

BASE PROSPECTUS

dated 17 April 2015

for the issue 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 issued 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 OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR THE ADEQUACY OF THE 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 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>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.</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>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>[[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, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom] [and] [<i>specify further financial intermediaries: [•]</i>] [each] in its role as manager in relation to the Securities (each a "Manager" or, as the case may be, an "Authorised Offeror") 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 "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) 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</p>

		<p>Securities (a "Public Offer") by [<i>specify financial intermediaries: [●]</i>] (each an "Authorised Offeror") on the following basis:</p> <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 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>[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.]</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>
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Element	Section B – Issuer	
B.1	Legal and commercial name of the issuer.	The legal and commercial name of the Issuer is UBS AG (the "Issuer" and together with its subsidiaries "UBS AG Group" and together with UBS Group AG, the holding company of UBS AG, "UBS Group", or "Group" or "UBS").
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	<p>A description of any known trends affecting the issuer or the industries in which it operates.</p>	<p>Trend Information</p> <p>As stated in UBS's fourth quarter report issued on 10 February 2015, at the start of the first quarter of 2015, many of the underlying challenges and geopolitical issues that UBS has previously highlighted remain. The mixed outlook for global growth, the absence of sustained and credible improvements to unresolved issues in Europe, continuing US fiscal and monetary policy issues, increasing geopolitical instability and greater uncertainty surrounding the potential effects of lower and potentially volatile energy and other commodity prices would make improvements in prevailing market conditions unlikely. In addition, recent moves by the Swiss National Bank to remove the EUR / CHF floor and by the European Central Bank to increase its balance sheet expansion via quantitative easing have added additional challenges to the financial markets and to Swiss-based financial services firms specifically. The increased value of the Swiss franc relative to other currencies, especially the US dollar and the euro, and negative interest rates in the eurozone and Switzerland will put pressure on UBS's profitability and, if they persist, on some of UBS's targeted performance levels. Despite ongoing and new challenges, UBS will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders.</p>
B.5	<p>Description of the group and the issuer's position within the group.</p>	<p>UBS AG is a Swiss bank and the main operating company of the Group. It is the sole subsidiary of UBS Group AG and the parent company of the UBS AG Group. Currently, the business divisions and the Corporate Center of UBS primarily operate out of UBS AG, through its branches worldwide. Businesses also operate through local subsidiaries where necessary or desirable.</p> <p>UBS has announced that it intends to transfer by mid-2015 its Retail & Corporate business division and the Swiss-booked business of its Wealth Management business division into UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland.</p> <p>In the UK, UBS has begun to implement a revised business and operating model for UBS Limited, which will enable UBS Limited to bear and retain a larger proportion of the risk and reward in its business activities.</p> <p>In the US, to comply with new rules for foreign banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act, by 1 July 2016 UBS will designate an intermediate holding company that will own all of UBS's US operations except US branches of UBS AG.</p>

		UBS may consider further changes to the Group's legal structure in response to regulatory requirements, including the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, the transfer of shared service and support functions to service companies, 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) and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.
B.9	Profit forecast or estimate.	Not applicable; no profit forecast or estimate is included in this Prospectus.
B.10	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 2013 and 31 December 2014.
B.12	Selected historical key financial information.	UBS AG derived the selected consolidated financial data included in the table below for the years 2012, 2013 and 2014 from its annual report 2014, which contains the audited consolidated financial statements of UBS AG for the year ended 31 December 2014 and comparative figures for the years ended 31 December 2013 and 2012. 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). The annual report 2014 is incorporated by reference in this Prospectus. In the opinion of management, all necessary adjustments were made for a fair presentation of the UBS AG consolidated financial position and results of operations. 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:

	As of or for the year ended		
<i>CHF million, except where indicated</i>	31.12.14	31.12.13	31.12.12
	<i>audited, except where indicated</i>		
Group results			
Operating income	28,026	27,732	25,423
Operating expenses	25,557	24,461	27,216
Operating profit / (loss) before tax	2,469	3,272	(1,794)
Net profit / (loss) attributable to UBS AG shareholders	3,502	3,172	(2,480)
Diluted earnings per share (CHF)	0.91	0.83	(0.66)
Key performance indicators			
Profitability			
Return on equity (RoE) (%) ¹	7.0*	6.7*	(5.1)*
Return on assets, gross (%) ²	2.8*	2.5*	1.9*

Cost / income ratio (%) ³	90.9*	88.0*	106.6*
Growth			
Net profit growth (%) ⁴	10.4*	-	-
Net new money growth for combined wealth management businesses (%) ⁵	2.5*	3.4*	3.2*
Resources			
Common equity tier 1 capital ratio (fully applied, %) ^{6,7}	14.2*	12.8*	9.8*
Swiss SRB leverage ratio (phase-in, %) ⁸	5.4*	4.7*	3.6*
Additional information			
Profitability			
Return on tangible equity (%) ⁹	8.2*	8.0*	1.6*
Return on risk-weighted assets, gross (%) ¹⁰	12.4*	11.4*	12.0*
Resources			
Total assets	1,062,327	1,013,355	1,259,797
Equity attributable to UBS AG shareholders	52,108	48,002	45,949
Common equity tier 1 capital (fully applied) ⁷	30,805	28,908	25,182*
Common equity tier 1 capital (phase-in) ⁷	44,090	42,179	40,032*
Risk-weighted assets (fully applied) ⁷	217,158*	225,153*	258,113*
Risk-weighted assets (phase-in) ⁷	221,150*	228,557*	261,800*
Common equity tier 1 capital ratio (phase-in, %) ^{6,7}	19.9*	18.5*	15.3*
Total capital ratio (fully applied, %) ⁷	19.0*	15.4*	11.4*
Total capital ratio (phase-in, %) ⁷	25.6*	22.2*	18.9*
Swiss SRB leverage ratio (fully applied, %) ⁸	4.1*	3.4*	2.4*
Swiss SRB leverage ratio denominator (fully applied) ¹¹	999,124*	1,015,306*	1,206,214*
Swiss SRB leverage ratio denominator (phase-in) ¹¹	1,006,001*	1,022,924*	1,216,561*
Other			
Invested assets (CHF billion) ¹²	2,734	2,390	2,230
Personnel (full-time equivalents)	60,155*	60,205*	62,628*
Market capitalization	63,243*	65,007*	54,729*
Total book value per share (CHF)	13.56*	12.74*	12.26*
Tangible book value per share (CHF)	11.80*	11.07*	10.54*

