=n)</sub>] is also referred to as the "Underlying Share<sub>(i=n)</sub>").*

[The Basket Components are [expressed in] [converted into] [related to] [the Underlying Currency] [•]].]

[In this context, the individual underlying values or components of a Basket Component are referred to as a "Component" or, as the case may be, the "Components" .]

The term "Basket Component" [or "Index"[, "Index Calculator"] and "Index Sponsor", as the case may be,] [or "Fund Unit" and "Fund", as the case may be] [•] shall also refer to all Basket Components<sub>(i=1)</sub> to <sub>(i=n)</sub> [and to all Indices<sub>(i=1)</sub> to <sub>(i=n)</sub>], all Index Calculators<sub>(i=1)</sub> to <sub>(i=n)</sub> and all Index Sponsors<sub>(i=1)</sub> to <sub>(i=n)</sub>, as the case may be] [and to all Fund Units<sub>(i=1)</sub> to <sub>(i=n)</sub> and all Funds<sub>(i=1)</sub> to <sub>(i=n)</sub>, as the case may be] [•].]

**[Basket Component Calculation Date:**

The Basket Component Calculation Date means

[•]

[each day, on which [the Relevant Trading System] [,] [and] [the Relevant Exchange] [,] [and] [the Relevant Exchange Market] [and] [the Relevant Reference Market] [is] [are] open for trading [and] [the Price of the Basket Component is determined in accordance with the relevant rules]]

*[in the case of an Index as the Basket Component insert, if applicable, the following text: [(or, as the case may be,] in relation to the Index] each day, on which [(i) [the Index Sponsor] [the Index Calculator] determines, calculates and publishes the official price of the Index, [and (ii) the Components, which are comprised in the Index are [, to the extent of at least [•] [80 %] [90 %] of the market capitalisation of all Components, which are comprised in the Index, or of the overall value of the Index,] available for trading and quotation [in the Relevant Trading System] [or] [on the Relevant Exchange]]*

*[in the case of a fund unit as the Basket Component insert, if applicable, the following text: [(or, as the case may be,] in relation to a Fund Unit] each day on which the [respective] administrator of the Fund publishes the Net Asset Value for such Fund in accordance with the relevant Fund's prospectus and constitutional documents]*

*[in the case of a reference rate as the Basket Component insert, if applicable, the following text: [(or, as the case may be,] in relation to a reference rate] each day on which the [respective] Relevant Reference*

Agent determines the Price of the Basket Component in accordance with the relevant rules]].]

**[Basket Performance:**

The Basket Performance equals [•]

**[Bonus Level:**

The Bonus Level

[equals [•].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“**Bonus Level<sub>(i=1)</sub>**”), [•] and

the Barrier in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“**Bonus Level<sub>(i=n)</sub>**”).]

[indicative. The Bonus Level [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].\*]

[The term “Bonus Level” shall also refer to all Bonus Levels<sub>(i=1)</sub> to <sub>(i=n)</sub>.]

**[Borrowing Fee:**

The Borrowing Fee [means [•]] [Day Count Fraction x Rate x [•%][•]]]

**[Borrowing Rebalancing Date:**

The Borrowing Rebalancing Date [means [•]] [[•] in each year commencing on [•] to and including [•], or if any such day is not a [Fund Business Day] [•], the immediately following [Fund Business Day][•]]]

**[Business Day:**

The Business Day means [•] [each day on which the banks in [Frankfurt am Main, Federal Republic of Germany,] [and] [[•]] are open for business.]]

**C.**

**[Calculation Agent:**

The Calculation Agent means [•] [UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany] [UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland [, acting through its [London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ]]].]

**[Cap:**

The Cap

[equals [•].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“**Cap<sub>(i=1)</sub>**”), [•] and

the Cap in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“**Cap<sub>(i=n)</sub>**”).]

[indicative. The Cap [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].\*]

[The term “Cap” shall also refer to all Caps<sub>(i=1)</sub> to <sub>(i=n)</sub>.]

**[Cap Level:**

The Cap Level

[equals [•].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•]

("Cap Level<sub>(i=1)</sub>"), [•] and

the Cap in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] ("Cap Level<sub>(i=n)</sub>").]

[indicative. The Cap Level [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].\* ]

[The term "Cap Level" shall also refer to all Cap Levels<sub>(i=1)</sub> to <sub>(i=n)</sub>.]

**CA Rules:**

CA Rules means [[•]

[the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*)]

[the Finnish Act on the Book-Entry System and Clearing and Settlement (*laki arvoosuusjärjestelmästä ja selvitystoiminnasta*) the Finnish Act on Book-Entry Accounts (827/1991) (*laki arvo-osuustileistä*)]

[the Norway Securities Register Act (*Lov av 5. Juli 2002 nr. 64 om registrering av finansielle instrumenter*)]

[the Danish Securities Trading etc. Act (*Lov om værdipapirhandel m.v.*) as amended from time to time and the Executive Order on Book Entry, etc. of Dematerialised Securities in a Central Securities Depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*) as amended from time to time issued pursuant thereto]

as well as] any regulation and operating procedure applicable to and/or issued by the Clearing System.

**[Certificate Value<sub>(t)</sub>:**

The Certificate Value<sub>(t)</sub> equals [•] [on [Fund Business Day][•] 't', and Certificate Value<sub>(0)</sub> is equal to [100%][•].]

**[CIBOR:**

CIBOR means [•]

**Clearing System:**

Clearing System means

[•]

[UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland (For the avoidance of doubt: The Securities can only be held in a securities account with UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland)]

[Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany]

[Clearstream Banking S.A., Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg)]

[Euroclear Bank S.A./ N.V., Brussels, as operator of the Euroclear System (1 Boulevard du Roi Albert II, B - 1210 Brussels, Belgium)]

[Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm, Sweden, in its capacity as central securities depository under the Swedish Central Securities Depositories and Financial Instruments

Accounts Act (*Sw. lag (1998:1479) om centrala värdepappersförvarare och kontoföring av finansiella instrument*)

[Euroclear Finland Ltd., Urho Kekkosen katu 5 C, FI-00101 Helsinki, Finland, in its capacity as central securities depository under the Finnish Act on the Book-Entry System and Clearing and Settlement (*laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) and the Finnish Act on Book-Entry Accounts (827/1991) (*laki arvo-osuustileistä*)]

[Verdipapirsentralen ASA, P.O. Box 4, 0051 Oslo, Norway, in its capacity as central securities depository under the Norway Securities Register Act (*Lov av 5. Juli 2002 nr. 64 om registrering av finansielle instrumenter*)]

[VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, 2300 København S, Denmark, in its capacity as central securities depository under the Danish Securities Trading etc. Act (*Lov om værdipapirhandel m.v.*), as amended from time to time]

or any successor in this capacity. [The term “Clearing System” shall refer to all Clearing Systems.]

**[Coupon:**

[The Coupon equals [•] [the Nominal Amount multiplied by the Coupon Factor (as defined below), afterwards commercially rounded to [two] [•] decimal places]]

[The Coupon<sub>(i=1)</sub> in relation to the Observation Date<sub>(i=1)</sub> equals [•] [converted into the Redemption Currency] [commercially rounded to [two] [•] decimal places]. [indicative. The Coupon<sub>(i=1)</sub> in relation to the Observation Date<sub>(i=1)</sub> will be fixed on the Fixing Date [at the Fixing Time]\*; [•] and

the Coupon<sub>(i=n)</sub> in relation to the Observation Date<sub>(i=n)</sub> equals [•] [converted into the Redemption Currency] [commercially rounded to [two] [•] decimal places]. [indicative. The Coupon<sub>(i=n)</sub> in relation to the Observation Date<sub>(i=n)</sub> will be fixed on the Fixing Date [at the Fixing Time]\*.]

The term “Coupon” shall also refer to all Coupons<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]

**[Coupon Barrier:**

The Coupon Barrier

[equals [•].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“**Coupon Barrier<sub>(i=1)</sub>**”), [•] and

the Coupon Barrier in relation to the [Underlying<sub>(i=n)] [Basket Component<sub>(i=n)</sub>] equals [•] (“**Coupon Barrier<sub>(i=n)</sub>**”).]</sub>

[indicative. The Coupon Barrier [in relation to each [Underlying<sub>(i)] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time]\*.]</sub>

[The term “Coupon Barrier” shall also refer to all Coupon Barriers<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]

**[Coupon Day Count Fraction:**

The Coupon Day Count Fraction, in respect of the calculation of an amount for any period of time (the “**Coupon Calculation Period**”) means [•] [the actual number of days in the Coupon Calculation Period divided by 360].]

- [Coupon Determination Date:** The Coupon Determination Date means [•] [the [•] [Banking Day] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date] before the start of the relevant Coupon Period].]
- [Coupon Factor:** The Coupon Factor equals [•].]
- [Coupon Payment Date:** The Coupon Payment Date means [•] [the [•] Banking Day after the [relevant] Observation Date].]
- [If any Coupon Payment Date would fall on a day which is not a [Banking Day] [•], the payment date shall be:
- [if Modified Following Business Day Convention insert:* postponed to the next day which is a [Banking Day] [•] unless it would thereby fall into the next calendar month, in which event the Coupon Payment Date shall be the immediately preceding [Banking Day] [•]]
- [if Following Business Day Convention insert:* postponed to the next day which is a [Banking Day] [•]]
- [if Preceding Business Day Convention insert:* the immediately preceding [Banking Day] [•]]
- (the “**Business Day Convention**”).]
- [Coupon Period:** [The Coupon Period means [•] [the period, commencing on the [Issue Date] [Fixing Date] [•] [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland]] [•]] and ending [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], [•]] on the [Expiration Date] [Valuation Date] [Final Valuation Date] [or] [latest of the Valuation Averaging Dates].]
- [The Coupon Period<sub>(i=1)</sub> means the period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland] on [•] [Observation Date<sub>(i=1)</sub>] (including) [•] and the Coupon Period<sub>(i=n)</sub> means the period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date<sub>(i=n-1)</sub>] (excluding) and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date<sub>(i=n)</sub>] (including).]]
- D.**
- [Day Count Fraction:** The Day Count Fraction, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”) means:
- [in the case of “Actual/Actual (ICMA)”:*
- (a) where the Calculation Period is equal to or shorter than the Interest Calculation Period during which it falls, the actual number of days in the Calculation Period divided by the product of (i) the actual number of days in such Interest Calculation Period and (ii) the number of Interest Calculation Periods in any calendar year; and

- (b) where the Calculation Period is longer than one Interest Calculation Period, the sum of: (i) the actual number of days in such Calculation Period falling in the Interest Calculation Period in which it begins divided by the product of (x) the actual number of days in such Interest Calculation Period and (y) the number of Interest Calculation Periods in any year; and (ii) the actual number of days in such Calculation Period falling in the next Interest Calculation Period divided by the product of (x) the actual number of days in such Interest Calculation Period and (y) the number of Interest Calculation Periods in any year.]

*[in the case of "30/360":*

the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).]

*[in the case of "30E/360" or "Eurobond Basis":*

the number of days in the Calculation Period divided by 360 (unless, in the case of the final Calculation Period, [the Expiration Date] [the Valuation Date] [the Final Valuation Date] [if applicable, insert other relevant date: [•]] is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

*[in the case of "Actual/365" or "Actual/Actual (ISDA)":*

the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

*[in the case of "Actual/365 (Fixed)":*

the actual number of days in the Calculation Period divided by 365.]

*[in the case of "Actual/360":*

the actual number of days in the Calculation Period divided by 360.]

**[Delivery Date:**

The Delivery Date means [•][Front Month]

[[•] [in respect of the Price of the Underlying the First Nearby Month, provided that if the Expiration Date or the Kick-In Observation Date is the same as or subsequent to the Last Trading Date or the First Notice Date in respect of the Underlying then the delivery date applicable to the Underlying shall be the Second Nearby Month.]

[In this context, "First Nearby Month" means the first following contract months (as specified in relation to the Underlying in the definition "Underlying") and the "Second Nearby Month" means the

second following contract months (as specified in the definition “Underlying”).]

- [Delivery Disruption Amount:** The Delivery Disruption Amount equals [the Reference Price] [the Settlement Price] of [the Underlying] [if appropriate, insert different point of reference to an Underlying comprised in the Base Prospectus: [•]] [multiplied by [the Participation Factor] [the Leverage Factor] [the Multiplier] [, expressed as a decimal number,]] [and] commercially rounded to [two] [•] decimal places.]
- [Depository Receipt:** Depository Receipt means [•] [a negotiable instrument issued by [a commercial bank] [•] acting as a depository that represents a specified number of Underlying Shares issued by an entity organised outside [•] held in a safekeeping account with the depository’s custodian].]

#### E.

- [EURIBOR:** EURIBOR means [•]]
- [Exchange Business Day:** The Exchange Business Day means [•] [each day, on which the Relevant Exchange is open for trading and the Price of the Underlying is determined in accordance with the relevant rules].
- [Exercise Date:** The Exercise Date means [•].]
- [Exercise Period:** The Exercise Period [•] [starts on [•] and ends on [•] [at the Exercise Time]].]
- [Exercise Time:** The Exercise Time equals [•] [hrs. (local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland])] [•]]
- [Expiration Date:** The Expiration Date means [•]. [If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date], the immediately [preceding] [succeeding] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date] is the Expiration Date.]]
- [Express Level:** The Express Level  
 equals [•].  
 [in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“Express Level<sub>(i=1)</sub>”), [•] and  
 the Express Level in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“Express Level<sub>(i=n)</sub>”).]  
 [indicative. The Express Level [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].\*]  
 [The term “Express Level” shall also refer to all Express Levels<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]

#### F.

- [Fee Determination Date:** The Fee Determination Date means [•] [the date which is [two (2)] [•] [Banking Days] [Business Days] [Fund Business Days] [[Underlying] [Basket Component] Calculation Dates]] prior to the first [Banking Day] [Business Day] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date]] of the respective Roll Period].]
- [Final Valuation Date:** [The Final Valuation Date means [the Expiration Date] [•].]

[The Final Valuation Date means [[the Expiration Date] [•]] [(i) in the case of an exercise by the Securityholder in accordance with § [•] of the Conditions of the Securities, subject to an effective exercise procedure, [the relevant Exercise Date] [the day immediately succeeding the relevant Exercise Date] [•]] [and] [(ii) in the case of an Automatic Exercise in accordance with § [•] of the Conditions of the Securities [the Automatic Exercise Date] [the day immediately succeeding the Automatic Exercise Date] [•]].]

If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date] in relation to [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>], [•] [the immediately [preceding] [succeeding] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date] is the relevant Final Valuation Date in relation to [the Underlying] [the affected [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] [the aggregate [Underlyings] [Basket Components]]].]

**[Fixing Date:**

The Fixing Date means [•].

[the date which is [two (2)] [•] [Banking Days] [Business Days] [Fund Business Days] [[Underlying] [Basket Component] Calculation Dates]] [•] prior to [the start] [the first [Banking Day] [Business Day] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date]] [•]] of the respective [Roll Period] [Interest Calculation Period].]

[If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date] in relation to [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>], [•] [the immediately [preceding] [succeeding] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date] is the relevant Fixing Date in relation to [the Underlying] [the affected [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] [the aggregate [Underlyings] [Basket Components]]].]

[In the case of abbreviation or extension of the Subscription Period the Fixing Date may be changed accordingly.]

**[Fixing Time:**

The Fixing Time equals [•]

[[•] hrs [(local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland]).]

[[the time of the official determination of the [Price] [[•] price] of the [Underlying] [respective Underlying<sub>(i)</sub>] [by the Index Sponsor] [or the Index Calculator, as the case may be] [by the Relevant Reference Agent].] [•]]

*[in the case of a Basket as the Underlying insert, if appropriate, the following text: [[•], relevant local time for each Basket Component<sub>(i)</sub>] [the time of the official determination of the [Price] [[•] price] of each Basket Component<sub>(i)</sub>] [by the Index Sponsor] [by the Relevant Reference Agent].] [•]]]*

**[Fund Business Day:**

The Fund Business Day means any day in respect of which (i) the administrator of the Fund calculates and publishes the Fund's NAV in accordance with the relevant prospectus and constitutional documents of the Fund and (ii) a Notional Investor in the Fund Units of the Fund could subscribe and redeem the Fund Units.]



|   |  |
|---|--|
| <b>[Fund Value<sub>(t)</sub>:</b>                       | The Fund Value <sub>(t)</sub> means [•] [the product of (A) the Number of Fund Units with respect to the immediately preceding [Fund Business Day][•] 't-1' or, if none, the [Fixing Date][•] and (B) the NAV on [Fund Business Day][•] 't' divided by the Initial NAV.]]  |
| <b>[Futures Contract with the next Expiration Date:</b> | Futures Contract with the next Expiration Date means [•] [the futures contract with the Expiration Date, which falls in the chronologically next of the Relevant Expiration Months.]]  |
| <b>[FX Factor:</b>                                      | <p>The FX Factor equals [•] [the quotient of the [•] (“[•]”) currency exchange rate on the [Observation Date<sub>(i=n)</sub>] [Valuation Date] [•] (“FX<sub>End</sub>”), divided by the [•] currency exchange rate on the [Fixing Date] [•] (“FX<sub>Start</sub>”).]</p> <p>[The currency exchange rate is expressed in units [•] per 1 unit [•].]</p> <p>[“FX<sub>Start</sub>” and “FX<sub>End</sub>” will be determined[, commercially rounded to [•][4] decimal places,] by the Calculation Agent at its reasonable discretion pursuant to § 317 of the German Civil Code (“BGB”), targeting the [•] currency exchange rate [resulting as the quotient of 1 divided by the [•] (“[•]”) currency exchange rate] as published [as daily fixing] [•] at or about •hrs [•] [CET] on [Reuters] [Bloomberg] page “•” (or a substitute page thereof).]</p> <p>[If a currency exchange rate is not determined or quoted in the manner described above or in case of, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), a FX Market Disruption (as defined below), the Calculation Agent shall be entitled to identify a currency exchange rate, determined on the basis of the then prevailing market customs.]</p> <p>[A “FX Market Disruption” means a limitation, suspension or disruption of or a restriction imposed on trading, the latter of which the Issuer and the Calculation Agent consider significant, on the foreign exchange market(s) in which the rates for the determination of the FX Factor are determined.]]</p> |
| <b>G.<br/>[Global Depository Receipt:</b>               | Global Depository Receipt means a negotiable instrument issued by a commercial bank acting as a depository that represents a specified number of Underlying Shares issued by an entity and held in a safekeeping account with the depository's custodian.]   |
| <b>Governing Law:</b>                                   | German law governed Securities. Any reference to reasonable discretion in the Conditions shall be construed as references to reasonable discretion in accordance with § 315 BGB or §§ 315, 317 BGB, as the case may be.  |
| <b>I.<br/>[Initial Strike:</b>                          | <p>The Initial Strike</p> <p>[equals [•].]</p> <p>[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“Initial Strike<sub>(i=1)</sub>”), [•] and</p> <p>the Initial Strike in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“Initial Strike<sub>(i=n)</sub>”).]</p> <p>[indicative. The Initial Strike [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].*]</p>   |

|                                      |   |
|--------------------------------------|---|
|                                      | [The term "Initial Strike" shall also refer to all Initial Strikes <sub>(i=1)</sub> to <sub>(i=n)</sub> .]  |
| <b>[Initial Payment Date:</b>        | The Initial Payment Date means [•]. [In the case of abbreviation or extension of the Subscription Period, the Initial Payment Date may be changed accordingly.]   |
| <b>[Interest Amount:</b>             | The Interest Amount [means [•]] [is calculated by applying the Interest Rate and the Day Count Fraction to the Nominal Amount per Security, if applicable, commercially rounded to [two] [•] decimal places.]   |
| <b>[Interest Amount Fixing Date:</b> | The Interest Amount Fixing Date means [•].]   |
| <b>[Interest Amount Fixing Time:</b> | The Interest Amount Fixing Time means [•] [[•] hrs [(local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom]).]  |
| <b>[Interest Calculation Period:</b> | The Interest Calculation Period means the period from [(including)] [(excluding)] one [Interest Payment Date] [•] to [(including)] [(excluding)] the next succeeding [Interest Payment Date] [•]. The initial Interest Calculation Period will be the period from the [Issue Date] [Initial Payment Date] [•] [(including)] [(excluding)] to the first [Interest Payment Date] [•] [(including)] [(excluding)].]  |
| <b>[Interest Payment Date:</b>       | <p>The Interest Payment Date means [•] [[•] of each calendar year [beginning on [•]]. The last Interest Payment Date equals the Maturity Date.]</p> <p>[If any Interest Payment Date would fall on a day which is not a [Banking Day] [•], the payment date shall be:</p> <p><i>[in case of Modified Following Business Day Convention insert:</i> postponed to the next day which is a [Banking Day] [•] unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Banking Day] [•]</p> <p><i>[in case of Following Business Day Convention insert:</i> postponed to the next day which is a [Banking Day] [•]</p> <p><i>[in case of Preceding Business Day Convention insert:</i> the immediately preceding [Banking Day] [•]</p> <p>(the "Business Day Convention").]</p> |
| <b>[Interest Rate:</b>               | <p>The Interest Rate equals [•]</p> <p><i>[in case of fixed rate securities insert, if applicable:</i></p> <p>[•] % [per annum]]</p> <p><i>[in case of step-up or step-down securities insert, if applicable:</i></p> <p>in relation to the Interest Calculation Period<sub>(i=1)</sub> [•] % [per annum],</p> <p>in relation to the Interest Calculation Period<sub>(i=2)</sub> [•] % [per annum], [•]</p> <p>in relation to the Interest Calculation Period<sub>(i=n)</sub> [•] % [per annum]</p> <p>[, as determined by the Calculation Agent by referring to the Relevant</p>   |

Screen Page (or a substitute page thereof) at or around the Fixing Time on the relevant Fixing Date]. [The Interest Rate is subject to a minimum of [•] [%] [per annum].]

[If the Relevant Screen Page at or around the Fixing Time is not available or if [the relevant interest rate] [•] is not displayed, [•] [[the relevant interest rate] [•] shall be the [[•] rate] [•] [(expressed as a percentage p.a.)] as displayed on the corresponding page of another financial information service. If [the relevant interest rate] [•] is no longer displayed in one of the above forms, the Issuer is entitled to specify at its reasonable discretion a Interest Rate [(expressed as a percentage p.a.)] calculated on the basis of the standard market practices applicable at that time. [In this case the Issuer is entitled but not obliged to request from reference banks selected at its reasonable discretion their respective quotes for [the relevant interest rate] [•] [(expressed as a percentage rate p.a.)] at or around the Fixing Time. If at least [two] [•] of the reference banks have provided a corresponding quote to the Issuer, the Calculation Agent is entitled but not obliged to determine the Interest Rate by using the [arithmetical] average calculated by it (if necessary rounded to the nearest one thousandth of a percent) of the quotes specified by these reference banks.]]]

**[Issue Date:** The Issue Date means [•]. [In the case of abbreviation or extension of the Subscription Period the Issue Date may be changed accordingly.]]

**Issuer:** The Issuer means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland [, acting through its [London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ]].

**[Issuing Agent:** The Issuing Agent means [SEB Merchant Banking, Asset Servicing, SE-106 40 Stockholm, Sweden,] [Nordea Bank Finland Plc, 2590 Issuer Services, Aleksis Kiven katu 3 – 5, FI-00500 Helsinki, Finland,] [Nordea Bank AB, Issuer Services, Middelthunsgate 17, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway,] [Nordea Bank Danmark A/S, Issuer Services, Securities Services, P.O. Box 850, DK-0900 Copenhagen C, Denmark,] [•] or any successor in this capacity. As long as any Security is outstanding, there will at all times be an Issuing Agent duly authorised as such under the CA Rules with regard to the Securities.]

K.

**[Kick In Level:** The Kick In Level

[equals [•].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“Kick In Level<sub>(i=1)</sub>”), [•] and

the Kick In Level in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“Kick In Level<sub>(i=n)</sub>”).]

[indicative. The Kick In Level [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].\*]

[The term “Kick In Level” shall also refer to all Kick In Levels<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]

**[Kick In Strike:** The Kick In Strike

[equals [•].]

|   |   |
|---|---|
|   | <p>[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [●] (“<b>Kick In Strike<sub>(i=1)</sub></b>”), [●] and</p> <p>the Kick In Strike in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [●] (“<b>Kick In Strike<sub>(i=n)</sub></b>”).]</p> <p>[indicative. The Kick In Strike [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].<sup>*</sup>]</p> <p>[The term “Kick In Strike” shall also refer to all Kick In Strikes<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]</p>   |
| <b>[Kick In Threshold:</b>              | <p>The Kick In Threshold</p> <p>[equals [●].]</p> <p>[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [●] (“<b>Kick In Threshold<sub>(i=1)</sub></b>”), [●] and</p> <p>the Kick In Threshold in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [●] (“<b>Kick In Threshold<sub>(i=n)</sub></b>”).]</p> <p>[indicative. The Kick In Threshold [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].<sup>*</sup>]</p> <p>[The term “Kick In Threshold” shall also refer to all Kick In Thresholds<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]</p> |
| <b>[Kick Out Level:</b>                 | <p>The Kick Out Level</p> <p>[equals [●].]</p> <p>[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [●] (“<b>Kick Out Level<sub>(i=1)</sub></b>”), [●] and</p> <p>the Kick Out Level in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [●] (“<b>Kick Out Level<sub>(i=n)</sub></b>”).]</p> <p>[indicative. The Kick Out Level [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].<sup>*</sup>]</p> <p>[The term “Kick Out Level” shall also refer to all Kick Out Levels<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]</p>                      |
| <b>L.</b><br><b>[Last Trading Date:</b> | <p>The Last Trading Date means [●] [in respect of the Price of the Underlying, the last date on which the Underlying may be traded in accordance with the regulations and procedures of the Relevant Reference Market. The Last Trading Date shall be the date commonly understood in the market as applying to the Underlying and, in the event of any dispute, shall be the date specified and determined by the Calculation Agent.]]</p>   |
| <b>[Leverage Factor:</b>                | <p>[The Leverage Factor equals [●] [indicative. The Leverage Factor will be fixed on the Fixing Date [at Fixing Time].]</p> <p>[The Leverage Factor represents the amount which will be invested into the Fund. The Leverage Factor will be set at [●%].<sup>*</sup>]]</p>  |
| <b>[Leverage Value<sub>(t)</sub>:</b>   | <p>The Leverage Value<sub>(t)</sub> [means [●] [represents a notional borrowing by the Issuer to facilitate the allocation to Fund Units over [100%][●] of the</p>  |

Certificate Value(t). On any [Fund Business Day][•] 't' this is equal to 200% (which is the Leverage Factor on Fund Business Day 't' minus [100%][•].)]

[LIBOR:

LIBOR means [•]]

[Lock-In Level:

The Lock-In Level

[equals [•].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“**Lock-In Level<sub>(i=1)</sub>**”), [•] and

the Lock-In Level in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“**Lock-In Level<sub>(i=n)</sub>**”).]

[indicative. The Lock-In Level [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].<sup>\*</sup>

[The term “Lock-In Level” shall also refer to all Lock-In Levels<sub>(i=1)</sub> to <sub>(i=n)</sub>.)]

[Look-Back Level:

The Look-Back Level of [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>] equals [•] [the lowest of the [closing prices] [•] of [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>] on each of the Look-Back Dates within the Look-Back Period as determined by the Calculation Agent on the last Look-Back Date.]

For these purposes a “**Look-Back Date**” means each [Banking Day] [[Underlying] [Basket Component] Calculation Date] [Exchange Business Day] [•] within the Look-Back Period.]

[Look Back Period:

The Look-Back Period means [•] [the period, commencing on the [Issue Date] [Fixing Date] [•] [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland] [•]] and ending [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], [•]] on the [Expiration Date] [Valuation Date] [Final Valuation Date] [or] [latest of the Valuation Averaging Dates].]

[Loss Threshold:

The Loss Threshold

[equals [•].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“**Loss Threshold<sub>(i=1)</sub>**”), [•] and

the Loss Threshold in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“**Loss Threshold<sub>(i=n)</sub>**”).]

[indicative. The Loss Threshold [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].<sup>\*</sup>

[The term “Loss Threshold” shall also refer to all Loss Thresholds<sub>(i=1)</sub> to <sub>(i=n)</sub>.)]

M.

[Management Fee:

The Management Fee (“**MF**”) [is determined as follows: [•]] [equals [•]

[•] per [calendar day] [calendar month] [calendar quarter] [calendar year] [•], which is [calculated and] deducted [monthly] [quarterly] [semi-annually] [annually] [•] [in arrears].]

[The Management Fee will be published on each Fee Determination Date on [•] [UBS Quotes (<http://www.ubs.com/quotes>)]. The applicable Management Fee of [up to] [•][•] % [per annum] will be charged and deducted on [•] [a daily basis (Act/360)] on the Redemption Amount per Security as of the respective previous Fee Determination Date, as determined by the Calculation Agent.]

[The [initial] Management Fee (“MF”) equals [•] [[•] % p.a., which is [calculated and] deducted [per calendar day] [•] [in arrears].] [This includes a Recurring Commission of [•] [[•] % p.a.]

[The Management Fee (“MF”) can be adjusted annually on and is effective as of the MF Adjustment Date.]

[The Management Fee (“MF”) will be fixed [•] [annually on the MF Fixing Date becoming effective on the MF Adjustment Date with a maximum of [•] [[•] % p.a.]]

[The current Management Fee will be published on [•] [[www.ubs.com/keyinvest](http://www.ubs.com/keyinvest)].]

**Maturity Date:**

The Maturity Date means [•] [the [•] Banking Day (i) after the [relevant Valuation Date] [latest of the Valuation Averaging Dates] [, (ii) in the case of an early expiration in accordance with § [•] of the Conditions of the Securities, after the Early Expiration Date,] [(ii)(iii) in the case of the occurrence of an automatic termination event in accordance with § [•] of the Conditions of the Securities, after [the Stop Loss Expiration Date] [the Knock Out Expiration Date] [•];] and ([•]) in the case of a termination by the Issuer in accordance with § 8 [•] of the Conditions of the Securities, after the Termination Date.]

**[Maximum Amount:**

The Maximum Amount equals [•] [converted into the Redemption Currency] [and] [commercially rounded to [two] [•] decimal places] [indicative. The Maximum Amount will be fixed [at the Fixing Time] on the Fixing Date.\*]]

**[MF Adjustment Date:**

The MF Adjustment Date means [•].

[If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date] [•] in relation to [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>], [•] [the immediately [preceding] [succeeding] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date] [•] is the relevant MF Adjustment Date in relation to [the Underlying] [the affected [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>]] [the aggregate [Underlyings] [Basket Components]]].]

**[MF Fixing Date:**

The MF Fixing Date means [•].

If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date] [•] in relation to [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>], [•] [the immediately [preceding] [succeeding] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date] [•] is the relevant MF Fixing Date in relation to [the Underlying]

[the affected [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>]]  
[the aggregate [Underlyings] [Basket Components]]].

[In the case of abbreviation or extension of the Subscription Period the MF Fixing Date may be changed accordingly.]]

|                                    |               |   |
|------------------------------------|---------------|---|
| <b>[Minimum Amount:</b>            |               | The capital protected Minimum Amount equals [•] [converted into the Redemption Currency] [commercially rounded to [two] [four] [•] decimal places] [indicative. The Minimum Amount will be fixed [at the Fixing Time] on the Fixing Date.*]]  |
| <b>[Minimum Exercise Size:</b>     |               | The Minimum Exercise Size equals [•].]  |
| <b>[Minimum Settlement Amount:</b> |               | The Minimum Settlement Amount equals [0.001] [•] in the Redemption Currency per Security.]  |
| <b>[Minimum Trading Size:</b>      |               | The Minimum Trading Size equals [•].]   |
| <b>[Minimum Transferable Size:</b> |               | The Minimum Transferable Size equals [•] [Security] [Securities].]  |
| <b>[Multiplication Factor:</b>     |               | The Multiplication Factor equals the factor [•] [indicative. The Multiplication Factor will be fixed on the Fixing Date [at Fixing Time].*]]  |
| <b>[Multiplier:</b>                |               | The Multiplier equals [•] [[•], or expressed as a decimal number [•], i.e. [•] [Security relates] [Securities relate] to 1 Underlying [, respectively, 1 Security relates to [•] Underlying[s], as the case may be.]] [indicative. The Multiplier will be fixed [at the Fixing Time] on the Fixing Date.*]]   |
| <b>N.</b>                          |               |   |
| <b>[Net Asset Value:</b>           |               | The Net Asset Value (“NAV”) means [the Fund's net asset value as calculated and published by the Fund's administrator in accordance with the relevant Fund's prospectus and constitutional documents by adding the value of all the assets of the Fund and deducting the total liabilities (including, in particular but not limited to, any fees (including an advisory fee and an incentive fee) payable to the Fund's advisor, the administrator, the bank and the custodian of the Fund, all borrowings, brokerage fees, provisions for taxes (if any), allowances for contingent liabilities and any other costs and expenses reasonably and properly incurred to the bank or the custodian of the Fund in effecting the acquisition or disposal of securities or in administering the Fund) of the Fund.] [•].] |
| <b>[NIBOR:</b>                     |               | NIBOR means [•]]  |
| <b>[Nominal [(Denomination)]:</b>  | <b>Amount</b> | The Nominal Amount [(Denomination)] per Security equals [•].]   |
| <b>[Notional Investor:</b>         |               | The Notional Investor means a hypothetical investor (in the same position as the Issuer) investing in the Fund Units of the Fund.]  |
| <b>[Number of Fund Units:</b>      |               | The Number of Fund Units equals [•] [The initial number of Fund Units will correspond to the Leverage Factor. This decreases on a Borrowing Rebalancing Date on the basis that on the [Fund Business Day][•] immediately following a Borrowing Rebalancing Date the Number of Fund Units is reduced by a number of Fund Units equivalent to the Accumulated Borrowing Fee with respect to such immediately preceding Borrowing Rebalancing Date. On any other day the number of Fund Units equals the number of Fund Units on the preceding [Fund Business Day][•].]]   |

O.

- [Observation Date:** The Observation Date means [•].
- If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date in relation to [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>], [•] [the immediately [preceding] [succeeding] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date] is the relevant Observation Date in relation to [the Underlying] [the affected [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>]] [the aggregate [Underlyings] [Basket Components]]].
- [Observation Period:** [The Observation Period means [•] [the period, commencing on the [Issue Date] [Fixing Date] [•] [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland]] [•]] and ending [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], [•]] on the [Expiration Date] [Valuation Date] [Final Valuation Date] [or] [latest of the Valuation Averaging Dates].]
- [The Observation Period<sub>(i=1)</sub> means the period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland] on [•] [Observation Date<sub>(i=1)</sub>] (including) [•] and the Observation Period<sub>(i=n)</sub> means the period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date<sub>(i=n-1)</sub>] (excluding) and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date<sub>(i=n)</sub>] (including).]]
- [Option Style:** The Option Style is [European][American].]
- P.**
- [Participation Factor:** The Participation Factor equals [•] [The Participation Factor will be fixed on the Fixing Date [at Fixing Time].\*]]
- Paying Agent:** The Paying Agent means [•] [UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland [, acting through its [London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ]]] [UBS Limited c/o UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany] [, as well as the paying agents specified for the purposes in the applicable Final Terms under the heading “Part D – Country Specific Information”]. [The term “Paying Agent” shall also refer to all Paying Agents [including the Principal Paying Agent].]
- [Payout Factor:** The Payout Factor equals [•]
- [in relation to the Observation Date<sub>(i=n)</sub>] equals (indicative)]
- [The term “Payout Factor” shall also refer to all Payout Factors<sub>(i=n)</sub> to <sub>(i=n)</sub>]
- [The Payout Factor will be fixed on the Fixing Date.\*]]



|  |   |
|--|---|
| <b>[Percentage Weighting:</b>          | <p>The Percentage Weighting</p> <p>[equals [•].]</p> <p>[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“<b>Percentage Weighting<sub>(i=1)</sub></b>”), [•] and</p> <p>the Percentage Weighting in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“<b>Percentage Weighting<sub>(i=n)</sub></b>”).]</p>   |
| <b>[Physical Underlying:</b>           | <p>The Physical Underlying means</p> <p><i>[in the case of shares as the Physical Underlying insert, if appropriate, the following text: the shares of [•] with the ISIN [•]]</i></p> <p><i>[in the case of an Index as the Physical Underlying insert, if appropriate, the following text: index securities linked to the performance of the Index with the ISIN [•]]</i></p> <p><i>[in the case of a fund unit as the Physical Underlying insert, if appropriate, the following text: Fund Unit in the Fund with the ISIN [•]]</i></p> <p><i>[in the case of precious metals or commodities as the Physical Underlying insert the following text: securities linked to the performance of the relevant Underlying with the ISIN [•]]</i></p> <p>[•]</p> <p>[in a number that considers [the Participation Factor] [the Leverage Factor] [the Multiplier], expressed as a decimal number] [•].]</p>  |
| <b>[Price of the Basket Component:</b> | <p>The Price of the Basket Component means</p> <p>[•]</p> <p>[the [•] price(s) of the respective Basket Component(s) as [continuously] determined [by the Relevant Trading System] [or] [on the Relevant Exchange]] [or]</p> <p><i>[in the case of an Index as the Basket Component insert, if applicable, the following text: the [•] price(s) of the [relevant] Basket Component(s) as calculated and published by [the Index Sponsor] [the Index Calculator]] [or]</i></p> <p><i>[in the case of a currency exchange rate as the Basket Component insert, if applicable, the following text: [•] [the [•] [bid] [mean] [ask] [•] price(s) of the [relevant] Basket Component(s) as [[continuously] determined on the Relevant Exchange Market] [and] [published on [[Reuters] [Bloomberg] on page [“EUROFX/1”] [•]] [the Relevant Screen Page], or a substitute page thereof.] [or]</i></p> <p><i>[in the case of an interest rate as the Basket Component insert, if applicable, the following text: [•] [the [•] price(s) of the [relevant] Basket Component(s) as [[continuously] determined on the Relevant Reference Market] [and] [published on the Relevant Screen Page or a substitute page thereof]] [or]</i></p> <p><i>[in the case of a fund unit as the Basket Component insert, if applicable, the following text: [•] [the Net Asset Value of the [relevant]</i></p> |

Fund in relation to the Fund Unit, as calculated [and published] by [•] [the [relevant] administrator of the Fund] [or]

*[in the case of a futures contract as the Basket Component insert, if applicable, the following text: [•] [the [•]price[s] of the [relevant] Basket Component[s] as [[continuously] determined on the Relevant Reference Market] [and] [published on the Relevant Screen Page or a substitute page thereof]]] [or]*

*[in the case of a reference rate as the Basket Component insert, if applicable, the following text: [•] [the [•]price[s] of the [relevant] Basket Component[s] as [[continuously] determined [on the Relevant Reference Market] [by the Relevant Reference Agent]] [and] [published on the Relevant Screen Page or a substitute page thereof].]] [or]*

[The Price of each Basket Component is [expressed in] [converted into] [related to] [the Underlying Currency] [•].]

*[in the case of a currency exchange rate, interest rate, futures contract or a reference rate as Basket Component, as the case may be, insert, if applicable, the following text: [•] [If the [respective] Relevant Screen Page at the [respective] [Fixing Time] [or, as the case may be,] [Valuation Time] is not available or if the Price for the [respective] Basket Component is not displayed, the relevant Price shall be the [[•]rate] [[•]price] [•] [(expressed as a percentage p.a.)] as displayed on the corresponding page of another financial information service. If the Price of the [respective] Basket Component is no longer displayed in one of the above forms, the Issuer is entitled to specify at its reasonable discretion a [[•]rate] [[•]price] [•] [(expressed as a percentage p.a.)] calculated on the basis of the standard market practices applicable at that time as the relevant price. In this case the Issuer is entitled but not obliged to request from reference banks selected at its reasonable discretion their respective quotes for the [[•]rate] [[•]price] [•] corresponding to the [respective] Basket Component [(expressed as a percentage rate p.a.)] at the [respective] [Fixing Time] [or, as the case may be,] [Valuation Time] on the relevant [Valuation Date] [Final Valuation Date] [Valuation Averaging Date] [•]. If at least [two] [•] of the reference banks have provided a corresponding quote to the Issuer, the Calculation Agent is entitled but not obliged to determine the relevant price by using the [arithmetical] average calculated by it (if necessary rounded to the nearest one thousandth of a percent) of the quotes specified by these reference banks.]]]*

**[Price of the Underlying:**

The Price of the Underlying means

[•]

[[the [•] price of the Underlying as [continuously] determined [in the Relevant Trading System] [or] [on the Relevant Exchange].]

*[in the case of an Index as the Underlying insert, if applicable, the following text: the [•] price of the Underlying as calculated and published by [the Index Sponsor] [the Index Calculator].]*

*[in the case of a currency exchange rate as the Underlying insert, if applicable, the following text: [•] [the [•] [bid] [mean] [ask] [•] price of the Underlying as [[continuously] determined on the Relevant Exchange Market] [and] [published on [[Reuters] [Bloomberg] on page ["EUROFX/1" [•]] [the Relevant Screen Page], or a substitute page*

thereof.]

*[in the case of an interest rate as the Underlying insert, if applicable, the following text: [•] [the [•] price of the Underlying as [[continuously] determined on the Relevant Reference Market] [and] [published on the Relevant Screen Page or a substitute page thereof].]]*

*[in the case of a fund unit as the Underlying insert, if appropriate, the following text: [•] [the Net Asset Value of the Fund in relation to the Fund Unit, as calculated [and published] by the administrator of the Fund.]]*

*[in the case of a futures contract as the Underlying insert, if applicable, the following text: [•] [the [•] price of the Underlying as [[continuously] determined on the Relevant Reference Market] [and] [published on the Relevant Screen Page or a substitute page thereof].]]*

*[in the case of a reference rate as the Underlying insert, if applicable, the following text: [•] [the [•] price of the Underlying as [[continuously] determined [on the Relevant Reference Market] [by the Relevant Reference Agent]] [and] [published on the Relevant Screen Page or a substitute page thereof].]]*

*[in the case of a Basket as the Underlying insert, if applicable, the following text: [•] [the sum of the respective Prices of the Basket Components [each multiplied by the [Percentage] Weighting of the respective Basket Component within the Basket.]]*

*[in the case of a portfolio of Underlyings insert, if applicable, the following text: [•] [the sum of the respective Prices of the Underlyings [each multiplied by the [Percentage] Weighting of the respective Underlying within the portfolio] [, related to the Underlying Currency].]]*

[The Price of the [respective] Underlying is [expressed in] [converted into] [related to] [the Underlying Currency] [•].]

*[in the case of a currency exchange rate, interest rate, futures contract or a reference rate as the Underlying, as the case may be, add, if applicable, the following text: [•] [If the [respective] Relevant Screen Page at the [respective] [Fixing Time] [or, as the case may be,] [Valuation Time] is not available or if the Price for the [respective] Underlying is not displayed, the relevant Price shall be the [[•]rate] [[•]price] [•] [(expressed as a percentage p.a.)] as displayed on the corresponding page of another financial information service. If the Price of the [respective] Underlying is no longer displayed in one of the above forms, the Issuer is entitled to specify at its reasonable discretion a [[•]rate] [[•]price] [•] [(expressed as a percentage p.a.)] calculated on the basis of the standard market practices applicable at that time as the relevant price. In this case the Issuer is entitled but not obliged to request from reference banks selected at its reasonable discretion their respective quotes for the [[•]rate] [[•]price] [•] corresponding to the [respective] Underlying [(expressed as a percentage rate p.a.)] at the [respective] [Fixing Time] [or, as the case may be,] [Valuation Time] on the relevant [Valuation Date] [Final Valuation Date] [Valuation Averaging Date] [•]. If at least [two] [•] of the reference banks have provided a corresponding quote to the Issuer, the Calculation Agent is entitled but not obliged to determine the relevant price by using the [arithmetical] average calculated by it (if necessary rounded to the nearest one thousandth of a percent) of the quotes specified by these reference banks.]]*

|                                |  |
|--------------------------------|--|
| <b>Principal Paying Agent:</b> | The Principal Paying Agent means [•] [UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland [, acting through its [London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ]].   |
| <b>R.</b>                      |  |
| <b>[Rate:</b>                  | The Rate equals [•] [[•] + [•] [per annum]]]   |
| <b>[Record Date:</b>           | The Record Date means [•].]  |
| <b>Redemption Currency:</b>    | <p>The Redemption Currency means [•]. [The product feature “<b>Currency Conversion</b>” applies.]</p> <p>[The Issuer shall [at any time] [on the [Final] Valuation Date] [•] be entitled to replace [by giving notice to the Securityholders in accordance with § 14 of these Conditions] [•] by [•] [the Underlying Currency] and all following payments to the Securityholder will then be made in such other currency as Redemption Currency.][•] [The product feature “<b>Dual Currency</b>” applies.] [The product feature “<b>Currency Conversion</b>” applies.]</p>   |
| <b>[Reference Banks:</b>       | The Reference Banks mean [•] [[four] [•] major commercial banks, which for the relevant time offering EURIBOR, STIBOR, LIBOR, NIBOR or CIBOR and are selected by the Issuer at its reasonable discretion.]]  |
| <b>[Reference Level:</b>       | <p>The Reference Level [of the Underlying] [<i>in the case of a portfolio of Underlyings insert, if appropriate, the following text:</i> in relation to the relevant Underlying<sub>(i)</sub>] equals</p> <p>[•]</p> <p>[[the Price of the Underlying [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Reference Level of the Underlying will be fixed [at the Fixing Time] on the Fixing Date.] *]</p> <p>[<i>in the case of a portfolio of Underlyings insert, if appropriate, the following text:</i> [the Price of [the relevant Underlying<sub>(i)</sub>] [the Relevant Underlying] [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Reference Level of the Underlying<sub>(i)</sub> will be fixed [at the Fixing Time] on the Fixing Date.] *]</p> <p>[<i>in the case of a Basket as the Underlying insert, if appropriate, the following text:</i> the sum of the respective Reference Levels of the Basket Components [each multiplied by the [Percentage] Weighting of the respective Basket Component within the Basket] [, related to the Underlying Currency].]]</p> |
| <b>[Reference Price:</b>       | <p>The Reference Price [of the Underlying] [<i>in the case of a portfolio of Underlyings insert, if appropriate, the following text:</i> in relation to the relevant Underlying<sub>(i)</sub>] equals</p> <p>[•]</p> <p>[the Price of the Underlying on [the Valuation Date] [the Final Valuation Date] [at the Valuation Time].]</p> <p>[the [arithmetical] average of the Prices of the Underlying on each of the Valuation Averaging Dates [at the Valuation Time] as determined by the Calculation Agent.]</p>   |

*[in the case of a portfolio of Underlyings insert, if appropriate, the following text:* the Price of [the relevant Underlying<sub>(i)</sub>] [the Relevant Underlying] on [the Valuation Date] [the Final Valuation Date] [at the Valuation Time].]

*[in the case of a portfolio of Underlyings insert, if appropriate, the following text:* the [arithmetical] average of the Prices of [the relevant Underlying<sub>(i)</sub>] [the Relevant Underlying] on each of the Valuation Averaging Dates [at the Valuation Time] as determined by the Calculation Agent.]

[If on the Valuation Date, in the opinion of the Calculation Agent at its reasonable discretion, there is not sufficient liquidity in relation to [the Underlying] [one or more of the Underlyings] [one or more of the Basket Components] or if the unwinding of any hedging transaction, due to such illiquidity or any other reason, has an inadequate impact on the Price of [the Underlying] [one or more of the Underlyings] [one or more of the Basket Components], the Calculation Agent shall determine the Reference Price based on the [arithmetical] [volume weighted] average of the [•] prices of the Underlying, as indicated by the unwinding of the related hedging transactions in [the Underlying] [the relevant Underlyings] [the relevant Basket Component], on [the Valuation Date] [the Final Valuation Date] [each of the Valuation Averaging Dates]. [The Calculation Agent shall determine [the closing dates on the Fixing Date and] the unwinding dates of the hedging transactions at its reasonable discretion.]]

**[Reference Share(s) per Denomination:** Reference Share(s) per Denomination means [•] share(s) per Security.]]

**[Relevant Conversion Rate:** The Relevant Conversion Rate means [•] [the relevant [bid] [mean] [ask] rate [as determined by the Calculation Agent at its reasonable discretion] [as published on [•].]]

[(i) [the Valuation Date] [the Final Valuation Date] [the latest of the Valuation Averaging Dates] [Observation Date<sub>(i=n)</sub>] or (ii) in the case of a termination by the Issuer, on the [Termination Date] [day, on which the Termination Event occurs], [or (iii) in the case of a termination by the Securityholders, on [•] [the day, on which the Event of Default occurs]],

[the Banking Day immediately succeeding (i) [the Valuation Date] [the Final Valuation Date] [the latest of the Valuation Averaging Dates] [Observation Date<sub>(i=n)</sub>] or (ii) in the case of termination by the Issuer, the [Termination Date] [day, on which the Termination Event occurs] [or (iii) in the case of a termination by the Securityholders, on [•] [the day, on which the Event of Default occurs]],

[on [Reuters] [Bloomberg] [•] on page [•] or a substitute page thereof.]

[If the Relevant Conversion Rate is not determined or quoted in the manner described above or if controversial [bid] [mean] [ask] rates are quoted, the Issuer shall be entitled to identify a Relevant Conversion Rate, determined on the basis of the then prevailing market customs.]]

**[Relevant Country:** The Relevant Country means with respect to the [Underlying] [Basket Component], each of (i) any country (or any political or regulatory authority thereof) in which the currency used as [the Underlying] [the Basket Component] is the legal tender or currency; and (ii) any country (or any political or regulatory authority thereof) with which the currency used as [the Underlying] [the Basket Component] has a material

connection and, in determining what is material the Calculation Agent may, without limitation, refer to such factors as it may deem appropriate at its reasonable discretion.]

**[Relevant Exchange:**

The Relevant Exchange means

[•]

*[in the case of an Index as the Underlying or Basket Component, as the case may be, insert, if appropriate, the following text: the stock exchange(s) on which the Components comprised in the Index are traded, as determined by [the Index Sponsor] [or] [the Index Calculator, as the case may be].]*

[[•] in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>], [•] and [•] in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>]. The term “Relevant Exchange” shall also refer to all Relevant Exchanges<sub>(i=1) to (i=n)</sub>.]]

**[Relevant Exchange Market:**

The Relevant Exchange Market means

[•]

[the foreign exchange market[s], on which the [[Underlying[s]] [Basket Component[s]] [is] [are] primarily traded.]

[[•] in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>], [•] and [•] in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>]. The term “Relevant Exchange Market” shall also refer to all Relevant Exchange Markets<sub>(i=1) to (i=n)</sub>.]]

**[Relevant Futures and Options Exchange:**

The Relevant Futures and Options Exchange means

[•]

[[•] in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>], [•] and [•] in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>].]

[The futures and options exchange[s], on which futures and option contracts on the [[Underlying[s]] [Basket Component[s]] are primarily traded]. [The term “Relevant Futures and Options Exchange” shall also refer to all Relevant Futures and Options Exchanges<sub>(i=1) to (i=n)</sub>.]]

**[Relevant Reference Agent:**

The Relevant Reference Agent means

[•]

[[•] in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>], [•] and [•] in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>]. The term “Relevant Reference Agent” shall also refer to all Relevant Reference Agents<sub>(i=1) to (i=n)</sub>.]]

**[Relevant Reference Market:**

The Relevant Reference Market means

[•]

[[•] in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>], [•] and [•] in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>]. The term “Relevant Reference Market” shall also refer to all Relevant Reference Markets<sub>(i=1) to (i=n)</sub>.]]

|                                  |  |
|----------------------------------|--|
| <b>[Relevant Reference Rate:</b> | The Relevant Reference Rate equals <i>[insert description of the reference rate: [•].]</i>   |
| <b>[Relevant Screen Page:</b>    | <p>The Relevant Screen Page means</p> <p>[•]</p> <p>[[•] in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>], [•] and [•] in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>]. The term "Relevant Screen Page" shall also refer to all Relevant Screen Pages<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]</p>  |
| <b>[Relevant Trading System:</b> | <p>The Relevant Trading System means</p> <p>[•]</p> <p><i>[in the case of an Index as the Underlying or Basket Component, as the case may be, insert, if appropriate, the following text: The trading system(s) in which the Components comprised in the Index are traded, as determined by the [Index Sponsor] [or] [the Index Calculator, as the case may be].]</i></p> <p><i>[in the case of a Fund Unit as the Underlying or Basket Component, as the case may be, insert, if appropriate, the following text: [the Fund] [•].]</i></p> <p>[[•] in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>], [•] and [•] in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>]. The term "Relevant Trading System" shall also refer to all Relevant Trading Systems<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]</p> |
| <b>[Relevant Underlying:</b>     | <p>The Relevant Underlying means</p> <p>[•]</p> <p>[the Underlying<sub>(i)</sub>, which has had, in relation to the other Underlyings, the <b>worst</b> performance during the Term of the Securities]</p> <p>[the Underlying<sub>(i)</sub>, which has had, in relation to the other Underlyings, the <b>best</b> performance during the Term of the Securities].]</p>   |
| <b>[Reverse Level:</b>           | <p>The Reverse Level</p> <p>[equals [•].]</p> <p>[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] ("Reverse Level<sub>(i=1)</sub>"), [•] and</p> <p>the Reverse Level in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] ("Reverse Level<sub>(i=n)</sub>").]</p> <p>[indicative. The Reverse Level [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].*]</p> <p>[The term "Reverse Level" shall also refer to all Reverse Levels<sub>(i=1)</sub> to <sub>(i=n)</sub>.]]</p>   |
| <b>[Roll Over Date:</b>          | Roll Over Date means [the last trading date] [the first trading date after the last trading date] [•] of the futures contracts in the Relevant   |

Reference Market. If, at that date, the Issuer determines at its reasonable discretion that there is insufficient liquidity in the futures contract used as [the Underlying] [the Basket Component] in the Relevant Reference Market or that a comparable extraordinarily market situation prevails, the Issuer shall be entitled to determine at its reasonable discretion another day as Roll Over Date.]

**S.  
Securities:**

Securities means the [*specify designation of the Securities: [•]*] issued by the Issuer in [the Issue Size] [the Aggregate Nominal Amount and with the denomination of the Nominal Amount per Security] with the following product feature:

|                                     |  |
|-------------------------------------|--|
| Participation Factor:               | [Applicable] [Not Applicable]  |
| Leverage Factor:                    | [Applicable] [Not Applicable]  |
| Multiplier:                         | [Applicable] [Not Applicable]  |
| Multiplication Factor:              | [Applicable] [Not Applicable]  |
| Reverse Structure:                  | [Applicable] [Not Applicable]  |
| Express Structure:                  | [Applicable] [Not Applicable]  |
| Thresholds, Barriers or Levels:     | [Applicable] [Not Applicable]  |
| Maximum Amount:                     | [Applicable] [Not Applicable]  |
| Relevant Underlying:                | [Applicable] [Not Applicable]  |
| Physical Delivery:                  | [Applicable] [Not Applicable]  |
| Final Lock-In:                      | [Applicable] [Not Applicable]  |
| Automatic Termination:              | [Applicable] [Not Applicable]  |
| Currency Conversion:                | [Applicable] [Not Applicable]  |
| Dual Currency:                      | [Applicable] [Not Applicable]  |
| Capital Protection:                 | [Applicable] [Not Applicable]<br>[Capital Protected Securities]<br>[Partly Capital Protected Securities] |
| No predefined term:                 | [Applicable] [Not Applicable]  |
| Time-lagged Valuation:              | [Applicable] [Not Applicable]  |
| Minimum Exercise Size:              | [Applicable] [Not Applicable]  |
| Securityholder's Termination Right: | [Applicable] [Not Applicable]  |
| Quanto:                             | [Applicable] [Not Applicable]  |
| Consideration of Components:        | [Applicable] [Not Applicable]  |
| Individual Determination:           | [Applicable] [Not Applicable]  |
| Collective Determination:           | [Applicable] [Not Applicable]  |

The Securities are being [issued] [formed as] [in bearer form [as securities within the meaning of § 793 German Civil Code] [and will be represented on issue by [one or more permanent global bearer security/ies (each a "Global Security")] [a temporary global bearer security (each a "Temporary Global Security") exchangeable upon certification of non-U.S. beneficial ownership for a permanent global bearer security (each a "Permanent Global Security", and together with the Temporary Global Security, a "Global Security")]] [in uncertificated and dematerialised form to be registered in book-entry form at the Clearing System [(also the "Swedish Securities")] [(also the "Finnish Securities")] [(also the "Norwegian Securities")] [(also the "Danish Securities")] and will not be represented by definitive securities [as defined in article 965 CO].

**[Security Agent:**

The Security Agent means [UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany.] [•] [The term "Security Agent" shall also refer to all Security Agents.]]



|                                |                    |   |
|--------------------------------|--------------------|---|
| <b>[Securityholder Amount:</b> | <b>Termination</b> | The Securityholder Termination Amount equals [•] [an amount in the Redemption Currency, which is determined by the Calculation Agent at its reasonable discretion and considering [the then prevailing Price of the Underlying] [ <i>if appropriate, insert different point of reference to an Underlying comprised in the Base Prospectus: [•]</i> ], as the fair market price of a Security at the occurrence of the termination of the Securities [and which is, in any case, at least equal to the Minimum Amount].]  |
| <b>[Settlement Amount:</b>     |                    | The Settlement Amount equals [insert amount: [•]].]   |
| <b>[Settlement Cycle:</b>      |                    | The Settlement Cycle means [•] [the number of [Banking Days] [[Underlying] [Basket Component] Calculation Dates] following a trade in the [Underlying] [Basket Component] [in the Relevant Trading System] [or] [on the Relevant Exchange] in which settlement will customarily occur according to the rules of [the Relevant Trading System] [or] [the Relevant Exchange].]  |
| <b>[Settlement Price:</b>      |                    | <p>The Settlement Price [of the Underlying] [<i>in the case of a portfolio of Underlyings insert, if appropriate, the following text:</i> in relation to the relevant Underlying<sub>(i)</sub>] equals</p> <p>[•]</p> <p>[the Price of the Underlying on [the Valuation Date] [the Final Valuation Date] [at the Valuation Time].]</p> <p>[the [arithmetical] average of the Prices of the Underlying on each of the Valuation Averaging Dates [at the Valuation Time] as determined by the Calculation Agent.]</p> <p>[<i>in the case of a portfolio of Underlyings insert, if appropriate, the following text:</i> the Price of [the relevant Underlying<sub>(i)</sub>] [the Relevant Underlying] on [the Valuation Date] [the Final Valuation Date] [at the Valuation Time].]</p> <p>[<i>in the case of a portfolio of Underlyings insert, if appropriate, the following text:</i> the [arithmetical] average of the Prices of [the relevant Underlying<sub>(i)</sub>] [the Relevant Underlying] on each of the Valuation Averaging Dates [at the Valuation Time] as determined by the Calculation Agent.]</p> <p>[If on the Valuation Date, in the opinion of the Calculation Agent at its reasonable discretion, there is not sufficient liquidity in relation to [the Underlying] [one or more of the Underlyings] [one or more of the Basket Components] or if the unwinding of any hedging transaction, due to such illiquidity or any other reason, has an inadequate impact on the Price of [the Underlying] [one or more of the Underlyings] [one or more of the Basket Components], the Calculation Agent shall determine the Settlement Price based on the [arithmetical] [volume weighted] average of the [•] prices of the Underlying, as indicated by the unwinding of the related hedging transactions in [the Underlying] [the relevant Underlyings] [the relevant Basket Component], on [the Valuation Date] [the Final Valuation Date] [each of the Valuation Averaging Dates]. [The Calculation Agent shall determine [the closing dates on the Fixing Date and] the unwinding dates of the hedging transactions at its reasonable discretion.]]</p> |
| <b>[Sprint Factor:</b>         |                    | The Sprint Factor equals [the Price of the Underlying of] [•]. [indicative. The Sprint Factor will be fixed on the Fixing Date [at Fixing Time].*]]   |

|   |   |
|---|---|
| [STIBOR:                                  | STIBOR means [•]  |
| [Stop Loss Level:                         | <p>The Stop Loss Level</p> <p>[equals [•].]</p> <p>[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“<b>Stop Loss Level<sub>(i=1)</sub></b>”), [•] and</p> <p>the Stop Loss Level in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“<b>Stop Loss Level<sub>(i=n)</sub></b>”).]</p> <p>[indicative. The Stop Loss Level [in relation to each [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] will be fixed on the Fixing Date [at the Fixing Time].<sup>*</sup>]</p> <p>[The term “Stop Loss Level” shall also refer to all Stop Loss Levels<sub>(i=1) to (i=n)</sub>.]]</p>  |
| [Stop Loss Event:                         | The Stop Loss Event means [•] [if on any [Fund Business Day][•] 't', the Certificate Value(t) is at or below the Stop Loss Level, the Certificates will expire on the next [Fund Business Day][•] on which a Notional Investor would have been able to redeem the Fund, if that investor had, by giving the appropriate notice, requested redemption (the “ <b>Stop Loss Expiration Date</b> ”).]   |
| [Stop Loss Early Redemption Amount:       | <p>The Stop Loss Early Redemption Amount means [•] [an amount in [SEK][EUR][•] as solely determined by the Calculation Agent to take into account any fees and charges and costs incurred by the Issuer (or any of its affiliates) of unwinding any underlying related hedging arrangement(s) or transaction(s).</p> <p>For avoidance of doubt, the Stop Loss Early Redemption Amount may not be equal to the Stop Loss Level.]]</p>  |
| [Stop Loss Early Redemption Payment Date: | The Stop Loss Early Redemption Payment Date means [•] [the Maturity Date] [[•] Business Days following the Stop Loss Expiration Date, subject to postponement in the event of a delay in the receipt by a Notional Investor of the full liquidation proceeds for the Fund, as determined by the Issuer in its reasonable discretion.]]  |
| [Strike:                                  | <p>The Strike [of the Underlying] [in the case of a portfolio of Underlyings insert, if appropriate, the following text: in relation to the relevant Underlying<sub>(i)</sub>] equals</p> <p>[•]</p> <p>[[the Price of the Underlying [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Strike of the Underlying will be fixed [at the Fixing Time] on the Fixing Date.]<sup>*</sup>]</p> <p><i>[in the case of a portfolio of Underlyings insert, if appropriate, the following text: [the Price of [the relevant Underlying<sub>(i)</sub>] [the Relevant Underlying] [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Strike of the Underlying<sub>(i)</sub> will be fixed [at the Fixing Time] on the Fixing Date.]<sup>*</sup>]</i></p> <p><i>[in the case of a Basket as the Underlying insert, if appropriate, the following text: the sum of the respective Strikes of the Basket Components [each multiplied by the [Percentage] Weighting of the respective Basket Component within the Basket] [, related to the</i></p> |

Underlying Currency].]]

**[Strike of the Basket Component:**

The Strike of the Basket Component<sub>(i=1)</sub> equals [the Price of the Basket Component<sub>(i=1)</sub> [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Strike of the Basket Component<sub>(i=1)</sub> will be fixed [at the Fixing Time] on the Fixing Date.\*] [•]

The Strike of the Basket Component<sub>(i=n)</sub> equals [the Price of the Basket Component<sub>(i=n)</sub> [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Strike of the Basket Component<sub>(i=n)</sub> will be fixed [at the Fixing Time] on the Fixing Date.\*]]

**T.**

**Termination Amount:**

The Termination Amount equals [•] [an amount in the Redemption Currency, which is determined by the Calculation Agent at its reasonable discretion and considering [the then prevailing Price of the Underlying] [if appropriate, insert different point of reference to an Underlying comprised in the Base Prospectus: [•]], as the fair market price of a Security at the occurrence of the termination of the Securities [and which is, in any case, at least equal to the Minimum Amount].]

**[Term of the Securities:**

The Term of the Securities means [•] [the period, commencing on the [Issue Date] [Fixing Date] [•] [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany,] [London, United Kingdom,] [Zurich, Switzerland,] [•]] and ending [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany,] [London, United Kingdom,] [Zurich, Switzerland,] [•]] [with the determination of [the Reference Price] [the Settlement Price]] on [the Maturity Date] [the Expiration Date] [the Valuation Date] [the Final Valuation Date] [the latest of the Valuation Averaging Dates] [•].]]

**U.**

**[Underlying[s]:**

[The Underlying means [, subject to a Roll Over in accordance with § 6 (j) of the Conditions of the Securities,] [*insert description of [the share or of the American Depositary Receipt, the Global Depositary Receipt or other depositary receipt on the share] [the Index] [the currency exchange rate] [the precious metal] [the commodity] [the interest rate] [the non-equity security] [the exchange traded fund unit] [the not exchange traded fund unit] [the futures contract (if applicable, including determination of the relevant expiration months)] [the reference rate] [the Basket] [the portfolio]. [•]]*

*[in the case of an Index as the Underlying add the following text: (the "Index"), [as maintained, calculated and published by [•] (the "Index Sponsor")]* [as maintained by [•] (the "Index Sponsor") and calculated and published by [•] (the "Index Calculator").]

*[in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [also "ADR"] [(also "GDR")] [(also "DR")]. In such context, the share underlying [the ADR] [the GDR] [the DR] is also referred to as the "Underlying Share".]*

*[in the case of a fund unit as the Underlying insert, if appropriate, the following text: (the "Fund Unit") in the [•] (the "Fund").]*

*[in the case of a Basket as the Underlying add the following text: (the "Basket"), comprising the Basket Components, as calculated and published by [•] [the Calculation Agent].]*

*[in the case of a portfolio of Underlyings insert, if appropriate, the following text: The Underlying<sub>(i=1)</sub> equals [, subject to a Roll Over in*

accordance with § 6 (j) of the Conditions,] *[insert description of [the share or of the American Depositary Receipt, the Global Depositary Receipt or other depositary receipt on the share] [the Index] [the currency exchange rate] [the precious metal] [the commodity] [the interest rate] [the non-equity security] [the exchange traded fund unit] [the not exchange traded fund unit] [the futures contract (if applicable, including determination of the relevant expiration months)] [the reference rate]. [•]] [in the case of an Index as the Underlying insert, if appropriate, the following text: (the "Index<sub>(i=1)</sub>"), [as maintained, calculated and published by [•] (the "Index Sponsor<sub>(i=1)</sub>")] [as maintained by [•] (the "Index Sponsor<sub>(i=1)</sub>") and calculated and published by [•] (the "Index Calculator<sub>(i=1)</sub>")] [in the case of a fund unit as the Underlying insert, if appropriate, the following text: (the "Fund Unit<sub>(i=1)</sub>") in the [•] (the "Fund<sub>(i=1)</sub>")] [in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [(also "ADR<sub>(i=1)</sub>") [(also "GDR<sub>(i=1)</sub>") "]] [(also "DR<sub>(i=1)</sub>")] (In such context, the share<sub>(i=1)</sub> underlying [the ADR<sub>(i=1)</sub>] [the GDR<sub>(i=1)</sub>] [the DR<sub>(i=1)</sub>] is also referred to as the "Underlying Share<sub>(i=1)</sub>"); [•] and the Underlying<sub>(i=n)</sub> equals [, subject to a Roll Over in accordance with § 6 (i) of the Conditions of the Securities,] *[insert description of [the share or of the American Depositary Receipt, the Global Depositary Receipt or other depositary receipt on the share] [the Index] [the currency exchange rate] [the precious metal] [the commodity] [the interest rate] [the non-equity security] [the exchange traded fund unit] [the not exchange traded fund unit] [the futures contract (if applicable, including determination of the relevant expiration months)] [the reference rate]. [•]] [in the case of an Index as the Underlying insert, if appropriate, the following text: (the "Index<sub>(i=n)</sub>"), [as maintained, calculated and published by [•] (the "Index Sponsor<sub>(i=n)</sub>")] [as maintained by [•] (the "Index Sponsor<sub>(i=n)</sub>") and calculated and published by [•] (the "Index Calculator<sub>(i=n)</sub>")] [in the case of a fund unit as the Underlying insert, if appropriate, the following text: (the "Fund Unit<sub>(i=n)</sub>") in the [•] (the "Fund<sub>(i=n)</sub>")] [in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [(also "ADR<sub>(i=n)</sub>") [(also "GDR<sub>(i=n)</sub>") [(also "DR<sub>(i=n)</sub>")]]. (In such context, the share<sub>(i=n)</sub> underlying [the ADR<sub>(i=n)</sub>] [the GDR<sub>(i=n)</sub>] [the DR<sub>(i=n)</sub>] is also referred to as the "Underlying Share<sub>(i=n)</sub>"].**

The term "Underlying" [or "Index" [, "Index Calculator"] and "Index Sponsor", as the case may be,] [or "Fund Unit" and "Fund", as the case may be] [•] shall also refer to all Underlyings<sub>(i=1)</sub> to <sub>(i=n)</sub> [and to all Indices<sub>(i=1)</sub> to <sub>(i=n)</sub> [, to all Index Calculators<sub>(i=1)</sub> to <sub>(i=n)</sub>] and all Index Sponsors<sub>(i=1)</sub> to <sub>(i=n)</sub>, as the case may be] [and to all Fund Units<sub>(i=1)</sub> to <sub>(i=n)</sub> and all Funds<sub>(i=1)</sub> to <sub>(i=n)</sub>, as the case may be] [•].]

[[The Underlying is] [The Underlyings are] [expressed in] [converted into] [related to] [the Underlying Currency] [•].]

[In this context, the individual underlying values or components of [the] [an] Underlying are referred to as a "Component" or, as the case may be, the "Components" .]

#### [Underlying Calculation Date:

The Underlying Calculation Date means

[•]

[each day, on which [the Relevant Trading System] [,] [and] [the Relevant Exchange] [,] [and] [the Relevant Exchange Market] [and] [the Relevant Reference Market] [is] [are] open for trading [and] [the Price of

the Underlying is determined in accordance with the relevant rules]]

[in the case of an Index as the Underlying insert, if applicable, the following text: [[or, as the case may be,] in relation to the Index] each day, on which [(i) [the Index Sponsor] [the Index Calculator] determines, calculates and publishes the official price of the Index, [and (ii) the Components, which are comprised in the Index are [, to the extent of at least [•] [80 %] [90 %] of the market capitalisation of all Components, which are comprised in the Index, or of the overall value of the Index,] available for trading and quotation [in the Relevant Trading System] [or] [on the Relevant Exchange]]

*[in the case of a fund unit as the Underlying insert, if applicable, the following text: [[or, as the case may be,] in relation to a Fund Unit] each day on which the [respective] administrator of the Fund publishes the Net Asset Value for such Fund in accordance with the relevant Fund's prospectus and constitutional documents]*

*[in the case of a reference rate as the Underlying insert, if applicable, the following text: [[or, as the case may be,] in relation to a reference rate] each day on which the [respective] Relevant Reference Agent determines the Price of the Underlying in accordance with the relevant rules].]*

[Underlying Currency:

The Underlying Currency means [•].]

V.

[Valuation Averaging Date:

[The Valuation Averaging Date means [•].]

[The Valuation Averaging Date<sub>(i=1)</sub> means the [•]; and

the Valuation Averaging Date<sub>(i=n)</sub> means [the [•]] [(i) in the case of an exercise by the Securityholder in accordance with § [•] of the Conditions of the Securities, subject to an effective exercise procedure, [the relevant Exercise Date] [the day immediately succeeding the relevant Exercise Date] [•] [and] [(ii) in the case of an Automatic Exercise in accordance with § [•] of the Conditions of the Securities [the Automatic Exercise Date] [the day immediately succeeding the Automatic Exercise Date] [•].]

The term "Valuation Averaging Date" shall also refer to all Valuation Averaging Dates<sub>(i=1)</sub> to <sub>(i=n)</sub>.

If one of these days is not [an Underlying] [a Basket Component] Calculation Date in relation to [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>], [•] [the immediately [preceding] [succeeding] [Underlying] [Basket Component] Calculation Date is deemed to be the relevant Valuation Averaging Date in relation to [the Underlying] [the affected [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] [the aggregate [Underlyings] [Basket Components]]].]

[Valuation Date:

[The Valuation Date means [•].]

[The Valuation Date means [the [•]] [(i) in the case of an exercise by the Securityholder in accordance with § [•] of the Conditions of the Securities, subject to an effective exercise procedure, [the relevant Exercise Date] [the day immediately succeeding the relevant Exercise Date] [•] [and] [(ii) in the case of an Automatic Exercise in accordance

with § [•] of the Conditions of the Securities [the Automatic Exercise Date] [the day immediately succeeding the Automatic Exercise Date] [•].]

If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date] in relation to [the Underlying] [an Underlying<sub>(i)</sub>] [a Basket Component<sub>(i)</sub>], [•] [the immediately [preceding] [succeeding] [Fund Business Day] [[Underlying] [Basket Component] Calculation Date] is the relevant Valuation Date in relation to [the Underlying] [the affected [Underlying<sub>(i)</sub>] [Basket Component<sub>(i)</sub>] [the aggregate [Underlyings] [Basket Components]]].]

**[Valuation Period:**

[The Valuation Period means [•] [the period, commencing on the [Issue Date] [Fixing Date] [•] [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland] [•]] and ending [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], [•]] on the [Expiration Date] [Valuation Date] [Final Valuation Date] [or] [latest of the Valuation Averaging Dates].]

[The Valuation Period<sub>(i=1)</sub> means the period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland] on [•] [Observation Date<sub>(i=1)</sub>] (including) [•] and the Valuation Period<sub>(i=n)</sub> means the period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date<sub>(i=n-1)</sub>] (excluding) and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date<sub>(i=n)</sub>] (including).]

**[Valuation Time:**

The Valuation Time equals [•]

[[•] hrs [(local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland]).]

[[the time of the official determination of the [Price] [[•] price] of the [Underlying] [respective Underlying<sub>(i)</sub>] [by the Index Sponsor] [or the Index Calculator, as the case may be] [by the Relevant Reference Agent].] [•]]

*[in the case of a Basket as the Underlying insert, if appropriate, the following text: [[•], relevant local time for each Basket Component<sub>(i)</sub>] [the time of the official determination of the [Price] [[•] price] of each Basket Component<sub>(i)</sub>] [by the Index Sponsor] [by the Relevant Reference Agent].] [•]]]*

**W.**

**[Warrant Agent:**

The Warrant Agent means [UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany.] [•] [The term "Warrant Agent" shall also refer to all Warrant Agents.]

**[Weighting:**

The Weighting

[equals [•].]

[in relation to the [Underlying<sub>(i=1)</sub>] [Basket Component<sub>(i=1)</sub>] equals [•] (“**Weighting<sub>(i=1)</sub>**”), [•] and

the Weighting in relation to the [Underlying<sub>(i=n)</sub>] [Basket Component<sub>(i=n)</sub>] equals [•] (“**Weighting<sub>(i=n)</sub>**”).]

*[if applicable, insert further Key Terms and Definitions of the Securities]*

**Part 2: Product Terms: Special Conditions of the Securities**

*The Special Conditions of the Securities (for the individual types of Securities) consist of Section 1 – 3. The Special Conditions for the specific issue will be contained in the applicable Final Terms and must be read in conjunction with the General Conditions.*

**§ 1 See applicable Final Terms**

**§ 2 See applicable Final Terms**

**§ 3 See applicable Final Terms**



### 3. General Conditions of the Securities

The following (“**General Conditions**”) of the Securities must be read in their entirety together with the section “**Product Terms**” of the relevant Final Terms (the “**Product Terms**” for the relevant Securities. The Product Terms that shall amend and put in concrete terms the following General Conditions for the purposes of such Securities.

The Product Terms and the General Conditions together constitute the “**Conditions**” of the relevant Securities.

Terms not otherwise defined in these General Conditions shall have the meaning given in the applicable Product Terms.

The Conditions are subject to adjustment in accordance with § 6 (a) – (m) of the Conditions.

§ 4  
Form of Securities; Title and Transfer;  
Status

(1) Form of Securities

(a) In case the Securities (i) are as of the Issue Date represented by a **Global Security** as specified in the applicable Product Terms in the definition "**Securities**", and (ii) do not constitute Swedish Securities, Finnish Securities, Norwegian Securities, Danish Securities, the following applies:

The bearer Securities issued by the Issuer are represented by one or more permanent global bearer security/securities (the "**Global Security**") without coupons which shall be signed manually by two authorised signatories of the Issuer. No definitive securities will be issued. The right to request the delivery of definitive securities is excluded.

The Global Security is deposited with the Clearing System or, if specified in the applicable Product Terms in the definition "**Clearing System**", a common depository on behalf of the Clearing System in accordance with the applicable rules and regulations.

(b) In case the Securities (i) are initially represented by a **Temporary Global Security**, as specified in the applicable Product Terms in the definition "**Securities**", and (ii) do not constitute Swedish Securities, Finnish Securities, Norwegian Securities, Danish Securities, the following applies:

(i) The bearer Securities issued by the Issuer are initially represented by a temporary global bearer security (the "**Temporary Global Security**") without coupons which will be exchangeable for a permanent global bearer security (the "**Permanent Global Security**" and, together with the Temporary Global Security, each a "**Global Security**") without coupons. Each Global Security shall be signed manually by two authorised signatories of the Issuer. No definitive securities will be issued. The right to request the delivery of definitive securities is excluded.

(ii) The Temporary Global Security shall be exchanged for the Permanent Global Security on a date (the "**Exchange Date**") not earlier than 40 days after the Issue Date. Such exchange and any payment of interest on Securities represented by a Temporary Global Security shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Securities represented by the Temporary Global Security is not a U.S. person as defined by the U.S. Securities Act of 1933. Any such certification received by the Principal Paying Agent on or after the 40th day after the Issue Date will be treated as a request to exchange such Temporary Global Security as described above. Any securities delivered in exchange for the Temporary Global Security shall be delivered only outside of the United States.

Each Global Security is deposited with the Clearing System or, if specified in the applicable Product Terms in the definition "**Clearing System**", a common depository on behalf of the Clearing System in accordance with the applicable rules and regulations.

(c) In case the Securities are specified in the applicable Product Terms in the definition of "**Securities**" to be **Swedish Securities, Finnish Securities, Norwegian Securities and Danish Securities**, the following applies:

The Securities are issued in uncertificated and dematerialised book-entry form, and registered at the Clearing System in accordance with the relevant CA Rules. No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of the Securities. The Issuer shall be entitled to obtain from the respective Clearing System information based on the Clearing System's register regarding the Securities for the purpose of performing its obligations pursuant to these Conditions.

**(2) Securityholder; Title and Transfer**

(a) In case the Securities are not specified in the applicable Product Terms in the definition of "Securities" to be **Swedish Securities, Finnish Securities, Norwegian Securities** or **Danish Securities**, the following applies:

"**Securityholder**" means any holder of a proportionate co-ownership interest or right in the Permanent Global Security, acknowledged by German law as legal owner of the Securities. The Securityholder shall, for all purposes, be treated by the Issuer and the Security Agents (§ 12 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

The Securities are transferable as co-ownership interests in the Permanent Global Security in accordance with applicable law and the relevant CA Rules and may be transferred within the collective securities settlement procedure in the Minimum Trading Size or an integral multiple thereof only. Such transfer becomes effective upon registration of the transfer in the records of the relevant Clearing System.

(b) In case the Securities are specified in the applicable Product Terms in the definition of "Securities" to be **Swedish Securities**, the following applies:

"**Securityholder**" means the person in whose name a Security is registered with the Clearing System (including a person duly authorised to act as a nominee and who is registered as such for the relevant Security) or any other person acknowledged as the holder of the Security pursuant to the CA Rules and, accordingly, where the relevant Securities are held through a duly authorised nominee, the nominee shall be the Securityholder. The Securityholder shall, for all purposes, be treated by the Issuer, if in the applicable Product Terms an "**Issuing Agent**" is specified, the Issuing Agent and the Security Agents (§ 12 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

Title to the Securities will pass by transfer between accountholders at the Clearing System perfected in accordance with the relevant CA Rules.

The Issuer shall be entitled to obtain from the Clearing System information based on the Clearing System's register regarding the Securities for the purpose of performing its obligations pursuant to these Conditions.

(c) In case the Securities are specified in the applicable Product Terms in the definition of "Securities" to be **Finnish Securities**, the following applies:

"**Securityholder**" means the person in whose name a Security is registered with the Clearing System (including a person duly authorised to act as a nominee and who is registered as such for the relevant Security) or any other person acknowledged as the holder of the Security pursuant to the CA Rules and, accordingly, where the relevant Securities are held through a duly authorised nominee, the nominee shall be the Securityholder. The Securityholder shall, for all purposes, be treated by the Issuer, if in the applicable Product Terms an "**Issuing Agent**" is specified, the Issuing Agent and the Security Agents (§ 12 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

Title to the Securities will pass by transfer between accountholders at the Clearing System perfected in accordance with the relevant CA Rules.

The Issuer and the Issuing Agent in Finland shall be entitled to obtain from Euroclear Finland information based on Euroclear Finland's register regarding the Securities and the Securityholders for the purpose of performing its obligations pursuant to these Conditions.

(d) In case the Securities are specified in the applicable Product Terms in the definition of "Securities" to be **Norwegian Securities**, the following applies:

"**Securityholder**" means the person in whose name a Security is registered with the Clearing System

(including a person duly authorised to act as a nominee and who is registered as such for the relevant Security) or any other person acknowledged as the holder of the Security pursuant to the CA Rules and, accordingly, where the relevant Securities are held through a duly authorised nominee, the nominee shall be the Securityholder. The Securityholder shall, for all purposes, be treated by the Issuer, if in the applicable Product Terms an “**Issuing Agent**” is specified, the Issuing Agent and the Security Agents (§ 12 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

By purchasing Securities registered in the Clearing System, each Securityholder is deemed to consent that the Clearing System may provide the Issuer, the Issuing Agent or the Security Agents upon request, information registered with the Clearing System relating to the Securities and the Securityholder. Such information shall include, but not be limited to, the identity of the registered Securityholder, the residency of the registered Securityholder, the number of Securities registered with the relevant Securityholder, the address of the relevant Securityholder, the account operator in respect of the relevant VPS account (*Kontofører utsteder*) and whether or not the Securities are registered in the name of a nominee and the identity of any such nominee. The relevant agents and/or the Issuer will only make use of and store such information to the extent this is required or deemed appropriate to fulfil their obligations in relation to the Securities.

Title to the Securities will pass by transfer between accountholders at the Clearing System perfected in accordance with the relevant CA Rules.

(e) In case the Securities are specified in the applicable Product Terms in the definition of “Securities” to be **Danish Securities**, the following applies:

“**Securityholder**” means the person in whose name a Security is registered with the Clearing System (including a person duly authorised to act as a nominee and who is registered as such for the relevant Security) or any other person acknowledged as the holder of the Security pursuant to the CA Rules and, accordingly, where the relevant Securities are held through a duly authorised nominee, the nominee shall be the Securityholder. The Securityholder shall, for all purposes, be treated by the Issuer, if in the applicable Product Terms an “**Issuing Agent**” is specified, the Issuing Agent and the Security Agents (§ 12 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

Title to the Securities will pass by transfer between accountholders at the Clearing System perfected in accordance with the relevant CA Rules.

### (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.

## § 5

Settlement; Conversion Rate; Impracticability of physical settlement;  
Period of Presentation; Prescription

## (1) Settlement of the Securities

(a) In case the Securities are not specified in the applicable Product Terms in the definition of "Securities" to be **Swedish Securities, Finnish Securities, Norwegian Securities or Danish Securities**, the following applies:

The Securities will, subject to a Market Disruption (§ 11), be redeemed on the relevant Maturity Date by payment of the Redemption Amount, of the Termination Amount or, if in the applicable Product Terms in the definition of "Securities" the product feature "**Securityholder's Termination Right**" is specified to be applicable, of the Securityholder Termination Amount, or of any other amount payable under the Conditions in relation to the relevant Maturity Date in the Redemption Currency or, if in §§ 1 – 3 of these Conditions a "**Physical Delivery**" applies, by delivery of the Physical Underlying in the appropriate number.

The Issuer shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or delivery, as the case may be, or other laws and regulations to which the Issuer agree to be subject, provide any performance due under these Conditions to the relevant Clearing System or the relevant intermediary or to its order for credit to the accounts of the relevant account holders of the Clearing System or the relevant intermediary.

The period of presentation as established in § 801 section 1 sentence 1 of the German Civil Code ("**BGB**") is reduced to ten years.

(b) In case the Securities are specified in the applicable Product Terms in the definition of "Securities" to be **Swedish Securities, Finnish Securities, or Danish Securities**, the following applies:

The Issuer will, subject to a Market Disruption (§ 11), procure that the payment of the Redemption Amount, of the Termination Amount or, if in the applicable Product Terms in the definition of "Securities" the product feature "**Securityholder's Termination Right**" is specified to be applicable, of the Securityholder Termination Amount, or of any other amount payable under the Conditions in relation to the relevant Maturity Date in the Redemption Currency or, if in §§ 1 – 3 of these Conditions a "**Physical Delivery**" applies, by delivery of the Physical Underlying in the appropriate number occurs on the relevant Maturity Date in accordance with the relevant CA Rules.

Payments and delivery of the Physical Underlying in the appropriate number, as the case may be, shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or delivery, as the case may be, or other laws and regulations to which the Issuer agree to be subject, be made in accordance with the relevant CA Rules to the relevant Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

The prescription period for claims of a Securityholders against the Issuer for the payment of principal shall be ten (10) years from the due date for such payment.

(c) In case the Securities are specified in the applicable Product Terms in the definition of "Securities" to be **Norwegian Securities**, the following applies:

The Issuer will, subject to a Market Disruption (§ 11), procure that the payment of the Redemption Amount, of the Termination Amount or, if in the applicable Product Terms in the definition of "Securities" the product feature "**Securityholder's Termination Right**" is specified to be applicable, of the Securityholder Termination Amount, or of any other amount payable under the Conditions in relation to the relevant Maturity Date in the Redemption Currency or, if in §§ 1 – 3 of these Conditions a "**Physical Delivery**" applies, by delivery of the Physical Underlying in the appropriate number occurs on the relevant Maturity Date in accordance with the relevant CA Rules.

Payments and delivery of the Physical Underlying in the appropriate number, as the case may be,

shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or delivery, as the case may be, or other laws and regulations to which the Issuer agree to be subject,, be made on the due date for such payment or delivery to the Securityholders registered as such on the tenth business day (as defined in the relevant CA Rules prior to the due date), or on such other business day falling closer to the due date as then may be stipulated in the relevant CA Rules.

The prescription period for claims of a Securityholders against the Issuer for the payment of principal shall be ten (10) years from the due date for such payment.

## (2) Conversion into the Redemption Currency

If in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, any conversion of amounts payable under these Conditions into the Redemption Currency is made by the Calculation Agent using the Relevant Conversion Rate.

## (3) Settlement Disruption

If in §§ 1 – 3 of these Conditions a "Physical Delivery" applies, the delivery of the Physical Underlying is effected with the characteristics and in the form that allows delivery via an exchange. Such transfer becomes effective upon registration of the transfer in the records of the relevant Clearing System pursuant to its applicable rules and regulations. No definitive securities will be issued. The right to request the delivery of definitive Securities is excluded.

If the Participation Factor, the Multiplier or the Leverage Factor, as specified in the applicable Product Terms, is not an integral number, as caused, for example, by an adjustment pursuant to §§ 6 (a) – (m) of these Conditions, cash consideration will be paid for each Security upon physical settlement with respect to any fractions per Physical Underlying. A consolidation of such fractions for all Securities of the Securityholder for the delivery of the Physical Underlying shall not take place. The provisions of these Conditions relating to the Redemption Amount shall apply *mutatis mutandis* to such payment.

Should the delivery of the Physical Underlying be impracticable for economic or factual reasons, the Issuer is entitled to pay to each Securityholder with respect to each Security it holds, the Delivery Disruption Amount as specified to be applicable in the relevant Product Terms instead of the delivery of the Physical Underlying. The provisions of these Conditions relating to the Redemption Amount shall apply *mutatis mutandis* to such payment.

## (4) Discharging effect

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.

## (5) Taxes, charges and/or expenses

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.

**Only if** in the applicable Product Terms in the definition of “Underlying” a “Basket” is specified to be applicable, the following § 6 (a) of these Conditions applies:

**§ 6 (a)**

**Adjustments for Securities on Baskets; Successor Basket Component**

If in relation to a Basket Component an adjustment (as described in these Conditions) is necessary, the Issuer shall (in addition to the adjustments pursuant to these Conditions in relation to each Basket Component) be entitled, but not obliged, either

- (i) to remove at its reasonable discretion the respective Basket Component without replacement from the Basket (if applicable by adjusting the weighting of the remaining Basket Components), or
- (ii) to replace at its reasonable discretion the Basket Component in whole or in part by a new Basket Component (if applicable by adjusting the weighting of the Basket Components then present) (the “**Successor Basket Component**”).

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

Only in case of a share as the Underlying or a Basket Component, as the case may be, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (b) of these Conditions applies:

**§ 6 (b)**  
**Adjustments in connection with a Share**

**(1) Consequences of the occurrence of a Potential Adjustment Event**

In the case of the occurrence of a Potential Adjustment Event (§ 6 (b) (2)), the Issuer shall be entitled to effect adjustments to these Conditions in a manner and relation corresponding to the relevant adjustments made with regard to option and futures contracts on the share used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component traded on the Relevant Futures and Options Exchange (the "**Option Contracts**") provided that the Adjustment Record Date (as defined below) is prior to or on the Valuation Date, the Final Valuation Date or a Valuation Averaging Date, as the case may be, and as specified in the applicable Product Terms.

If no such Option Contracts are being traded on the Relevant Futures and Options Exchange, the adjustments may be effected by the Issuer in a manner as relevant adjustments would be made by the Relevant Futures and Options Exchange if those Option Contracts were traded on the Relevant Futures and Options Exchange.

The "**Adjustment Record Date**" will be the first trading day on the Relevant Futures and Options Exchange on which the adjusted Option Contracts on the Underlying are traded on the Relevant Futures and Options Exchange or would be traded if those Option Contracts were traded on the Relevant Futures and Options Exchange.

**(2) Occurrence of a Potential Adjustment Event**

"**Potential Adjustment Event**" means any measure in relation to the share, which gives reason, or would give reason, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be, to the Relevant Futures and Options Exchange for an adjustment to the strike, the contract volume of the underlying, the ratio of the underlying or to the quotation of the stock exchange, relevant for the calculation and determination of the price of the underlying.

Adjustment Events are, *in particular*, but not limited to, the following measures, whereas, however, subject to § 6 (b) (3), the *de facto* or hypothetical decision of the Relevant Futures and Options Exchange is decisive:

- (i) The stock corporation, the share(s) of which is/are used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component (the "**Company**") increases its share capital against deposits/contributions granting a direct or indirect subscription right to its shareholders, capital increase out of the Company's own funds, through the issuance of new shares, directly or indirectly granting a right to its shareholders to subscribe for bonds or other securities with option or conversion rights to shares.
- (ii) The Company decreases its share capital through cancellation or combination of shares of the Company. No Adjustment Event shall occur, if the capital decrease is effected by way of reduction of the nominal amount of the shares of the Company.
- (iii) The Company grants exceptionally high dividends, bonuses or other cash or non-cash distributions ("**Special Distributions**") to its shareholders. The distributions of regular dividends, which do not constitute Special Distributions, do not create any Adjustment Event. With regard to the differentiation between regular dividends and Special Distributions, the differentiation made by the Relevant Futures and Options Exchange shall prevail.
- (iv) In the case of a stock split (reduction of the nominal amount and corresponding increase in the number of shares without a change in the share capital) or a similar measure.
- (v) Offer to the shareholders of the Company pursuant to the German Stock Corporation Act (*Aktiengesetz*), the German Law regulating the Transformation of Companies (*Umwandlungsgesetz*)



or any other similar proceeding under the jurisdiction applicable to and governing the Company to convert existing shares of the Company to new shares or to shares of another stock corporation.

- (vi) Take-over of shares of the Company by a shareholder in the course of a tender offer in accordance with the German Securities Acquisition and Take-over Act or with any other similar provision under the jurisdiction applicable to and governing the Company.
- (vii) The Company spins off any part of the Company so that a new independent enterprise is created or any part of the Company is absorbed by a third company, the Company's shareholders are granted shares in the new company or the absorbing company free of charge or at a price below the market price and therefore a market price or price quotation may be determined for the shares granted to the shareholders.
- (viii) The quotation of or trading in the shares of the Company on the Relevant Exchange is permanently discontinued due to a merger or a new company formation, or for any other comparable reason, in particular as a result of a delisting of the Company. The Issuer's right of termination in accordance with § 8 of these Conditions remains unaffected.

The provisions set out above shall apply *mutatis mutandis* to events other than those mentioned above, if the Issuer and the Calculation Agent, upon exercise of their reasonable discretion, determine that the economic effects of these events are comparable and may have an impact on the calculation value of the shares.

### (3) Deviations by the Issuer from the Relevant Futures and Options Exchange

The Issuer shall be entitled to deviate from the adjustments made by the Relevant Futures and Options Exchange, should the Issuer consider it necessary in order to account for existing differences between the Securities and the Option Contracts traded on the Relevant Futures and Options Exchange. Irrespective of, whether or how adjustments are *de facto* effected by the Relevant Futures and Options Exchange, the Issuer is entitled to effect adjustments for the purpose to reconstitute to the extent possible the Securityholders' economic status prior to the measures in terms of § 6 (b) (2).

### (4) Termination or replacement of the Share

In the event that the share is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at their reasonable discretion, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the share used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component shall be applicable in the future (the "**Successor Underlying**" or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the "**Successor Basket Component**"). The Successor Underlying or, as the case may be, the Successor Basket Component and the date it is applied for the first time shall be published without undue delay in accordance with § 14 of these Conditions.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying or, as the case may be, the Successor Basket Component.

### (5) Determination of a Substitute Exchange

If the quotation of or trading in the share on the Relevant Exchange is permanently discontinued while concurrently a quotation or trading is started up or maintained on another stock exchange, the Issuer shall be entitled to stipulate such other stock exchange as new Relevant Exchange (the "**Substitute Exchange**") through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the Relevant Exchange thereafter shall be deemed to refer to the Substitute Exchange. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Basket Component on the Relevant Exchange, at the latest.

**(6) Corrected Price**

In the event that the price of the share used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component as determined and published by the Relevant Exchange is subsequently corrected and the correction (the "**Corrected Price**") is published by the Relevant Exchange after the original publication, but still within one Settlement Cycle, 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 § 14 of these Conditions.

**(7) Making of Adjustments and Determinations; Publication**

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt (i) the applicability of the adjustment rules of the Relevant Futures and Options Exchange and (ii) the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

**(8) Effectiveness of Adjustments and Determinations**

Any adjustment and determination will become effective as of the time at which the relevant adjustments become effective on the Relevant Futures and Options Exchange or would become effective, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be.

Only in case of a **certificate representing shares as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (c) of these Conditions applies:

### § 6 (c)

#### Adjustments in connection with a Certificate representing Shares

#### (1) Consequences of the occurrence of a Potential Adjustment Event

In the case of the occurrence of a Potential Adjustment Event (§ 6 (c) (2)) in relation to the certificate representing shares used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component, the Issuer shall be entitled to effect adjustments to these Conditions to account for such Potential Adjustment Event.

#### (2) Occurrence of a Potential Adjustment Event

"**Potential Adjustment Event**" means any following events or measures in relation to the certificate representing shares used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component, provided that such event or measure is, at the reasonable discretion of the Issuer and the Calculation Agent, material and adversely affects the Underlying or, as the case may be, the Basket Component or the calculation of the Price of the Underlying or, as the case may be, the Basket Component:

- (a) In the opinion of the Calculation Agent at its reasonable discretion, a material change
  - (i) has occurred in relation to the Relevant Exchange relevant for the calculation and determination of the price of the certificate representing shares used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component, or
  - (ii) has occurred in relation to the relevant terms of either the certificate representing shares used as the Underlying or, as the case may be, the Basket Component or of the Underlying Shares.
- (b) Any measure in relation to the certificate representing shares, which gives reason, or would give reason, if option and futures contracts on the certificate representing shares used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component traded on the Relevant Futures and Options Exchange (the "**Option Contracts**") were traded on the Relevant Futures and Options Exchange, as the case may be, to the Relevant Futures and Options Exchange for an adjustment to the strike, the contract volume of the underlying, the ratio of the underlying or to the quotation of the trading system, relevant for the calculation and determination of the price of the underlying.

#### (3) Termination or replacement of the certificate representing shares

In the event that the certificate representing shares is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at their reasonable discretion, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the certificate representing shares used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component shall be applicable in the future (the "**Successor Underlying**" or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, the "**Successor Basket Component**"). The Successor Underlying or, as the case may be, the Successor Basket Component and the date it is applied for the first time shall be published without undue delay in accordance with § 14 of these Conditions.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, to the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying or, as the case may be, the Successor Basket Component.

#### (4) Determination of a Substitute Exchange

If the quotation of or trading in the certificate representing shares on the Relevant Exchange is permanently discontinued while concurrently a quotation or trading is started up or maintained on another stock exchange, the Issuer shall be entitled to stipulate such other stock exchange as new Relevant Exchange (the "**Substitute Exchange**") through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the Relevant Exchange thereafter shall be deemed to refer to the Substitute Exchange. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, the Basket Component on the Relevant Exchange, at the latest.

#### (5) Corrected Price

In the event that the price of the certificate representing shares used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component as determined and published by the Relevant Exchange is subsequently corrected and the correction (the "**Corrected Price**") is published by the Relevant Exchange after the original publication, but still within one Settlement Cycle, 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 § 14 of these Conditions.

#### (6) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

**Only** in case of a **non-equity security as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (d) of these Conditions applies:

### § 6 (d)

#### Adjustments in connection with a Non-Equity Security

##### (1) Consequences of the occurrence of a Potential Adjustment Event

If, in the opinion of the Calculation Agent at its reasonable discretion, a material change in the market conditions occurred in relation to the Relevant Trading System relevant for the calculation and determination of the price of the non-equity security used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component (a "**Potential Adjustment Event**"), the Issuer shall be entitled to effect adjustments to these Conditions to account for these changed market conditions.

##### (2) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of the non-equity security, 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 or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component are no longer comparable to the underlying concept or calculation of the Underlying or, as the case may be, the Basket Component applicable prior to such change. Adjustments may also be made as a result of the termination of the Underlying or of the Basket Component and/or its substitution by another underlying.

For the purpose of making any adjustment, the Calculation Agent shall at its reasonable discretion determine an adjusted value per unit of the non-equity security as the basis of the determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component, 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 non-equity security shall apply for the first time. The adjusted value per unit of the Underlying or, as the case may be, the Basket Component as well as the date of its first application shall be published without undue delay pursuant to § 14 of these Conditions.

##### (3) Termination or replacement of the Non-Equity Security

In the event that the non-equity security is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at the reasonable discretion of the Issuer or, as the case may be, of the Calculation Agent, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the non-equity security used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component shall be applicable in the future (the "**Successor Underlying**" or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the "**Successor Basket Component**"). The Successor Underlying or, as the case may be, the Successor Basket Component and the date it is applied for the first time shall be published without undue delay in accordance with § 14 of these Conditions.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying or, as the case may be, to the Successor Basket Component.

##### (4) Determination of a Substitute Trading System

If the quotation of or trading in the non-equity security in the Relevant Trading System is permanently discontinued while concurrently a quotation or trading is started up or maintained on another trading

system, the Issuer shall be entitled to stipulate such other trading system as the new relevant trading system (the "**Substitute Trading System**") through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution any reference in these Conditions to the Relevant Trading System thereafter shall be deemed to refer to the Substitute Trading System. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Component in the Relevant Trading System at the latest.

**(5) Corrected Price**

In the event that the price of the non-equity security used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component as determined and published by the Relevant Trading System is subsequently corrected and the correction (the "**Corrected Price**") is published by the Relevant Trading System, after the original publication, but still within one Settlement Cycle, 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 § 14 of these Conditions.

**(6) Making of Adjustments and Determinations; Publication**

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

Only in case of a commodity as the Underlying or a Basket Component, as the case may be, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (e) of these Conditions applies:

### § 6 (e)

#### Adjustments in connection with a Commodity

#### (1) Consequences of the occurrence of a Potential Adjustment Event

In the case of the occurrence of a Potential Adjustment Event (§ 6 (e) (2)), the Issuer shall be entitled to effect adjustments to these Conditions in a manner and relation corresponding to the relevant adjustments made with regard to option and futures contracts on the commodity used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component traded on the Relevant Futures and Options Exchange (the "**Option Contracts**") provided that the Adjustment Record Date (as defined below) is prior to or on the Valuation Date, the Final Valuation Date or a Valuation Averaging Date, as the case may be, and as specified in the applicable Product Terms.

If no such Option Contracts are being traded on the Relevant Futures and Options Exchange, the adjustments may be effected by the Issuer in a manner as relevant adjustments would be made by the Relevant Futures and Options Exchange if those Option Contracts were traded on the Relevant Futures and Options Exchange.

The "**Adjustment Record Date**" will be the first trading day on the Relevant Futures and Options Exchange on which the adjusted Option Contracts on the Underlying are traded on the Relevant Futures and Options Exchange or would be traded if those Option Contracts were traded on the Relevant Futures and Options Exchange.

#### (2) Occurrence of a Potential Adjustment Event

"**Potential Adjustment Event**" means any measure in relation to the commodity, which gives reason, or would give reason, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be, to the Relevant Futures and Options Exchange for an adjustment to the strike, the contract volume of the underlying, the ratio of the underlying or to the quotation of the trading system, relevant for the calculation and determination of the price of the underlying.

Adjustment Events are, *in particular*, but not limited to, the following measures, whereas, however, subject to § 6 (e) (3), the *de facto* or hypothetical decision of the Relevant Futures and Options Exchange is decisive:

- (i) The commodity is traded in the Relevant Trading System relevant for the calculation and determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component in a different quality, in a different consistency (*e.g.* with a different degree of purity or a different point of origin) or in a different standard measuring unit.
- (ii) The occurrence of another event or action, due to which the commodity, as traded in the Relevant Trading System]relevant for the calculation and determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component, is materially modified.

The provisions set out above shall apply *mutatis mutandis* to events other than those mentioned above, if the Issuer and the Calculation Agent, upon exercise of their reasonable discretion, determine that the economic effects of these events are comparable and may have an impact on the value of the commodity.

#### (3) Deviations by the Issuer from the Relevant Futures and Options Exchange

The Issuer shall be entitled to deviate from the adjustments made by the Relevant Futures and Options Exchange, should the Issuer consider it necessary in order to account for existing differences between the Securities and the Option Contracts traded on the Relevant Futures and Options Exchange. Irrespective of, whether or how adjustments are *de facto* effected by the Relevant Futures and Options Exchange, the

Issuer is entitled to effect adjustments for the purpose to reconstitute to the extent possible the Security-holders' economic status prior to the measures in terms of § 6 (e) (2).

#### (4) Termination or replacement of the Commodity

In the event that the commodity is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at their reasonable discretion, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the commodity used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Basket Component shall be applicable in the future (the "**Successor Underlying**" or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the "**Successor Basket Component**"). The Successor Underlying or, as the case may be, the Successor Basket Component and the date it is applied for the first time shall be published without undue delay in accordance with § 14 of these Conditions.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying or, as the case may be, the Successor Basket Component.

#### (5) Determination of a Substitute Trading System

If the quotation of or trading in the commodity in the Relevant Trading System is permanently discontinued while concurrently a quotation or trading is started up or maintained on another trading system, the Issuer shall be entitled to stipulate such other trading system as the new relevant trading system (the "**Substitute Trading System**") through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the Relevant Trading System thereafter shall be deemed to refer to the Substitute Trading System. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Component in the Relevant Trading System, at the latest.

#### (6) Corrected Price

In the event that the price of the commodity used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component as determined and published by the Relevant Trading System is subsequently corrected and the correction (the "**Corrected Price**") is published by the Relevant Trading System after the original publication, but still within one Settlement Cycle, 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 § 14 of these Conditions.

#### (7) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt (i) the applicability of the adjustment rules of the Relevant Futures and Options Exchange and (ii) the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

#### (8) Effectiveness of Adjustments and Determinations

Any adjustment and determination will become effective as of the time at which the relevant adjustments



become effective on the Relevant Futures and Options Exchange or would become effective, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be.

Only in case of a **precious metal as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (f) of these Conditions applies:

### § 6 (f)

#### Adjustments in connection with a Precious Metal

##### (1) Consequences of the occurrence of a Potential Adjustment Event

In the case of the occurrence of a Potential Adjustment Event (§ 6 (f) (2)), the Issuer shall be entitled to effect adjustments to these Conditions in a manner and relation corresponding to the relevant adjustments made with regard to option and futures contracts on the precious metal used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component traded on the Relevant Futures and Options Exchange (the "**Option Contracts**") provided that the Adjustment Record Date (as defined below) is prior to or on the Valuation Date, the Final Valuation Date or a Valuation Averaging Date, as the case may be, and as specified in the applicable Product Terms.

If no such Option Contracts are being traded on the Relevant Futures and Options Exchange, the adjustments may be effected by the Issuer in a manner as relevant adjustments would be made by the Relevant Futures and Options Exchange if those Option Contracts were traded on the Relevant Futures and Options Exchange.

The "**Adjustment Record Date**" will be the first trading day on the Relevant Futures and Options Exchange on which the adjusted Option Contracts on the Underlying are traded on the Relevant Futures and Options Exchange or would be traded if those Option Contracts were traded on the Relevant Futures and Options Exchange.

##### (2) Occurrence of a Potential Adjustment Event

"**Potential Adjustment Event**" means any measure in relation to the precious metal, which gives reason, or would give reason, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be, to the Relevant Futures and Options Exchange for an adjustment to the strike, the contract volume of the underlying, the ratio of the underlying or to the quotation of the stock exchange, relevant for the calculation and determination of the price of the underlying.

Adjustment Events are, *in particular*, but not limited to, the following measures, whereas, however, subject to § 6 (f) (3), the *de facto* or hypothetical decision of the Relevant Futures and Options Exchange is decisive:

- (i) The precious metal is traded on the Relevant Exchange relevant for the calculation and determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component in a different quality, in a different consistency (*e.g.* with a different degree of purity or a different point of origin) or in a different standard measuring unit.
- (ii) The occurrence of another event or action, due to which the precious metal, as traded on the Relevant Exchange relevant for the calculation and determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Basket Component, is materially modified.

The provisions set out above shall apply *mutatis mutandis* to any other event or circumstance, which may have an impact on the value of the precious metal and which causes the terms of the Securities to no longer reflect the original commercial terms agreed by the Issuer and the Securityholders or adversely affects the economic basis on which the Issuer issued the Securities.

##### (3) Deviations by the Issuer from the Relevant Futures and Options Exchange

The Issuer shall be entitled to deviate from the adjustments made by the Relevant Futures and Options

Exchange, should the Issuer consider it necessary in order to account for existing differences between the Securities and the Option Contracts traded on the Relevant Futures and Options Exchange. Irrespective of, whether or how adjustments are *de facto* effected by the Relevant Futures and Options Exchange, the Issuer is entitled to effect adjustments for the purpose to reconstitute to the extent possible the Securityholders' economic status prior to the measures in terms of § 6 (f) (2).

#### (4) Termination or replacement of the Precious Metal

In the event that the precious metal is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at their reasonable discretion, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the precious metal used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Basket Component shall be applicable in the future (the "**Successor Underlying**" or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the "**Successor Basket Component**"). The Successor Underlying or, as the case may be, the Successor Basket Component and the date it is applied for the first time shall be published without undue delay in accordance with § 14 of these Conditions.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying or, as the case may be, to the Successor Basket Component.

#### (5) Determination of a Substitute Exchange

If the quotation of or trading in the precious metal on the Relevant Exchange is permanently discontinued while concurrently a quotation or trading is started up or maintained on another exchange, the Issuer shall be entitled to stipulate such other exchange as the new relevant exchange (the "**Substitute Exchange**") through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the Relevant Exchange thereafter shall be deemed to refer to the Substitute Exchange. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Component on the Relevant Exchange, at the latest.

#### (6) Corrected Price

In the event that the price of the precious metal used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component as determined and published by the Relevant Exchange is subsequently corrected and the correction (the "**Corrected Price**") is published by the Relevant Exchange after the original publication, but still within one Settlement Cycle, 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 § 14 of these Conditions.

#### (7) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt (i) the applicability of the adjustment rules of the Relevant Futures and Options Exchange and (ii) the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

#### (8) Effectiveness of Adjustments and Determinations

Any adjustment and determination will become effective as of the time at which the relevant adjustments become effective on the Relevant Futures and Options Exchange or would become effective, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be.

Only in case of an **index as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (g) of these Conditions applies:

### § 6 (g)

#### Adjustments in connection with an Index

##### (1) Consequences of the cessation of the Index

If the Index used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component is ultimately not maintained by the Index Sponsor and not calculated and published by the Index Sponsor or, if in the applicable Product Terms in the definition of "Underlying" a "Index Calculator" is specified to be applicable, by the Index Calculator any longer, the Issuer shall be entitled to replace the Index Sponsor or, as the case may be, the Index Calculator by a person, company or institution, which is acceptable to the Calculation Agent and the Issuer at their reasonable discretion (the "**Successor Index Sponsor**" or, if in the applicable Product Terms in the definition of "Underlying" a "Index Calculator" is specified to be applicable, the "**Successor Index Calculator**").

In such case, the Successor Index Sponsor or, if in the applicable Product Terms in the definition of "Underlying" a "Index Calculator" is specified to be applicable, the Successor Index Calculator will be deemed to be the Index Sponsor or, as the case may be, the Index Calculator and each reference in these Conditions to the Index Sponsor or, as the case may be, the Index Calculator shall be deemed to refer to the Successor Index Sponsor or, as the case may be, the Successor Index Calculator.

##### (2) Changes in the calculation; Making of Adjustments

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 or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component 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 or of the Basket Component 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 Calculation Agent shall at its reasonable discretion determine an adjusted value per unit of the Index as the basis of the determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component, 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 the Underlying or the Basket Component as well as the date of its first application shall be published without undue delay pursuant to § 14 of these Conditions.

##### (3) Termination or replacement of the Index

In the event that the authorisation of the Issuer or of the Calculation Agent] to use the Index used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Basket Component 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**" or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the "**Successor Basket Component**"). The Successor Underlying or, as the case may be, the Successor Basket Component and the date it is applied for the first time shall be published without undue delay in accordance with § 14 of these Conditions.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying or, as the case may be, to the Successor Basket Component.

**(4) Corrected Price**

In the event that the price of the Index used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component as determined and published by the respective Index Sponsor is subsequently corrected and the correction (the "**Corrected Price**") is published by the Index Sponsor after the original publication, but still within one Settlement Cycle, 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 § 14 of these Conditions.

**(5) Making of Adjustments and Determinations; Publication**

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

**Only** in case of an **exchange traded Fund Unit as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (h) of these Conditions applies:

### § 6 (h)

#### Adjustments in connection with an exchange traded Fund Unit

#### (1) Consequences of the occurrence of a Potential Adjustment Event

In the case of the occurrence of a Potential Adjustment Event (§ 6 (h) (2)) in respect to the exchange traded Fund Unit used as Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component, the Issuer shall be entitled to make any adjustments to any calculation methods, values or terms in respect of the Securities that they determine at their reasonable discretion to be necessary to account for the Potential Adjustment Event.

#### (2) Occurrence of a Potential Adjustment Event

"**Potential Adjustment Event**" means any following measure in relation to the Fund Unit:

- (a) Conversion, subdivision, consolidation or reclassification of the Fund Units;
- (b) Payment of distributions, which contradict the standard distribution policy of the Investment Fund in relation to the Fund Units, or
- (c) any other event that may, in the Issuer's and the Calculation Agent's reasonable discretion, have a diluting or concentrative effect on the Fund Units.

#### (3) Adjustments made by the Relevant Futures and Options Exchange

The Issuer shall be entitled to in particular effect adjustments to these Conditions in a manner and relation corresponding to the relevant adjustments made with regard to option and futures contracts on the Fund Unit used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component, traded on the Relevant Futures and Options Exchange (the "**Option Contracts**") provided that the Adjustment Record Date (as defined below) is prior to or on the Valuation Date, the Final Valuation Date or a Valuation Averaging Date, as the case may be, and as specified in the applicable Product Terms.

If no such Option Contracts are being traded on the Relevant Futures and Options Exchange, the adjustments may be effected by the Issuer in a manner as relevant adjustments would be made by the Relevant Futures and Options Exchange if those Option Contracts were traded on the Relevant Futures and Options Exchange.

The "**Adjustment Record Date**" will be the first trading day on the Relevant Futures and Options Exchange on which the adjusted Option Contracts on the Underlying are traded on the Relevant Futures and Options Exchange or would be traded if those Option Contracts were traded on the Relevant Futures and Options Exchange.

#### (4) Deviations by the Issuer from the Relevant Futures and Options Exchange

The Issuer shall be entitled to deviate from the adjustments made by the Relevant Futures and Options Exchange, should the Issuer consider it necessary in order to account for existing differences between the Securities and the Option Contracts traded on the Relevant Futures and Options Exchange. Irrespective of, whether or how adjustments are *de facto* effected by the Relevant Futures and Options Exchange, the Issuer is entitled to effect adjustments for the purpose to reconstitute to the extent possible the Security-holders' economic status prior to the measures in terms of § 6 (h) (2).

#### (5) Consequences of the occurrence of a Replacement Event

If a Replacement Event (§ 6 (h) (6)) in respect of the Fund Unit used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component occurs or is likely to occur, the Issuer and the Calculation Agent may, if they determine at their reasonable discretion, that such event is material and adversely affects the Fund Unit,

- (i) select an alternative investment fund, which the Issuer and the Calculation Agent determine at their reasonable discretion to have a similar strategy and liquidity (also the "**Successor Underlying**") and/or
- (ii) make any adjustments to any calculation methods, values or terms in respect of the Securities that they determine at their reasonable discretion to be necessary to account for such Replacement Event.

## (6) Occurrence of a Replacement Event

"**Replacement Event**" means any of the following:

- (a) The investment strategy or investment objective of an Investment Fund (the "**Strategy**") differs substantially from the Strategy at the Issue Date or the date on which the Underlying was adjusted in accordance with these Conditions, as the case may be, or from the Strategy outlined in the prospectus or other documents prepared in connection with the marketing of the Investment Fund (together the "**Documents**") or from the rules in relation to the Investment Fund.
- (b) The Investment Fund introduces or increases charges or fees payable out of the assets of the Investment Fund or charges a subscription fee or redemption fee.
- (c) The operation or organisation of the Investment Fund (in particular structure, procedures or policies) or the application of such procedures or policies has changed from that at the Issue Date or the date on which the Underlying was adjusted in accordance with these Conditions, as the case may be.
- (d) The Investment Fund or its investment manager is or becomes subject to liquidation, dissolution, discontinuance or execution, or the investment manager indicates that the Strategy will not be met or proposes, recommends or initiates the liquidation, dissolution or discontinuance of the Investment Fund.
- (e) The Investment Fund or its investment manager or any of their employees are placed under review or investigation by any regulatory or other authority or are subject to any charges or prosecution.
- (f) The Investment Fund or its investment manager becomes party to any litigation or dispute.
- (g) Resignation, termination, loss of registration or any other change in respect of the investment manager of the Investment Fund or any change in the personnel of the investment manager or in the service providers to the Investment Fund.

The provisions set out above shall apply *mutatis mutandis* to events other than those mentioned above, if the Issuer and the Calculation Agent, upon exercise of their reasonable discretion, determine that the economic effects of these events are comparable and may have an impact on the calculational value of the Fund Unit.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying.

## (7) Determination of a Substitute Exchange

If the quotation of or trading in the Fund Unit used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component on the Relevant Exchange is permanently discontinued while concurrently a quotation or trading is started up or maintained on another stock exchange, the Issuer shall be entitled to stipulate such other stock exchange as new Relevant Exchange (the "**Substitute Exchange**") through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the



Relevant Exchange thereafter shall be deemed to refer to the Substitute Exchange. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Fund Unit used as the Underlying on the Relevant Exchange.

**(8) Corrected Price**

In the event that the price of the Fund Unit used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "**Basket**" is specified to be applicable, as the Basket Component as determined and published by the Relevant Exchange is subsequently corrected and the correction (the "**Corrected Price**") is published by the Relevant Exchange 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 § 14 of these Conditions.

**(9) Making of Adjustments and Determinations, Publication**

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

**(10) Effectiveness of Adjustments and Determinations**

Any adjustment and determination will become effective as of the time at which the relevant adjustments become effective on the Relevant Futures and Options Exchange or would become effective, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be.

**Only** in case of a **not exchange traded Fund Unit as the Underlying or a Basket Component, as the case may be**, as specified in the definition of “Underlying” contained in the section “Product Terms” of the relevant Final Terms, the following § 6 (i) of these Conditions applies:

**§ 6 (i)**  
**Adjustments in connection with a Fund Unit**

**(1) Consequences of the occurrence of a Potential Adjustment Event**

If a Potential Adjustment Event (§ 6 (i) (2)) in respect of the Fund Unit used as the Underlying or, if in the applicable Product Terms in the definition of “Underlying” a “**Basket**” is specified to be applicable, as the Basket Component occurs or is likely to occur, the Issuer and the Calculation Agent may, if they determine at their reasonable discretion, that such event is material and adversely affects the Underlying or, as the case may be, the Basket Component or the calculation of the NAV of the Fund Unit,

- (a) make any adjustments to any calculation methods, values or terms in respect of the Securities that they determine at their reasonable discretion to be necessary to account for such Potential Adjustment Event, and/or
- (b) select, by using reasonable efforts for a period of no longer than five (5) Business Days, one or more suitable alternative funds with reasonably similar investment mandates – subject to the following suitability criteria – (each a “**Replacement Fund**”) and replace the Fund by such fund(s).

The replacement of the Fund by one or more alternative Replacement Funds is only possible provided that all of the following suitability criteria are met:

- (i) The relevant fund management company/ies and fund manager(s) are willing to allow the Replacement Fund to be referenced in the Securities.
- (ii) the Issuer can trade at net asset value or at bid price in the Replacement Fund with no direct or indirect fee, levy or other charge whatsoever, including subscription of redemption penalties applicable, or potentially applicable, to any such trading or any interest so acquired.
- (iii) The fund is constituted as an open-ended investment company incorporated in an OECD country.
- (iv) The Replacement Fund (or a relevant manager) publishes the Replacement Fund's net asset value or bid price on a daily basis.
- (v) The Replacement Fund shall comply with the European directives relating to undertakings for collective investment in transferable securities (UCITS).
- (vi) The Replacement Fund has similar historical volatility as the Fund, as determined by the Calculation Agent at its reasonable discretion.
- (vii) The Issuer is able to fully hedge its position with respect to the Replacement Fund as at the Replacement Fund(s) Selection Date.

In such context, the day the Calculation Agent selects the Replacement Fund(s) is the “**Replacement Fund(s) Selection Date**”.

**(2) Occurrence of a Potential Adjustment Event**

“**Potential Adjustment Event**” means any of the following:

- (a) A violation or change of any material terms of the offer documents or other documents prepared in connection with the marketing of the Fund or each of its constitutional documents, which, in the opinion of the Calculation Agent at its reasonable discretion, is material.
- (b) The main investment objective of the Fund changes.
- (c) The currency denomination in which the NAV of the Fund or of the Fund Unit is published (the

“**Currency Denomination**”) is changed and now differs from the Currency Denomination at the Fixing Date.

- (d) The NAV, as calculated by or on behalf of the Fund, not being calculated or announced for any scheduled Fund Business Day within the time period when the Calculation Agent would ordinarily expect such NAV to be available.
- (e) Any restriction or limitation or suspension or deferral of, redemptions of or subscription for Fund Units in the Fund affecting the Issuer's Hedging Activities (lit. (k)) (including, but not limited to, the introduction or increase of any associated fee, cost or expense, the introduction or use of restrictions on redemptions, so-called gatings, or the separation of illiquid investments of the Fund, so-called side pockets, or any restructure, reorganisation or action that has a similar impact to a gating or side pocket), or any mandatory redemption of Fund Units of the Fund.
- (f) The regulatory or tax treatment applicable with respect to the Issuer, the Fund, its manager, investment manager or to any of its investment advisors (each a “**Manager**”) is changed.
- (g) Any review or investigation of the activities of the Fund or its Managers, by a relevant regulator, in connection with suspected or alleged wrongdoing or breach of any rule or regulation, or other similar reason, or any disciplinary action taken by such regulator in consequence thereof.
- (h) The Issuer is the beneficial owner of 25 % or more of the Fund Units of the Fund or a relevant class of the Fund.
- (i) Any winding-up, liquidation of, or any termination or any loss of regulatory approval, license or registration of, a Manager, or any merger, de-merger, winding-up or liquidation of or affecting the Fund.
- (j) Any arrangement between the Issuer and the Fund and/or a Manager, including arrangements relating to subscriptions in and redemptions of Fund Units, being changed or terminated.
- (k) The occurrence of any event that, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion, prevents, hinders or materially impairs the Issuer's ability to conduct its hedging activities in relation to its exposure under the Securities (the “**Issuer's Hedging Activities**”).

The provisions set out above shall apply *mutatis mutandis* to any other event or circumstance, which causes the terms of the Securities to no longer reflect the original commercial terms agreed by the Issuer and the Securityholders or adversely affects the economic basis on which the Issuer issued the Securities.

Any reference in these Conditions to the Fund as the Underlying or, if in the applicable Product Terms in the definition of “Underlying” a “**Basket**” is specified to be applicable, as the Basket Component shall, to the extent appropriate, be deemed to refer to the Replacement Fund.

### (3) Corrected Price

In the event that the price of the Fund Unit used as the Underlying or, if in the applicable Product Terms in the definition of “Underlying” a “**Basket**” is specified to be applicable, as the Basket Component as determined and published by the Administrator otherwise on behalf the Fund is subsequently corrected and the correction (the “**Corrected Price**” is published by the Administrator or otherwise on behalf the Fund after the original publication, but still within one Settlement Cycle, 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 § 14 of these Conditions.

### (4) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the

required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

Only in case of a futures contract as the Underlying or a Basket Component, as the case may be, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (j) of these Conditions applies:

### § 6 (j)

#### Adjustments in connection with a Futures Contract

##### (1) Expiration of the Futures Contract

Upon expiration of the futures contract used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component, during the Term of the Securities, the futures contract will be replaced on the Roll Over Date by the futures contract with the next Expiration Date as relevant new Underlying or, as the case may be, Basket Component (the "Current Underlying" or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the "Current Basket Component"), (the "Roll Over"). If, at that time, the Issuer determines that there is no futures contract with the next Expiration Date, the terms or contractual characteristics of which match those of the futures contract used as the Underlying or, as the case may be, as the Basket Component to be replaced, paragraph (4) shall apply accordingly.

The Issuer shall be entitled to effect at its reasonable discretion and considering the prices determined for the purpose of the Roll Over on the basis of the price of the futures contract used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component and of the Current Underlying or, as the case may be, the Current Basket Component on the Roll Over Date, adjustments to these Conditions to account for the Roll Over, to the extent as the Issuer considers such adjustment necessary when replacing the expiring future contract by the Current Underlying or, as the case may be, the Current Basket Component. At this, adjustments will be effected so that the economic value of the Securities is affected as less as possible by the Roll Over. The adjustments in the context of a Roll Over pursuant to the paragraphs above shall be effected by the Issuer at its reasonable discretion and shall be published on the website of the Issuer at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) or a successor address. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.

##### (2) Material change in the market conditions

If, in the opinion of the Calculation Agent at its reasonable discretion, a material change in the market conditions occurred in relation to the Relevant Reference Market relevant for the calculation and determination of the price of the futures contract used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component, the Issuer shall be entitled to effect adjustments to these Conditions to account for these changed market conditions.

##### (3) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of the futures contract, 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 or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component are no longer comparable to the underlying concept or calculation of the Underlying or, as the case may be, the Basket Component applicable prior to such change. Adjustments may also be made as a result of the termination of the Underlying or the Basket Component and/or its substitution by another underlying.

For the purpose of making any adjustment, the Calculation Agent shall at its reasonable discretion determine an adjusted value per unit of the futures contract as the basis of the determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component, 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 futures contract shall apply for the first time. The adjusted value per unit of the Underlying or, as the case may be, the Basket Component as well as the date of its

first application shall be published without undue delay pursuant to § 14 of these Conditions.

#### (4) Termination or replacement of the Futures Contract

In the event that the futures contract is terminated and/or replaced by another underlying, the Issuer and the Calculation Agent shall, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, determine at the reasonable discretion of the Issuer or, as the case may be, of the Calculation Agent, after having made appropriate adjustments according to the paragraph above, which underlying, economically equal to the underlying concept of the futures contract used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component shall be applicable in the future (the "**Successor Underlying**" or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the "**Successor Basket Component**"). The Successor Underlying or, as the case may be, the Successor Basket Component and the date it is applied for the first time shall be published without undue delay in accordance with § 14 of these Conditions.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying or, as the case may be, the Successor Basket Component.

#### (5) Determination of a Substitute Reference Market

If the quotation of or trading in the futures contract in the Relevant Reference Market is permanently discontinued while concurrently a quotation or trading is started up or maintained on another reference market, the Issuer shall be entitled to stipulate such other reference market as the new relevant reference market (the "**Substitute Reference Market**") through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution any reference in these Conditions to the Relevant Reference Market thereafter shall be deemed to refer to the Substitute Reference Market. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, in the Basket Component in the Relevant Reference Market at the latest.

#### (6) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

Only in case of an **interest rate as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (k) of these Conditions applies:

### § 6 (k)

#### Adjustments in connection with the Interest Rate

##### (1) Material change in the market conditions

If, in the opinion of the Calculation Agent at its reasonable discretion, a material change in the market conditions occurred in relation to the Relevant Reference Market relevant for the calculation and determination of the price of the interest rate used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component, the Issuer shall be entitled to effect adjustments to these Conditions to account for these changed market conditions.

##### (2) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of the interest rate, 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 or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component are no longer comparable to the underlying concept or calculation of the Underlying or, as the case may be, the Basket Component applicable prior to such change. Adjustments may also be made as a result of the termination of the Underlying or the Basket Component and/or its substitution by another underlying.

For the purpose of making any adjustment, the Calculation Agent shall at its reasonable discretion determine an adjusted value per unit of the interest rate as the basis of the determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component, 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 interest rate shall apply for the first time. The adjusted value per unit of the Underlying **or, as the case may be**, the Basket Component as well as the date of its first application shall be published without undue delay pursuant to § 14 of these Conditions.

##### (3) Determination of a Substitute Reference Market

If the calculation or publication of the interest rate in the Relevant Reference Market is permanently discontinued while concurrently a calculation and publication is started up or maintained on another reference market, the Issuer shall be entitled to stipulate such other reference market as the new relevant reference market (the "**Substitute Reference Market**") through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution any reference in these Conditions to the Relevant Reference Market thereafter shall be deemed to refer to the Substitute Reference Market. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the calculation and publication of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component in the Relevant Reference Market at the latest.

##### (4) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

Only in case of a **currency exchange rate as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (l) of these Conditions applies:

### § 6 (l)

#### Adjustments in connection with a Currency Exchange Rate

##### (1) Material change in the market conditions

If, in the opinion of the Calculation Agent at its reasonable discretion, a material change in the market conditions occurred in relation to the Relevant Exchange Market relevant for the calculation and determination of the price of the currency exchange rate used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component, the Issuer shall be entitled to effect adjustments to these Conditions to count for these changed market conditions.

##### (2) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of the currency exchange rate or of the composition or of the weighting of the prices or other reference assets, which form the basis of the calculation of the currency exchange rate, 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 or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component are no longer comparable to the underlying concept or calculation of the Underlying or the Basket Component applicable prior to such change. Adjustments may also be made as a result of the termination of the Underlying or the Basket Component and/or its substitution by another underlying.

For the purpose of making any adjustments, the Calculation Agent shall at its reasonable discretion determine an adjusted value per unit of the currency exchange rate as the basis of the determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component, 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 currency exchange rate shall apply for the first time. The adjusted value per unit of the Underlying or, as the case may be, the Basket Component as well as the date of its first application shall be published without undue delay pursuant to § 14 of these Conditions.

##### (3) Replacement or Merger

In the event that a currency used in relation to the currency exchange rate is, in its function as legal tender, in the country or jurisdiction, or countries or jurisdictions, maintaining the authority, institution or other body which issues such currency, replaced by another currency, or merged with another currency to become a common currency, the currency used in connection with the currency exchange rate used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component is, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions, for the purposes of these Conditions replaced, if applicable, after having made appropriate adjustments according to the paragraph above, by such replacing or merged currency ([also] the "**Successor Underlying**" or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, **the "Successor Basket Component"**). The Successor Underlying or, as the case may be, the Successor Basket Component and the date it is applied for the first time shall be published without undue delay in accordance with § 14 of these Conditions.

Any reference in these Conditions to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, **to** the Basket Component shall, to the extent appropriate, be deemed to refer to the Successor Underlying or, as the case may be, the Successor Basket Component.

##### (4) Determination of a Substitute Exchange Market



If the quotation of or trading in the currency used in connection with the currency exchange rate on the Relevant Exchange Market is permanently discontinued while concurrently a quotation or trading is started up or maintained on another international foreign exchange market, the Issuer shall be entitled to stipulate such other international foreign exchange market as the new relevant international foreign exchange market (the “**Substitute Exchange Market**”) through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution, any reference in these Conditions to the Relevant Exchange Market thereafter shall be deemed to refer to the Substitute Exchange Market. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the currency used in connection with the currency exchange rate used as the Underlying or, if in the applicable Product Terms in the definition of “Underlying” a “Basket” is specified to be applicable, in the Basket Component on the Relevant Exchange Market, at the latest.

**(5) Making of Adjustments and Determinations; Publication**

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

Only in case of a **reference rate as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms, the following § 6 (m) of these Conditions applies:

### § 6 (m)

#### Adjustments in connection with a Reference Rate

##### (1) Material change in the market conditions

If, in the opinion of the Calculation Agent at its reasonable discretion, a material change in the market conditions occurred in relation to the Relevant Reference Market relevant for the calculation and determination of the price of the reference rate used as the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, as the Basket Component, the Issuer shall be entitled to effect adjustments to these Conditions to account for these changed market conditions.

##### (2) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of the reference rate, 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 or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Basket Component are no longer comparable to the underlying concept or calculation of the Underlying or, as the case may be, the Basket Component applicable prior to such change. Adjustments may also be made as a result of the termination of the Underlying or the Basket Component and/or its substitution by another underlying.

For the purpose of making any adjustment, the Calculation Agent shall at its reasonable discretion determine an adjusted value per unit of the reference rate as the basis of the determination of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component, 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 reference rate shall apply for the first time. The adjusted value per unit of the Underlying or, as the case may be, the Basket Component as well as the date of its first application shall be published without undue delay pursuant to § 14 of these Conditions.

##### (3) Determination of a Substitute Reference Market

If the calculation or publication of the reference rate in the Relevant Reference Market or, as the case may be, and as specified in the applicable Product Terms, by the Relevant Reference Agent is permanently discontinued while concurrently a calculation and publication is started up or maintained on another reference market or, as the case may be, by another reference agent, the Issuer shall be entitled to stipulate such other reference market or reference agent as the new relevant reference market (the "**Substitute Reference Market**") or the new relevant reference agent (the "**Substitute Reference Agent**"), as the case may be, through publication in accordance with § 14 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 8 of these Conditions. In the case of such a substitution any reference in these Conditions to the Relevant Reference Market or, as the case may be, the Relevant Reference Agent thereafter shall be deemed to refer to the Substitute Reference Market or the Substitute Reference Agent, as the case may be. The adjustment described above shall be published in accordance with § 14 of these Conditions upon the expiry of one month following the permanent discontinuation of the calculation and publication of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the Basket Component in the Relevant Reference Market or, as the case may be, by the Relevant Reference Agent at the latest.

##### (4) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at its reasonable discretion, under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the

Securities. The Issuer reserves the right to determine at its reasonable discretion in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 14 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

**§ 7**  
**Adjustments due to the European Economic  
and Monetary Union**

**(1) Redenomination**

Where a country participates in the third stage of the European Economic and Monetary Union, whether as from 1999 or after such date, the Issuer and the Calculation Agent at their reasonable discretion, shall be entitled to effect the following adjustments to these Conditions:

- (i) Where the Redemption Currency under these Conditions is the national currency unit other than Euro of a country which is participating in the third stage of the European Economic and Monetary Union, whether as from 1999 or after such date, such Redemption Currency shall be deemed to be an amount of Euro converted from the original Redemption Currency into Euro at the statutory applicable exchange rate and subject to such statutory applicable rounding provisions.

After the adjustment, all payments in respect of the Securities will be made solely in Euro as though references in the Securities to the Redemption Currency were to Euro.

- (ii) Where these Conditions contain a currency conversion rate or any of these Conditions are expressed in a currency of a country which is participating in the third stage of the European Economic and Monetary Union, whether as from 1999 or after such date, such currency conversion rate and/or any other terms of these Conditions shall be deemed to be expressed in or, in the case of a currency conversion rate, converted for or, as the case may be, into, Euro at the statutory applicable exchange rate.
- (iii) The Issuer and the Calculation Agent are entitled to effect adjustments to these Conditions as they may decide to conform them to conventions then applicable to instruments expressed in Euro.
- (iv) The Issuer and the Calculation Agent at their reasonable discretion shall be entitled to effect such adjustments to these Conditions as they may determine to be appropriate to account for the effect of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community on these Conditions.

**(2) No liability of the by the Issuer and the Security Agents**

The Issuer and the Security Agents (§ 12) shall not be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to, or resulting from the transfer of Euro or any currency conversion or rounding effected in connection therewith.

**(3) Publication**

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 § 14 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.

**§ 8**  
**Extraordinary Termination Right of the Issuer**

**(1) Termination by the Issuer**

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 to the Securityholders in accordance with § 14 of these Conditions. Such termination shall become effective at the time of the notice in accordance with § 14 or at the time indicated in the notice (the **"Termination Date"**).

**(2) Occurrence of a Termination Event**

A **"Termination Event"** means any of the following events:

- (a) The determination and/or publication of the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of a Basket Component is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (b) Adjustments pursuant to § 6 (a) – (m) of these Conditions are not possible or not justifiable with regard to the Issuer and/or the Securityholders.
- (c) In the opinion of the Calculation Agent at its reasonable discretion, another material change in the market conditions occurred in relation to the Relevant Exchange, the Relevant Trading System, the Relevant Exchange Market, the Relevant Reference Market or, as the case may be, in relation to the Relevant Reference Agent, as specified to be applicable in the relevant Product Terms.
- (d) The occurrence of any Additional Termination Event as specified to be applicable in the relevant Security Product.
- (e) The occurrence of a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging.

In this context:

**"Change in Law"** means that due to

- (i) the coming into effect of changes in laws or regulations (including but not limited to tax laws) or
- (ii) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax authorities),

at the reasonable discretion of the Issuer

- (i) the holding, acquisition or sale of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of a Basket Component is or becomes wholly or partially illegal or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or negative consequences with regard to tax treatment),

if such changes become effective on or after the Issue Date of the Securities.

**"Hedging Disruption"** means that the Issuer is not able to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which at the reasonable discretion of the Issuer are needed by the Issuer in order to provide protection against price risk or other risks with regard to obligations under the Securities, or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets (respectively)

under conditions which are economically substantially equal to those on the Issue Date of the Securities.

**“Increased Cost of Hedging”** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures and fees (with the exception of broker fees) compared to the Issue Date in order to

- (i) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which at the reasonable discretion of the Issuer are needed in order to provide protection against price risk or other risks with regard to obligations under the Securities, or
- (ii) realise, reclaim or pass on proceeds from such transactions or assets, respectively,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered Increased Cost of Hedging.

### **(3) Payment of the Termination Amount**

In the case of termination by the Issuer the Issuer shall pay to each Securityholder with respect to each Security it holds, the Termination Amount as specified to be applicable in the relevant Product Terms.

**Only** in the case that in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms the product feature “**Securityholder's Termination Right**” is specified to be applicable, the following § 9 of these Conditions applies:

### § 9

#### Termination Right of the Securityholder

If any of the following events (each an “**Event of Default**”) occurs, any Securityholder may by written notice to the Issuer at the specified office of the Principal Paying Agent declare the Securities held by it to be forthwith due and payable, whereupon the Securityholder Termination Amount as specified in the relevant Product Terms together with accrued interest to the date of payment, if any, shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer:

- (a) there is a default for more than 30 days in the payment of any principal or interest due in respect of the Security; or
- (b) there is a default in the performance by the Issuer of any other obligation under the Securities which is incapable of remedy or which, being a default capable of remedy, continues for 60 days after written notice of such default has been given by any Securityholder to the Issuer; or
- (c) any order shall be made by any competent court or other authority in any jurisdiction or any resolution passed by the Issuer for (a) the dissolution or winding-up of the Issuer, or (b) for the appointment of a liquidator, receiver or administrator of the Issuer or of all or a substantial part of the Issuer's assets, or (c) with analogous effect for the Issuer, it is understood that anything in connection with a solvent reorganisation, reconstruction, amalgamation or merger shall not constitute an event of default; or
- (d) the Issuer shall stop payment or shall be unable to, or shall admit to creditors generally its inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent, or shall enter into any composition or other arrangements with its creditors generally.

**§ 10**  
**Taxes**

Payments or, if in §§ 1 – 3 of these Conditions a “**Physical Delivery**” applies, delivery of the Physical Underlying in respect of the Securities shall in all cases only be made after deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (the “**Taxes**”) under any applicable system of law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes, to the extent that such deduction or withholding is required by law or administrative practice. The Issuer shall account for the deducted or withheld Taxes with the competent government agencies.



Only in the case that the Securities are linked to an Underlying, the following § 11 of these Conditions applies:

## § 11 Market Disruptions

### (1) Consequences of a Market Disruption

(a) Provided that **the Underlying or a Basket Component, as the case may be, is not an index comprising commodities or precious metals as Components**, where a **"Consideration of Components"** is specified to be applicable, as specified in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms, the following applies:

If, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion, a Market Disruption (§ 11) prevails on the Fixing Date or any day in respect of which the Issuer or the Calculation Agent, as the case may be, is in accordance with these Conditions required to determine the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Price of the Basket Component (such date is referred to as the **"Scheduled Determination Date"**), the Scheduled Determination Date,

if in the applicable Product Terms in the definition of "Securities" a **"Individual Determination"** is specified to be applicable,

in relation to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the affected Basket Component only or, if in the applicable Product Terms in the definition of "Securities" a **"Consideration of Components"** is specified to be applicable, to the affected Component only,

if in the applicable Product Terms in the definition of "Securities" a **"Collective Determination"** is specified to be applicable,

in relation to all Underlyings or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to all Basket Components or, if in the applicable Product Terms in the definition of "Securities" a **"Consideration of Components"** is specified to be applicable, to all Components,

shall be postponed to the next succeeding Underlying Calculation Date or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the next succeeding Basket Component Calculation Date, on which no Market Disruption prevails. The Issuer shall endeavour to notify the parties pursuant to § 14 of these Conditions without delay of the occurrence of a Market Disruption. However, there is no notification obligation.

(b) **Only in case of an index comprising commodities or precious metals as Components**, where a **"Consideration of Components"** is specified to be applicable, **as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms, the following applies:

If, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion, a Market Disruption (§ 11) prevails on the Fixing Date or any day in respect of which the Issuer or the Calculation Agent, as the case may be, is in accordance with these Conditions required to determine the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Price of the Basket Component (such date is referred to as the **"Scheduled Determination Date"**), the Scheduled Determination Date,

if in the applicable Product Terms in the definition of "Securities" a **"Individual Determination"** is specified to be applicable,

in relation to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the affected Basket Component only,

if in the applicable Product Terms in the definition of "Securities" a **"Collective Determination"** is specified to be applicable,

in relation to all Underlyings or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to all Basket Components,

shall be postponed to the next succeeding Underlying Calculation Date or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the next succeeding Basket Component Calculation Date, on which no Market Disruption prevails. The Issuer shall endeavour to notify the parties pursuant to § 14 of these Conditions without delay of the occurrence of a Market Disruption. However, there is no notification obligation.

With respect to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the Basket Component or, as the case may be, the affected Component such prevailing Market Disruption causes that the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Price of the Basket Component shall not be determined by reference to the official closing price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the official closing price of the Basket Component, if any, on the relevant Scheduled Determination Date but shall instead be determined by the Calculation Agent as follows:

- (i) with respect to each Component which is not affected by the Market Disruption, the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Price of the Basket Component will be based on the settlement price of such Component on the relevant Scheduled Determination Date;
- (ii) with respect to each Component which is affected by the Market Disruption the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Price of the Basket Component will be based on the settlement price of each such Component on the first succeeding Underlying Calculation Date or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the next succeeding Basket Component Calculation Date on which no Market Disruption prevails.

## (2) Continuance of a Market Disruption

(a) Provided that **the Underlying or a Basket Component, as the case may be, is not an index comprising commodities or precious metals as Components**, where a **"Consideration of Components"** is specified to be applicable, as specified in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms, the following applies:

If the Scheduled Determination Date has been postponed, due to the provisions of § 11 (1), by eight Underlying Calculation Dates or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, by eight Basket Component Calculation Dates, and if the Market Disruption continues to prevail on this day, this day shall be the relevant day in respect of which the Issuer or the Calculation Agent, as the case may be, shall make its determination in accordance with these Conditions

if in the applicable Product Terms in the definition of "Securities" a **"Individual Determination"** is specified to be applicable,

in relation to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the affected Basket Component or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, to the affected Component.

if in the applicable Product Terms in the definition of "Securities" a **"Collective Determination"** is specified to be applicable,

in relation to all Underlyings or, if in the applicable Product Terms in the definition of "Securities" a "Basket" is specified to be applicable, to all Basket Components or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, to all Components.

No further postponement shall take place.

The Calculation Agent will then, at its 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 relevant Price of the Underlying or, if in the applicable Product Terms in the definition of "Securities" a "Basket" is specified to be applicable, the relevant Price of the (affected) Basket Component or, if in the applicable Product Terms in the definition of "Underlying" a "Consideration of Components" is specified to be applicable, the relevant price of the affected Component in relation to the postponed Scheduled Determination Date (which for the avoidance of doubt could be zero (0)) on the basis of the latest Prices of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, Prices of the Basket Component or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, prices of the affected Component available to the Issuer or the Calculation Agent, taking into account the economic position of the Securityholders.

If, in the opinion of the Calculation Agent at its reasonable discretion, an estimate in accordance with the preceding sub-paragraph 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, (iii) the expenses of the Issuer, if any, caused by the Market Disruption and (iv) taking into account the economic position of the Securityholders, determine whether and in which amount, if applicable, the Issuer will make payment of a redemption amount in the Redemption Currency or, if in §§ 1 – 3 of these Conditions a "Physical Delivery" applies, whether and in which number, if any, the Issuer will deliver the Physical Underlying. The provisions of these Conditions relating to the Redemption Amount shall apply *mutatis mutandis* to such payment.

(b) **Only** in case of an **index comprising commodities or precious metals as Components**, where a "Consideration of Components" is specified to be applicable, **as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Securities" contained in the section "Product Terms" of the relevant Final Terms, the following applies:

If the Scheduled Determination Date has been postponed, due to the provisions of § 11 (1), by eight Underlying Calculation Dates or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, by eight Basket Component Calculation Dates, and if the Market Disruption continues to prevail on this day, this day shall be the relevant day in respect of which the Issuer or the Calculation Agent, as the case may be, shall make its determination in accordance with these Conditions

if in the applicable Product Terms in the definition of "Securities" a "**Individual Determination**" is specified to be applicable,

in relation to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the affected Basket Component.

if in the applicable Product Terms in the definition of "Securities" a "**Collective Determination**" is specified to be applicable,

in relation to all Underlyings or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to all Basket Components.

No further postponement shall take place.

With respect to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, to the affected Basket Component the Calculation Agent will

then, at its reasonable discretion, determine the price of the relevant Component (which for the avoidance of doubt could be zero (0)).

The Calculation Agent will determine the Price of the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, the Price of the (affected) Basket Component with respect to the relevant Scheduled Determination Date by using the prices of the Components determined pursuant to the aforementioned provisions relating to the Underlying or, if in the applicable Product Terms in the definition of "Underlying" a "Basket" is specified to be applicable, of the (affected) Basket Component in accordance with the formula for and method of calculating the Index applied by the Index Sponsor prior to the occurrence of the Market Disruption.

### (3) Occurrence of Market Disruption

A "Market Disruption" shall mean

(A) in case of a **share as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the share

- (a) a suspension or a failure of the announcement of the price of the share on any day relevant for determining any amounts under these Conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,
  - (i) on the Relevant Exchange in general (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange), or
  - (ii) on the Relevant Exchange in the share provided that a major number or a major part in terms of market capitalisation is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange),
  - (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the share are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Exchange (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange) 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.
- (c) The relevant price is a "limit price", which means that the price for the share for a day has increased or decreased from the immediately preceding day's relevant price by the maximum amount permitted under applicable rules of the Relevant Exchange.
- (d) The occurrence of any other event that, in the opinion of the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the share.

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.

(B) in case of a **Certificate representing shares as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the certificate representing shares:

- (a) a suspension or a failure of the announcement of the price of the certificate representing shares on any day relevant for determining any amounts under these Conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,
  - (i) on the Relevant Exchange in general (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange), or
  - (ii) on the Relevant Exchange in the certificate representing shares provided that a major number or a major part in terms of market capitalisation is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange),
  - (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the certificate representing shares are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "**Currency Conversion**" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Exchange (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange) 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.
- (c) The relevant price is a "limit price", which means that the price for the certificate representing shares for a day has increased or decreased from the immediately preceding day's relevant price by the maximum amount permitted under applicable rules of the Relevant Exchange.
- (d) The occurrence of any other event that, in the opinion of the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the certificate representing shares.

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.

(C) in case of a **non-equity security as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the non-equity security

- (a) a suspension or a failure of the announcement of the price of the non-equity security on any day relevant for determining any amounts under these Conditions or

- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,
- (i) in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, in general (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms) or
  - (ii) in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, in the non-equity security, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms), or
  - (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the non-equity security are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms, (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Exchange or the Relevant Trading System is located, or due to any other reasons whatsoever.
- (c) The relevant price is a "limit price", which means that the price for the non-equity security for a day has increased or decreased from the immediately preceding day's relevant price by the maximum amount permitted under applicable rules of the Relevant Trading System or the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms.
- (d) The occurrence of any other event that, in the opinion of the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the non-equity security.

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 in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, or (ii) the submission deadline for orders entered into the Relevant Trading System or into the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, 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.

(D) in case of a **commodity as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the commodity

- (a) a suspension or a failure of the announcement of the price of the commodity on any day relevant for determining any amounts under these Conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,

- (i) in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, in general (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms) or
  - (ii) in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, in the commodity, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms), or
  - (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the commodity are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms, (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Exchange or the Relevant Trading System is located, or due to any other reasons whatsoever.
- (c) The relevant price is a "limit price", which means that the price for the commodity for a day has increased or decreased from the immediately preceding day's relevant price by the maximum amount permitted under applicable rules of the Relevant Trading System or the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms.
- (d) The occurrence of any other event that, in the opinion of the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the commodity.

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 in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, or (ii) the submission deadline for orders entered into the Relevant Trading System or into the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, 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.

(E) in case of a **precious metal as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the precious metal

- (a) a suspension or a failure of the announcement of the price of the precious metal on any day relevant for determining any amounts under these Conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,
  - (i) in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as

specified in the applicable Product Terms, in general (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms) or

- (ii) in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, in the precious metal, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms), or
  - (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the precious metal are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms, (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Exchange or the Relevant Trading System is located, or due to any other reasons whatsoever.
- (c) The relevant price is a "limit price", which means that the price for the precious metal for a day has increased or decreased from the immediately preceding day's relevant price by the maximum amount permitted under applicable rules of the Relevant Trading System or the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms.
- (d) The occurrence of any other event that, in the opinion of the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the precious metal.

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 in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, or (ii) the submission deadline for orders entered into the Relevant Trading System or into the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, 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.

(F) in case of an **index as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the Index or, as the case may be, and if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, to each of its Components

- (a) a suspension or a failure of the announcement of the price of the Index or, as the case may be, and if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, of the price a Component on any day relevant for determining any amounts under these Conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,



- (i) in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, in general (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, by the stock exchange(s) or the market(s) on/in which the Components are quoted or traded), or
  - (ii) in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, 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 in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, 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 affected (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, or by the stock exchange(s) or the market(s) on/in which the Components are quoted or traded), or
  - (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the Index or, as the case may be, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, on the Components are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms, or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, of the stock exchange(s) or of the market(s) on/in which the Components are quoted or traded, (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange or the Relevant Trading System, as the case may be, or by the stock exchange(s) or the market(s) on/in which the Components are quoted or traded) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Exchange or the Relevant Trading System is located, or due to any other reasons whatsoever.
- (c) The relevant price is a "limit price", which means that the price for the Index or, as the case may be, and if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, the affected Component for a day has increased or decreased from the immediately preceding day's relevant price by the maximum amount permitted under applicable rules of the Relevant Exchange or the Relevant Trading System, as the case may be, and as specified in the applicable Product Terms, or, if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, the stock exchange(s) or the market(s) on/in which the Components are quoted or traded.
- (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 or, as the case may be, and if in the applicable Product Terms in the definition of "Securities" a "Consideration of Components" is specified to be applicable, all Components.

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 in the Relevant Trading System or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours in the Relevant Trading System or

on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, or (ii) the submission deadline for orders entered into the Relevant Trading System or into the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, 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.

(G) in case of an **index comprising commodities or precious metals as Components**, where a **“Consideration of Components”** is specified to be applicable, **as the Underlying or a Basket Component, as the case may be**, as specified in the definition of “Securities” contained in the section “Product Terms” of the relevant Final Terms,

in relation to the Index comprising commodities or precious metals as Components or to each of its Components:

- (a) a suspension or a failure of the announcement of the price of the Index or, as the case may be, of the price a Component on any day relevant for determining any amounts under these Conditions or
  - (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers 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 (e.g. due to 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
    - (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, provided that a major number or a major part is concerned, (e.g. due to 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
    - (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the Index or on the Components are traded there, or
    - (iv) if in the applicable Product Terms in the definition of “Redemption Currency” a “Currency Conversion” is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
    - (v) 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.
  - (c) The relevant price is a “limit price”, which means that the price for a Component has, at any point during the last fifteen minutes of trading on the Relevant Exchange, increased or decreased from the previous day's closing price by the maximum amount permitted under the applicable rules of the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded.
  - (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 or, as the case may be, the affected Component.
- (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.

(H) in case of an **exchange traded fund unit as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the **exchange traded** Fund Unit

- (a) a suspension or a failure of the announcement of the price of the Fund Unit on any day relevant for determining any amounts under these Conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,
  - (i) on the Relevant Exchange in general (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange), or
  - (ii) on the Relevant Exchange in the Funds Unit, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Trading System), or
  - (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the Fund Unit are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Exchange (e.g. due to movements in price exceeding limits permitted by the Relevant Exchange) 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.
- (c) The relevant price is a "limit price", which means that the price for the Fund Unit for a day has increased or decreased from the immediately preceding day's relevant price by the maximum amount permitted under applicable rules of the Relevant Exchange.
- (d) The occurrence of any other event that, in the opinion of the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Fund Unit.

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.

(I) in case of a **not exchange traded fund unit as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the **not exchange traded** Fund Unit

- (a) a suspension or a failure of the announcement of the price of the Fund Unit on any day relevant for determining any amounts under these Conditions or

- (b) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
- (c) The occurrence of any other event that, in the opinion of the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Fund Unit.

(J) in case of a **futures contract as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the futures contract:

- (a) a suspension or a failure of the announcement of the price of the futures contract on any day relevant for determining any amounts under these conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,
  - (i) on the Relevant Reference Market or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, in general (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market), or
  - (ii) on the Relevant Reference Market or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, in the futures contract, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market or the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms), or
  - (iii) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (iv) due to a directive of an authority or of the Relevant Reference Market or the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market or the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Reference Market or the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, is located, or due to any other reasons whatsoever.
- (c) a significant change in the method of price determination or in the trading conditions relating to the futures contract on the Relevant Reference Market or on the Relevant Exchange, as the case may be, and as specified in the applicable Product Terms, (e.g. in terms of the composition, the quantity or the dealing currency).
- (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 futures contract.

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 on the Relevant Reference Market 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 Reference Market or (ii) the submission deadline for orders entered into the Relevant Reference Market 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.

(K) in case of an **interest rate as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the interest rate:

- (a) a suspension or a failure of the announcement of the price of the interest rate on any day relevant for determining any amounts under these Conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,
  - (i) on the Relevant Reference Market in general (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market), or
  - (ii) on the Relevant Reference Market in relation to the interest rate, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market), or
  - (iii) on a futures and options exchange, if option and futures contracts on the interest rate are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Reference Market (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Reference Market is located, or due to any other reasons whatsoever.
- (c) a significant change in the trading conditions relating to the interest rate on the Relevant Reference Market (e.g. in terms of the composition, the quantity or the dealing currency).
- (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 interest rate.

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 on the Relevant Reference Market 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 Reference Market or (ii) the submission deadline for orders entered into the Relevant Reference Market 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.

(L) in case of a **currency exchange rate as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the currency exchange rate:

- (a) a suspension or a failure of the announcement of the price of the currency exchange rate on any day relevant for determining any amounts under these Conditions or
- (b) a Relevant Country (aa) imposes any controls or announces its intention to impose any controls or (bb) (i) implements or announces its intention to implement or (ii) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Calculation Agent determines is likely to affect the Issuer's and/or any of its affiliates' ability to

acquire, hold, transfer or realise the currency used in connection with the currency exchange rate or otherwise to effect transactions in relation to such currency, or

- (c) the occurrence at any time of an event, which the Issuer and the Calculation Agent determine at their reasonable discretion would have the effect of preventing, restricting or delaying the Issuer and/or any of its affiliates from:
- (i) converting the currency used in connection with the currency exchange rate into the Redemption Currency or into another currency through customary legal channels or transferring within or from any Relevant Country any of these currencies, due to the imposition by such Relevant Country of any controls restricting or prohibiting such conversion or transfer, as the case may be;
  - (ii) converting the currency used in connection with the currency exchange rate into the Redemption Currency or into another currency at a rate at least as favourable as the rate for domestic financial institutions located in any Relevant Country;
  - (iii) delivering the currency used in connection with the currency exchange rate from accounts inside any Relevant Country to accounts outside such Relevant Country; or
  - (iv) transferring the currency used in connection with the currency exchange rate used between accounts inside any Relevant Country or to a party that is a non-resident of such Relevant Country.
- (d) a limitation, suspension or disruption or a restriction imposed on trading, the latter of which is in the Issuer's and Calculation Agent's opinion significant,
- (i) in the currency used in connection with the currency exchange rate on the Relevant Exchange Market in general, or
  - (ii) on the Relevant Futures and Options Exchange, if Option Contracts on the currency used in connection with the currency exchange rate are traded there, or
  - (iii) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (iv) due to a directive of an authority or of the Relevant Exchange Market or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Exchange Market is located, or due to any other reasons whatsoever.

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 Market announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours in the Relevant Exchange Market 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.

(M) in case of a **reference rate as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

in relation to the reference rate:

- (a) a suspension or a failure of the announcement of the price of the reference rate on any day relevant for determining any amounts under these Conditions or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,

- (i) on the Relevant Reference Market or the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms, in general (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market or the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms), or
  - (ii) on the Relevant Reference Market or the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms, in relation to the reference rate, provided that a major number or a major part is concerned (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market or the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms), or
  - (iii) on a futures and options exchange, if option and futures contracts on the reference rate are traded there, or
  - (iv) if in the applicable Product Terms in the definition of "Redemption Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
  - (v) due to a directive of an authority or of the Relevant Reference Market or the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms, (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market or the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Reference Market or the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms, is located, or due to any other reasons whatsoever.
- (c) a significant change in the method of price determination or in the trading conditions relating to the reference rate on the Relevant Reference Market or the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms.
- (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 reference rate.

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 Reference Market or at the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms, 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 Reference Market or at the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms, or (ii) the submission deadline for orders entered into the Relevant Reference Market or at the Relevant Reference Agent, as the case may be, and as specified in the applicable Product Terms, 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.

## § 12 Security Agents

### (1) General

The Calculation Agent, the Security Agent, the Paying Agent and, if applicable, the Warrant Agent, each as specified in the applicable Product Terms, (the "**Security Agents**") shall assume the role as Security Agent in accordance with these Conditions.

### (2) Vicarious Agent

Each of the Security Agents acts exclusively as vicarious agent of the Issuer and has no obligations to the Securityholder.

Each of the Security Agents is exempt from the restrictions under § 181 of the BGB.

### (3) Replacement, Appointment and Revocation

The Issuer is entitled at any time to replace any 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 § 14 of these Conditions.

### (4) Resignation of Security Agents

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, the Security Agent or as Paying Agent, as the case may be. Resignation and appointment are notified in accordance with § 14 of these Conditions.



### § 13 Substitution of the Issuer

#### (1) Substitution of the Issuer

Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the "**Substitute Issuer**") with respect to all obligations under or in connection with the Securities, if

- (i) the Substitute Issuer assumes all obligations of the Issuer under or in connection with the Securities,
- (ii) (A) the Issuer and the Substitute Issuer have obtained all necessary authorisations as well as consents

In case the Securities constitute, as specified in the applicable Product Terms in the definition "**Securities**", **Swedish Securities, Finnish Securities, Norwegian Securities or Danish Securities,**

in particular, where necessary, of the Clearing System,

and (B) may transfer to the Principal Paying Agent in the Redemption Currency and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the Substitute Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities;

- (iii) the Substitute Issuer has agreed to indemnify and hold harmless each Securityholder against any tax, duty or other governmental charge imposed on such Securityholder in respect of such substitution
- (iv) the Issuer unconditionally and irrevocably guarantees the obligations of the Substitute Issuer.

#### (2) References

In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

#### (3) Publication

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 § 14 of these Conditions.

## § 14 Publications

### (1) General

To the extent these Conditions provide for a notice pursuant to this § 14 of these Conditions, these will be published on the website of the Issuer at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) and/or the website specified for the purposes in the applicable Final Terms under the heading “Part D – Country Specific Information” and become effective vis-à-vis the Securityholders through such publication unless the notice provides for a later effective date.

If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.

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) Notification to the Clearing System

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.

If and so long the Securities are **listed at the SIX**, as specified in the applicable Final Terms under the heading “Listing and Trading”,

and so long as the applicable rules so require, 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.

**§ 15****Issue of further Securities; Purchase of Securities, Cancellation****(1) Issue of further Securities**

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) Purchase of Securities**

The Issuer and any of its subsidiaries is entitled at any time to purchase, without the consent of the Securityholders, Securities at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Securityholders alike. Such Securities may be held, reissued, resold or cancelled, all at the option of the Issuer.

**(3) Cancellation of Securities**

All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## § 16 Governing Law; Jurisdiction

### (1) Governing Law

The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall, subject to § 16 (2) of these Conditions in every respect be governed by, and shall be construed in accordance with, the laws of the Federal Republic of Germany.

In case the Securities are issued as **Swedish Securities, Finnish Securities, Norwegian Securities or Danish Securities**, as specified in the applicable Product Terms under the heading “**Form of the Securities**”, the following applies

The legal effects of the registration of the Securities with the Clearing System will be governed by applicable CA Rules and the laws of the jurisdiction, where the Clearing System has its registered seat.

### (2) Jurisdiction

The District Court (*Landgericht*) of Frankfurt am Main shall have jurisdiction to settle any proceedings that may arise out of or in connection with any Securities and accordingly any proceedings may be brought in such court. The Issuer irrevocably submits to the jurisdiction of the District Court (*Landgericht*) of Frankfurt am Main and waives any objection to proceedings in such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of Securityholder and shall not affect the right of any Securityholders to take proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

The Issuer hereby appoints UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany, as its agent in the Federal Republic of Germany to receive service of process in any proceedings under or in connection with the Securities in the Federal Republic of Germany (the “**Agent of Process**”). If, for any reason, such Agent of Process ceases to act as such or no longer has an address in the Federal Republic of Germany, the issuer agrees to appoint a substitute agent of process in the Federal Republic of Germany. Nothing herein shall affect the right to serve the process in any other manner permitted by law.

## § 17 Corrections; Severability

### (1) Issuer's right for a Rescission

Obvious spelling and calculation errors as well as similar obvious inaccuracies in the Conditions, including those where the information provided clearly cannot be reconciled with the Issue Price or value-determining factors of the Security, entitle the Issuer for a rescission. Immediate notice of such rescission shall be given in accordance with § 14 of these Conditions as soon as the Issuer has become aware of the relevant error. The publication shall make reference to § 17 of these Conditions and indicate the information in the Conditions affected by the error. The term of the Securities ends with immediate effect as a result of the rescission.

### (2) Corrections; Securityholder's Right for Termination

If the Issuer does not make use of its right of rescission, it may correct obvious spelling and calculation errors as well as similar obvious inaccuracies by correcting the Conditions. A correction of the Conditions is to be notified immediately in accordance with § 14 of these Conditions and with reference to this § 17 of these Conditions as soon as the Issuer becomes aware of the error concerned.

In this case, however, each Securityholder is entitled to terminate the Securities held by it prior to the correction of these Conditions taking effect. Such a termination must be made by notifying the Principal Paying Agent in writing within four weeks of the publication of the correction. The termination shall take effect upon receipt by the Issuer of the notice of redemption.

The Issuer determines the content of the correction on the basis of the information that would have been provided if the error had not occurred. The correction must be reasonable for the Securityholders taking into account the economic purpose of the Securities. This is only the case if, as a result of the correction, the economic value of the Securities is adjusted to their Issue Price at the time of issue. The correction takes effect four weeks after the day of notification and the publication must make reference to this four-week deadline and the Securityholders' redemption right.

### (3) Compensation

In the event of a challenge by the Issuer in accordance with § 17 (1) of these Conditions or a termination by Securityholders in accordance with § 17 (2) of these Conditions, the affected Securityholders will receive an amount in the Redemption Currency equal to the market price of the Securities on the day, when the rescission or redemption becomes effective; the resulting payment is due on the fifth Business Day after this date.

If a Securityholder proves that the market price is lower than the amount he/she paid to acquire the Securities, less any payments already made by the Issuer, he/she will be entitled to the corresponding amount.

This does not affect the Securityholder's right to claim damages for any loss incurred as a result of negative interest (*Vertrauensschaden*) in accordance with § 122 (1) BGB.

For Securities listed in the regulated market or unregulated market segment at a stock exchange (referred to in the following as "**Listing**") the market price shall be the closing price published by the stock exchange on the relevant date. In the case of multiple stock exchanges this shall be the closing price at the stock exchange where the largest turnover of the Securities took place at last. If a closing price was not published on this date or if a Market Disruption occurred, the provisions of § 11 (2) of these Conditions shall apply *mutatis mutandis*.

In the case of Securities without a Listing, the market price shall be determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 BGB) and in consultation with an independent expert named by the Calculation Agent.

### (4) Abuse of Rights

If the obvious spelling and calculation errors as well as similar obvious inaccuracies in the Conditions, and

its correct content, are clearly apparent to an expert investor for the relevant Security, and if the difference between the erroneous and correct content gives rise to a market price of the Security, based on the erroneous content, which is more than 30 % higher at the time of the initial issue of the Securities, the correct content shall apply in place of the erroneous content.

The Issuer may also invoke the unlawful application of an erroneous term against individual Securityholders where this is appropriate to the circumstances of individual cases.

**(5) Invalidity in whole or in part**

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.

**H. FORM OF FINAL TERMS****FINAL TERMS**[No. *[insert]*]

dated [•]

in connection with the Base Prospectus dated [•] 2016  
(as supplemented from time to time)

of

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

[acting through its Jersey Branch]

[acting through its London Branch]



for [the offer] [the continued offer] [the increase of [the issue size] [the aggregate nominal amount]]  
[and] [the listing on a regulated or another equivalent market]

of

[*insert Issue Size / Aggregate Nominal Amount: •*] [*insert marketing designation of the Securities: •*]

ISIN [•]

[WKN [•]]

[Valor [•]]

[Common Code [•]]

[already issued and]

linked to [*insert Underlying: •*]

These final terms (the "**Final Terms**") have been prepared for the purpose of Article 5 (4) of the Prospectus Directive and provide additional information to the base prospectus dated [•] 2016, as supplemented from time to time (the "**Base Prospectus**", together with the Final Terms, the "**Prospectus**") that was prepared in accordance with the Financial Instruments Trading Act (SFS 1991:980). Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus.

These Final Terms must be read in conjunction with the Base Prospectus, including all information incorporated by reference therein and any supplement(s) thereto. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus, as supplemented from time to time. However, a summary of the individual issue of the Securities is annexed to these Final Terms. [The Base Prospectus, any supplement to the Base Prospectus and these Final Terms will be available for viewing at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) (or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest)). Copies may be obtained during normal business hours at the registered offices of the Issuer.]/[•]

*[in case of an increase of Securities having been offered under the Base Prospectus insert the following text:*  
The Securities will be consolidated and form a single series with the [previously issued] Securities with ISIN: [●]  
[WKN: [●]] [Valor: [●]] [Common Code:[●]]]

**[In case of an offer of Securities initiated under the the Base Prospectus dated 27 September 2016 that shall be continued beyond the validiy of the Base Prospectus, the following is applicable:**

The validity of the Base Prospectus dated 27 September 2016, under which the Securities described in these Final Terms have been issued, ends on [●] 2017. From this point in time these Final Terms [excluding the Securities which have either been terminated or expired early in accordance with the Conditions of the Securities by [●] 2017] are to be read in conjunction with the latest base prospectus of UBS AG for Securities which follows the Base Prospectus dated 27 September 2016.

The latest base prospectus of UBS AG for Securities will be available for viewing at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) (or any successor address notified by the Issuer to the Securityholders for this purpose by way of publication on [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest).)



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**OVERVIEW ON THE SECURITY STRUCTURE**

*[Insert description of the relevant Securities from the section "General information on the Securities – 13. Functioning of the Securities", leaving out terms not relevant for the Security, and/or replacing them with their defined content, as appropriate. For these purposes, information or product types not already described in the Base Prospectus may not be included.]*

**PART A – PRODUCT TERMS**

*[Insert security specific Product Terms comprising “Part 1: Key Terms and Definitions of the Securities” and “Part 2: Special Conditions of the Securities” as amended and completed for the specific issue of Securities: [●]. (If the Product Terms relates to more than one series (each a “Series”) of Securities, to the extent that any term differs for one or more Series, insert for the relevant item in table.)*

## PART B – OFFERING AND SALE

## I. Offering for Sale and Issue Price

## Offering for Sale and Issue Price

*[In the case that the Securities are offered to the public, insert the following text:]*

The [*specify designation of the Securities: [•]*] (the “**Securities**”, and each a “**Security**”) are issued by the Issuer in [the Issue Size] [the Aggregate Nominal Amount and with the denomination of the Nominal Amount per Security].

It has been agreed that, on or after the respective Issue Date of the Securities, the Manager may purchase Securities and shall place the Securities for sale [at the Issue Price] under terms subject to change in the Public Offer Jurisdictions (as defined in “VI. Consent to Use of Prospectus” below) [during [the Subscription Period (as defined in “II. Subscription, Purchase and Delivery of the Securities” below) [the Offer Period] (as defined in “VI. Consent to Use of Prospectus” below)]]].

[The Issue Price [will be] [was] fixed [at the Start of the public offer of the Securities (as defined in “II. Subscription, Purchase and Delivery of the Securities” below) [on the Fixing Date], [based on the prevailing market situation and the price of [the Underlying] [*if appropriate, insert different point of reference to an Underlying comprised in the Base Prospectus: [•]*] [, and [will [then] be made] [is] available at the [Relevant] Manager.].] [[After closing of the Subscription Period (as defined in “II. Subscription, Purchase and Delivery of the Securities” below) [As of the Start of the public offer of the Securities] [As of the Fixing Date] [Thereafter,] the selling price [will [then] be] [was] adjusted on a continual basis to reflect the prevailing market situation.]

*[In the case of a continued offer of the Securities to the public, add the following text:]*

The Securities have been offered to the public since [*specify start of the original offer of the Securities: [•]*]. These Final Terms are used to continue this offer of the Securities as of [*specify start of the continued offer of the Securities: [•]*].

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

[The total commission due for the respective underwriting and/or placement service relating to the underwriting of the Securities is: [•].]

*[In the case that the Securities are not offered to the public, but listed on a regulated market, insert the following text:]*

The Securities are not offered to the public, but shall be admitted to trading on [*specify securities exchange: [•]*].

## [Issue Size:

The Issue Size means [•] [Securities]. [indicative. The Issue Size will be fixed [on] [•] [the Fixing Date [at Fixing Time]] [the end of [the Subscription Period] [the Offer Period] [depending on the demand for the Securities during [the Subscription Period] [the Offer

|   |   |
|---|---|
|   | Period]]].]]]   |
| <b>[Aggregate Nominal Amount:</b>       | The Aggregate Nominal Amount equals [●]. [indicative. The Aggregate Nominal Amount will be fixed [on] [●] [the Fixing Date [at Fixing Time]] [the end of [the Subscription Period] [the Offer Period] [depending on the demand for the Securities during [the Subscription Period] [the Offer Period]]].]]]   |
| <b>[Aggregate Amount of the Issue:</b>  | [Issue Price [(without consideration of the offering premium)] x Issue Size] [●]. [indicative. The Aggregate Amount of the Issue will be fixed [on] [●] the Fixing Date [at the Fixing Time].]]   |
| <b>Issue Date:</b>                      | The Issue Date means [●]. [In the case of abbreviation or extension of [the Subscription Period] [the Offer Period] the Issue Date may be changed accordingly.]   |
| <b>Issue Price:</b>                     | The Issue Price equals [●] [plus an offering premium amounting to [●] per Security]. [indicative. The Issue Price will be fixed on the Fixing Date [at the Fixing Time].]   |
| <b>[Fees</b>                            | [●]]  |
| <b>[Offer Period:</b>                   | [ <i>specify Offer Period.</i> [●]]   |
| <b>Manager:</b>                         | The Manager means<br>[●]<br>[UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland [, acting through its [London Branch, 5 Broadgate, London EC2M 2QS, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ].]<br><br>[UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom.]<br><br>[The term “Manager” shall also refer to all Managers <sub>(i=1)</sub> to <sub>(i=n)</sub> .]]  |
| <b>[Relevant Manager:</b>               | The Relevant Manager means [●] [The term “Relevant Manager” shall also refer to all Relevant Managers <sub>(i=1)</sub> to <sub>(i=n)</sub> .]]  |
| <b>Type and form of the Securities:</b> | [ <i>Specify Security.</i> [Certificates] [Notes] or [Warrants]]  |
| <b>Clearing System:</b>                 | [UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland (For the avoidance of doubt: The Securities can only be held in a securities account with UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland)]<br><br>[Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany]<br><br>[Clearstream Banking S.A., Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg)]<br><br>[Euroclear Bank S.A./ N.V., Brussels, as operator of the Euroclear System (1 Boulevard du Roi Albert II, B - 1210 Brussels, Belgium)]<br><br>[Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm, Sweden] |

[Euroclear Finland Ltd., Urho Kekkosen katu 5 C, FI-00101 Helsinki, Finland]

[Verdipapirsentralen ASA, P.O. Box 4, 0051 Oslo, Norway]

[VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, 2300 Koebenhavn S, Denmark].

or any successor in this capacity.

Security identification number(s) of the Securities: ISIN: [●]  
[WKN: [●]]  
[Common Code: [●]]  
[Valor: [●]]

Currency: The currency [of the Securities] [for each Series of the Securities] is [●].

## II. Subscription, Purchase and Delivery of the Securities

Subscription, Purchase and Delivery of the Securities: [Not applicable, these Final Terms have been prepared only for the purposes of [listing] [inclusion] [admission] of the Securities [to trading] and no offer to the public is being made pursuant to these Final Terms.]

*[in the case of a Subscription Period insert the following text: The Securities may be subscribed from [the Manager] [and] [if appropriate, insert alternative or further financial intermediaries placing or subsequently reselling the Securities: [●]] during normal banking hours during the Subscription Period. [The Securities may only be subscribed in the Minimum Investment Amount.] The Issue Price per Security is payable on the Initial Payment Date.*

The Issuer reserves the right to earlier close or to extend the Subscription Period if market conditions so require.

After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor's account in accordance with the rules of the corresponding Clearing System. If the Subscription Period is shortened or extended, the Initial Payment Date may also be brought forward or postponed.]

*[in case that no Subscription Period is intended insert the following text: [As of the Start of the public offer of the Securities, the] [The Securities may be purchased from [the Manager] [and] [if appropriate, insert alternative or further financial intermediaries placing or subsequently reselling the Securities: [●]] during normal banking hours [during the Offer Period]. [Such offer of the Securities is made on a continuous basis.] [The Securities may only be purchased in the Minimum Investment Amount.]] There will be no subscription period. The Issue Price per Security is payable on the Initial Payment Date.*

[The Issuer reserves the right to earlier close or to extend the Offer Period if market conditions so require.]

After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor's account in accordance with the rules of the corresponding Clearing System.]

- [Subscription Period:** *[specify Subscription Period: [•]]* [The Issuer reserves the right [to earlier close] [or] [to extend] the Subscription Period [by giving notice to the investors] if market conditions so require.] [The notice relating to the earlier close (if any) or, as the case may be, extension of the Subscription Period (if any) shall be published *[specify public source: [•]].*]
- [Start of the public offer of the Securities:** *[specify start of the public offer of the Securities per country where the offer is being made: [•]]*
- [Offer Period:** *[specify Offer Period: [•]]* [The Issuer reserves the right to earlier close or to extend the Offer Period [by giving notice to the investors] if market conditions so require.] [The notice relating to the earlier close (if any) or, as the case may be, extension of the Offer Period (if any) shall be published *[specify public source: [•]].*]
- [Minimum Investment Amount:** The Minimum Investment Amount equals [•].]
- [Information with regard to the manner and date of the offer:** *[give details with regard to the manner and date in which results of the offer are to be made public: [•]].*
- Initial Payment Date:** The Initial Payment Date means [•]. [In the case of abbreviation or extension of [the Subscription Period] [the Offer Period] the Initial Payment Date may be changed accordingly.]

## PART C – OTHER INFORMATION

## I. Applicable specific risks

## Applicable specific risks:

In particular the specific risk factors, which are described in the Base Prospectus under the heading “Security specific Risks” and “Underlying specific Risks” related to the following product feature[s] are applicable to the Securities:

[“ risks related to Securities linked to an **Underlying** ”]

[“ product feature [“**Participation Factor**”] [“**Leverage Factor**”] [“**Multiplication Factor**”] [“**Multiplier**”] ”]

[“ product feature “**Reverse Structure**” ”]

[“ product feature “**Express Structure**” ”]

[“ product feature “**Thresholds, Barriers or Levels**” ”]

[“ product feature “**Maximum Amount**” ”]

[“ product feature “**Relevant Underlying**” ”]

[“ product feature “**Physical Delivery**” ”]

[“ product feature “**Final Lock-In**” ”]

[“ product feature “**Currency Conversion**” ”]

[“ product feature “**Dual Currency**” ”]

[“ product feature “**Capital Protection**” ”]

[“ product feature “**Automatic Termination**” ”]

[“ product feature “**No predefined term**” ”]

[“ product feature “**Time-lagged Valuation**” ”]

[“ product feature “**Minimum Exercise Size**” ”]

[“



|   |    |
|---|----|
| product feature " <b>Securityholder's Termination Right</b> " does <b>not</b> apply                                   | "] |
| ["  |    |
| product feature " <b>Quanto</b> "   | "] |
| ["  |    |
| risks related to a <b>share</b> as [the Underlying] [a Basket Component]  | "] |
| ["  |    |
| risks related to a <b>certificate representing shares</b> as [the Underlying] [a Basket Component]                    | "] |
| ["  |    |
| risks related to a <b>non-equity security</b> as [the Underlying] [a Basket Component]                                | "] |
| ["  |    |
| risks related to a <b>precious metal</b> as [the Underlying] [a Basket Component]                                     | "] |
| ["  |    |
| risks related to a <b>commodity</b> as [the Underlying] [a Basket Component]  | "] |
| ["  |    |
| risks related to an <b>index</b> as [the Underlying] [a Basket Component]   | "] |
| ["  |    |
| risks related to the <b>UBS Multi Asset Portfolio T10 Total Return Index</b> as [the Underlying] [a Basket Component] | "] |
| ["  |    |
| risks related to a <b>not exchange traded fund unit</b> as [the Underlying] [a Basket Component]                      | "] |
| ["  |    |
| risks related to an <b>exchange traded fund unit</b> as [the Underlying] [a Basket Component]                         | "] |
| ["  |    |
| risks related to a <b>futures contract</b> as [the Underlying] [a Basket Component]                                   | "] |
| ["  |    |
| risks related to a <b>currency exchange rate</b> as [the Underlying] [a Basket Component]                             | "] |

## II. Listing and Trading

### Listing and Trading

*[In the case that the Issuer or a Manager, as the case may be, intends to apply for a listing of the Securities (at any stock exchange other than SIX Swiss Exchange), insert the following text:*

[The Issuer] [The [Relevant] Manager] intends to apply for [listing] [inclusion] [admission] of the Securities [to trading] on [the Regulated Market (*Regulierter Markt*) of the [Frankfurt Stock Exchange] [Stuttgart Stock Exchange] [•]] [the Official List of the [Regulated Market of the Luxembourg Stock Exchange] [•]] [[the unofficial regulated market of]

[Frankfurt Stock Exchange] [Stuttgart Stock Exchange] [•][•] [Nasdaq Stockholm][Nasdaq Helsinki][Nordic Growth Market NGM AB – NDX (Nordic Derivatives Exchange)] [*specify alternative exchange(s) or trading system(s): [•]*] [each a] [the] "**Security Exchange**". [Provided that the Securities have not been terminated by the Issuer [and provided that the Securities have not expired early] prior to the Expiration Date, trading of the Securities shall cease [[two] [•] trading day[s] prior to] [on] [the Valuation Date] [the Final Valuation Date] [the Expiration Date] [the Maturity Date] [•] (such day, the "**Last Exchange Trading Day**"). [As of the Last Exchange Trading Day trading may only take place off exchange with [the Manager] [•].]] ]

[*In the case that the Issuer intends to apply for a listing of the Securities at SIX Swiss Exchange, insert the following text:* [The Issuer] [The [Relevant] Manager (in its capacity as manager of the Issuer)] [•] intends to apply for the listing of the Securities at SIX Swiss Exchange ("**SIX**") and for admittance to trading on the platform of SIX Structured Products Exchange AG]

[*In the case that the Securities are already traded on a regulated or another equivalent market:*

The Securities are already admitted to trading on [*specify regulated or another equivalent market:* [•]].]

[*In the case that neither the Issuer nor a Manager intends to apply for a listing of the Securities, insert the following text:*

Not applicable. It is not intended to apply for inclusion of the Securities to trading on a securities exchange.]

[**First Exchange Trading Day:** The First Exchange Trading Day means [*specify first exchange trading day:* [•]].]

[**Last Exchange Trading Day:** The Last Exchange Trading Day means [*specify last exchange trading day:* [•]].]

[**Last Exchange Trading Time:** The Last Exchange Trading Time means [*specify last exchange trading time:* [•]].]

[**SIX Symbol:** The SIX Symbol means [*specify symbol:* [•]].]

[*if necessary, specify further information in the case of a listing of the Securities at SIX:* [•]].]

[**Financial intermediaries secondary market:** [Not Applicable] [*if applicable, specify financial intermediaries secondary market:* [•]].]

### III. Commissions paid by the Issuer

Commissions paid by the Issuer:

(i) **Underwriting and/or placing fee:** [Not Applicable] [*if applicable, specify underwriting and/or placing fee:* [•]].]

(ii) **Selling commission:** [Not Applicable] [*if applicable, specify selling commission:* [•]].]

(iii) **Listing commission:** [Not Applicable] [*if applicable, specify listing commission:* [•]].]

(iv) Other: [Not Applicable] [*if applicable, specify other.* [•]]

#### IV. Any interests, including conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities

Any interests, including conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities: [*to be inserted\**]

[[Save for the [relevant] Authorised Offeror[s] regarding [its] [their] fees,] [as][As] far as the Issuer is aware, no person involved in the issue [and offer] [and listing] of [each Series of] the Securities has an interest material to the issue [and the offer] [and the listing].]

#### V. Rating

Ratings: [The Securities have not been rated.] [The Securities [have been][are expected to be] rated as follows [*specify rating including brief explanation.* [•]].]

[This credit rating has / These credit ratings have] been issued by [*insert full name of legal entity which has given the rating*] which [is not established in the European Union but a European Union affiliate has applied for registration under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No. 513/2011 of the European Parliament and of the Council of 11 March 2011, indicating an intention to endorse its ratings, although notification of the corresponding registration decision (including its ability to endorse [•] ratings) has not yet been provided by the relevant competent authority.] [is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No. 513/2011 of the European Parliament and of the Council of 11 March 2011, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.] [[is][is not] established in the European Union and [is][is not] registered [(pursuant to the list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>))] under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No. 513/2011 of the European Parliament and of the Council of 11 March 2011.]]

#### VI. Consent to Use of Prospectus

[Not applicable.]

[Not applicable. The Issuer does not consent to the use of the Base Prospectus.]

[The Issuer consents to the use of the Base Prospectus together with the relevant Final Terms in connection with a public offer of the Securities (a "**Public Offer**") by [UBS Limited, 5 Broadgate, London EC2M 2QS, United Kingdom] [and] [*specify other manager.* [•]], [each] in its role as manager in relation to the Securities, ([each a] [the] "**Manager**" [or, as the case may be, "**Authorised Offeror**") [as well as] [*specify further financial intermediaries.* [•]] (together with the Manager[s] each an "**Authorised Offeror**").]

[The Issuer consents to the use of the Base Prospectus together with the relevant Final Terms in connection with a public offer of the Securities (a "**Public Offer**") by any financial intermediary (each an "**Authorised**

Offeror") which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC).]

|  |  |
|--|--|
| <b>[Additional conditions:]</b>                      | <i>[if applicable, specify additional conditions: [●]]</i>   |
| <b>Offer Period:</b>                                 | <i>[specify Offer Period: [●]]</i> [The Issuer reserves the right [to earlier close] [or] [to extend] the Offer Period [by giving notice to the investors] if market conditions so require.] [The notice (relating to the earlier close (if any) or, as the case may be, extension of the Offer Period (if any) shall be published <i>[specify public source: [●]].]</i> |
| <b>Public Offer Jurisdiction:</b>                    | [Sweden][,] [and] [Norway][,] [and] [Finland][,] [and] [Denmark] [and] [Luxembourg]  |
| <b>[Financial Intermediaries:]</b>                   | <i>[specify financial intermediaries: [●]]</i>   |
| <b>[Further conditions attached to the Consent:]</b> | <i>[if applicable, specify further clear and objective conditions: [●]]</i>  |

## VII. Indication of Yield

|   |   |
|---|---|
| <b>Yield:</b>                             | [Not Applicable] <i>[if applicable, specify yield: [●]]</i> [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]   |
| <b>[Method of calculating the yield:]</b> | The yield is calculated according to the ICMA method. This is a method for calculating the yield in which the daily effective interest yield is taken into account. The interest accrued each day is thus added to the capital invested and included in the interest calculation for the following day in each case.] |

## VIII. Other information about the Securities

|   |  |
|---|--|
| <b>Authorisation:</b>   | The issuance of Securities under the Base Prospectus from time to time has been authorised by applicable corporate authorisations.   |
| <b>Procedure for redemption of Securities:</b>                                      | [Not Applicable] <i>[if applicable, specify: [●]]</i>  |
| <b>Disturbing events that affects the Underlying:</b>                               | [Not Applicable] [As specified in § [11][●] of the General Conditions of the Securities of the Base Prospectus dated [●], as supplemented from time to time.] <i>[if applicable, specify: [●]]</i> |
| <b>Adjustment rules for taking into account events that affects the Underlying:</b> | [Not Applicable] [As specified in § [6][●] of the General Conditions of the Securities of the Base Prospectus dated [●], as supplemented from time to time.] <i>[if applicable, specify: [●]]</i>  |
| <b>Explanation of how the Underlying affects the Securities:</b>                    | [Not Applicable] <i>[if applicable, specify: [●]]</i>  |
| <b>[Amortization:]</b>  | [Not Applicable] <i>[if applicable, specify: [●]]</i>  |
| <b>[Preferential rights:]</b>   | [Not Applicable]   |
| <b>[Subscription rights:]</b>   | [Not Applicable]   |
| <b>[Tranche reserved for offer in a specific country:]</b>                          | [Not Applicable] <i>[if applicable, specify: [●]]</i>  |
| <b>[Arranger:]</b>  | [Specify name of arranger and address of organizer in every applicable   |

|                                   |  |
|-----------------------------------|--|
|                                   | country]]  |
| Paying Agent:                     | [specify names and addresses: [•]]]  |
| [Deposit Agent:                   | [Not Applicable] [if applicable, specify: [•]]]  |
| Guarantor(s):                     | Not Applicable   |
| Calculation Agent:                | [specify names and addresses: [•]]]  |
| [The role of advisor(s):          | [Not Applicable]]  |
| Information after the Issue Date: | [The Issuer does not intend to give information about the Securities after the Issue Date] / [Specify which information about the Securities that will be given and where the information will be available] |

#### PART D – COUNTRY SPECIFIC INFORMATION

Additional Paying Agent(s) (if any): [Not Applicable] [if applicable, specify names and addresses: [•]]

[Additional websites for the purposes of § 14 of the Conditions: [specify website(s): [•]]]

**PART E – INFORMATION ABOUT THE UNDERLYING /**

*[The following information describes [the Underlying] [the Underlyings], where in case of a Proprietary Index only reference to the relevant Proprietary Index as comprised in the Base Prospectus is made: [•]]*

*[If applicable, indication of source(s) of information given in this section: [•]]*

*[Indication where information about the past and the further performance of [the Underlying] [the Underlyings] and [its] [their] volatility can be obtained: [•]]*

*[if applicable, insert a description of the share / the certificate representing shares [with ISIN and name of the relevant company]: [•]]*

*[if applicable and no Proprietary Index is used, insert a description of the Index [with ISIN, if available, and name of the relevant index sponsor]: [•]]*

*[if applicable and a Proprietary Index is used, insert reference to the Proprietary Index as comprised in the Base Prospectus: [•]]*

*[if applicable, insert a description of the currency exchange rate [with ISIN, if available]: [•]]*

*[if applicable, insert a description of the precious metal [with ISIN, if available]: [•]]*

*[if applicable, insert a description of the commodity [with ISIN, if available]: [•]]*

*[if applicable, insert a description of the interest rate [with ISIN, if available]: [•]]*

*[if applicable, insert a description of the non-equity security [with ISIN, if available, and name of the relevant issuer]: [•]]*

*[if applicable, insert a description of the fund unit [with ISIN, if available, and name of the relevant fund company]: [•]]*

*[if applicable, insert a description of the futures contract [(if applicable, including determination of the Relevant Expiration Months)]: [•]]*

*[if applicable, insert a description of the reference rate [with ISIN, if available,]: [•]]*

*[if applicable, insert a description of the Basket comprising the aforementioned assets [with ISIN, if available, and the weighting of the Basket components]: [•]]*

*[if applicable, insert a description of the portfolio comprising the aforementioned assets [with ISIN, if available, and the weighting of the portfolio components]: [•]]*

**ANNEX TO THE FINAL TERMS: ISSUE SPECIFIC SUMMARY**

*[Insert completed summary by amending and completing the summary of the base prospectus as appropriate to the terms of the specific issue].*

## I. INFORMATION ABOUT THE UNDERLYING

The Securities may be based on the performance of a share (including a certificate representing shares), an index (including indices composed by the Issuer and other legal entities belonging to the UBS group, where each such index is also referred to as "**Proprietary Index**"), a currency exchange rate, a precious metal, a commodity, an interest rate, a non-equity security, a fund unit, a futures contract, or, as the case may be, and as specified in the relevant Final Terms, a reference rate (including, but not limited to, interest rate swap (IRS) rates, currency swap rates or, as the case may be, credit default swap levels), as well as a basket or portfolio comprising the aforementioned assets.

In case an index used as Underlying or, as the case may be, a Basket Component, is provided by a legal entity acting in association with, or on behalf of, the Issuer, **the complete set of rules of the index and information on the performance of the index will be freely accessible on the Issuer's website**. The governing rules (including methodology of each such index for the selection and the re-balancing of the components of such index, description of market disruption events and adjustment rules) are based on predetermined and objective criteria.

The applicable Final Terms will specify the relevant Underlying, if any, and state where information on the relevant Underlying, in particular on its past and future performance and on its volatility, can be found and whether or not the Issuer intends to provide further information on the Underlying.

The following Proprietary Indices may be used as Underlying or, as the case may be, a Basket Component. It should be noted that additional Proprietary Indices will only be supplemented in accordance with the provisions of the Prospectus Directive and Chapter 2, section 34 of the Swedish Financial Instruments Trading Act (SFS 1991:980).

## UBS Multi Asset Portfolio T10 Total Return Index

INVESTORS ARE REFERRED TO THE IMPORTANT DISCLAIMERS AND RISK FACTORS IN THIS DESCRIPTION OF THE UBS MULTI ASSET PORTFOLIO T10 TOTAL RETURN INDEX (the "Index Manual").

### Section 1. Index Sponsor and Objectives of the Index

#### 1. Introduction and Objectives of the Index

This Index Manual is intended to serve as a description of the rules and risks relating to the calculation and maintenance of the UBS Multi Asset Portfolio T10 Total Return Index.

For purposes of this Index Manual, the term "Index" refers to UBS Multi Asset Portfolio T10 Total Return Index. The Index is the intellectual property of the Index Sponsor. Before making any investment decisions, investors should carefully read "*Section 2 – Risk Factors*", "*Section 4 – Adjustments, Extraordinary Events, Index Market Disruption Events and Force Majeure Events*" and "*Section 5 – Disclaimer, Licensing and Trademark*". Please see "*Section 6 – Definitions*" for a list of defined terms and their definitions.

The Index is published on Bloomberg under the code "ULTAUM10 Index" (the "Bloomberg Page"). In respect of any Index Business Day, the closing level of the Index value shall be published on the immediately following London Business Day.

The objective of the Index is to track a diversified portfolio of futures and indices (the "Portfolio"). The Portfolio includes futures and indices from different financial market asset classes, such as equities, government bonds and commodities. The weight allocated to each index (each an "Index Constituent") within the Portfolio is determined with the aim of having an equal risk allocation (i.e. the riskier the Index Constituent, the lower the weight allocated to such Index Constituent within the Portfolio and the less risky the Index Constituent, the higher the weighting allocated to such Index Constituent within the Portfolio). The Index methodology will employ historical data and sentiment indicators to determine this allocation as further described herein.

The Index Level will be reduced by the Accumulated Management Fees of 0.5% per annum and may be reduced by the Borrowing Cost for borrowed amounts. There will be a Rebalancing Cost of 0.08% on each Rebalancing Date. Prospective investors should understand that such fees and costs may have a material effect on the Index Level.

On the first Index Business Day of each month (the "Determination Date") the weight allocated to each Index Constituent in the Portfolio will be determined in accordance with the following process:

- First, the sentiment of the market will be determined using the UBS Dynamic Equity Risk Indicator ("DERI"). The sentiment will be considered "volatile" if the DERI level is negative and "calm" otherwise.
- Secondly, the volatility of each Matched Risk Factor (as defined herein) will be determined using the daily returns of the last 500 days ("calm" or "volatile" as the case may be). The 500 daily returns considered might not be from the last 500 days immediately preceding the Determination Date but rather the last 500 "calm" days if the sentiment is "calm" or the last 500 "volatile" days if the sentiment is volatile.
- Thirdly, the weight of each Index Constituent within the Portfolio will be the product of (i) (a) 1 divided by (b) the relevant Matched Risk Factor volatility, and (ii) the relevant exposure adjustment factor (subject to the maximum weights as set out in this Index Manual).
- Lastly, the weights obtained will be normalized and any residual allocation will be invested in Cash in order that the sum of the weights allocated to the Index Constituents in the Portfolio is equal to 100%.

The new weight of the Index Constituents in the Portfolio as at 11 pm London time will be applied to the Index on the 5th Index Business Day of each month (the "Rebalancing Date").

The weight allocation process and formulae are further detailed in this Index Manual.



Finally, on each Index Business Day, the exposure of the Index to the Portfolio will be rebalanced in order to maintain an annualized volatility of the Index at or around 10% (the "Target Volatility" or "Target Vol") by reducing the exposure of the Index to the Portfolio when the realized volatility, as of any Index Business Day, of the Portfolio is greater than the Target Volatility or leveraging the exposure of the Index to the Portfolio up to 300%, when the realized volatility, as of any Index Business Day, of the Portfolio is lower than the Target Volatility. If the resulting exposure of the Index to the Portfolio is less than 100%, the excess will be notionally invested in a cash balance accruing interest.

On each Index Business Day, the Index Level shall reflect the value of the exposure to the Portfolio and the Cash comprising the Index. The Index is denominated in United States Dollars ("USD"). The Index shall have an initial value of 100 (the "Index Base Value") on 7<sup>th</sup> March 2002 (the "Index Base Date").

**The information contained in this Index Manual is a summary of the methodology and material rules and risks relating to the Index. The Index Sponsor makes no representation or warranty that the Index will achieve its stated objectives.**

## 2. Index Sponsor, Index Calculation Agent, Calculation Frequency and Publication

The term "Index Sponsor" refers to UBS or its relevant affiliate (or any successors thereto). The Index is calculated and maintained by UBS or its relevant affiliate (or any successors thereto) (the "Index Calculation Agent"). The Index is calculated by the Index Calculation Agent at the Valuation Time in accordance with the methodology set out herein and based on the published official closing level or the strategy level the Index Calculation Agent calculates for each Index Constituent on each Index Business Day, and will be published on Bloomberg and Reuters on the London Business Day following each Index Business Day. The Index shall be first published in respect of 07 June 2013 (the "Index Commencement Date"). All such retrospective closing levels are simulated and must be considered hypothetical and illustrative only.

On any day where the Index is not calculated, such as a Disrupted Day or otherwise, no value for the Index will be published in respect of such day, subject to the provisions set out below.

The Index shall be maintained by the Index Calculation Agent. The Index shall be governed by the Index Sponsor via its internal processes.

## Section 2. Risk Factors

This Index Manual is not, nor does it purport to be, investment advice. The Index Sponsor and the Index Calculation Agent are not acting as investment advisors or providing advice of any nature and do not assume any fiduciary obligation to any investors buying products linked to the Index (the "Index Products"). Prospective investors should carefully consider whether the Index Products are suited to their particular circumstances.

Prospective investors in Index Products should note that the risks described below are not the only risks associated with the Index Products, the Index Sponsor, the Index Constituents or the Index, or which may arise because of the nature of any particular Index Product. In addition, each of the risks highlighted below could adversely affect the trading price of the Index Product or the rights of investors under the Index Product and, as a result, investors could lose some or all of their investment.

The Index Sponsor has described only those risks relating to their operations and to the types of Index Products which may be issued that it considers to be material. There may be additional risks that the Index Sponsor currently considers not to be material or of which it is not currently aware, and any of these risks could have the negative effects set forth above. Prospective investors should seek independent financial advice where they do not fully understand the risks related to the Index Products, the Index Sponsor, the Index Constituents or the Index itself.

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

Each prospective investor in any Index Product must determine the suitability of that investment in light of its own circumstances. In particular, each prospective 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 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 predetermined rules. Accordingly, potential investors in Index Products should determine whether those rules as summarised in this Index Manual are appropriate in light of their individual circumstances and investment objectives.

There is the risk that the algorithm on which the Index is based will not be successful or that the Index will underperform any alternative algorithm that might be employed.

## 3. Equity market risks may affect the market value of the Index and the Index Products.

Because the Index Constituents include equity securities, UBS expects that the Index will fluctuate in accordance with changes in the financial condition of the relevant issuer(s) of the Index Constituents' component stocks, the value of common stocks generally and other factors. The financial condition of the issuer(s) of the components of the Index Constituents may become impaired or the general condition of the equity market may deteriorate, either of which may cause a decrease in the level of the Index. 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 Constituents change. Investor perceptions regarding the issuer of an equity security comprising the Index Constituents 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.

## 4. The Index is not actively managed.

The Index operates in accordance with a predetermined methodology and formulae as further described herein, and the Index Sponsor exercises discretion in limited situations as described in "*Section 4 – Adjustments, Extraordinary Events, Index Market Disruption Events and Force Majeure Events*". The Index is, therefore, not managed. The Index Sponsor as the sponsor of the Index is not acting as an investment adviser or performing a discretionary management role with respect to the Index and, as a result, has no fiduciary duty to any person in respect of the Index.

## 5. Commodity prices may change unpredictably, affecting the value of the Index in unforeseeable ways.

Trading in futures contracts on physical commodities, including trading in certain Index Constituents (which are subindices composed of commodity futures contracts), is speculative and can be extremely volatile. Market prices of such Index Constituents, the underlying futures contracts and the underlying physical commodities may fluctuate rapidly based on numerous factors, including changes in supply and demand relationships (whether actual, perceived, anticipated, unanticipated or unrealized); weather; agriculture; trade; fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; disease; pestilence; technological developments; changes in interest rates, whether through governmental action or market movements; and monetary and other governmental policies, action and inaction. The current or "spot" prices of the underlying physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of the relevant physical commodity. These factors may affect the value of the Index, and different factors may cause the prices of the Index Constituents, and the volatilities of their prices, to move in inconsistent directions at inconsistent rates.

## 6. Influence of Interest Rates

Index Constituents are affected in changes in interest rates of the relative currencies and such movements would affect the performance of the Index. Market prices of the Index Constituents, the underlying futures contracts and the underlying physical bonds may fluctuate due to volatility and trends in the interest rates

markets based on numerous factors, including (but not limited to) investors perception of quality of the bond issuer; fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; governmental action or market movements; and monetary and other governmental policies. These factors may affect the value of the Index, and different factors may cause the prices of the Index Constituents, and the volatilities of their prices, to move in inconsistent directions at inconsistent rates.

#### **7. Influence of Currency Exchange Rates**

Index Constituents may be denominated in currencies different from the Index Currency, and even if the Index Constituents are currency-hedged some residual currency exposure could affect the performance of the Index. Furthermore, Index Products may also be denominated in currencies different from the Index Currency. An unfavourable performance of such currencies in relation to the Index Currency may have an adverse effect on the level calculated for the Index at any given time or the value of the Index Products (if such Index Product is not currency-hedged).

#### **8. Securityholders have no rights in the property, nor shareholder rights in any of the security or securities comprising the Index Constituents.**

The Index is purely synthetic. The exposure to each Index Constituent is purely notional and will exist only in the records held by the Index Sponsor. Investing in Index Products will not make Securityholders holders of the security or securities comprising the Index Constituents. Neither the Securityholders nor any other holder or owner of the Index Products will have any voting rights, any right to receive dividends or other distributions, or any other rights with respect to any property or securities of any issuer or with respect to any security or securities comprising the Index Constituents.

#### **9. UBS obtained the information about the issuer of any securities comprising the Index Constituents from public sources.**

UBS has derived all information in this Index Manual about the issuer of the security or securities comprising any Index Constituent 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 make any "due diligence" investigation or any inquiry with respect to the sponsor or issuer of the security or securities comprising any Index Constituent in connection with the maintenance of the Index. UBS does not make any representation that any publicly available document or any other publicly available information about the issuer of the security or securities comprising any Index Constituent is accurate or complete. Furthermore, UBS does not know whether all events occurring before the date of this Index Manual, 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 Constituent, have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of or failure to disclose material future events concerning the issuer of the security or securities comprising any Index Constituent could affect the value of the Index, and the hence the value of any Index Product that the Securityholder will receive during the term of such Index Product or at maturity or at the payment or settlement date and, therefore, the market value of the Index Product.

#### **10. As Index Sponsor, UBS will have the authority to make determinations that could materially affect the Index in various ways and create conflicts of interest.**

UBS is the Index Sponsor. The Index Sponsor is responsible for the composition, calculation and maintenance of the Index and the Index Constituents. As described in this Index Manual, the Index Sponsor has the discretion in a number of circumstances to make judgments and take actions in connection with the composition, calculation and maintenance of the Index and the Index Constituents, and any such judgments or actions may adversely affect the value of the Index Products. For instance, the Index Sponsor may cancel the Index, see the section entitled "*Section 4 – Adjustments, Extraordinary Events, Index Market Disruption Events and Force Majeure Events – Termination*".

The role played by UBS, as Index Sponsor both of the Index and the Index Constituents, and the exercise of the kinds of discretion described above could present it with significant conflicts of interest. The Index Sponsor has no obligation to take the needs of any buyer, seller or holder of interest in the Index into consideration at any time.

**11. The policies of the Index Sponsor and changes that affect the composition and the Index Constituents could affect the valuation of the Index.**

The policies of the Index Sponsor and/or the Index Calculation Agent, as applicable, concerning the calculation of the Index Level and the values of the Index Constituents could affect the level of the Index.

The Index Sponsor and/or the Index Calculation Agent, as applicable, may modify the methodology for calculating the Index Level and the values of the Index Constituents. In addition, as described herein, under a number of circumstances the Index Sponsor and/or the Index Calculation Agent, as applicable, may make certain changes to the way in which the Index or any of the Index Constituents is calculated. The Index Sponsor may also discontinue or suspend calculation or publication of the Index or any of the Index Constituents, in which case it may become difficult to determine the market value of the Index. Any such changes could adversely affect the value of Index Products.

If the Index level cannot be calculated for any reason, the Index Calculation Agent may be required to make, in its sole discretion and acting in good faith, an estimate of the Index Level. The circumstances in which the Index Calculation Agent will be required to make such a determination are described more fully under "Section 4 – Adjustments, Extraordinary Events, Index Market Disruption Events and Force Majeure Events".

**12. Use of leverage can amplify losses and gains on Index Products**

Because the Index exposure will be based upon the performance of one or more reference assets multiplied by a leverage factor which can be over 100 per cent. or 1.00, the purchaser may participate disproportionately in any positive performance and/or may have a disproportionate exposure to any negative performance of the reference assets. Due to this leverage effect, the Index Products represent a very speculative and risky form of investment since any loss in the value of the reference assets carries the risk of a correspondingly higher loss.

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

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

**14. Changes to an Index Constituent may affect the value of the Index.**

Where a given Index Constituent ceases to exist or is no longer tradable, as determined by the Index Sponsor and/or Index Calculation Agent in good faith, including where UBS and its affiliates would be prevented from entering into transactions in respect of components of a given Index Constituent by any applicable law or regulation, or where any constituent security of any Index Constituent is de-listed, becomes insolvent or bankrupt, is the target of a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity that results in such entity or person purchasing, or otherwise obtaining, or having the right to obtain, by conversion or other means, greater than ten percent (10%) and less than one hundred percent (100%) of its outstanding shares, is subject to a merger or does not have its net asset value published by its management company for more than a short period of time which has a material effect on its shares, in each case as determined by the Index Sponsor, Index Calculation Agent or sponsor of the Index Constituent, the Index Sponsor and/or Index Calculation Agent may (but is not obliged to) substitute another Index Constituent (including without limitation one for which UBS or one of its affiliates is the sponsor or involved in the creation thereof) for the original one where it considers in good faith that a similar alternative is available. If the Index Sponsor and/or Index Calculation Agent do not select any substitute Index Constituent, the Index Constituent in question will be assigned a zero weight in the Index. Any such substitution or assignment could alter the exposure provided by the Index and materially affect the performance and value of the Index.

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

The Index Calculation Agent 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 investment in any Index Product.

## 16. Amendment or Modification to the Index.

The Index may be amended, modified or adjusted from time to time by the Index Sponsor and/or the Index Calculation Agent, as applicable. Any such amendment may have an adverse effect on the level of the Index and may be made without the consent of investors in Index Products. The Index Calculation Agent shall apply the method described in this Index Manual for the composition and calculation of the Index. However, there is the risk that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Calculation Agent may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. Notice of such amendments shall be provided on the Bloomberg Page.

## 17. Index Calculation Agent and Index Sponsor Discretion

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

The role played by UBS, as Index Calculation Agent and Index Sponsor and the exercise of the kinds of discretion described above and could present it with significant conflicts of interest in light of the fact that UBS, of which the Index Calculation Agent and Index Sponsor are a division, is the issuer of products linked to the Index. The Index Calculation Agent or Index Sponsor has no obligation to take the needs of any buyer, seller or holder of Index Products into consideration at any time.

## 18. Change of Index Sponsor and Index Calculation Agent

The Index Sponsor may without the consent of investors in Index Products replace the Index Calculation Agent (the "Successor Index Calculation Agent") at its discretion, and furthermore, may also designate a successor index sponsor (the "Successor Index Sponsor") at its discretion – in case of such replacement, any reference to the "Index Calculation Agent" and/or the "Index Sponsor" shall be construed as a reference to the Successor Index Calculation Agent and the Successor Index Sponsor, respectively.

## 19. Fees and Costs

The Index Level will be reduced by the Accumulated Management Fees of 0.5% per annum and may be reduced by the Borrowing Cost for borrowed amounts. There will be a Rebalancing Cost of 0.08% on each Rebalancing Date. Prospective investors should understand that such fees and costs may have a material effect on the Index Level.

## 20. Simulated history

As limited historical performance data exist with respect to the Index, any Index Product which is linked to the Index may involve greater risk than an exposure linked to indices or strategies with a proven track record. The Index will be first calculated on or around the Index Commencement Date and therefore lacks historical performance. All such retrospective closing levels are simulated and 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.

## Section 3. Calculation of the Index and Rebalancing

### 1. Base Date and Value

| Index Base Date            | Index Currency | Index Base Value |
|----------------------------|----------------|------------------|
| 7 <sup>th</sup> March 2002 | USD            | 100              |

## 2. Index Equations

The Index shall consist of a synthetic investment in a portfolio composed of each of the Index Constituents (the "Portfolio") and Cash.

The level of the Index ("Index Level") will be determined in accordance with the following formula at the Valuation Time on each Index Business Day t:

$$Index_t = (PU_{t-1} \times Portfolio_t + CU_{t-1} \times Cash_t) - BU_{t-1} \times (1 + BorrowingCost_t) - AccumulatedManagementFees$$

where:

"Index<sub>t</sub>" is the Index Level determined at the Valuation Time on Index Business Day t;

"Index<sub>0</sub>" is the Index Base Value;

"PU<sub>t</sub>" is the number of units representing the exposure to Portfolio t (the "Portfolio Unit") as determined in accordance with the methodology below:

- If on the immediately preceding Index Business Day t a Trigger Event HAS NOT occurred PU<sub>t</sub> = PU<sub>t-1</sub>

- If on the immediately preceding Index Business Day t a Trigger Event HAS occurred PU<sub>t</sub> will be determined in accordance with the formula below:

$$PU_t = IdealPortfolioWeight_t \times \frac{Index_{t-1}}{Portfolio_{t-1}}$$

"IdealPortfolioWeight<sub>t</sub>" is the ideal exposure in percentage to the Portfolio as determined in accordance with the formula below:

$$IdealPortfolioWeight_t = MIN\left(300\%, \frac{TargetVol}{RealizedVolatility_{t-1}}\right)$$

"CU<sub>t</sub>" is the number of units representing the exposure to Cash t (the "Cash Unit") as determined in accordance with the methodology below:

- If on the immediately preceding Index Business Day t a Trigger Event HAS NOT occurred CU<sub>t</sub> = CU<sub>t-1</sub>

- If on the immediately preceding Index Business Day t a Trigger Event HAS occurred CU<sub>t</sub> will be determined in accordance with the formula below:

$$CU_t = \frac{MAX(Index_t - PU_t \times Portfolio_t; 0.0)}{Cash_t}$$

"BU<sub>t</sub>" is the notional borrowed amount as determined in accordance with the methodology below:

- If on the immediately preceding Index Business Day t a Trigger Event HAS NOT occurred BU<sub>t</sub> = BU<sub>t-1</sub>

- If on the immediately preceding Index Business Day t a Trigger Event HAS occurred BU<sub>t</sub> will be determined in accordance with the formula below:

$$BU_t = MAX(PU_t \times Portfolio_t - Index_t; 0.0)$$

"TargetVol" is 10.0%;

"Trigger Event" means if RealizedVolatility<sub>t</sub> is:

a) higher than the Deleverage Trigger  $t$  or

b) lower than the Releverage Trigger  $t$  and the Ideal Portfolio Weight on the immediately preceding Trigger Event was less than 200%;

“Deleverage Trigger  $t$ ” means, on any Index Business Day  $t$ , 11.0% divided by IdealPortfolioWeight as of the immediately preceding Index Business Day on which a Trigger Event HAS happened;

“Releverage Trigger  $t$ ” means, on any Index Business Day  $t$ , 9.0% divided by IdealPortfolioWeight as of the immediately preceding Index Business Day on which a Trigger Event HAS happened;

“RealizedVolatility $t$ ” is the annualized exponentially weighted volatility of the Portfolio over the last 40 Index Business Days and is calculated as follows:

$$\text{Realized Volatility}_t = \sqrt{254} \times \sqrt{\frac{\sum_{j=1}^{40} \left( \left(1 - \frac{3}{40}\right)^j \times \left(\frac{\text{Portfolio}_{t-j+1}}{\text{Portfolio}_{t-j}} - 1\right)^2 \right)}{\sum_{j=1}^{40} \left(1 - \frac{3}{40}\right)^j}}$$

“Cash  $t$ ” or “Cash” represents an exposure to a synthetic cash balance in the Index Currency accruing interest on each Index Business Day at rate equal to the prevailing over night rate for the Index Currency on the immediately preceding Index Business Day;

“BorrowingCost  $t$ ” represents the cost associated with the BU and is equal to the accrual of interest on each Index Business Day at a rate equal to the prevailing over night rate on the immediately preceding Index Business Day for the Index Currency increased by 100 bps. When Portfolio Units and/or Cash Units weighting is rebalanced this borrowing cost factor is reset to zero. The borrowing cost prior to rebalancing is accounted for by a reduction in the number of Portfolio Units and/or Cash Units;

“Portfolio  $t$ ” is the value of a synthetic portfolio composed of each of the Index Constituents on Index Business Day  $t$  and is calculated as follows:

$$\text{Portfolio}_t = \sum_{u=1}^M \left[ \text{UW}_t^u \times \left( \frac{\text{UL}_t^u}{\text{UL}_{RD}^u} - \left( \frac{(\text{FX}_t^u)^{\wedge \text{FXScalarU}}}{(\text{FX}_{RD}^u)^{\wedge \text{FXScalarU}}} - 1 \right) \right) \right] + \text{CW}_t \times \frac{\text{Cash}_t}{\text{Cash}_{RD}}$$

“Portfolio $_0$ ” is 100;

“ $M$ ” is the Number of Index Constituents comprising the Portfolio at the Valuation Time on Index Business Day  $t$ ;

“UL $_t^u$ ” means the Index Level for Index Constituent  $U$  determined at the Valuation Time on Index Business Day  $t$  determined in the Index Currency or converted into the Index Currency with reference to the FX Price Source;

“UL $_{RD}^u$ ” means the Index Level for Index Constituent  $U$  determined at the Valuation Time on last preceding Rebalancing Date determined in the Index Currency or converted into the Index Currency with reference to the FX Price Source;

“FX $_t^u$ ” means the Interpolated FX Forward Rate for the FX currency pair of the Index Currency and the currency Index Constituent  $U$  on Index Business Day  $t$ ;

“FX $_{RD}^u$ ” means the 1 Month FX Forward Rate for the FX currency pair of the Index Currency and the currency Index Constituent  $U$  on the immediately preceding Rebalancing Date;

“FXScalar $U$ ” means the FX Scalar for the Index Constituent  $U$  and can be equal to +1, -1 or 0 as set out below;

“UW $_t^u$ ” is the Underlying Weight of each Index Constituent  $U$  comprising the Portfolio, and determined in accordance with the following formula at the Valuation Time on each Index Business Day  $t$ :

- If the preceding Index Business Day  $t$  is not a Rebalancing Date, then  $UW_t^u = UW_{t-1}^u$

- If the preceding Index Business Day  $t$  is a Rebalancing Date, then  $UW_t^u$  is defined as detailed in "Section 3 – Portfolio Determination and Rebalancing" for such Rebalancing Date;

" $Cash_{RD}^P$ " means the level for Cash at the Valuation Time on the immediately preceding Rebalancing Date;

" $CW_t$ " is the Cash Weight determined in accordance with the following formula at the Valuation Time on each Index Business Day  $t$ :

- If the preceding Index Business Day  $t$  is not a Rebalancing Date, then  $CW_t = CW_{t-1}$

- If the preceding Index Business Day  $t$  is a Rebalancing Date, then  $CW_t$  is defined as detailed in "section 3 – Portfolio Rebalancing" for such Rebalancing Date.

" $Days_{RD}$ " means the number of calendar days from and including the last preceding Rebalancing Date to and excluding the Index Business Day  $t$ ;

"**Accumulated Management Fees**" means 0.5% per annum calculated on each Index Business Day as they accrue. When Portfolio Units or Cash Units weighting is rebalanced this fee factor is reset at zero. The management fees prior to rebalancing is accounted for by a reduction in the number of Portfolio Units and/or Cash Units.

### 3. Portfolio Determination and Rebalancing

The Index shall be rebalanced monthly. On the 1st Index Business Day of each calendar month (each a "**Determination Date**" or "**DD<sub>t</sub>**"), the weight of each Index Constituent within the Portfolio shall be determined. As at 11 pm London time on the 5th Index Business Day of each month (each a "**Rebalancing Date**" or "**RD<sub>t</sub>**"), such selection of new weights shall be applied to each Index Constituent within the Portfolio.

The Underlying Weights will be determined following the process detailed hereafter:

- a. Observation period

On each Risk Factor Business Day, the UBS Dynamic Equity Risk Indicator ("**DERI**") is published by UBS Equity Research.

The Positive Sentiment Time Series (the "**Positive Sentiment Series**") consists of the Daily Performance (as defined below) of the Matched Risk Factor  $R$  on any Risk Factor Business Day  $t$  ("**Perf<sub>t</sub><sup>R</sup>**") for which the DERI level is greater or equal to 0.

The Negative Sentiment Series (the "**Negative Sentiment Series**") consists of the Daily Performance (as defined below) of the Matched Risk Factor  $R$  on any Risk Factor Business Day  $t$  ("**Perf<sub>t</sub><sup>R</sup>**") for which the DERI level is lesser than 0.

"**Daily Performance**" means, in relation to Risk Factor Business Day  $t$ , the return of Matched Risk Factor  $R$  as calculated in accordance with the formula below:

$$Perf_t^R = \frac{MRF_t^R}{MRF_{t-1}^R} - 100\%$$

where:

"**MRF<sub>t</sub><sup>R</sup>**" is the official level of the Matched Risk Factor  $R$ , as determined by the Index Calculation Agent on Risk Factor Business Day  $t$



" $MRF_{t-1}^R$ " is the official level of the Matched Risk Factor R, as determined by the Index Calculation Agent, on the immediately preceding Risk Factor Business Day.

"Volatility Observation Period" means:

A) If the DERI level is positive or equal to 0 on the relevant Determination Day (" $DD_t$ "), the Volatility Observation Period is defined as the most recent 500 values of the Positive Sentiment Series up to, and including, Determination Day (" $DD_t$ ").

B) If the DERI level is negative on Determination Day (" $DD_t$ "), the Volatility Observation Period is defined as the most recent 500 values of the Negative Sentiment Series up to, and including Determination Day (" $DD_t$ ").

b. Underlying Weight

On each Determination Date t (" $DD_t$ "), the "500 Day Realized Volatility" of each Matched Risk Factor R (" $Vol_t^R$ ") is calculated in accordance with the formula below:

$$Vol_t^R = \sqrt{254} \times \sqrt{\frac{1}{n-1} \sum_{k=1}^n \left( Perf_k^R - \frac{1}{n} \sum_{i=1}^n Perf_i^R \right)^2}$$

where:

$$n = 500$$

$Perf_k^R$  and  $Perf_i^R$  means the Daily Performance for  $t = i$  or  $t = k$  in the relevant Volatility Observation Period for the relevant Matched Risk Factor R;

On each Rebalancing Date t (" $RD_t$ "), the Underlying Weight of each Index Constituent (" $UW_t^U$ ") is calculated in accordance with the formula below:

$$UW_t^U = \text{MIN} \left[ \left( \frac{1}{Vol_{DD}^{MRF}} \right) \times Y^U ; UWCAP^U \right] \times Portfolio_{RD} \times (1 - RebalancingCost)$$

$$\left[ \frac{1}{\sum_{R=1}^{RF} Vol_{DD}^R} \right]$$

Also, on each Rebalancing Date t (" $RD_t$ "), the Cash Weight (" $CW_t$ ") is calculated in accordance with the following formula:

$$CW_t = Portfolio_{RD} \times (1 - RebalancingCost) - \sum_{u=1}^M UW_t^u$$

where:

" $Vol_{DD}^{MRF}$ " is 500 Day Realized Volatility as calculated above for the Matched Risk Factor to the Index Constituent U on Determination Date t;

" $Vol_{DD}^R$ " is 500 Day Realized Volatility as calculated above for the Matched Risk Factor R on Determination Date t;

"RF" is the number of Matched Risk Factors at the Valuation Time on Determination Date t;

" $Y^U$ " is an exposure adjustment factor Y for the Index Constituent U as set out below;

" $UWCAP^U$ " is the maximum level for the Underlying Weight of Index Constituent U as set out below;

" $Portfolio_{RD}$ " means the Portfolio  $\tau$  at the Valuation Time on the first Rebalancing Date following the relevant Determination Date;

" $RebalancingCost$ " means 0.08%.

" $M$ " is the Number of Index Constituents comprising the Portfolio at the Valuation Time on Index Business Day  $t$ ;

#### 4. Index Constituents

| U | Index Constituent $u$  | Bloomberg Code   | FXScalar $u$ | Index Sponsor | $Y^u$ | $UWCAP^u$ | Matched Risk Factor (" $MRF$ ")   | R |
|---|--|--|--------------|---------------|-------|-----------|---|---|
| 1 | UBS 5Y US Treasury Total Return Index                                      | UBCIUST5 Index   | 0            | UBS           | 0.25  | 20%       | 25% First 5Y Treasury Note Future (Bloomberg: FV1 Comdty) +25% First 10Y Treasury Note Future (Bloomberg: TY1 Comdty) +25% First 5Y Euro Bobl Future (Bloomberg: OE1 Comdty) + ) + 25% First 10Y Euro Bund Future (Bloomberg: RX1 Comdty) | 1 |
| 2 | UBS 5Y Euro Bond Total Return Index  | UBCIEUT5 Index   | 1            | UBS           | 0.25  | 20%       |   |   |
| 3 | UBS 10Y US Treasury Total Return Strategy                                  | Not Available please see strategy description in Section 8.1 | 0            | N/A           | 0.25  | 20%       |   |   |
| 4 | UBS 10Y Euro Bond Total Return Strategy                                    | Not Available please see strategy description in Section 8.2 | 1            | N/A           | 0.25  | 20%       |   |   |
| 5 | UBS RADA Long Europe Index Net Total Return (EUR)                          | ULTARLET Index   | 1            | UBS           | 0.5   | 20%       | 50% EuroStoxx 50 Return Index (Bloomberg: SX5T Index) + 50% S&P 500 TR Index (Bloomberg: SPTR Index)  | 2 |
| 6 | UBS RADA Long US Index Net Total Return (USD)                              | ULTARLUT Index   | 0            | UBS           | 0.5   | 20%       |   |   |
| 7 | Momentum Rotator Strategy on UBS Bloomberg CMCI Composite USD Total Return | Not Available please see strategy description in Section 8.3 | 0            | N/A           | 1.0   | 35%       | Dow Jones UBS Commodity Index Total Return (Bloomberg: DJUBSTR Index)   | 3 |

## 5. Rounding of Calculated Values

The Index Level shall be rounded to two decimal places. All other determinations shall not be rounded.

### Section 4. Adjustments, Extraordinary Events, Index Market Disruption Events and Force Majeure Events

#### 1. "Index Market Disruption Event" Definition

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

- a suspension, absence or material limitation of trading in any Index Constituent or its constituents 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 Calculation Agent in good faith and agreed by the Index Sponsor; or
- a suspension, absence or material limitation of trading in options or futures contracts relating to any Index Constituent or its constituents, 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 Calculation Agent in good faith and agreed by the Index Sponsor; or
- any Index Constituent, its constituents or options or futures contracts relating to any Index Constituent or its constituents, if available, do not trade on what were the respective primary markets for those indices or contracts, as determined by the Index Calculation Agent in good faith and agreed by the Index Sponsor; 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 or 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 Sponsor determines in good faith that (i) it would be illegal for the Index Sponsor and/or any of its affiliates to hold, acquire, deal or dispose of the securities, options, futures or derivatives included in the Index Constituents or (ii) market participants would incur a materially increased cost in performing their obligations 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 Calculation Agent is unable to obtain the price in respect of any Index Constituent within a reasonable amount of time;
- any material change in the formula for or the method of calculating the Index Constituents or any other changes which materially modifies the Index Constituents (other than a modification prescribed in that formula or method to maintain the Index Constituents in the event of changes in constituent stock and capitalisation and other routine events); or
- the Index Constituent is permanently cancelled and no successor index exists; or
- any material change in market conditions such that the Index Sponsor or its affiliates would incur a materially increased amount of costs or expenses to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions or assets its deems necessary to hedge the risk of performing its obligations with respect to the Index or any Index Products,

and, in any of these events, the Index Calculation Agent determines in good faith, and agreed by the Index Sponsor, 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 purposes of determining whether an Index Market Disruption Event has occurred, an “absence of trading” in the primary securities market on which a component of the Index Constituents is traded or on which options or futures contracts relating to the components of the Index Constituents 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 component of the Index Constituents or in options or futures contracts relating to any component of the Constituents in the primary market for that 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 component of the Index Constituent or those contracts;
- an imbalance of orders relating to the components of the Index Constituent or those contracts; or
- a disparity in bid and ask quotes relating to that component of the Index Constituent or those contracts,

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

## 2. “Force Majeure Event” Definition

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 labor disruption or any similar intervening circumstance) that is beyond the reasonable control of the Index Calculation Agent and/or the Index Sponsor and that the Index Calculation Agent and/or the Index Sponsor determines affects the Index, any of the Index Constituents or the methodology on which the Index is based.

## 3. Consequences of a “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 in good faith by the Index Calculation Agent in consultation with the Index Sponsor, affects the Index or any of the Index Constituents or their components, the Index Calculation Agent, in consultation with the Index Sponsor, may:

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

If an “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 Calculation Agent shall determine in consultation with the Index Sponsor what actions it may take, which includes, but shall not be limited to, the following:

- make such determinations and/or adjustments to the terms of the Index as it deems appropriate in order to determine the level of the Index on such day (if such day is an Index Business Day);
- calculate a substitute level for the Index based on but not restricted to the last published level of the disrupted Index Constituent and such Index Constituent level may be zero;
- make other adjustments to the Index in good faith in order to maintain the objectives of the Index; and
- discontinue supporting the Index or terminate the calculation of the Index value or the publication of the Index value.

#### 4. **Change in Methodology**

While the Index Calculation Agent currently employs the methodology described in this Index Manual to compose and calculate the Index, it is possible that market, regulatory, juridical, financial, fiscal or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting any Index Constituents and/or the components of the Index Constituents) will arise that would, in the determination of the Index Calculation Agent, necessitate a modification or change of such methodology and the Index Calculation Agent shall be entitled, acting in good faith, to make any such modification or change to the Index, with the consent of the Index Sponsor. Any changes made to the methodology will be made in a commercially reasonable manner and in a manner that maintains the objectives of the Index. Any such determination by the Index Calculation Agent and/or the Index Sponsor, as applicable, will be, in the absence of manifest error, final, conclusive and binding.

Any change or modification to the methodology of the Index may be outside the technology employed by the Index Calculation Agent and thus, the Index Calculation Agent may not be able to calculate the Index, in which event the Index Sponsor may, in its sole discretion, appoint a successor Index Calculation Agent.

#### 5. **Termination and Cancellation**

The Index Sponsor may at any time, terminate the calculation and publication of the value of the Index.

#### 6. **Errors and Adjustments**

The Index Calculation Agent and Index Sponsor reserve the right to make adjustments to correct errors contained in previously published information relating to the Index, including but not limited to its value, and to publish the corrected information, but they are 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 Calculation Agent, in consultation with the Index Sponsor, will determine in good faith whether to adjust or correct any previously published value in order to maintain the objectives of the Index. The Index Calculation Agent will provide notice of such adjustments on the Bloomberg Page. The Index Calculation Agent will provide any information about any such adjustments it makes upon the investor's written request.

The Index Sponsor may, at any time, change the name of the Index, the place and time of the publication of its value and the frequency of publication of its value.

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## Section 6. Definitions

**"1 Month FX Forward Rate"** means the spot foreign exchange rate, bid or ask as applicable, as published by Bloomberg for 5.00 p.m. London time plus the 1 Month Forward Points, bid or ask as applicable, as published by Bloomberg for the relevant currency pair for 5.00 p.m. London time.

**"Bloomberg Page"** means the page designated as "ULTAUM10 Index" on Bloomberg.

**"DERI"** means the UBS Dynamic Equity Risk Indicator ("ULTADERI Index" on Bloomberg)

**"Determination Date"** means the first Index Business Day of each month.

**"Disrupted Day"** means a Scheduled Trading Day on which an Index Market Disruption Event or a Force Majeure Event occurs or is continuing.

**"Exchanges"** means, in respect of each Index Constituent, the exchanges or quotation system in which trading of the Index Constituent, or futures or option contracts linked to the Index Constituent principally occurs, as determined by the Index Sponsor.

**"Force Majeure Event"** shall have the meaning given to it in "*Section 4 – Adjustments, Extraordinary Events, Index Market Disruption Events and Force Majeure Events*".

**"FX Price Source"** means the spot foreign exchange rate published by Bloomberg for 5.00 p.m. London time on the BFIX function, or any successor thereof.

**"Index"** means the UBS Multi Asset Portfolio T10 Total Return Index.

**"Index Base Date"** means 7<sup>th</sup> March 2002

**"Index Base Value"** means the value of the Index on the Index Base Date and shall equal to 100.

**"Index Business Day"** means any day (other than a Saturday or Sunday) that is a Scheduled Trading Day for all the Index Constituents but is not a Disrupted Day.

**"Index Calculation Agent"** means UBS AG, London Branch, a division of UBS AG (or any successor thereto).

**"Index Commencement Date"** means the date on which the level of the Index is first calculated and shall mean 07 June 2013.

**"Index Constituent"**, and together **"Index Constituents"**, means UBS 5Y US Treasury Total Return Index, UBS 5Y Euro Bond Total Return Index, UBS 10Y US Treasury Total Return Strategy, UBS 10Y Euro Bond Total Return Strategy, UBS RADA Long Europe Index Net Total Return (USD), UBS RADA Long US Index Net Total Return (USD) and the Momentum Rotator Strategy on the UBS Bloomberg CMCI Composite USD Total Return Index.

**"Index Currency"** means the currency in which the Index is denominated and shall be United States Dollars ("USD").



**"Index Level"** means the level of the Index determined in accordance with *"Section 3 – Calculation of the Index and Rebalancing – Index Equations"* at the Valuation Time on each Index Business Day t.

**"Index Market Disruption Event"** shall have the meaning given to it in *"Section 4 – Adjustments, Extraordinary Events, Index Market Disruption Events and Force Majeure Events"*.

**"Index Products"** means products linked to the Index.

**"Index Sponsor"** means UBS AG, London Branch, a division of UBS AG (or any successor thereto).

**"Interpolated FX Forward Rate"** means the spot foreign exchange rate, bid or ask as applicable, as published by Bloomberg for 5.00 p.m. London time plus the 1 Month Forward Points, bid or ask as applicable, as published by Bloomberg for the relevant currency pair for 5.00 p.m. London time multiplied by the ratio between the number of calendar days remaining to the immediately following Rebalancing Date and the total number of calendar days between the immediately preceding and the immediately following Rebalancing Date to the relevant Index Business Day. The Interpolated FX Forward Rate on any Rebalancing Date would be equal to the spot foreign exchange rate, bid or ask as applicable, as published by Bloomberg for 5.00 p.m. London time.

**"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.

**"Number of Index Constituents"** or **"M"** means, at any time, the number of Index Constituents included in the Portfolio which shall be equal to 7.

**"Portfolio"** means a synthetic investment into a basket composed of the Index Constituents allocated in accordance with *"Section 3 – Calculation of the Index and Rebalancing"*.

**"Realized Volatility"** means the annualized square root of the sum of the Daily Performances of an Index Constituent during a set time horizon.

**"Rebalancing Date"** means the 5<sup>th</sup> Index Business Day of each month.

**"Risk Factor Business Day"** means any day (other than a Saturday or Sunday) that is a Scheduled Trading Day for all the Risk Factor Constituents, but is not a Disrupted Day.

**"Risk Factor Constituent"**, and together **"Risk Factor Constituents"**, means S&P United States 500 Total Return 1988 Index, Eurostoxx 50 Return Index, First 5Y Treasury Note Future, First 10Y Treasury Note, First 5Y Euro Bobl Future, First 10Y Euro Bund Future and the Dow Jones UBS Commodity Index Total Return.

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

**"Target Volatility"** means, in respect of the Index, the target expressed in annualized volatility used in the UBS Volatility Control Strategy.

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

**"UBS Dynamic Equity Risk Indicator"** means the dynamic equity risk indicator as determined by UBS and published on the Bloomberg Ticker ULTADERI Index.

**"UBS Volatility Control Strategy"** is an algorithmic strategy that aims to control the realized volatility of the Index through a dynamic allocation in the Portfolio.

**"Underlying Weight"** means, in respect of each Index Constituent, a weight expressed as units, in accordance with *"Section 3 Calculation of the Index and Rebalancing – Portfolio Rebalancing – Underlying Weight"*.

**"Valuation Time"** means 10.00 *pm* London time or such other time as the Index Sponsor and/or the Index Calculation Agent, as applicable, may determine.

## Section 7. Description of Index Constituents

**Treasury Index** – The UBS 5Y Treasury Index reflects the performance of a future rolling strategy applied to the 5Y US Treasury Note Futures rolled every 3rd Friday of February, May, August and November.

The UBS 10Y US Treasury Strategy (as calculated according to Section 8.1) reflects the performance of a future rolling strategy applied to the 10Y US Treasury Note Futures rolled every February, May, August and November.

**Euro Bond Index** – The UBS 5Y Euro Bond Index reflects the performance of a future rolling strategy applied to the Euro Bobl Futures rolled every March, June, September and December.

The UBS 10Y Euro Bond Strategy (as calculated according to Section 8.2) reflects the performance of a future rolling strategy applied to the Euro Bund Futures rolled every March, June, September and December.

**RADA** - The UBS RADA Long Index (the “**RADA**”) reflects the performance of an algorithmic strategy that takes directional exposures to referenced equity index depending on current market sentiment as measured by the UBS Dynamic Equity Risk Indicator (“**DERI**”). DERI is an indicator which has been developed by UBS Equity Research aiming to measure the market sentiment, investor risk appetite and equity positioning. The DERI indicator is calculated and published on a daily basis.

The directional exposure of RADA means that the RADA can be long or flat the referenced equity index.

UBS RADA Europe Long Index references the Euro Stoxx 50<sup>®</sup> Index.

The Euro Stoxx 50<sup>®</sup> Index is a free-float market capitalization-weighted index of fifty European blue-chip stocks from those countries participating in the European Monetary Union. Each component's weight is capped at 10 per cent. of the index's total free float market capitalization.

UBS RADA US Long Index references the S&P 500<sup>®</sup> Index.

The S&P 500<sup>®</sup> Index is a free-float market capitalization-weighted index of 500 blue-chip stocks listed in the United States of America.

**Momentum Rotator Strategy on the UBS Bloomberg CMCI Composite Index** - The Momentum Rotator Strategy (as calculated according to Section 8.3) reflects the performance of an algorithmic strategy that takes directional exposures to the UBS Bloomberg CMCI Composite Total Return Index depending on the current market momentum of the index and current market sentiment as measured by the UBS Dynamic Equity Risk Indicator (“**DERI**”).

The current market momentum will be determined by observing the slow and fast moving average of the UBS Bloomberg CMCI Composite Total Return Index.

The directional exposure of the Momentum Rotator means that the strategy can be long or flat the UBS Bloomberg CMCI Composite Index depending of the signal determined by the current market momentum and sentiment.

The UBS Bloomberg CMCI Composite Index reflects the performance of the Constant Maturity Commodity Index methodology which aims to track commodity market performance by taking positions across various tenors in commodity futures and trying to minimize the commodity future roll cost.

## Section 8. Calculation of Index Constituents

### 1. UBS 10Y US Treasuries Total Return Strategy

The UBS 10Y US Treasuries Total Return Strategy was developed by UBS to reflect the performance of a rolling investment into 10 year US Treasury Notes futures.

#### Calculation

On any *US Treasury Strategy Business Day*  $t'$ ,

$$\text{Strategy}(t') = \text{Strategy}(r) \times \left( \frac{\text{Futures}(t')}{\text{Futures}(r)} + \frac{\text{Cash}(t')}{\text{Cash}(r)} - 1 \right)$$

Base Value = 100 USD on 19<sup>th</sup> November 1999.

Where:

*Cash*( $t'$ ) means, in relation to US Treasury Strategy Business Day  $t'$ , the value of an exposure to a synthetic cash balance in US Dollars accruing interest on each US Treasury Strategy Business Day at a rate equal to BBA Libor USD 1 Month as at the day falling two (2) US Treasury Strategy Business Days prior to the third Friday of each month or, if such day is not a US Treasury Strategy Business Day the immediately following US Treasury Strategy Business Day.

*Futures*( $t'$ ) means, in relation to US Treasury Strategy Business Day  $t'$ , the settlement price of the current 10Y US Treasury Note Futures Contract on the Chicago Board of Trade.

*Cash*( $r$ ) means, in relation to any US Treasury Strategy Business Day  $t'$ , the value of an exposure on the immediately preceding Future Rolling Date to a synthetic cash balance in US Dollars accruing interest on each US Treasury Strategy Business Day at a rate equal to BBA Libor USD 1 Month as at the day falling two (2) US Treasury Strategy Business Days prior to the third Friday of each month or, if such day is not a US Treasury Strategy Business Day the immediately following US Treasury Strategy Business Day.

*Futures*( $r$ ) means, in relation to any US Treasury Strategy Business Day  $t'$ , the settlement price of the current 10Y US Treasury Note Futures Contract on the Chicago Board of Trade on the immediately preceding Future Rolling Date.

*Strategy*( $r$ ) means in relation to any US Treasury Strategy Business Day  $t'$ , the level of the UBS 10Y US Treasuries Total Return Strategy on the immediately preceding Future Rolling Date.

*US Treasury Strategy Business Day*  $t'$  means any London Business Day on which the relevant Exchange on which underlying future contracts are traded is open for trading. The UBS 10Y US Treasuries Total Return Strategy is calculated by UBS.

### **Futures Rolling Dates**

Futures Rolling Dates are the third Friday of February, May, August and November provided that if any such day is not a US Treasury Strategy Business Day the relevant Future Rolling Date shall be the immediately following US Treasury Strategy Business Day.

On each Futures Rolling Date the current 10Y US Treasury Note Futures Contract shall roll from the front month contract to the next.

### **Rounding of Calculated Strategy Values**

The UBS 10Y US Treasuries Total Return Strategy value shall be rounded to two decimal places. All other determinations shall not be rounded.

## **2. UBS 10Y Euro Bond Total Return Strategy**

The UBS 10Y Euro Bond Total Return Strategy was developed by UBS to reflect the performance of a rolling investment into 10 year Euro Bund futures.

### **Calculation**

On any *Euro Bond Strategy Business Day*  $t'$ ,

$$Strategy(t') = Strategy(r) \times \left( \frac{Futures(t')}{Futures(r)} + \frac{Cash(t')}{Cash(r)} - 1 \right)$$

Base Value = 100 EUR on 3<sup>rd</sup> December 1999.

Where:

*Cash(t')* means, in relation to Euro Bond Strategy Business Day *t'*, the value of an exposure to a synthetic cash balance in Euros accruing interest on each Euro Bond Strategy Business Day at a rate equal to Euribor 1 Month on the first Euro Bond Strategy Business Day of each month.

*Futures(t')* means, in relation to Euro Bond Strategy Business Day *t'*, the settlement price of the current 10Y Euro Bund Futures Contract on the Eurex.

*Cash(r)* means, in relation to any Euro Bond Strategy Business Day *t'*, the value of an exposure on the immediately preceding Future Rolling Date to a synthetic cash balance in Euros accruing interest on each Euro Bond Strategy Business Day at a rate equal to Euribor 1 Month on the first Euro Bond Strategy Business Day of each month.

*Futures(r)* means, in relation to any Euro Bond Strategy Business Day *t'*, the settlement price of the current 10Y Euro Bund Futures Contract on the Eurex on the immediately preceding Future Rolling Date.

*Strategy(r)* means in relation to any Euro Bond Strategy Business Day *t'*, the level of the UBS 10Y Euro Bond Total Return Strategy on the immediately preceding Future Rolling Date.

*Euro Bond Strategy Business Day t'* means any London Business Day on which the relevant Exchange on which underlying future contracts are traded is open for trading. The UBS 10Y Euro Bond Total Return Strategy is calculated by UBS.

### Futures Rolling Dates

Futures Rolling Dates are the third Euro Bond Strategy Business Day of March, June, September and December.

On each Futures Rolling Date the current 10Y Euro Bund Futures Contract shall be rolled from the front month contract to the next.

### Rounding of Calculated Strategy Values

The UBS 10Y Euro Bond Total Return Strategy value shall be rounded to two decimal places. All other determinations shall not be rounded.

## 3. Momentum Rotator Strategy on UBS Bloomberg CMCI Composite USD Total Return

The Momentum Rotator Strategy on the UBS Bloomberg CMCI Composite USD Total Return Index was developed by UBS to reflect the performance of a strategy rotating between an exposure to the UBS Bloomberg CMCI Composite USD Total Return Index and a synthetic cash balance depending on a transparent momentum indicator as described in the section below.

### Calculation

On any CMCI Momentum Rotator Strategy Business Day *t'*:

A) If the value of the Fast Moving Average (FMA) on the preceding CMCI Momentum Rotator Strategy Business Day is higher than, or equal to, the Slow Moving Average (SMA) on such date or the value of the UBS Dynamic Equity Risk Indicator on the preceding CMCI Momentum Rotator Strategy Business Day is greater than or equal to -0.75, then the CMCI Momentum Rotator Strategy shall track the UBS

Bloomberg CMCI Composite USD Total Return Index on close of CMCI Momentum Rotator Strategy Business Day t and the strategy level will be calculated as follows:

$$Strategy_{t+1} = Strategy_t \times \left[ 1 + \left( \frac{UI_{t+1}}{UI_t} - 1 \right) \right]$$

B) Otherwise the CMCI Momentum Rotator Strategy shall track a synthetic cash balance on close of CMCI Momentum Rotator Strategy Business Day t and the strategy level will be calculated as follows:

$$Strategy_{t+1} = Strategy_t \times [1 + Libor_t \times Day(t') / 360]$$

Where:

$Libor_t$  means the overnight LIBOR fixing for US Dollars on the CMCI Momentum Rotator Strategy Business Day t';

$Day(t')$  means the number of calendar days between the CMCI Momentum Rotator Strategy Business Day t' and the CMCI Momentum Rotator Strategy Business Day t'+1;

$UI_t$ : means the official closing level of the UBS Bloomberg CMCI Composite USD Total Return Index on CMCI Momentum Rotator Strategy Business Day t';

$UI_{t+1}$ : means the official closing level of UBS Bloomberg CMCI Composite USD Total Return Index on CMCI Momentum Rotator Strategy Business Day t'+1.

Fast Simple Moving Average (FMA) and Slow Simple Moving Average (SMA) on any CMCI Momentum Rotator Strategy Business Day t' are calculated as follows:

$$FMA_{t'} = \frac{1}{15} \sum_{k=t'-14}^{t'} UI_k$$

$$SMA_{t'} = \frac{1}{60} \sum_{k=t'-59}^{t'} UI_k$$

Base Value = 100 USD on 3rd December 1999.

*CMCI Momentum Rotator Strategy Business Day t'* means any day on which the UBS Bloomberg CMCI Composite USD Total Return Index is calculated by the sponsor of such index.

### **Rounding of Calculated Strategy Values**

The Momentum Rotator Strategy value on the UBS Bloomberg CMCI Composite USD Total Return Index shall be rounded to two decimal places. All other determinations shall not be rounded.

## J. INFORMATION ABOUT UBS AG

### 1. General Information on UBS AG

UBS AG with its subsidiaries (together, "**UBS AG (consolidated)**", or "**UBS AG Group**"; together with UBS Group AG, which is the holding company of UBS AG, and its subsidiaries, "**UBS Group**", "**Group**", "**UBS**" or "**UBS Group AG (consolidated)**") provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. The operational structure of the Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management and the Investment Bank. UBS's strategy builds on the strengths of all of its businesses and focuses its efforts on areas in which UBS excels, while seeking to capitalize on the compelling growth prospects in the businesses and regions in which it operates, in order to generate attractive and sustainable returns for shareholders. In UBS's opinion, all of its businesses are capital-efficient and benefit from a strong competitive position in their targeted markets.

On 30 June 2016, UBS Group AG (consolidated) common equity tier 1 ("**CET1**") capital ratio<sup>7</sup> was 14.2% on a fully applied basis and 17.1% on a phase-in basis, invested assets stood at CHF 2,677 billion, equity attributable to UBS Group AG shareholders was CHF 52,876 million and market capitalization was CHF 48,398 million. On the same date, UBS employed 60,093 people<sup>8</sup>.

On 30 June 2016, UBS AG (consolidated) CET1 capital ratio<sup>7</sup> was 15% on a fully applied basis and 17.9% on a phase-in basis, invested assets stood at CHF 2,677 billion and equity attributable to UBS AG shareholders was CHF 53,353 million. On the same date, UBS AG Group employed 57,387 people<sup>8</sup>.

The rating agencies Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"), Moody's Investors Service Ltd. ("**Moody's**"), Fitch Ratings Limited ("**Fitch Ratings**"), and Scope Ratings AG ("**Scope Ratings**") have published solicited credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. its ability to fulfill in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. The ratings from Fitch Ratings, Standard & Poor's and Scope Ratings may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. UBS AG has a long-term counterparty credit rating of A+ (outlook: stable) from Standard & Poor's, long-term senior debt rating of A1 (outlook: stable) from Moody's, long-term issuer default rating of A+ (outlook: stable) from Fitch Ratings and issuer credit-strength rating of A+ (outlook: positive) from Scope Ratings.

<sup>7</sup> Based on the Basel III framework as applicable to Swiss systemically relevant banks. The common equity tier 1 capital ratio is the ratio of common equity tier 1 capital to risk-weighted assets. The information provided on a fully applied basis entirely reflects the effects of prudential filters for the calculation of capital and does not include ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects and the phase-out of ineligible capital instruments during the transition period. For information as to how common equity tier 1 capital is calculated, refer to the table "Reconciliation IFRS equity to Swiss SRB capital" in the section "Capital management" of the UBS Group second quarter 2016 report and the UBS AG second quarter 2016 report, respectively.

<sup>8</sup> Full-time equivalents.

The following table gives an overview of the rating classes as used by the above rating agencies and their respective meaning. UBS AG's rating is indicated by the red box.

| Standard & Poor's              |  | Moody's          |   | Fitch Ratings    |                          | Scope Ratings |  |
|--------------------------------|--|------------------|---|------------------|--------------------------|---------------|--|
| Long-Term Issuer credit rating |  | Long-Term rating |   | Long-Term Rating | Issuer                   | Default       | Long-Term Issuer credit rating   |
| AAA                            | Extremely strong capacity to meet financial commitments          | Aaa              | Highest quality   | AAA              | Highest credit quality   | AAA           | Exceptionally strong credit quality with the lowest risk of a default-like event     |
| AA+                            | Very strong capacity to meet financial commitments               | Aa1              | High quality  | AA+              | Very high credit quality | AA+           | Very strong credit quality with an extremely low risk of a default-like event        |
| AA                             |  | Aa2              |   | AA               |                          |               |  |
| AA-                            |  | Aa3              |   | AA-              |                          |               |  |
| <b>A+</b>                      | Strong capacity to meet its financial commitments                | <b>A1</b>        | Upper-medium grade  | <b>A+</b>        | High credit quality      | <b>A+</b>     | Strong credit quality with a very low risk of a default-like event                   |
| A                              | A2   | A                |   |                  |                          |               |  |
| A-                             | A3   | A-               |   |                  |                          |               |  |
| BBB+                           | Adequate capacity to meet its financial commitments              | Baa1             | Medium grade  | BBB+             | Good credit quality      | BBB+          | Good credit quality with a low risk of a default-like event.                         |
| BBB                            |  | Baa2             |   | BBB              |                          |               |  |
| BBB-                           |  | Baa3             |   | BBB-             |                          |               |  |
| BB+                            | Less vulnerable in the near term than other lower-rated obligors | Ba1              | Speculative, subject to substantial credit risk   | BB+              | Speculative              | BB+           | Moderate-to-modest credit quality with a moderate risk of a default-like event       |
| BB                             |  | Ba2              |   | BB               |                          |               |  |
| BB-                            |  | Ba3              |   | BB-              |                          |               |  |
| B+                             | More vulnerable than the obligors rated 'BB'                     | B1               | Speculative, subject to high credit risk  | B+               | Highly speculative       | B+            | Weak credit quality with a material risk of a default-like event                     |
| B                              |  | B2               |   | B                |                          |               |  |
| B-                             |  | B3               |   | B-               |                          |               |  |
| CCC+                           | Significant speculative characteristics                          | Caa1             | Speculative, of poor standing and subject to very high credit risk  | CCC              | Substantial credit risk  | CCC           | Very weak credit quality with a significant risk of a default-like-event             |
| CCC                            |  | Caa2             |   | CC               |                          |               |  |
| CCC-                           |  | Caa3             |   | C                |                          |               |  |
| CC                             | Currently highly vulnerable                                      | Ca               | Highly speculative, likely in, or very near, default with some prospect of recovery of principal and interest | RD               | Restricted default       | C             | Very weak credit quality with a very significant risk of a default-like-event        |
| R                              | Under regulatory supervision                                     | C                | Typically in default, with little prospect for recovery of principal or interest                              | D                | Default                  | D             | Extremely weak credit quality with a highly significant risk of a default-like-event |
| SD                             | Selective Default  |                  |   |                  |                          |               | Credit event   |
| D                              | Default  |                  |   |                  |                          |               | default-like   |

All the above-mentioned rating agencies are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011.

Any statements regarding the competitive position of UBS AG, UBS AG Group or the Group contained in this Base Prospectus are made on the basis of the opinion of UBS AG or the Group.

### Corporate Information

The legal and commercial name of the Issuer is UBS AG.

The company was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the company changed its name to UBS AG. The company in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CHE-101.329.561.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an *Aktiengesellschaft*, a stock corporation.

According to article 2 of the articles of association of UBS AG dated 4 May 2016 ("**Articles of Association**"), 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. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprises of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG is authorized to acquire, mortgage and sell real estate and building rights in Switzerland and abroad. UBS AG may borrow and invest money on the capital markets. UBS AG is part of the group of companies controlled by the group parent company UBS Group AG. It may promote the interests of the group parent company or other group companies. It may provide loans, guarantees and other kinds of financing and security for group companies.

The addresses and telephone numbers of UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.

## 2. Business Overview

### Business Divisions and Corporate Center

UBS operates as a group with five business divisions (Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management, and the Investment Bank) and a Corporate Center. Each of the business divisions and the Corporate Center are described below. A description of the Group's strategy can be found in the Annual Report 2015, on pages 33-37 (inclusive); a description of the businesses, strategies, clients, organizational structures, products and services of the business divisions and the Corporate Center can be found in the Annual Report 2015, on pages 41-58 (inclusive).

### Wealth Management

Wealth Management provides comprehensive advice and financial services to wealthy private clients around the world, with the exception of those served by Wealth Management Americas. UBS is a global firm with global capabilities, and its clients benefit from a full spectrum of resources, including wealth planning, investment management solutions and corporate finance advice, banking and lending solutions, as well as a wide range of specific offerings. Wealth Management's guided architecture model gives clients access to a wide range of products from the world's leading third-party institutions that complement its own products.

### Wealth Management Americas

Wealth Management Americas is one of the leading wealth managers in the Americas in terms of financial advisor productivity and invested assets. Its business includes UBS's domestic US and Canadian wealth management businesses, as well as international business booked in the US. It provides a fully integrated set of wealth management solutions designed to address the needs of ultra high net worth and high net worth clients.



## Personal & Corporate Banking

Personal & Corporate Banking provides comprehensive financial products and services to UBS's private, corporate and institutional clients in Switzerland, maintaining a leading position in these segments and embedding its offering in a multi-channel approach. The business is a central element of UBS's universal bank delivery model in Switzerland, supporting other business divisions by referring clients and growing the wealth of the firm's private clients so they can be transferred to Wealth Management. Personal & Corporate Banking leverages the cross-selling potential of UBS's asset-gathering and investment bank businesses, and manages a substantial part of UBS's Swiss infrastructure and banking products platform.

## Asset Management

Asset Management is a large-scale asset manager, with a presence in 22 countries. It offers investment capabilities and investment styles across all major traditional and alternative asset classes to institutions, wholesale intermediaries and wealth management clients around the world. It is a leading fund house in Europe, the largest mutual fund manager in Switzerland, the third-largest international asset manager in Asia, the second largest fund of hedge funds manager and one of the largest real estate investment managers in the world.

## Investment Bank

The Investment Bank provides corporate, institutional and wealth management clients with expert advice, innovative solutions, execution and comprehensive access to international capital markets. It offers advisory services and provides in-depth cross-asset research, along with access to equities, foreign exchange, precious metals and selected rates and credit markets, through its business units, Corporate Client Solutions and Investor Client Services. The Investment Bank is an active participant in capital markets flow activities, including sales, trading and market-making across a range of securities.

## Corporate Center

Corporate Center is comprised of Services, Group Asset and Liability Management ("**Group ALM**") and Non-core and Legacy Portfolio. Services includes the Group's control functions such as finance, risk control (including compliance) and legal, and, within these, certain corporate and stewardship services and the costs associated therewith. In addition, it provides all logistics and support services, including operations, information technology, human resources, regulatory relations and strategic initiatives, communications and branding, corporate services, physical security, information security as well as outsourcing, nearshoring and offshoring. Group ALM is responsible for business division-aligned risk management, capital investment and issuance and Group structural risk management activities. Non-core and Legacy Portfolio is comprised of the non-core businesses and legacy positions that were part of the Investment Bank prior to its restructuring.

## Competition

The financial services industry is characterized by intense competition, continuous innovation, detailed, and sometimes fragmented, regulation and ongoing consolidation. UBS faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to UBS in their size and breadth. Barriers to entry in individual markets and pricing levels are being eroded by new technology. UBS expects these trends to continue and competition to increase.

## Recent Developments

### 1. *UBS AG (consolidated) key figures*

UBS AG derived the selected consolidated financial information included in the table below for the years ended 31 December 2015, 2014 and 2013, except where indicated, from the Annual Report 2015, which contains the audited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the year ended 31 December 2015 and comparative figures for the years ended 31 December 2014 and 2013. The selected consolidated financial information included in the table below for the six months ended 30 June 2016 and 30 June 2015 was derived from the UBS AG second quarter 2016 report, which contains the unaudited consolidated financial statements of UBS AG, as well as additional unaudited consolidated financial information, for the six months ended 30 June 2016 and comparative figures for the six

months ended 30 June 2015. The 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"). Information for the years ended 31 December 2015, 2014 and 2013 which is indicated as being unaudited in the table below was included in the Annual Report 2015 but has not been audited on the basis that the respective disclosures are not required under IFRS, and therefore are not part of the audited financial statements. The Annual Report 2015 and the second quarter 2016 report of UBS AG are incorporated by reference herein. Prospective investors should read the whole of this Prospectus and the documents incorporated by reference herein and should not rely solely on the summarized information set out below:

| <i>CHF million, except where indicated</i>                                      | As of or for the six months ended |         | As of or for the year ended            |           |            |
|---|-----------------------------------|---------|--|-----------|------------|
|   | 30.6.16                           | 30.6.15 | 31.12.15                               | 31.12.14  | 31.12.13   |
|   | <i>unaudited</i>                  |         | <i>audited, except where indicated</i> |           |            |
| <b>Results</b>  |                                   |         |  |           |            |
| Operating income  | 14,254                            | 16,644  | 30,605                                 | 28,026    | 27,732     |
| Operating expenses  | 11,818                            | 12,254  | 25,198                                 | 25,557    | 24,461     |
| Operating profit / (loss) before tax  | 2,436                             | 4,391   | 5,407                                  | 2,469     | 3,272      |
| Net profit / (loss) attributable to UBS AG shareholders                         | 1,723                             | 3,201   | 6,235                                  | 3,502     | 3,172      |
| <b>Key performance indicators</b>   |                                   |         |  |           |            |
| <b>Profitability</b>  |                                   |         |  |           |            |
| Return on tangible equity (%) <sup>1</sup>                                      | 7.3                               | 14.1    | 13.5*                                  | 8.2*      | 8.0*       |
| Return on assets, gross (%) <sup>2</sup>  | 2.9                               | 3.2     | 3.1*                                   | 2.8*      | 2.5*       |
| Cost / income ratio (%) <sup>3</sup>  | 82.9                              | 73.5    | 82.0*                                  | 90.9*     | 88.0*      |
| <b>Growth</b>   |                                   |         |  |           |            |
| Net profit growth (%) <sup>4</sup>  | (46.2)                            | 73.4    | 78.0*                                  | 10.4*     | -          |
| Net new money growth for combined wealth management businesses (%) <sup>5</sup> | 3.8                               | 2.6     | 2.2*                                   | 2.5*      | 3.4*       |
| <b>Resources</b>  |                                   |         |  |           |            |
| Common equity tier 1 capital ratio (fully applied, %) <sup>6,7</sup>            | 15.0                              | 15.6    | 15.4*                                  | 14.2*     | 12.8*      |
| Leverage ratio (phase-in, %) <sup>8,9</sup>                                     | 5.5                               | 5.1     | 5.7*                                   | 5.4*      | 4.7*       |
| <b>Additional information</b>   |                                   |         |  |           |            |
| <b>Profitability</b>  |                                   |         |  |           |            |
| Return on equity (RoE) (%)  | 6.3                               | 12.1    | 11.7*                                  | 7.0*      | 6.7*       |
| Return on risk-weighted assets, gross (%) <sup>10</sup>                         | 13.4                              | 15.5    | 14.3*                                  | 12.6*     | 11.6*      |
| <b>Resources</b>  |                                   |         |  |           |            |
| Total assets  | 990,135                           | 951,528 | 943,256                                | 1,062,327 | 1,013,355  |
| Equity attributable to UBS AG shareholders                                      | 53,353                            | 51,685  | 55,248                                 | 52,108    | 48,002     |
| Common equity tier 1 capital (fully applied) <sup>7</sup>                       | 32,184                            | 32,834  | 32,042                                 | 30,805    | 28,908     |
| Common equity tier 1 capital (phase-in) <sup>7</sup>                            | 38,913                            | 39,169  | 41,516                                 | 44,090    | 42,179     |
| Risk-weighted assets (fully applied) <sup>7</sup>                               | 214,210                           | 210,400 | 208,186*                               | 217,158*  | 225,153*   |
| Common equity tier 1 capital ratio (phase-in, %) <sup>6,7</sup>                 | 17.9                              | 18.5    | 19.5*                                  | 19.9*     | 18.5*      |
| Total capital ratio (fully applied, %) <sup>7</sup>                             | 21.2                              | 20.2    | 21.0*                                  | 19.0*     | 15.4*      |
| Total capital ratio (phase-in, %) <sup>7</sup>                                  | 23.5                              | 23.8    | 24.9*                                  | 25.6*     | 22.2*      |
| Leverage ratio (fully applied, %) <sup>8,9</sup>                                | 5.0                               | 4.5     | 4.9*                                   | 4.1*      | 3.4*       |
| Leverage ratio denominator (fully applied) <sup>9</sup>                         | 899,075                           | 946,457 | 898,251*                               | 999,124*  | 1,015,306* |

| Other                                       |        |        |         |         |         |
|---|--------|--------|---------|---------|---------|
| Invested assets (CHF billion) <sup>11</sup> | 2,677  | 2,628  | 2,689   | 2,734   | 2,390   |
| Personnel (full-time equivalents)           | 57,387 | 59,648 | 58,131* | 60,155* | 60,205* |

\* unaudited

<sup>1</sup> Net profit attributable to UBS AG shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS AG shareholders less average goodwill and intangible assets of UBS AG. <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 AG shareholders from continuing operations between current and comparison periods / net profit attributable to UBS AG 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 and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. Figures for the first six months of 2015 and the year ended 31 December 2015 are based on adjusted net new money, which excludes the negative effect on net new money of CHF 6.6 billion in the second quarter of 2015 and of CHF 9.9 billion in 2015, respectively, from UBS's balance sheet and capital optimization program. <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. <sup>8</sup> Common equity tier 1 capital and loss-absorbing capital / leverage ratio denominator. <sup>9</sup> Calculated in accordance with Swiss SRB rules. From 31 December 2015 onward, the leverage ratio denominator calculation is aligned with the Basel III rules. Figures for periods prior to 31 December 2015 are calculated in accordance with former Swiss SRB rules and are therefore not fully comparable. <sup>10</sup> Based on fully-applied risk-weighted assets for all periods presented. This metric was previously based on phase-in risk-weighted assets. This unaudited consolidated financial information was derived from the UBS AG second quarter 2016 report and UBS AG's accounting records. <sup>11</sup> Includes invested assets for Personal & Corporate Banking.

## 2. Revised requirements for Swiss systemically relevant banks effective 1 July 2016

In May 2016, the Swiss Federal Council adopted amendments to the TBTF provisions, based on the cornerstones announced by the Swiss Federal Council in October 2015. The revised Capital Adequacy Ordinance forms the basis of a revised Swiss SRB framework, which became effective on 1 July 2016. Refer to the section "Capital management" of the UBS Group second quarter 2016 report published on 29 July 2016 (the "UBS Group Second Quarter 2016 Report"), for more information.

## 3. Swiss corporate tax reform III

In June 2016, the Swiss Parliament approved legislation to reform the Swiss corporate tax code. The reform aims to align the individual cantonal corporate tax regimes with international standards, which would involve the elimination of reduced holding company tax rates and other corporate tax privileges. The new federal law is expected to become effective as of January 2017 and be fully implemented in 2019, following a transitional period for cantons to adjust their tax legislation. A referendum on the law would delay the effective date by approximately one year. The cantons will be required to implement the revised tax laws. To mitigate the impact on corporate tax burden, the federal law provides a set of optional and mandatory measures for the cantons. In their legislative process, the cantons will then decide which of these measures they will implement. The impact on UBS can only be assessed once there is more clarity on the measures that will be implemented on a cantonal level.

## 4. US incentive compensation regulation

In May 2016, US federal financial regulators, including the Board of Governors of the Federal Reserve System, jointly proposed regulations that would, among other things, (i) prescribe mandatory deferral amounts and periods for incentive compensation based on the size of the financial institution and (ii) require downward adjustment, forfeiture and/or clawback of incentive compensation in certain circumstances. The proposal would apply to incentive compensation plans of UBS's principal operating entities in the US and would prescribe specific deferral and forfeiture requirements for executive officers, highly compensated employees and significant risk takers as defined in the proposal. If implemented as proposed, these regulations would require changes to UBS's incentive compensation programs for employees.

## 5. UK referendum on EU membership

A referendum on the UK's membership in the EU was held on 23 June 2016 with the majority voting for the UK's exit from the EU. It is currently expected that the UK government will exercise its right under Article 50 of the Lisbon Treaty to leave the EU. The timing and the manner of the UK's withdrawal from the EU and the

terms of any successor arrangements between the UK and the EU are currently unknown and may not become clear in the short term. UBS maintains significant operations in the UK. Limitations on providing financial services into the EU from UBS's UK operations that could arise following the UK's exit from the EU could require UBS to make potentially significant changes to its operations in the UK and its legal structure.

### 3. Organisational Structure of the Issuer

UBS AG is a Swiss bank and the parent company of the UBS AG Group. It is 100% owned by UBS Group AG, which is the holding company of the UBS Group. UBS Group operates as a group with five business divisions (Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management and the Investment Bank) and a Corporate Center.

Over the past two years, UBS has undertaken a series of measures to improve the resolvability of the Group in response to too big to fail ("TBTF") requirements in Switzerland and other countries in which the Group operates.

In December 2014, UBS Group AG completed an exchange offer for the shares of UBS AG, becoming the holding company for the UBS Group. Subsequently, during 2015, UBS Group AG filed and completed a procedure under the Swiss Stock Exchange and Securities Trading Act to squeeze out minority shareholders of UBS AG, as a result of which UBS Group AG acquired all of the outstanding shares of UBS AG.

In June 2015, UBS AG transferred its Retail & Corporate (now Personal & Corporate Banking) and Wealth Management business booked in Switzerland to UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland.

In 2015, UBS also completed the implementation of a more self-sufficient business and operating model for UBS Limited, UBS's investment banking subsidiary in the UK, under which UBS Limited bears and retains a larger proportion of the risk and reward in its business activities.

In the third quarter of 2015, UBS established UBS Business Solutions AG as a direct subsidiary of UBS Group AG to act as the Group service company. UBS will transfer the ownership of the majority of its existing service subsidiaries to this entity. UBS expects that the transfer of shared service and support functions into the service company structure will be implemented in a staged approach through 2018. The purpose of the service company structure is to improve the resolvability of the Group by enabling UBS to maintain operational continuity of critical services should a recovery or resolution event occur.

In the second quarter of 2016, UBS Americas Holding LLC, a subsidiary of UBS AG, has been designated as the intermediate holding company for UBS's US subsidiaries as required under the enhanced prudential standards regulations pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"). UBS Americas Holding LLC holds all of UBS's US subsidiaries and is subject to US capital requirements, governance requirements and other prudential regulation.

In 2015, UBS also established a new subsidiary of UBS AG, UBS Asset Management AG, into which it expects to transfer the majority of the operating subsidiaries of Asset Management during 2016. UBS continues to consider further changes to the legal entities used by Asset Management, including the transfer of operations conducted by UBS AG in Switzerland into a subsidiary of UBS Asset Management AG.

UBS continues to consider further changes to the Group's legal structure in response to capital and other regulatory requirements, and in order to obtain any rebate in capital requirements for which the Group may be eligible. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, consolidation of operating subsidiaries in the European Union, and adjustments to the booking entity or location of products and services. These structural changes are being discussed on an ongoing basis with the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") and other regulatory authorities, and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.

UBS Group AG's interests in subsidiaries and other entities as of 31 December 2015, including interests in significant subsidiaries, are discussed in the UBS Group AG and UBS AG Annual Report 2015, in English, published on 18 March 2016 (the "**Annual Report 2015**"), on pages 540-549 (inclusive).

UBS AG's interests in subsidiaries and other entities as of 31 December 2015, including interests in significant subsidiaries, are discussed in the Annual Report 2015, on pages 707-716 (inclusive).

#### 4. Trend Information

As indicated in the UBS Group Second Quarter 2016 Report, sustained market volatility, underlying macroeconomic uncertainty and heightened geopolitical tensions, exacerbated by the impact of the UK referendum vote to end EU membership, will lead to continued client risk aversion and generally low transaction volumes. These conditions are unlikely to change in the foreseeable future. Furthermore, lower than anticipated and negative interest rates and the relative strength of the Swiss franc, particularly against the euro, continue to present considerable headwinds. In addition, the changes to the Swiss bank capital standards and proposed further changes to the international regulatory framework for banks will result in increasing capital requirements and costs. UBS is well positioned to benefit from even a moderate improvement in conditions and remains committed to executing its strategy with discipline to mitigate these effects.

#### 5. Administrative, Management and Supervisory Bodies of UBS AG

UBS AG is subject to, and compliant with, all relevant Swiss legal and regulatory requirements regarding corporate governance.

UBS AG operates under a strict dual board structure, as mandated by Swiss banking law. The Board of Directors ("**BoD**") exercises the ultimate supervision over management, whereas the Group Executive Board ("**GEB**"), headed by the Group Chief Executive Officer ("**Group CEO**"), has executive management responsibility. The functions of Chairman of the BoD and Group CEO are assigned to two different people, ensuring a separation of power. This structure establishes checks and balances and preserves the institutional independence of the BoD from the day-to-day management of UBS AG, for which responsibility is delegated to the GEB under the leadership of the Group CEO.

No member of one board may simultaneously be a member of the other. The supervision and control of the GEB remains with the BoD. The Articles of Association and the Organization Regulations of UBS AG with their annexes govern the authorities and responsibilities of the two bodies.

##### Board of Directors

The BoD is the most senior body of UBS AG. The BoD consists of at least six and a maximum of twelve members. All the members of the BoD are elected individually by the Annual General Meeting of Shareholders ("**AGM**") for a term of office of one year, which expires after completion of the next Annual General Meeting. Shareholders also elect the Chairman and the members of the Human Resources and Compensation Committee.

The BoD meets as often as business requires, and at least six times a year.

##### Members of the Board of Directors

| Member and business address   | Title                     | Term of office | Current principal positions outside UBS AG   |
|---|---------------------------|----------------|--|
| Axel A. Weber<br><br>UBS AG, Bahnhofstrasse 45, CH-8001 Zurich        | Chairman                  | 2017           | Chairman of the Board of Directors of UBS Group AG. Member of the board of the Swiss Bankers Association, of the Board of Trustees of Avenir Suisse, of the Advisory Board of Zukunft Finanzplatz, of the Board of the Swiss Finance Council, of the Board of the Institute of International Finance, of the Board of the International Monetary Conference; member of the European Financial Services Round Table and the European Banking Group; member of the International Advisory Panel, Monetary Authority of Singapore; member of the Board of the Financial Services Professional Board, Kuala Lumpur; member of the Group of Thirty, Washington, D.C.; Chairman of the DIW Berlin Board of Trustees; Advisory Board member of the Department of Economics at the University of Zurich. |
| Michel Demaré<br><br>Syngenta International AG, Schwarzwaldallee 215, | Independent Vice Chairman | 2017           | Independent Vice Chairman of the Board of Directors of UBS Group AG. Chairman of the Board of Syngenta; Board member of Louis-Dreyfus Commodities Holdings BV; Supervisory Board member of IMD, Lausanne; Chairman of the Syngenta Foundation for Sustainable Agriculture. Member of the Advisory Board of the Department of Banking and Finance, University   |

|   |                                   |      |   |
|---|-----------------------------------|------|---|
| CH-4058 Basel   |                                   |      | of Zurich. Member of the Advisory Board of Zukunft Finanzplatz.   |
| David Sidwell<br><br>UBS AG, Bahnhofstrasse<br>45, CH-8001 Zurich   | Senior<br>Independent<br>Director | 2017 | Senior Independent Director of the Board of Directors of UBS Group AG. Director and Chairperson of the Risk Policy and Capital Committee of Fannie Mae, Washington D.C.; Senior Advisor at Oliver Wyman, New York; Board member of Chubb Limited; Board member of GAVI Alliance; Chairman of the Board of Village Care, New York; Director of the National Council on Aging, Washington D.C.  |
| Reto Francioni<br><br>UBS AG, Bahnhofstrasse 45<br>8001 Zurich  | Member                            | 2017 | Member of the Board of Directors of UBS Group AG. Professor, University of Basel; Board member of Coca-Cola HBC AG; member of the Board of Francioni AG; Chairman of the Board of Swiss International Air Lines; member of the Board of MedTech Innovation Partners AG.   |
| Ann F. Godbehere<br><br>UBS AG, Bahnhofstrasse<br>45, CH-8001 Zurich  | Member                            | 2017 | Member of the Board of Directors of UBS Group AG. Board member and Chairperson of the Audit Committee of Prudential plc, Rio Tinto plc and Rio Tinto Limited. Member of the Board of British American Tobacco plc.  |
| William G. Parrett<br><br>UBS AG, Bahnhofstrasse<br>45, CH-8001 Zurich  | Member                            | 2017 | Member of the Board of Directors of UBS Group AG. Member of the Board and Chairperson of the Audit Committee of the Eastman Kodak Company; Board member of the Blackstone Group LP (chairman of audit committee and chairman of the conflicts committee); Board member of Thermo Fisher Scientific Inc. (chairman of audit committee); member of the Committee on Capital Markets Regulation; member of the Carnegie Hall Board of Trustees; Past Chairman of the Board of the United States Council for International Business; Past Chairman of United Way Worldwide. |
| Isabelle Romy<br><br>Froriep, Bellerivestrasse<br>201, CH-8034 Zurich   | Member                            | 2017 | Member of the Board of Directors of UBS Group AG. Partner at Froriep, Zurich; associate professor at the University of Fribourg and at the Federal Institute of Technology, Lausanne; Vice Chairman of the Sanction Commission of SIX Swiss Exchange; Member of the Fundraising Committee of the Swiss National Committee for UNICEF.   |
| Robert W. Scully<br><br>UBS AG, Bahnhofstrasse<br>45, CH-8001 Zurich  | Member                            | 2017 | Member of the Board of Directors of UBS Group AG. Member of the Boards of Chubb Limited, Zoetis Inc. and KKR & Co LP. Member of the Board of Dean's Advisors of Harvard Business School.  |
| Beatrice Weder di Mauro<br><br>Johannes Gutenberg-<br>University Mainz, Jakob<br>Welder-Weg 4, D-55099<br>Mainz | Member                            | 2017 | Member of the Board of Directors of UBS Group AG. Professor at the Johannes Gutenberg University, Mainz; member of the Supervisory Board of Robert Bosch GmbH, Stuttgart. Board member of Bombardier Inc.. Member of the ETH Zurich Foundation Board of Trustees. Member of the Economic Advisory Board of Fraport AG; member of the Advisory Board of Deloitte Germany. Deputy Chairman of the University Council of the University of Mainz. Member of the Senate of the Max Planck Society.  |
| Dieter Wemmer<br><br>Allianz SE, Königinstr. 28,<br>80802 Munich, Germany                                       | Member                            | 2017 | Member of the Board of Directors of UBS Group AG. Chief Financial Officer at Allianz SE. Administrative Board member of Allianz Asset Management AG and Allianz Investment Management SE. Member of the CFO Forum; member of the Systemic Risk Working Group of the European Central Bank and the Bank for International Settlements; Chairman of the Economic & Finance Committee of Insurance Europe; member of the Berlin Center of Corporate Governance.  |
| Joseph Yam<br><br>UBS AG, Bahnhofstrasse<br>45, CH-8001 Zurich  | Member                            | 2017 | Member of the Board of Directors of UBS Group AG. Executive Vice President of the China Society for Finance and Banking. Member of the Board of Johnson Electric Holdings Limited and of UnionPay International Co. International Advisory Council member of China Investment Corporation; Distinguished Research Fellow at the Institute of Global Economics and Finance at the Chinese University of Hong Kong.   |

## Organizational principles and structure

Following each AGM, the BoD meets to appoint one or more Vice Chairmen, a Senior Independent Director, BoD committee members, other than the members of the Compensation Committee, and their respective Chairpersons. At the same meeting, the BoD appoints a Company Secretary, who acts as secretary to the BoD and its committees.

The BoD committees comprise the Audit Committee, the Compensation Committee, the Corporate Culture and Responsibility Committee, the Governance and Nominating Committee, and the Risk Committee. The BoD has also established a Special Committee, which is an ad-hoc committee, called and held on an ad-hoc basis, focused on internal and regulatory investigations related to foreign exchange.

## Audit Committee

The Audit Committee (“AC”) consists of five BoD members, all of whom were determined by the BoD to be fully independent. The Audit Committee members, as a group, must have the necessary qualifications and skills to perform all of their duties and must, together, possess financial literacy and experience in banking and risk management.

The AC itself does not perform audits, but monitors the work of the external auditors who in turn are responsible for auditing UBS AG's consolidated and standalone annual financial statements and for reviewing the quarterly financial statements.

The function of the AC is to serve as an independent and objective body with oversight of the following: (i) UBS AG's and the Group's accounting policies, financial reporting and disclosure controls and procedures, (ii) the quality, adequacy and scope of external audit, (iii) UBS AG's and the Group's compliance with financial reporting requirements, (iv) senior management's approach to internal controls with respect to the production and integrity of the financial statements and disclosure of the financial performance, and (v) the performance of UBS's Group Internal Audit in conjunction with the Chairman of the BoD.

The AC reviews the annual and quarterly consolidated as well as standalone financial statements of UBS AG, as proposed by management, with the external auditors and Group Internal Audit in order to recommend their approval (including any adjustments the AC considers appropriate) to the BoD.

Periodically, and at least annually, the AC assesses the qualifications, expertise, effectiveness, independence and performance of the external auditors and their lead audit partner, in order to support the BoD in reaching a decision in relation to the appointment or dismissal of the external auditors and the rotation of the lead audit partner. The BoD then submits these proposals to the shareholders for approval at the AGM.

The members of the AC are William G. Parrett (Chairperson), Michel Demaré, Ann F. Godbehere, Isabelle Romy and Beatrice Weder di Mauro.

## Group Executive Board

Under the leadership of the Group CEO, the GEB has executive management responsibility for the business. All GEB members (with the exception of the Group CEO) are proposed by the Group CEO. The appointments are made by the BoD.

### Members of the Group Executive Board

| Member and business address   | Function  |
|---|---|
| Sergio P. Ermotti<br>UBS AG, Bahnhofstrasse 45,<br>CH-8001 Zurich   | Group Chief Executive Officer   |
| Christian Bluhm<br>UBS AG, Bahnhofstrasse 45,<br>CH-8001 Zurich     | Group Chief Risk Officer  |
| Markus U. Diethelm<br>UBS AG, Bahnhofstrasse 45,<br>CH-8001 Zurich  | Group General Counsel   |
| Kirt Gardner<br>UBS AG, Bahnhofstrasse 45,<br>CH-8001 Zurich        | Group Chief Financial Officer   |
| Sabine Keller-Busse<br>UBS AG, Bahnhofstrasse 45,<br>CH-8001 Zurich | Group Head Human Resources  |
| Ulrich Körner<br>UBS AG, Bahnhofstrasse 45,<br>CH-8001 Zurich       | President Asset Management and President UBS Europe, Middle East and Africa |
| Axel P. Lehmann<br>UBS AG, Bahnhofstrasse 45,                       | Group Chief Operating Officer   |

|  |   |
|--|---|
| CH-8001 Zurich   |   |
| Tom Naratil<br>UBS AG, 1200 Harbor<br>Boulevard, Weehawken, NJ<br>07086 USA                        | President Wealth Management Americas and President UBS Americas |
| Andrea Orcel<br>UBS AG, Bahnhofstrasse 45,<br>CH-8001 Zurich                                       | President Investment Bank                                       |
| Kathryn Shih<br>UBS AG, 2 International Finance<br>Centre, 8 Finance Street,<br>Central, Hong Kong | President UBS Asia Pacific                                      |
| Jürg Zeltner<br>UBS AG, Bahnhofstrasse 45,<br>CH-8001 Zurich                                       | President Wealth Management                                     |

No member of the GEB has any significant business interests outside UBS.

### Potential conflicts of interest

Members of the BoD and GEB may act as directors or executive officers of other companies (for current principal positions outside UBS AG, if any, of BoD members, please see above under "Members of the Board of Directors") and may have economic or other private interests that differ from those of UBS AG. Potential conflicts of interest may arise from these positions or interests. UBS AG is confident that its internal corporate governance practices and its compliance with relevant legal and regulatory provisions reasonably ensure that any conflicts of interest of the type described above are appropriately managed, including through disclosure when appropriate.

## 6. Major Shareholders

UBS Group AG owns 100% of the outstanding shares of UBS AG.

## 7. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

### Historical Annual Financial Information

Detailed information about UBS AG (consolidated) and UBS AG assets and liabilities, financial position and profits and losses for financial year 2015 is available in the sections "Consolidated financial statements" and "Legal entity financial and regulatory information" of the Annual Report 2015, respectively; and for financial year 2014 it is available in the "Financial information" section of the UBS Group AG and UBS AG annual report 2014, in English, published on 13 March 2015 ("**Annual Report 2014**"). The consolidated and standalone financial accounts are closed on 31 December of each year.

With respect to the financial year 2015, reference is made to the following parts of the Annual Report 2015:

- (i) the UBS AG consolidated financial statements, in particular to the Income statement on page 568, the Balance sheet on page 571, the Statement of changes in equity on pages 572-575 (inclusive), the Statement of cash flows on pages 577-578 (inclusive) and the Notes to the consolidated financial statements on pages 579-738 (inclusive); and
- (ii) the UBS AG standalone financial statements, in particular to the Income statement on page 772, the Balance sheet on page 773-774, the Statement of appropriation of retained earnings and proposed dividend distribution on page 775, and the Notes to the UBS AG standalone financial statements on pages 776-792 (inclusive).

With respect to the financial year 2014, reference is made to the following parts of the Annual Report 2014:



- (i) the UBS AG consolidated financial statements, in particular to the Income statement on page 554, the Balance sheet on page 557, the Statement of changes in equity on pages 558-561 (inclusive), the Statement of cash flows on pages 563-564 (inclusive) and the Notes to the consolidated financial statements on pages 565-724 (inclusive); and
- (ii) the UBS AG standalone financial statements, in particular to the Income statement on page 748, the Balance sheet on page 749, the Statement of appropriation of retained earnings and proposed distribution of capital contribution reserve on page 750, the Notes to the UBS AG standalone financial statements on pages 751-760 (inclusive) and the Financial review on pages 745-747 (inclusive).

The consolidated financial statements of UBS AG and auditors' report thereon contained in Annual Report 2014 are incorporated by reference herein to comply with certain requirements of the EU Prospectus Directive. As described in the Annual Report 2015, UBS AG has made certain adjustments in 2015 to the consolidated historical financial statements for the year ended 31 December 2014 and 31 December 2013. Refer to Note 1b in the consolidated financial statements of UBS AG in the Annual Report 2015 for information on such adjustments.

The annual financial reports form an essential part of UBS AG's reporting. They include the audited consolidated financial statements of UBS AG, prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the audited standalone financial statements of UBS AG, prepared in accordance with Swiss GAAP, as well as certain additional disclosures required under US Securities and Exchange Commission regulations. The annual reports also include discussions and analysis of the consolidated financial and business results of UBS, its business divisions and the Corporate Center.

#### **Auditing of Historical Annual Financial Information**

The consolidated financial statements of UBS AG and the standalone financial statements of UBS AG for financial years 2015 and 2014 were audited by Ernst & Young. The reports of the auditors on the consolidated financial statements can be found on pages 566-567(inclusive) of the Annual Report 2015 and on pages 552-553 (inclusive) of the Annual Report 2014. The reports of the auditors on the standalone financial statements of UBS AG can be found on pages 793-794 (inclusive) of the Annual Report 2015 and on pages 761-762 (inclusive) of the Annual Report 2014.

#### **Interim Financial Information**

Reference is also made to the UBS Group first quarter 2016 report and the UBS AG first quarter 2016 report, which contain information on the financial condition and results of operations, including the consolidated financial statements, of UBS Group AG (consolidated) and UBS AG (consolidated), respectively, as of and for the period ended 31 March 2016. Reference is also made to the UBS Group Second Quarter 2016 Report and to the UBS AG second quarter 2016 report published on 4 August 2016 ("**UBS AG Second Quarter 2016 Report**"), which contain information on the financial condition and results of operations, including the consolidated financial statements, of UBS Group AG (consolidated) and UBS AG (consolidated), respectively, as of and for the period ended 30 June 2016. The interim consolidated financial statements are not audited.

### **8. Litigation, Regulatory and Similar Matters**

UBS operates in a legal and regulatory environment that exposes it to significant litigation and similar risks arising from disputes and regulatory proceedings. As a result, UBS (which for purposes of this section may refer to UBS AG and / or one or more of its subsidiaries, as applicable) is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations.

Such matters are subject to many uncertainties and the outcome and the timing of resolution are often difficult to predict, particularly in the earlier stages of a case. There are also situations where UBS may enter into a settlement agreement. This may occur in order to avoid the expense, management distraction or reputational implications of continuing to contest liability, even for those matters for which UBS believes it should be exonerated. The uncertainties inherent in all such matters affect the amount and timing of any potential outflows for both matters with respect to which provisions have been established and other contingent liabilities. UBS makes provisions for such matters brought against it when, in the opinion of management after seeking legal advice, it is more likely than not that UBS has a present legal or constructive obligation as a result

of past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Where these factors are otherwise satisfied, a provision may be established for claims that have not yet been asserted against UBS, but are nevertheless expected to be, based on UBS's experience with similar asserted claims. If any of those conditions is not met, such matters result in contingent liabilities. If the amount of an obligation cannot be reliably estimated, a liability exists that is not recognized even if an outflow of resources is probable. Accordingly, no provision is established even if the potential outflow of resources with respect to select matters could be significant.

Specific litigation, regulatory and other matters are described below, including all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects. The amount of damages claimed, the size of a transaction or other information is provided where available and appropriate in order to assist users in considering the magnitude of potential exposures.

In the case of certain matters below, UBS states that it has established a provision, and for the other matters it makes no such statement. When UBS makes this statement and it expects disclosure of the amount of a provision to prejudice seriously its position with other parties in the matter, because it would reveal what UBS believes to be the probable and reliably estimable outflow, UBS does not disclose that amount. In some cases UBS is subject to confidentiality obligations that preclude such disclosure. With respect to the matters for which UBS does not state whether it has established a provision, either (a) it has not established a provision, in which case the matter is treated as a contingent liability under the applicable accounting standard, or (b) it has established a provision but expects disclosure of that fact to prejudice seriously its position with other parties in the matter because it would reveal the fact that UBS believes an outflow of resources to be probable and reliably estimable.

With respect to certain litigation, regulatory and similar matters for which UBS has established provisions, UBS is able to estimate the expected timing of outflows. However, the aggregate amount of the expected outflows for those matters for which it is able to estimate expected timing is immaterial relative to its current and expected levels of liquidity over the relevant time periods.

The aggregate amount provisioned for litigation, regulatory and similar matters as a class is disclosed in Note 15a of the unaudited interim consolidated financial statements of UBS AG, included in the UBS AG Second Quarter 2016 Report. It is not practicable to provide an aggregate estimate of liability for UBS's litigation, regulatory and similar matters as a class of contingent liabilities. Doing so would require UBS to provide speculative legal assessments as to claims and proceedings that involve unique fact patterns or novel legal theories, which have not yet been initiated or are at early stages of adjudication, or as to which alleged damages have not been quantified by the claimants. Although it therefore cannot provide a numerical estimate of the future losses that could arise from litigation, regulatory and similar matters, UBS believes that the aggregate amount of possible future losses from this class that are more than remote substantially exceeds the level of current provisions. Litigation, regulatory and similar matters may also result in non-monetary penalties and consequences. For example, the Non-Prosecution Agreement ("**NPA**") described in paragraph 5 of this section, which UBS entered into with the US Department of Justice ("**DOJ**"), Criminal Division, Fraud Section in connection with its submissions of benchmark interest rates, including, among others, the British Bankers' Association London Interbank Offered Rate ("**LIBOR**"), was terminated by the DOJ based on its determination that UBS had committed a US crime in relation to foreign exchange matters. As a consequence, UBS AG has pleaded guilty to one count of wire fraud for conduct in the LIBOR matter, and has agreed to pay a USD 203 million fine and accept a three-year term of probation. A guilty plea to, or conviction of, a crime (including as a result of termination of the NPA) could have material consequences for UBS. Resolution of regulatory proceedings may require UBS to obtain waivers of regulatory disqualifications to maintain certain operations, may entitle regulatory authorities to limit, suspend or terminate licenses and regulatory authorizations and may permit financial market utilities to limit, suspend or terminate UBS's participation in such utilities. Failure to obtain such waivers, or any limitation, suspension or termination of licenses, authorizations or participations, could have material consequences for UBS.

The risk of loss associated with litigation, regulatory and similar matters is a component of operational risk for purposes of determining UBS's capital requirements. Information concerning its capital requirements and the calculation of operational risk for this purpose is included in the "Capital management" section of the UBS Group Second Quarter 2016 Report.

**Provisions for litigation, regulatory and similar matters by business division and Corporate Center unit<sup>1,2</sup>**

| <i>CHF million</i>  | Wealth Management | Wealth Management Americas | Personal & Corporate Banking | Asset Management | Investment Bank | CC – Services | CC – Group ALM | CC – Non-core and Legacy Portfolio | UBS          |
|---|-------------------|----------------------------|------------------------------|------------------|-----------------|---------------|----------------|------------------------------------|--------------|
| <b>Balance as of 31 December 2015</b>                     | 245               | 459                        | 83                           | 16               | 585             | 310           | 0              | 1,284                              | <b>2,983</b> |
| <b>Balance as of 31 March 2016</b>                        | 242               | 427                        | 81                           | 13               | 557             | 307           | 0              | 1,248                              | <b>2,876</b> |
| Increase in provisions recognized in the income statement | 10                | 23                         | 0                            | 0                | 27              | 2             | 0              | 23                                 | <b>85</b>    |
| Release of provisions recognized in the income statement  | (1)               | (7)                        | 0                            | (5)              | 0               | 0             | 0              | 0                                  | <b>(13)</b>  |
| Provisions used in conformity with designated purpose     | (3)               | (35)                       | (2)                          | (1)              | (1)             | (7)           | 0              | (249)                              | <b>(299)</b> |
| Foreign currency translation / unwind of discount         | (1)               | 8                          | 0                            | 0                | 6               | (1)           | 0              | 20                                 | <b>32</b>    |
| <b>Balance as of 30 June 2016</b>                         | 247               | 416                        | 79                           | 7                | 589             | 301           | 0              | 1,042                              | <b>2,682</b> |

1 Provisions, if any, for the matters described in this section are recorded in Wealth Management (item 3), Wealth Management Americas (item 4), CC – Services (item 7) and CC – Non-core and Legacy Portfolio (item 2). Provisions, if any, for the matters described in this section in items 1 and 6 are allocated between Wealth Management and Personal & Corporate Banking, and provisions, if any, for the matters described in this section in item 5 are allocated between the Investment Bank, CC – Services and CC – Non-core and Legacy Portfolio. 2 Provision movements are grouped by item for purposes of this table and may therefore differ from those shown in the table in Note 15a of the unaudited interim consolidated financial statements of UBS AG, included in the UBS AG Second Quarter 2016 Report.

## 1. Inquiries regarding cross-border wealth management businesses

Tax and regulatory authorities in a number of countries have made inquiries, served requests for information or examined employees located in their respective jurisdictions relating to the cross-border wealth management services provided by UBS and other financial institutions. It is possible that implementation of automatic tax information exchange and other measures relating to cross-border provision of financial services could give rise to further inquiries in the future. UBS has received a disclosure order from the Swiss Federal Tax Administration ("FTA") to transfer information based on a request for international administrative assistance in tax matters. The request concerns a number of UBS account numbers pertaining to current and former clients and is based on data from 2006 and 2008. UBS has taken steps to inform affected clients about the administrative assistance proceeding and their procedural rights, including the right to appeal. The request is based on data received from the German authorities, who seized certain data related to UBS clients booked in Switzerland during their investigations and have apparently shared this data with other European countries. UBS expects other countries to file similar requests.

As a result of investigations in France, in 2013, UBS (France) S.A. and UBS AG were put under formal examination ("*mise en examen*") for complicity in having illicitly solicited clients on French territory, and were declared witness with legal assistance ("*témoign assisté*") regarding the laundering of proceeds of tax fraud and of banking and financial solicitation by unauthorized persons. In 2014, UBS AG was placed under formal examination with respect to the potential charges of laundering of proceeds of tax fraud, and the investigating judges ordered UBS AG to provide bail ("*caution*") of EUR 1.1 billion. UBS AG appealed the determination of the bail amount, but both the appeal court ("*Cour d'Appel*") and the French Supreme Court ("*Cour de Cassation*") upheld the bail amount and rejected the appeal in full in late 2014. UBS AG has filed and has had formally registered an application to the European Court of Human Rights to challenge various aspects of the French court's decision. In September 2015, the former CEO of UBS Wealth Management was placed under formal examination in connection with these proceedings. In addition, the investigating judges have sought to issue arrest warrants against three Swiss-based former employees of UBS AG who did not appear when summoned by the investigating judge.

In 2015, UBS (France) S.A. was placed under formal examination for complicity regarding the laundering of proceeds of tax fraud and of banking and financial solicitation by unauthorized persons for the years 2004 until 2008 and declared witness with legal assistance for the years 2009 to 2012. A bail of EUR 40 million was imposed, and was subsequently reduced by the Court of Appeals to EUR 10 million.

In February 2016, the investigating judge notified UBS AG and UBS (France) S.A. that he has closed his investigation. In July 2016, UBS AG and UBS (France) S.A. received the National Financial Prosecutor's recommendation ("*réquisitoire*"). The parties have 30 days to comment on the recommendation or to file additional submissions. The judge may then issue his final decree ("*ordonnance de renvoi en correctionnelle*") which would set out any charges for which UBS AG and UBS (France) S.A. will be tried, both legally and factually.

UBS has been notified by the Belgian investigating judge that it is under formal investigation ("*inculpé*") regarding the laundering of proceeds of tax fraud and of banking, financial solicitation by unauthorized persons and serious tax fraud.

In 2015, UBS received inquiries from the US Attorney's Office for the Eastern District of New York and from the US Securities and Exchange Commission ("**SEC**"), which are investigating potential sales to US persons of bearer bonds and other unregistered securities in possible violation of the Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") and the registration requirements of the US securities laws. UBS is cooperating with the authorities in these investigations.

UBS has, and reportedly numerous other financial institutions have, received inquiries from authorities concerning accounts relating to the Fédération Internationale de Football Association ("**FIFA**") and other constituent soccer associations and related persons and entities. UBS is cooperating with authorities in these inquiries.

UBS's balance sheet at 30 June 2016 reflected provisions with respect to matters described in this item 1 in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

## 2. Claims related to sales of residential mortgage-backed securities and mortgages

From 2002 through 2007, prior to the crisis in the US residential loan market, UBS was a substantial issuer and underwriter of US residential mortgage-backed securities ("**RMBS**") and was a purchaser and seller of US residential mortgages. A subsidiary of UBS, UBS Real Estate Securities Inc. ("**UBS RESI**"), acquired pools of residential mortgage loans from originators and (through an affiliate) deposited them into securitization trusts. In this manner, from 2004 through 2007, UBS RESI sponsored approximately USD 80 billion in RMBS, based on the original principal balances of the securities issued.

UBS RESI also sold pools of loans acquired from originators to third-party purchasers. These whole loan sales during the period 2004 through 2007 totaled approximately USD 19 billion in original principal balance.

UBS was not a significant originator of US residential loans. A subsidiary of UBS originated approximately USD 1.5 billion in US residential mortgage loans during the period in which it was active from 2006 to 2008, and securitized less than half of these loans.

*RMBS-related lawsuits concerning disclosures:* UBS is named as a defendant relating to its role as underwriter and issuer of RMBS in lawsuits related to approximately USD 2.6 billion in original face amount of RMBS underwritten or issued by UBS. Of the USD 2.6 billion in original face amount of RMBS that remains at issue in these cases, approximately USD 1.2 billion was issued in offerings in which a UBS subsidiary transferred underlying loans (the majority of which were purchased from third-party originators) into a securitization trust and made representations and warranties about those loans ("**UBS-sponsored RMBS**"). The remaining USD 1.4 billion of RMBS to which these cases relate was issued by third parties in securitizations in which UBS acted as underwriter ("**third-party RMBS**").

In connection with certain of these lawsuits, UBS has indemnification rights against surviving third-party issuers or originators for losses or liabilities incurred by UBS, but UBS cannot predict the extent to which it will succeed in enforcing those rights.

UBS is a defendant in two lawsuits brought by the National Credit Union Administration ("**NCUA**"), as conservator for certain failed credit unions, asserting misstatements and omissions in the offering documents for RMBS purchased by the credit unions. Both lawsuits were filed in US District Courts, one in the District of Kansas and the other in the Southern District of New York ("**SDNY**"). The original principal balance at issue in the Kansas case is approximately USD 1.15 billion and the original principal balance at issue in the SDNY case is approximately USD 400 million. In February 2016, UBS made an offer of judgment to NCUA in the SDNY case, which NCUA accepted, pursuant to which UBS agreed to pay to NCUA approximately USD 33 million plus approximately USD 36.8 million in prejudgment interest, for a total of approximately USD 69.8 million, in addition to reasonable attorneys' fees incurred by NCUA. Judgment was entered by the Court on April 25, 2016.

*Lawsuits related to contractual representations and warranties concerning mortgages and RMBS:* When UBS acted as an RMBS sponsor or mortgage seller, it generally made certain representations relating to the characteristics of the underlying loans. In the event of a material breach of these representations, UBS was in certain circumstances contractually obligated to repurchase the loans to which the representations related or to indemnify certain parties against losses. UBS has received demands to repurchase US residential mortgage loans as to which UBS made certain representations at the time the loans were transferred to the securitization trust aggregating approximately USD 4.1 billion in original principal balance. Of this amount, UBS considers claims relating to approximately USD 2 billion in original principal balance to be resolved, including claims barred by the statute of limitations. Substantially all of the remaining claims are in litigation, including the matters described in the next paragraph. UBS believes that new demands to repurchase US residential mortgage loans are time-barred under a decision rendered by the New York Court of Appeals.

In 2012, certain RMBS trusts filed an action ("**Trustee Suit**") in the SDNY seeking to enforce UBS RESI's obligation to repurchase loans in the collateral pools for three RMBS securitizations ("**Transactions**") with an original principal balance of approximately USD 2 billion, for which Assured Guaranty Municipal Corp. ("**Assured Guaranty**"), a financial guaranty insurance company, had previously demanded repurchase. In January 2015, the court rejected plaintiffs' efforts to seek damages for all loans purportedly in breach of representations and warranties in any of the three Transactions and limited plaintiffs to pursuing claims based solely on alleged breaches for loans identified in the complaint or other breaches that plaintiffs can establish were independently discovered by UBS. In February 2015, the court denied plaintiffs' motion seeking reconsideration of its ruling. However, in April 2016, the Court ruled that, based on an intervening decision of an intermediate New York appellate court, it would allow plaintiffs to proceed with their claims at trial as to all loans purportedly in breach. With respect to the loans subject to the Trustee Suit that were originated by institutions still in existence, UBS intends to enforce its indemnity rights against those institutions. A bench trial in the SDNY adjourned in May 2016 and post-trial briefs are being submitted.

UBS also has tolling agreements with certain institutional purchasers of RMBS concerning their potential claims related to substantial purchases of UBS-sponsored or third-party RMBS.

*Mortgage-related regulatory matters:* In 2014, UBS received a subpoena from the US Attorney's Office for the Eastern District of New York issued pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("**FIRREA**"), which seeks documents and information related to UBS's RMBS business from 2005 through 2007. In 2015, the Eastern District of New York identified a number of transactions that are currently the focus of their inquiry, as to which UBS is providing additional information. UBS continues to respond to the FIRREA subpoena and to subpoenas from the New York State Attorney General ("**NYAG**") relating to its RMBS business. In addition, UBS has also been responding to inquiries from both the Special Inspector General for the Troubled Asset Relief Program ("**SIGTARP**") (who is working in conjunction with the US Attorney's Office for Connecticut and the DOJ) and the SEC relating to trading practices in connection with purchases and sales of mortgage-backed securities in the secondary market from 2009 through the present. UBS is cooperating with the authorities in these matters. Numerous other banks reportedly are responding to similar inquiries from these authorities.

**Provision for claims related to sales of residential mortgage-backed securities and mortgages**

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USD million

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|  |            |
|--|------------|
| Balance as of 31 December 2015                           | 1,218      |
| Balance as of 31 March 2016                              | 1,242      |
| Increase in provision recognized in the income statement | 0          |
| Release of provision recognized in the income statement  | 0          |
| Provision used in conformity with designated purpose     | (255)      |
| <b>Balance as of 30 June 2016</b>                        | <b>988</b> |

As reflected in the table "Provision for claims related to sales of residential mortgage-backed securities and mortgages," UBS's balance sheet at 30 June 2016 reflected a provision of USD 988 million with respect to matters described in this item 2. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of this matter cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

### 3. Madoff

In relation to the Bernard L. Madoff Investment Securities LLC ("**BMIS**") investment fraud, UBS AG, UBS (Luxembourg) SA and certain other UBS subsidiaries have been subject to inquiries by a number of regulators, including FINMA and the Luxembourg Commission de Surveillance du Secteur Financier ("**CSSF**"). Those inquiries concerned two third-party funds established under Luxembourg law, substantially all assets of which were with BMIS, as well as certain funds established in offshore jurisdictions with either direct or indirect exposure to BMIS. These funds now face severe losses, and the Luxembourg funds are in liquidation. The last reported net asset value of the two Luxembourg funds before revelation of the Madoff scheme was approximately USD 1.7 billion in the aggregate, although that figure likely includes fictitious profit reported by BMIS. The documentation establishing both funds identifies UBS entities in various roles, including custodian, administrator, manager, distributor and promoter, and indicates that UBS employees serve as board members. UBS (Luxembourg) SA and certain other UBS subsidiaries are responding to inquiries by Luxembourg investigating authorities, without, however, being named as parties in those investigations. In 2009 and 2010, the liquidators of the two Luxembourg funds filed claims on behalf of the funds against UBS entities, non-UBS entities and certain individuals, including current and former UBS employees. The amounts claimed are approximately EUR 890 million and EUR 305 million, respectively. The liquidators have filed supplementary claims for amounts that the funds may possibly be held liable to pay the BMIS Trustee. These amounts claimed by the liquidator are approximately EUR 564 million and EUR 370 million, respectively. In addition, a large number of alleged beneficiaries have filed claims against UBS entities (and non-UBS entities) for purported losses relating to the Madoff scheme. The majority of these cases are pending in Luxembourg, where appeals were filed by the claimants against the 2010 decisions of the court in which the claims in a number of test cases were held to be inadmissible. In 2014, the Luxembourg Court of Appeal dismissed one test case appeal in its entirety, which decision was appealed by the investor. In 2015, the Luxembourg Supreme Court found in favor of UBS and dismissed the investor's appeal. In June 2016, the Luxembourg Court of Appeal dismissed the remaining test cases in their entirety. In the US, the BMIS Trustee filed claims in 2010 against UBS entities, among others, in relation to the two Luxembourg funds and one of the offshore funds. The total amount claimed against all defendants in these actions was not less than USD 2 billion. Following a motion by UBS, in 2011, the SDNY dismissed all of the BMIS Trustee's claims other than claims for recovery of fraudulent conveyances and preference payments that were allegedly transferred to UBS on the ground that the BMIS Trustee lacks standing to bring such claims. In 2013, the Second Circuit affirmed the District Court's decision and, in 2014, the US Supreme Court denied the BMIS Trustee's petition seeking review of the Second Circuit ruling. In 2014, several claims, including a purported class action, were filed in the US by BMIS customers against UBS entities, asserting claims similar to the ones made by the BMIS Trustee, seeking unspecified damages. One claim was voluntarily withdrawn by the plaintiff. In 2015, following a motion by UBS, the SDNY dismissed the two remaining claims on the basis that the New York courts did not have jurisdiction to hear the claims against the UBS entities. The plaintiff in one of those claims has appealed the dismissal. In Germany, certain clients of UBS are exposed to Madoff-managed positions through third-party funds and funds administered by UBS entities in Germany. A small number of claims have been filed with respect to such funds. In 2015, a court of appeal ordered UBS to pay EUR 49 million, plus interest (approximately EUR 15.3 million).

#### 4. Puerto Rico

Declines since August 2013 in the market prices of Puerto Rico municipal bonds and of closed-end funds ("**the funds**") that are sole-managed and co-managed by UBS Trust Company of Puerto Rico and distributed by UBS Financial Services Incorporated of Puerto Rico ("**UBS PR**") have led to multiple regulatory inquiries, as well as customer complaints and arbitrations with aggregate claimed damages of approximately USD 1.8 billion, of which claims with aggregate claimed damages of approximately USD 642 million have been resolved through settlements, arbitration or withdrawal of the claim. The claims are filed by clients in Puerto Rico who own the funds or Puerto Rico municipal bonds and / or who used their UBS account assets as collateral for UBS non-purpose loans; customer complaint and arbitration allegations include fraud, misrepresentation and unsuitability of the funds and of the loans. A shareholder derivative action was filed in 2014 against various UBS entities and current and certain former directors of the funds, alleging hundreds of millions of US dollars in losses in the funds. In 2015, defendants' motion to dismiss was denied. Defendants' requests for permission to appeal that ruling were denied by the Puerto Rico Court of Appeals and the Puerto Rico Supreme Court. In 2014, a federal class action complaint also was filed against various UBS entities, certain members of UBS PR senior management, and the co-manager of certain of the funds seeking damages for investor losses in the funds during the period from May 2008 through May 2014. Defendants have moved to dismiss that complaint. In 2015, a class action was filed in Puerto Rico state court against UBS PR seeking equitable relief in the form of a stay of any effort by UBS PR to collect on non-purpose loans it acquired from UBS Bank USA in December 2013 based on plaintiffs' allegation that the loans are not valid. The trial court denied defendants' motion to dismiss the action based on a forum selection clause in the loan agreements; the Puerto Rico Supreme Court has stayed the action pending its review of defendants' appeal from that ruling.

In 2014, UBS reached a settlement with the Office of the Commissioner of Financial Institutions for the Commonwealth of Puerto Rico ("**OCFI**") in connection with OCFI's examination of UBS's operations from January 2006 through September 2013, pursuant to which UBS is paying up to an aggregate of USD 7.7 million in investor education contributions and restitution.

In 2015, the SEC and the Financial Industry Regulatory Authority ("**FINRA**") announced settlements with UBS PR of their separate investigations stemming from the 2013 market events. Without admitting or denying the findings in either matter, UBS PR agreed in the SEC settlement to pay USD 15 million and USD 18.5 million in the FINRA matter (which includes up to USD 11 million in restitution to 165 UBS PR customers and a civil penalty of USD 7.5 million). UBS also understands that the DOJ is conducting a criminal inquiry into the impermissible reinvestment of non-purpose loan proceeds. UBS is cooperating with the authorities in this inquiry.

In 2011, a purported derivative action was filed on behalf of the Employee Retirement System of the Commonwealth of Puerto Rico ("**System**") against over 40 defendants, including UBS PR, which was named in connection with its underwriting and consulting services. Plaintiffs alleged that defendants violated their purported fiduciary duties and contractual obligations in connection with the issuance and underwriting of approximately USD 3 billion of bonds by the System in 2008 and sought damages of over USD 800 million. Defendants' motion to dismiss is pending.

Also, in 2013, an SEC Administrative Law Judge dismissed a case brought by the SEC against two UBS executives, finding no violations. The charges had stemmed from the SEC's investigation of UBS's sale of closed-end funds in 2008 and 2009, which UBS settled in 2012. Beginning in 2012, two federal class action complaints, which were subsequently consolidated, were filed against various UBS entities, certain of the funds, and certain members of UBS PR senior management, seeking damages for investor losses in the funds during the period from January 2008 through May 2012 based on allegations similar to those in the SEC action. The Magistrate Judge for the consolidated case has recommended that plaintiffs' motion to certify the proposed class be denied.

In 2015, Puerto Rico's Governor stated that the Commonwealth was unable to meet its obligations. Certain agencies and public corporations of the Commonwealth have defaulted on certain interest payments beginning in August 2015 and additional payment defaults are expected to occur. In June 2016, federal legislation created an oversight board with power to oversee Puerto Rico's finances and to restructure its debt. These events, further defaults, any further legislative action to create a legal means of restructuring Commonwealth obligations or to impose additional oversight on the Commonwealth's finances, or any restructuring of the Commonwealth's obligations, may increase the number of claims against UBS concerning Puerto Rico securities, as well as potential damages sought.

UBS's balance sheet at 30 June 2016 reflected provisions with respect to matters described in this item 4 in amounts that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provisions that UBS has recognized.

5. Foreign exchange, LIBOR, and benchmark rates, and other trading practices

*Foreign exchange-related regulatory matters:* Following an initial media report in 2013 of widespread irregularities in the foreign exchange markets, UBS immediately commenced an internal review of its foreign exchange business, which includes its precious metals and related structured products businesses. Since then, various authorities have commenced investigations concerning possible manipulation of foreign exchange markets, including FINMA, the Swiss Competition Commission ("**WEKO**"), the DOJ, the SEC, the US Commodity Futures Trading Commission ("**CFTC**"), the Board of Governors of the Federal Reserve System ("Federal Reserve Board"), the UK Financial Conduct Authority ("**FCA**") (to which certain responsibilities of the UK Financial Services Authority ("**FSA**") have passed), the UK Serious Fraud Office ("**SFO**"), the Australian Securities and Investments Commission ("**ASIC**"), the Hong Kong Monetary Authority ("**HKMA**"), the Korea Fair Trade Commission ("**KFTC**") and the Brazil Competition Authority ("**CADE**"). In addition, WEKO is, and a number of other authorities reportedly are, investigating potential manipulation of precious metals prices. UBS has taken and will continue to take appropriate action with respect to certain personnel as a result of its ongoing review.

In 2014, UBS reached settlements with the FCA and the CFTC in connection with their foreign exchange investigations, and FINMA issued an order concluding its formal proceedings with respect to UBS relating to its foreign exchange and precious metals businesses. UBS has paid a total of approximately CHF 774 million to these authorities, including GBP 234 million in fines to the FCA, USD 290 million in fines to the CFTC, and CHF 134 million to FINMA representing confiscation of costs avoided and profits. In 2015, the Federal Reserve Board and the Connecticut Department of Banking issued an Order to Cease and Desist and Order of Assessment of a Civil Monetary Penalty Issued upon Consent ("**Federal Reserve Order**") to UBS AG. As part of the Federal Reserve Order, UBS AG paid a USD 342 million civil monetary penalty.

In 2015, the DOJ's Criminal Division ("**Criminal Division**") terminated the December 2012 NPA with UBS AG related to UBS's submissions of benchmark interest rates. As a result, UBS AG entered into a plea agreement with the Criminal Division pursuant to which UBS AG agreed to and did plead guilty to a one-count criminal information filed in the US District Court for the District of Connecticut charging UBS AG with one count of wire fraud in violation of 18 USC Sections 1343 and 2. Under the plea agreement, UBS AG agreed to a sentence that includes a USD 203 million fine and a three-year term of probation. The criminal information charges that, between approximately 2001 and 2010, UBS AG engaged in a scheme to defraud counterparties to interest rate derivatives transactions by manipulating benchmark interest rates, including Yen LIBOR. Sentencing is currently scheduled for 29 November 2016. The Criminal Division terminated the NPA based on its determination, in its sole discretion, that certain UBS AG employees committed criminal conduct that violated the NPA, including fraudulent and deceptive currency trading and sales practices in conducting certain foreign exchange market transactions with clients and collusion with other participants in certain foreign exchange markets.

UBS has ongoing obligations to cooperate with these authorities and to undertake certain remediation, including actions to improve UBS's processes and controls.

UBS has been granted conditional immunity by the Antitrust Division of the DOJ ("**Antitrust Division**") from prosecution for EUR / USD collusion and entered into a non-prosecution agreement covering other currency pairs. As a result, UBS AG will not be subject to prosecutions, fines or other sanctions for antitrust law violations by the Antitrust Division, subject to UBS AG's continuing cooperation. However, the conditional immunity grant does not bar government agencies from asserting other claims and imposing sanctions against UBS AG, as evidenced by the settlements and ongoing investigations referred to above. UBS has also been granted conditional leniency by authorities in certain jurisdictions, including WEKO, in connection with potential competition law violations relating to precious metals, and as a result, will not be subject to prosecutions, fines or other sanctions for antitrust or competition law violations in those jurisdictions, subject to UBS AG's continuing cooperation.



In 2015, UBS AG settled charges with the SEC relating to structured notes issued by UBS AG that were linked to the UBS V10 Currency Index with Volatility Cap.

Investigations relating to foreign exchange and precious metals matters by numerous authorities, including the CFTC, remain ongoing notwithstanding these resolutions.

*Foreign exchange-related civil litigation:* Putative class actions have been filed since November 2013 in US federal courts and in other jurisdictions against UBS and other banks on behalf of putative classes of persons who engaged in foreign currency transactions with any of the defendant banks. They allege collusion by the defendants and assert claims under the antitrust laws and for unjust enrichment. In 2015, additional putative class actions were filed in federal court in New York against UBS and other banks on behalf of a putative class of persons who entered into or held any foreign exchange futures contracts and options on foreign exchange futures contracts since 1 January 2003. The complaints assert claims under the Commodity Exchange Act ("**CEA**") and the US antitrust laws. In 2015, a consolidated complaint was filed on behalf of both putative classes of persons covered by the US federal court class actions described above. UBS has entered into a settlement agreement that would resolve all of these US federal court class actions. The agreement, which has been preliminarily approved by the court and is subject to final court approval, requires, among other things, that UBS pay an aggregate of USD 141 million and provide cooperation to the settlement classes.

A putative class action has been filed in federal court in New York against UBS and other banks on behalf of participants, beneficiaries, and named fiduciaries of plans qualified under the Employee Retirement Income Security Act of 1974 ("**ERISA**") for whom a defendant bank provided foreign currency exchange transactional services, exercised discretionary authority or discretionary control over management of such ERISA plan, or authorized or permitted the execution of any foreign currency exchange transactional services involving such plan's assets. The complaint asserts claims under ERISA.

In 2015, a putative class action was filed in federal court against UBS and numerous other banks on behalf of a putative class of persons and businesses in the US who directly purchased foreign currency from the defendants and their co-conspirators for their own end use. That action has been transferred to federal court in New York.

In 2015, UBS was added to putative class actions pending against other banks in federal court in New York and other jurisdictions on behalf of putative classes of persons who bought or sold physical precious metals and various precious metal products and derivatives. The complaints in these lawsuits assert claims under the antitrust laws and the CEA, and other claims.

*LIBOR and other benchmark-related regulatory matters:* Numerous government agencies, including the SEC, the CFTC, the DOJ, the FCA, the SFO, the Monetary Authority of Singapore ("**MAS**"), the HKMA, FINMA, the various state attorneys general in the US, and competition authorities in various jurisdictions have conducted or are continuing to conduct investigations regarding submissions with respect to LIBOR and other benchmark rates. These investigations focus on whether there were improper attempts by UBS, among others, either acting on its own or together with others, to manipulate LIBOR and other benchmark rates at certain times.

In 2012, UBS reached settlements with the FSA, the CFTC and the Criminal Division of the DOJ in connection with their investigations of benchmark interest rates. At the same time, FINMA issued an order concluding its formal proceedings with respect to UBS relating to benchmark interest rates. UBS has paid a total of approximately CHF 1.4 billion in fines and disgorgement – including GBP 160 million in fines to the FSA, USD 700 million in fines to the CFTC, USD 500 million in fines to the DOJ, and CHF 59 million in disgorgement to FINMA. UBS Securities Japan Co. Ltd. ("**UBSSJ**") entered into a plea agreement with the DOJ under which it entered a plea to one count of wire fraud relating to the manipulation of certain benchmark interest rates, including Yen LIBOR. UBS entered into an NPA with the DOJ, which (along with the plea agreement) covered conduct beyond the scope of the conditional leniency / immunity grants described below, required UBS to pay the USD 500 million fine to the DOJ after the sentencing of UBSSJ, and provided that any criminal penalties imposed on UBSSJ at sentencing be deducted from the USD 500 million fine. Under the NPA, UBS agreed, among other things, that for two years from 18 December 2012 UBS would not commit any US crime, and it would advise DOJ of any potentially criminal conduct by UBS or any of its employees relating to violations of US laws concerning fraud or securities and commodities markets. The term of the NPA was extended by one year to 18 December 2015. In 2015, the Criminal Division terminated the NPA based on its determination, in its sole discretion, that certain UBS AG employees committed criminal conduct that violated the NPA. As a result, UBS entered into a plea agreement with the DOJ under which it entered a guilty plea to one count of wire fraud

relating to the manipulation of certain benchmark interest rates, including Yen LIBOR, and agreed to pay a fine of USD 203 million and accept a three-year term of probation. Sentencing is currently scheduled for 29 November 2016.

In 2014, UBS reached a settlement with the European Commission ("EC") regarding its investigation of bid-ask spreads in connection with Swiss franc interest rate derivatives and paid a EUR 12.7 million fine, which was reduced to this level based in part on UBS's cooperation with the EC. The MAS, HKMA and the Japan Financial Services Agency have also resolved investigations of UBS (and in some cases, other banks). UBS has ongoing obligations to cooperate with the authorities with whom UBS has reached resolutions and to undertake certain remediation with respect to benchmark interest rate submissions.

Investigations by the CFTC, ASIC and other governmental authorities remain ongoing notwithstanding these resolutions.

UBS has been granted conditional leniency or conditional immunity from authorities in certain jurisdictions, including the Antitrust Division of the DOJ, WEKO and the EC, in connection with potential antitrust or competition law violations related to submissions for Yen LIBOR and Euroyen TIBOR. WEKO has also granted UBS conditional immunity in connection with potential competition law violations related to submissions for CHF LIBOR and certain transactions related to CHF LIBOR. As a result of these conditional grants, UBS will not be subject to prosecutions, fines or other sanctions for antitrust or competition law violations in the jurisdictions where UBS has conditional immunity or leniency in connection with the matters covered by the conditional grants, subject to UBS's continuing cooperation. However, the conditional leniency and conditional immunity grants UBS has received do not bar government agencies from asserting other claims and imposing sanctions against it, as evidenced by the settlements and ongoing investigations referred to above. In addition, as a result of the conditional leniency agreement with the DOJ, UBS is eligible for a limit on liability to actual rather than treble damages were damages to be awarded in any civil antitrust action under US law based on conduct covered by the agreement and for relief from potential joint and several liability in connection with such civil antitrust action, subject to UBS satisfying the DOJ and the court presiding over the civil litigation of its cooperation. The conditional leniency and conditional immunity grants do not otherwise affect the ability of private parties to assert civil claims against UBS.

*LIBOR and other benchmark-related civil litigation:* A number of putative class actions and other actions are pending in, or expected to be transferred to, the federal courts in New York against UBS and numerous other banks on behalf of parties who transacted in certain interest rate benchmark-based derivatives. Also pending are actions asserting losses related to various products whose interest rates were linked to USD LIBOR, including adjustable rate mortgages, preferred and debt securities, bonds pledged as collateral, loans, depository accounts, investments and other interest-bearing instruments. All of the complaints allege manipulation, through various means, of various benchmark interest rates, including USD LIBOR, Euroyen TIBOR, Yen LIBOR, EURIBOR, CHF LIBOR, GBP LIBOR or USD ISDAFIX rates, and seek unspecified compensatory and other damages under varying legal theories. In 2013, the district court in the USD action dismissed the federal antitrust and racketeering claims of certain USD LIBOR plaintiffs and a portion of their claims brought under the CEA and state common law. Certain plaintiffs appealed the decision to the Second Circuit, which, in May 2016, vacated the district court's ruling finding no antitrust injury and remanded the case back to the district court for a further determination on whether plaintiffs have antitrust standing. In 2014, the court in one of the Euroyen TIBOR lawsuits dismissed certain of the plaintiff's claims, including federal antitrust claims. In 2015, the same court dismissed plaintiff's federal racketeering claims and affirmed its previous dismissal of plaintiff's antitrust claims. UBS and other defendants in other lawsuits including those related to EURIBOR, CHF LIBOR and GBP LIBOR have filed motions to dismiss.

Since September 2014, putative class actions have been filed in federal court in New York and New Jersey against UBS and other financial institutions, among others, on behalf of parties who entered into interest rate derivative transactions linked to ISDAFIX. The complaints, which have since been consolidated into an amended complaint, allege that the defendants conspired to manipulate ISDAFIX rates from 1 January 2006 through January 2014, in violation of US antitrust laws and certain state laws, and seek unspecified compensatory damages, including treble damages. In March 2016, the court in the ISDAFIX action denied in substantial part defendants' motion to dismiss, holding that plaintiffs have stated Sherman Act, breach-of-contract, and unjust-enrichment claims against defendants, including UBS AG.

*Government bonds:* Putative class actions have been filed in US federal courts against UBS and other banks on behalf of persons who participated in markets for US Treasury securities since 2007. The complaints generally

allege that the banks colluded with respect to, and manipulated prices of, US Treasury securities sold at auction. They assert claims under the antitrust laws and the CEA and for unjust enrichment. The cases have been consolidated in the SDNY. Following filing of these complaints, UBS and reportedly other banks are responding to investigations and requests for information from various authorities regarding US Treasury securities and other government bond trading practices. As a result of its review to date, UBS has taken appropriate action.

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS's balance sheet at 30 June 2016 reflected a provision in an amount that UBS believes to be appropriate under the applicable accounting standard. As in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

#### 6. Swiss retrocessions

The Federal Supreme Court of Switzerland ruled in 2012, in a test case against UBS, that distribution fees paid to a firm for distributing third-party and intra-group investment funds and structured products must be disclosed and surrendered to clients who have entered into a discretionary mandate agreement with the firm, absent a valid waiver.

FINMA has issued a supervisory note to all Swiss banks in response to the Supreme Court decision. The note sets forth the measures Swiss banks are to adopt, which include informing all affected clients about the Supreme Court decision and directing them to an internal bank contact for further details. UBS has met the FINMA requirements and has notified all potentially affected clients.

The Supreme Court decision has resulted, and may continue to result, in a number of client requests for UBS to disclose and potentially surrender retrocessions. Client requests are assessed on a case-by-case basis. Considerations taken into account when assessing these cases include, among others, the existence of a discretionary mandate and whether or not the client documentation contained a valid waiver with respect to distribution fees.

UBS's balance sheet at 30 June 2016 reflected a provision with respect to matters described in this item 6 in an amount that UBS believes to be appropriate under the applicable accounting standard. The ultimate exposure will depend on client requests and the resolution thereof, factors that are difficult to predict and assess. Hence, as in the case of other matters for which UBS has established provisions, the future outflow of resources in respect of such matters cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that UBS has recognized.

#### 7. Banco UBS Pactual tax indemnity

Pursuant to the 2009 sale of Banco UBS Pactual S.A. ("**Pactual**") by UBS to BTG Investments, LP ("**BTG**"), BTG has submitted contractual indemnification claims that UBS estimates amount to approximately BRL 2.5 billion, including interest and penalties, which is net of liabilities retained by BTG. The claims pertain principally to several tax assessments issued by the Brazilian tax authorities against Pactual relating to the period from December 2006 through March 2009, when UBS owned Pactual. These assessments are being challenged in administrative and judicial proceedings. The majority of these assessments relate to the deductibility of goodwill amortization in connection with UBS's 2006 acquisition of Pactual and payments made to Pactual employees through various profit-sharing plans. In 2015, an intermediate administrative court issued a decision that was largely in favor of the tax authority with respect to the goodwill amortization assessment. In May 2016, the highest level of the administrative court agreed to review this decision on a number of the significant issues.

The specific litigation, regulatory and other matters described above include all such matters that management considers to be material and others that management believes to be of significance due to potential financial, reputational and other effects as described in Note 15b "Litigation, regulatory and similar matters" to the UBS AG unaudited consolidated financial statements included in the UBS AG Second Quarter 2016 Report. The proceedings indicated below are matters that have recently been considered material, but are not currently considered material, by UBS. Besides the proceedings described above and those described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which UBS AG is aware) which may have, or have had in the recent past, significant effects on

UBS AG Group's and/or UBS AG's financial position or profitability and are or have been pending during the last twelve months until the date of this document.

*Equities trading systems and practices.*

UBS is responding to inquiries concerning the operation of UBS's alternative trading system (ATS) (also referred to as a dark pool) and its securities order routing and execution practices from various authorities, including the SEC, the NYAG and FINRA, who reportedly are pursuing similar investigations industry-wide. UBS is cooperating in the ongoing regulatory matters.

*Matters relating to the CDS market.*

In 2013, the EC issued a Statement of Objections against 13 credit default swap ("CDS") dealers including UBS, as well as data service provider Markit and the International Swaps and Derivatives Association ("ISDA"). The Statement of Objections broadly alleges that the dealers infringed European Union antitrust rules by colluding to prevent exchanges from entering the credit derivatives market between 2006 and 2009. In 2015, the EC issued a statement that it had decided to close its investigation against all 13 dealers, including UBS. In July 2016, the EC issued a statement that it had resolved its investigation regarding Markit and ISDA. Since mid-2009, the Antitrust Division of the DOJ has also been investigating whether multiple dealers, including UBS, conspired with each other and with Markit to restrain competition in the markets for CDS trading, clearing and other services. In 2014, putative class action plaintiffs filed consolidated amended complaints in the SDNY against 12 dealers, including UBS, as well as Markit and ISDA, alleging violations of the US Sherman Antitrust Act and common law. Plaintiffs allege that the defendants unlawfully conspired to restrain competition in and / or monopolize the market for CDS trading in the US in order to protect the dealers' profits from trading CDS in the over-the-counter market. In 2015, UBS and the other defendants entered into settlement agreements to resolve the litigation, pursuant to which UBS has paid USD 75 million out of a total settlement amount paid by all defendants of approximately USD 1.865 billion. The agreements have received final court approval.

## 9. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects

There has been no significant change in the financial or trading position of UBS AG or UBS AG Group since 30 June 2016, which is the end of the last financial period for which interim financial information has been published.

There has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2015.

## 10. Material Contracts

No material contracts have been entered into outside of the ordinary course of UBS AG's or UBS AG Group's business, which could result in any member of the UBS AG Group being under an obligation or entitlement that is material to UBS AG's ability to meet its obligations to the investors in relation to the issued securities.

## 11. Statutory Auditors

Based on article 31 of the Articles of Association, UBS AG shareholders elect the auditors for a term of office of one year. At the AGM of 7 May 2014, 7 May 2015 and 4 May 2016, Ernst & Young Ltd., Aeschengraben 9, CH-4002 Basel ("Ernst & Young") were elected as auditors for the consolidated and standalone financial statements of UBS AG for a one-year term.

Ernst & Young is a member of EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary.

## **K. SUBSCRIPTION AND SALE**

### **1. Issue and Sale**

It has been agreed that, on or after the respective Issue Date of the Securities, as specified in the relevant Final Terms the Manager (being, at the date of the Base Prospectus, UBS AG, when acting through its Jersey branch, UBS AG, Jersey Branch, and, when acting through its London branch, UBS AG, London Branch, and UBS Limited in its capacity as a Manager) shall underwrite the Securities by means of an underwriting agreement and shall place them for sale under terms subject to change in the Public Offer Jurisdiction and during the period, if any, specified for these purposes in the applicable Final Terms. The Securities will be offered on a continuous basis by the Issuer to the relevant Manager and may be resold by the relevant Manager.

### **2. 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 relevant Manager will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Manager shall agree and as shall be set out in the applicable Final Terms.

#### **United States of America**

The Securities have not been registered and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and are being sold pursuant to an exemption from the registration requirements of the Securities Act. Trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission under the Commodity Exchange Act or by the United States Securities and Exchange Commission or any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this Base Prospectus. The Securities (or any rights thereunder) will be offered only outside of the United States and only to, or for the account or benefit of, persons that are not U.S. persons as defined in Regulation S of the Securities Act.

Securities in bearer form are subject to U.S. tax law requirements and 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 or 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.

Each issuance of Securities linked to currency exchange rates, commodities or precious metals as the Underlying or a Basket Component, as the case may be, shall be subject to such additional U. S. selling restrictions as the

Issuer and the relevant Manager(s) will agree as a term of the issuance and purchase or, as the case maybe, subscription of such Securities. Any Manager will be required to agree that it will offer, sell and deliver such Securities only in compliance with such additional U. S. selling restrictions.

### 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 Base 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 Base Prospectus as completed by the final terms in relation thereto 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 final terms in relation to the Securities specify 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 150 offerees*: at any time to fewer than 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 or Managers 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 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### Selling restriction addressing additional securities laws of the Kingdom of Denmark

Each Manager has represented and agreed (and each additional Manager will be required to represent and agree) that it has not offered or sold and will not offer, sell or deliver any of the Securities directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Securities Trading Act etc. (*Lov om værdipapirhandel m.v.*), as amended from time to time, and any Executive Orders as amended from time to time issued pursuant thereto.

### Selling restriction addressing additional securities laws of Finland

Each 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 (746/2012) and any regulation or rule made thereunder, as supplemented and amended from time to time.

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

Each 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.

## L. TAXATION

The following is a general description of certain tax considerations relating to the EU Savings Tax Directive and to the taxation of Securities in Sweden, Denmark, Finland, Norway and Luxembourg. 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 Base Prospectus 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. 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**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Securities should, however, be exempt.

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.

However, the FTT proposal remains subject to negotiation between Participating Member States. It may, therefore, be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

### 2. Taxation in Sweden

The following discussion is a summary of certain material Swedish tax considerations relating to (i) Securities issued by the Issuer where the Holder is tax resident in Sweden or has a tax presence in Sweden or (ii) Securities where the Paying Agent or custodian is located in Sweden. This summary of certain tax issues that may arise as a result of holding Securities is based on current Swedish tax legislation and is intended only as general information for Holders of Securities who are resident or domiciled in Sweden for tax purposes, unless otherwise stated. This description does not deal comprehensively with all tax consequences that may occur for Holders of Securities, nor does it cover the specific rules where Securities are held by a partnership or are held as current assets in a business operation. The summary does, moreover, not cover Securities held on a so-called investment savings account (Sw: *investeringsparkonto*). Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and life insurance companies. It is recommended that potential investors in Securities consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding Securities, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.

#### **Withholding of tax**

There is no Swedish withholding tax (*källskatt*) applicable on payments made by the Issuer in respect of the Securities. Sweden operates a system of preliminary tax (*preliminärskatt*) to secure payment of taxes. In the context of the Securities a preliminary tax of 30 per cent. will be deducted from all payments treated as interest



in respect of the Securities made to any individuals or estates that are resident in Sweden for tax purposes provided the paying entity is tax resident in Sweden and subject to reporting obligations. A preliminary tax of 30 per cent. will also be deducted from any other payments in respect of the Securities not treated as capital gains, if such payments are paid out together with payments treated as interest. Depending on the relevant Holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the Holder's overall tax liability with any balance subsequently to be paid by or to the relevant Holder, as applicable.

### **Taxation of individuals resident in Sweden**

#### **Income from capital category**

For individuals and estates of deceased Swedish individuals capital gains, interest payments, dividends and other income derived from the holding of an asset should be reported as income from capital category.

#### **Capital gains and losses**

Individuals and estates of deceased Swedish individuals, who sell their Securities, are subject to capital gains taxation. The current tax rate is 30 per cent. of the gain. The capital gain or loss is equal to the difference between the sales proceeds after deduction of sales costs and the acquisition cost of the Securities. The acquisition cost is calculated according to the so-called average method. This means that the costs of acquiring all Securities of the same type and class are added together and calculated collectively, with respect to changes to the holding. Optionally, the so-called standard rule under which the acquisition cost is deemed to be the equivalent of 20 per cent. of the net sales price may be applied on the disposal of listed Securities (except for options and forward contracts) that are taxed in the same manner as shares. A Security should be regarded as listed for Swedish tax purposes if it is listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, the London Stock Exchange, the Irish Stock Exchange or any other foreign market that is considered to be a stock exchange under Swedish tax law.

As a main rule, 70 per cent. of a capital loss is deductible against any other taxable income derived from capital.

Capital losses on listed Securities that are taxed in the same manner as shares, are, however, fully deductible against taxable capital gains on such assets or capital gains on listed as well as non-listed shares in Swedish limited liability companies and foreign legal entities. Any excess amount is deductible at 70 per cent., according to the main rule.

Capital losses on listed Securities qualifying as Swedish receivables (i.e. denominated in SEK) are currently fully deductible in the capital income category. Moreover, under EC law receivables denominated in foreign currency are also fully deductible.

If a deficit arises in the income from capital category, a reduction of the tax on income from employment and from business, as well as the tax on real estate, is allowed. The tax reduction allowed amounts to 30 per cent. of any deficit not exceeding SEK 100,000 and 21 per cent. of any deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

#### **Interest**

Interest as well as other income derived from the holding of an asset is subject to tax at a rate of 30 per cent. The tax liability arises when the interest (or other income) is actually paid, in accordance with the so-called cash method.

#### **Classification of various notes and return on such notes for tax purposes**

##### *Zero-coupon bonds*

No formal interest accrues on zero-coupon bonds.

The profit from a redemption of a zero-coupon bond is regarded as interest, subject to tax at the time of redemption. However, the appreciation in value is regarded as interest compensation, should the zero-coupon bond be disposed of prior to maturity. If there is a loss on the bond, this is deductible as a capital loss in accordance with the principles referred to above.

##### *FX linked notes*

FX linked notes constitute receivables and are taxed as such under the capital income category. An appreciation or depreciation in value is recognised at disposal or redemption as a capital gain or loss in accordance with the principles referred to above.

### *Commodity linked notes*

Commodity linked notes constitute receivables and are taxed as such under the capital income category. An appreciation or depreciation in value is recognised at disposal or redemption as a capital gain or loss in accordance with the principles referred to above.

### *Share linked notes*

Share linked notes constitute securities that are taxed in the same manner as shares.

Any fixed, guaranteed return is taxed as interest and does not form part of any capital gain. Floating payments that cannot be predicted (based on the performance of a Reference Asset, such as an index) are classified as capital gains or, if the payoff is provided before the note is sold, other income derived from the holding of an asset.

Upon disposal prior to maturity an annual guaranteed return shall be regarded as interest compensation. Any remaining amount shall be treated as capital gain or loss. The acquisition cost for the instrument is calculated to equal the difference between the price paid for the note and any interest compensation amount.

At redemption, a yearly guaranteed return is regarded as interest, whereas any remaining part of a yearly floating return shall be treated as other income derived from the holding of an asset. The remainder is taxed as a capital gain or loss.

### *Combination notes*

Combination notes are considered as receivables for tax purposes (i.e. not as notes taxed in the same manner as shares) if more than 50 per cent. of the return on the instrument derives from assets other than equity. The assessment is made at the time of the issue.

### *Classification of various securities for tax purposes*

Certificates and Warrants linked to equity (e.g. an equity index) are taxed in the same manner as shares provided that the return derives from equity.

Certificates and Warrants, whose underlying assets are related to claims in SEK, or to one or several interest indices, are treated as Swedish receivables. If the underlying assets are related to foreign currency or claims in foreign currency, or if the securities relate to one or several indices depending on foreign currency, the securities are treated as foreign receivables.

Commodity linked certificates and warrants should qualify as so-called "other assets".

Certificates and Warrants with a return deriving from a combination of equity and other assets, are taxed in the same manner as shares should more than 50 per cent. of the return on the security derive from equity. The assessment is made at the time of the issue.

## **Settlement and sale of call warrants**

### *Cash settled warrants*

Capital gains taxation is triggered on exercise or sale or redemption of a cash settled warrant.

The acquisition cost is determined only according to the so-called "average method" described above. The standard rule does not apply. See also the section entitled "Individuals, Capital gains and losses" above.

If the cash settled warrant lapses, it is deemed sold for no cost, incurring a loss equal to the acquisition cost. A loss is deductible as set out above.

### *Physical delivery warrants*

Taxation is not triggered on the exercise of a physical delivery warrant. Instead the sale of the underlying asset triggers capital gains taxation. The acquisition cost for the underlying asset equals the acquisition cost of the physical delivery warrant and the exercise price.

A sale or redemption of a physical delivery warrant triggers taxation. The acquisition cost is determined only according to the so-called "average method" described above. The standard rule does not apply. See also the section entitled "Capital gains and losses" above.

If the physical delivery warrant lapses, it is deemed sold for no cost, incurring a loss equal to the acquisition cost. A loss is deductible as set out above.

#### **Settlement, sale and lapse of put warrants**

The following applies to both cash settled warrants and physical delivery warrants.

Taxation is triggered when the underlying asset is disposed of due to an exercise of a put warrant or on cash settlement. The capital gain or loss is calculated to equal the difference between the sales proceeds (the exercise price) after deduction for sales expenses and the acquisition cost of the underlying asset for tax purposes and according to the tax rules applicable to the relevant asset, or the difference between the cash settled sum and the acquisition cost for the warrant. This means that rules regarding disposal of shares will apply, if the relevant put warrant relates to such assets etc. In case of a physical delivery warrant, the acquisition cost of the warrant is added to the acquisition cost of the underlying asset at the capital gain assessment.

A sale or redemption of a put warrant triggers taxation. The rules concerning the acquisition cost, taxation of gains and the deductibility of capital losses are equal to those relating to call warrants and are described above. See the section entitled "Settlement and sale of call warrants, Cash settled warrants" above.

If the put warrant lapses, it is deemed sold for no cost, incurring a loss equal to the acquisition cost. A loss is deductible as set out above.

#### **Settlement, sale and lapse of Certificates**

A cash settlement, including redemption, or a sale of a Certificate triggers capital gains taxation. A physical settlement of a Certificate is likely to trigger capital gains taxation as well. A capital loss realised upon settlement, including redemption, is deductible in accordance with the principles referred to above.

The acquisition cost is determined according to the so-called "average method" described above. See also the section entitled "Individuals, Capital gains and losses" above.

#### **Stamp duty**

There is no stamp duty on the issuing, transfer or redemption of Securities in Sweden.

#### **Gift, Inheritance and Wealth taxes**

There is no gift, inheritance or wealth tax in Sweden.

#### **Taxation of Swedish legal entities**

Limited liability companies and other legal entities, except for estates of deceased Swedish individuals, are taxed on all income (including income from the sale of Securities) as income from business activities at a flat rate of 22 per cent. Regarding the calculation of a capital gain or loss and the acquisition cost, see "Taxation of individuals resident in Sweden" above. However, interest income as well as other income derived from the holding of an asset is taxed on an accruals basis.

Capital losses on Securities that are taxed in the same manner as shares (see further above) incurred by a corporate holder of a Security may only be offset against taxable capital gains on shares or such notes. Such capital losses may also, under certain circumstances, be deductible against capital gains on shares and Securities that are taxed in the same manner as shares within the same group of companies, provided the requirements for group contributions (tax consolidation) are met.

Capital losses on shares and Securities that are taxed in the same manner as shares which are not deducted against capital gains within a certain year may be carried forward and offset against taxable capital gains on shares and notes taxed in the same manner as shares in the future.

For limited liability companies and economic associations, capital gains on shares and certain share related rights held for business purposes are tax exempt. As a result, capital losses on shares and share related rights that are held for business purposes are not deductible. Securities under this offer are not treated as share related rights held for business purposes. However, a capital loss on the Securities is not deductible should the

underlying assets, directly or indirectly, consist of shares or certain share related rights held for business purposes.

As mentioned above, there is no stamp duty on the issuing, transfer or redemption of Securities in Sweden.

#### **Taxation of non-residents in Sweden**

Holders of Securities who are not fiscally resident in Sweden and who are not carrying on business operations from a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of Securities. The holders may, nevertheless, be subject to tax in their country of residence. However, as far as non-resident individuals are concerned, capital gains on the sale of certain Securities (such as securities taxed in the same manners as shares) may in some cases be subject to Swedish tax if the individual has been resident or permanently lived in Sweden at any time during the calendar year of the sale or any of the 10 preceding calendar years. This provision is, nevertheless, in many cases limited by tax treaties for the avoidance of double taxation, which Sweden has concluded with other countries.

#### **Swedish implementation of the EU Savings Tax Directive and the OECD Common Reporting Standard**

The US regime, Foreign Account Tax Compliance Act (FATCA), has been implemented into Swedish domestic legislation through a new local Swedish FATCA legislation. Inspired by FATCA, the Organisation for Economic Co-operation and Development ("OECD"), agreed on a standard for the automatic exchange of information between countries, Common Reporting Standard ("CRS"). As Sweden was part of the so called 'Early Adopters group', the Swedish CRS rules were implemented into domestic legislation during 2016.

In connection with the implementation of CRS, and in order to avoid any double reporting requirements, the Swedish rules implementing the EU Savings Tax Directive have been repealed. However, the following obligations continue to apply:

- (a) the obligations of Member States and economic operators established therein under the second subparagraph of Article 4(2) of Directive 2003/48/EC shall continue to apply until 5 October 2016 or until those obligations have been fulfilled;
- (b) the obligations of paying agents under Article 8 and of Member States of paying agents under Article 9 shall continue to apply until 5 October 2016 or until those obligations have been fulfilled;
- (c) the obligations of Member States of residence for tax purposes of the beneficial owners under Article 13(2) shall continue to apply until 31 December 2016;
- (d) the obligations of Member States of residence for tax purposes of the beneficial owners under Article 14, with regard to withholding tax levied during 2016 and previous years, shall continue to apply until those obligations have been fulfilled.

Notwithstanding the above the EU Saving Tax Directive shall continue to apply in its entirety with regard to Austria until 31 December 2016.

### **3. Taxation in Denmark**

This section on taxation contains a brief summary of the Issuer's understanding with regards to certain important principles which are of significance in connection with the purchase, holding or sale of the Securities in Denmark. 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, neither in Denmark or other countries. The following comments are rather of a general nature and are not intended to be, nor should they be construed to be, legal or tax advice. This summary does not include tax consequences of each potential individual investor, for example investors engaged in securities brokerage, institutional investors, insurance companies, banks, stock brokers, etc. This summary is based on the current valid 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 the tax consequences described. It is recommended that potential purchasers of the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Securities

and received interest, principal and/or other amounts paid as a result of the holding of the Securities. Tax risk resulting from the Securities shall in any case be borne by the purchaser. 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**

The Securities are believed to be structured debt instruments for Danish tax purposes as the Securities generally take the form of debt instruments with a limited duration, whose value are adjusted according to the performance of one or more underlying assets (i.e. indices, shares, currency exchange rates or commodities). Consequently, the Securities are believed to be treated as financial contracts for Danish tax purposes. Danish taxation of gains and losses on financial contracts is generally governed by chapter 6 of the Danish Capital Gains Act (*kursgevinstloven*). This entails, among others, that gains and losses on the financial contracts (including any premium paid or received) are taxed separately from the underlying asset(s).

### **Danish Taxation of personal investments (untied funds)**

Gains and losses on the Securities are included in the taxable income of a Danish individual investor and will be taxed as capital income. Capital income are taxed at a rate of up to 42 % (2016). Losses on the Securities can, however, only be deducted in gains on other financial contracts according to certain ring-fencing restrictions (see below).

The Securities are taxed on the basis of a mark-to-market principle (as opposed to a realisation principle). Accordingly, a gain or a loss is calculated as the difference between the value of the Securities at the beginning and the end of the income year, beginning with the difference between the acquisition sum of the Security and the value of the Security at the end of the same income year. Upon realisation of a Security, for example in the case of redemption or disposal, the taxable gains of that income year are the difference between the value of the Security at the beginning of the income year and the value of the Security at realisation. If a Security has been acquired and realised in the same income year, the taxable gains are the difference between the acquisition sum and the value at realisation.

An individual Danish investor's ability to deduct losses from the Securities is subject to certain ring-fencing restrictions. Accordingly, a loss can be deducted from the net gains of other financial contracts of the same income year. A further loss can be deducted to the extent the loss does not exceed the net gains on financial contracts in previous income years (however not earlier than 2002). Furthermore, losses may be offset against a spouse's gains on financial contracts in the same income year as the loss was incurred. Subject to certain conditions, excess losses may be carried forward to set off gains on shares traded on a regulated market.

If individual Danish investors hold Securities in a professional trading capacity (*næringsdrivende*), net gains will be treated as personal income. Amounts treated as personal income are generally taxable at a rate of up to 51.95 % (2016), including social contributions. Professional investors will, however, not be subject to the ring-fencing restrictions mentioned above and may thus deduct losses in any taxable income. Gains and losses on the Securities are calculated in accordance with the mark-to-market principle (see above).

### **Danish Taxation of investments subject to the Danish business taxation scheme**

Individual investors who are subject to the special business taxation scheme (*virksomhedsskatteordningen*) may include Securities in the said scheme, provided that the Securities are considered to have a relation to the business activities carried out by the Danish individual, cf. Section 1, subsection 2 of the Business Tax Scheme Act (*virksomhedsskatteoven*). Gains and losses on such Securities are included when calculating the annual taxable income of the business and are calculated on the basis of a mark-to-market principle (see above). Gains on Securities that form part of an annual profit that remains within the tax scheme (i.e. gains not distributed for free disposal of the an individual Danish investor) are subject to a provisional tax rate of 22 % (2016). Broadly speaking, gains distributed from the tax scheme will in aggregate be taxed in the same way as gains from personal investments (see above).

### **Danish Taxation of investments of limited liability companies**

Gains and losses on the Securities are in general taxable as business income with a tax rate of 22 % (2016). The taxable income of the Securities is calculated on the basis of "mark-to-market" principle (see above).

Gains on the Securities are included in the taxable income of the year. Losses on the Securities may generally be offset in their entirety against the company's income from whatever source.

### **Taxation of investments of pension funds**

Gains and losses on investments of pension funds (i.e. funds that have not been distributed for free disposal of the pension saver) are calculated on the basis of a mark-to-market principle (see above) and are taxed at a favourable rate of 15.3 % (2016). Pension funds may, however, only be placed in certain assets listed in section 12 of the Danish Executive Order no. 1056 of 7 September 2015 on tax favoured pension schemes (puljebekendtgørelsen).

#### **Withholding tax**

Provided that the Issuer is not resident in Denmark for tax Danish purposes nor has a permanent establishment in Denmark, Denmark does not levy withholding tax on payments on the Securities.

#### **4. Taxation in Finland**

*The following summary is based on the tax laws of Finland as in effect on the date of this Base 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.

#### ***Income taxation***

##### ***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 (34 per cent for the capital income exceeding EUR 30.000).

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 or other capital income 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 and the possible capital loss is deductible only from profit from the sale of property or assets during the same tax year and the five following years..

The corporate income is taxed at a tax rate of 20 per cent.

## 5. Taxation in Norway

*The summary is solely related to holders of Securities who are resident in Norway for tax purposes (“Norwegian Security holders”). The summary is based upon the laws of Norway as it is interpreted and practised as of the date of the Base Prospectus, which may be amended from time to time, also with retroactive effect.*

*Certain specific tax consequences may occur for certain categories of Security holders, e.g. for Security holders 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.*

*The following comments are 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. The purpose of this summary is to provide a high-level and general overview of the main tax consequences that may arise under Norwegian law, and does not purport to be exhaustive in respect of all tax issues of relevance for Norwegian Security holders. Due to the general nature of this summary, potential investors are advised to consult with and rely upon their own tax advisors as to the Norwegian or other tax consequences of the purchase, beneficial ownership and disposition of the Securities.*

*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 which for Norwegian tax purposes are classified as (i) debentures and (ii) equity Securities structured as derivatives with no capital protection and with shares in companies tax resident within the European Economic Area as underlying objects, or with indexes of shares which mainly derives its value from shares in companies tax resident within the European Economic Area as underlying objects, respectively.*

### 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 classified as debentures, 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 25% (as of 2016).

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 which are classified as derivatives, 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 today 25% (as of 2016).

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 today 25% (as of 2016). For Norwegian Security holders that are limited liability companies and similar entities ("Norwegian Corporate Security holders"), Securities which are classified as derivatives, 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 Net 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 0.85%.

### **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**

A transfer of Securities through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

## **6. Taxation in Luxembourg**



*The following is a general description of certain Luxembourg withholding tax considerations relating to the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Luxembourg or elsewhere. Prospective purchasers of the Securities should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of the 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 Luxembourg. This summary is based upon the law as in effect on the date of the Base Prospectus. The information contained within this section is limited to withholding taxation issues, and potential investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Securities.*

### **Withholding Tax**

All payments of interest and principal by the Issuer to a Securityholder 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, subject however to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended, which has introduced a 10% withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005, as amended, implementing the EU Savings Directive).

Pursuant to the law of 23 December 2005 as amended, Luxembourg resident individuals can opt to self declare and pay a 10% tax on interest payments made by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive on the taxation of savings income.

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

## M. GENERAL INFORMATION

### 1. Form of Document

This document, including all information incorporated by reference herein and as supplemented from time to time, constitutes a base prospectus (the "**Base Prospectus**" or the "**Prospectus**") according to Art. 5 (4) 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. As such, the Base Prospectus contains all information which was known at the time the Base Prospectus has been approved. Final terms ("**Final Terms**") will be prepared in respect of the Securities and will contain the information which can only be determined at the time of the individual issue of securities under the Base Prospectus.

In respect of Securities to be listed on the SIX Swiss Exchange, the Base Prospectus and the applicable Final Terms will constitute the listing prospectus pursuant to the listing rules of the SIX Swiss Exchange.

### 2. Publication

The Base Prospectus has been 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 Base Prospectus will be published in accordance with the rules of such stock exchange.

Final Terms, together with any translations thereof, or of the Summary as amended by the relevant Final Terms, may 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, Final Terms will also be published in accordance with the rules of such stock exchange.

The Base Prospectus and the Final Terms will also be available at the registered office of the Issuer.

### 3. Authorisation

The issuance of Securities under the Base Prospectus from time to time has been authorised by applicable corporate authorisations.

### 4. Approval of the Base Prospectus and Notification

Application has been made by the Issuer to the Swedish Financial Supervisory Authority (Finansinspektionen – "**SFSA**") as competent authority under and in accordance with the Financial Instruments Trading Act which implements Directive 2003/71/EC of the European Parliament and the Council of 4th November 2003 into Swedish law to approve the Base Prospectus. The SFSA approved the Base Prospectus 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 Norway, Finland, Denmark and Luxembourg, the Issuer intends to apply for a notification of the Base Prospectus pursuant to Chapter 2, Sections 27 of the Financial Instruments Trading Act into Norway, Finland, Denmark and Luxembourg. The Issuer reserves the right to apply to the SFSA 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.

It is expected that the Base Prospectus will be submitted to the SIX Swiss Exchange Ltd (the "**SIX**") for registration as an "issuance programme" for the listing of the Securities on the SIX in accordance with the listing rules of the SIX (the "**SIX Listing Rules**"). If approved, in respect of any series of Securities to be listed on the SIX during the 12 months from the date of the Base Prospectus, the Base Prospectus, together with the relevant Final Terms, will constitute the listing prospectus for purposes of the SIX Listing Rules.

## 5. Use of Proceeds

The net proceeds from the sale of the Securities will be used for funding purposes of the UBS Group. The Issuer shall not employ the net proceeds within Switzerland. The net proceeds from the issue shall be employed by the Issuer for general business purposes. A separate ("special purpose") fund will not be established.

## 6. Availability of the Base Prospectus and other documents

So 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:

- (a) a copy of the Articles of Association of UBS AG;
- (b) a copy of the the annual report of UBS Group AG and UBS AG as of 31 December 2015, comprising the introductory section, as well as 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) Consolidated financial statements (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements"), (6) Legal entity financial and regulatory information (including the "Report of the statutory auditor on the financial statements"), (7) Additional regulatory information, and the Appendix;
- (c) the annual report of UBS Group AG and UBS AG as of 31 December 2014, comprising the introductory section, as well as the sections (1) UBS Group - Changes to our legal structure; (2) Operating environment and strategy, (3) Financial and operating performance, (4) Risk, treasury and capital management, (5) Corporate governance, responsibility and compensation, (6) 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"), and the Appendix;
- (d) the quarterly result materials of UBS AG and UBS Group AG; and
- (e) a copy of the Base Prospectus, 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 reports and quarterly result materials of UBS AG and UBS Group AG are published on the UBS website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address.

## 7. Documents incorporated by Reference

This Base Prospectus should be read and construed in conjunction with each supplement to this Base Prospectus and the documents incorporated by reference into this Base Prospectus. The information set forth in the documents listed in this section below, is hereby incorporated by reference into this Base Prospectus and as such deemed to form a part of this Base Prospectus:

- (a) the annual report of UBS Group AG and UBS AG as of 31 December 2015, comprising the introductory section, as well as 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) Consolidated financial statements (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements"), (6) Legal entity financial and regulatory information (including the "Report of the statutory auditor on the financial statements"), (7) Additional regulatory information, and the Appendix (published on the UBS website, at [https://www.ubs.com/global/en/about\\_ubs/investor\\_relations/annualreporting/2015.html](https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2015.html));
- (b) the annual report of UBS Group AG and UBS AG as of 31 December 2014, comprising the introductory section, as well as the sections (1) UBS Group - Changes to our legal structure; (2) Operating environment and strategy, (3) Financial and operating performance, (4) Risk, treasury and capital management, (5) Corporate governance, responsibility and compensation, (6) 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"), and the Appendix (published on the UBS website, at [https://www.ubs.com/global/en/about\\_ubs/investor\\_relations/annualreporting/2014.html](https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2014.html));

- (c) the UBS Group first quarter 2016 report and the UBS AG first quarter 2016 report (published on the UBS website, at [https://www.ubs.com/global/en/about\\_ubs/investor\\_relations/quarterly\\_reporting/2016.html](https://www.ubs.com/global/en/about_ubs/investor_relations/quarterly_reporting/2016.html));
- (d) the UBS Group Second Quarter 2016 report and the UBS AG Second Quarter 2016 report (published on the UBS website, at [https://www.ubs.com/global/en/about\\_ubs/investor\\_relations/quarterly\\_reporting/2016.html](https://www.ubs.com/global/en/about_ubs/investor_relations/quarterly_reporting/2016.html));
- (e) the Conditions of the Securities as contained on pages 157 to 241 of the Base Prospectus dated 23 June 2014 of UBS AG as filed with SFSA (published on the UBS website, at <http://keyinvest-se.ubs.com/base-prospectus>);
- (f) the Conditions of the Securities as contained on pages 212 to 318 of the Base Prospectus dated 17 April 2015 of UBS AG as filed with SFSA (published on the UBS website, at <http://keyinvest-se.ubs.com/base-prospectus>); and
- (g) the Conditions of the Securities as contained on pages 192 to 289 of the Base Prospectus dated 8 January 2016 of UBS AG as filed with SFSA (published on the UBS website, at <http://keyinvest-se.ubs.com/base-prospectus>).

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of any Securities. Any statement contained in a document, all or the relevant portion of which is incorporated by reference into this Base Prospectus, shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in this Base Prospectus or in any supplement to this Base Prospectus, including any documents incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

**N. SIGNATORIES**

Signed on behalf of the Issuer,


27 September 2016:

UBS AG

By:

  
\_\_\_\_\_  
(signed by Sigrid Kossatz)

By:

  
\_\_\_\_\_  
(signed by Stefanie Zaromitidis)

**ADDITIONAL INFORMATION IN CASE OF A LISTING OF THE SECURITIES ON THE SIX**

*[[In case of a listing of the Securities on the SIX, the following shall be added to the end of the relevant Final Terms:]]*

**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 these Final Terms [and the Conditions of the Securities] and declares that the information contained in these Final Terms [and the Conditions of the Securities] 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 these Final Terms [and the Conditions of the Securities], events and changes may occur, which render the information contained in these Final Terms [and the Conditions of the Securities] incorrect or incomplete.

**3. No Material Changes**

Except as disclosed in this document as amended and supplemented as of the date hereof, there has been no material change in UBS's financial or trading position since [*specify date:* [●]].

**4. Terms and Conditions of the Securities and Base Prospectus**

[The Conditions of the Securities as set forth herein above have to be read in conjunction with the Base Prospectus of UBS AG dated [●] 2016, as approved by the Swedish Financial Supervisory Authority (*Finansinspektionen*), (including any supplements thereto, if any). The Base Prospectus is for the purposes of any listing of the Securities at the SIX Swiss Exchange also approved by SIX Swiss Exchange.]