* unaudited

¹ Net profit / loss attributable to UBS AG shareholders (annualized as applicable) / average equity attributable to UBS AG shareholders.

² Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. ³ Operating expenses / operating income before credit loss (expense) or recovery. ⁴ 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.

⁵ Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. ⁶ Common equity tier 1 capital / risk-weighted assets. ⁷ Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are calculated on an estimated basis described below and are referred to as "pro-forma". The term "pro-forma" as used in this prospectus does not refer to the term "pro forma financial information" within the meaning of Regulation (EC) 809/2004. Some of the models applied when calculating 31 December 2012 pro-forma information required regulatory approval and included

estimates (as discussed with UBS's primary regulator) of the effect of new capital charges. These figures are not required to be presented, because Basel III requirements were not in effect on 31 December 2012. They are nevertheless included for comparison reasons. ⁸Swiss SRB Basel III common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). ⁹Net profit / (loss) 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. ¹⁰Operating income before credit loss (expense) or recovery (annualized as applicable) / average risk-weighted assets. Based on Basel III risk-weighted assets (phase-in) for 2014 and 2013, and on Basel 2.5 risk-weighted assets for 2012. ¹¹The leverage ratio denominator is also referred to as "total adjusted exposure" and is calculated in accordance with Swiss SRB leverage ratio requirements. Data represent the average of the total adjusted exposure at the end of the three months preceding the end of the reporting period. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above). ¹²Includes invested assets for Retail & Corporate.

Material adverse change statement.

Except as indicated below under "Impact of Swiss National Bank actions", there has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2014.

Impact of Swiss National Bank actions

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 by 50 basis points to negative 0.75%. It also moved the target range for three-month LIBOR to between negative 1.25% and negative 0.25% (previously negative 0.75% to positive 0.25%). These decisions resulted in a 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. As of 28 February 2015, the Swiss franc exchange rate was 0.95 to the US dollar, 1.07 to the euro, 1.47 to the British pound and 0.80 to 100 Japanese yen. Volatility levels in foreign currency exchange and interest rates also increased.

A significant portion of the equity of UBS's foreign operations is denominated in US dollars, euros, British pounds and other foreign currencies. The appreciation of the Swiss franc would have led to an estimated decline in total equity of approximately CHF 1.2 billion or 2% when applying currency translation rates as of 28 February 2015 to the reported balances as of 31 December 2014. This includes a reduction in recognized deferred tax assets, mainly related to the US, of approximately CHF 0.4 billion (of which CHF 0.2 billion relates to temporary differences deferred tax assets), which would be recognized in other comprehensive income.

Similarly, a significant portion of UBS's Basel III risk-weighted assets (RWA) are denominated in US dollars, euros, British pounds and other foreign currencies. Group Asset and Liability Management (Group ALM) is mandated with the task of minimizing adverse effects from changes in currency rates on UBS's fully applied CET1 capital and capital ratios. The Group Asset and Liability Management Committee (Group ALCO), a committee of the UBS Group Executive Board, can adjust the currency mix in capital, within limits set by the Board of Directors, to balance the effect of foreign exchange movements on

	<p>Significant changes statement.</p>	<p>the fully applied CET1 capital and capital ratio. As the proportion of RWA denominated in foreign currencies outweighs the capital in these currencies, and the significant appreciation of the Swiss franc against these currencies benefited UBS's Basel III capital ratios.</p> <p>On a fully applied basis for Swiss systemically relevant banks (SRB) UBS would have experienced the following approximate declines in its capital and RWA balances when applying currency translation rates as of 28 February 2015 to the reported balances as of 31 December 2014: CHF 0.5 billion or 2% in fully applied common equity tier 1 (CET1) capital, CHF 0.8 billion or 2% in fully applied total capital, CHF 5.8 billion or 3% in fully applied RWA and CHF 45.1 billion or 5% in the fully applied leverage ratio denominator.</p> <p>Consequently, based solely on foreign exchange movements, UBS estimates that its fully applied Swiss SRB CET1 capital ratio would have increased by approximately 10 basis points and the fully applied leverage ratio would have improved by approximately 10 basis points.</p> <p>In aggregate, UBS did not experience negative revenues in its trading businesses in connection with the SNB announcement.</p> <p>However, 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. Therefore, appreciation of the Swiss franc against other currencies generally has an adverse effect on UBS's earnings in the absence of any mitigating actions.</p> <p>In addition to the estimated effects from changes in foreign currency exchange rates, UBS's equity and capital are affected by changes in interest rates. In particular, the calculation of UBS's net defined benefit assets and liabilities is sensitive to the assumptions applied. Specifically, the changes in applicable discount rate and interest rate related assumptions for UBS's Swiss pension plan during January and February have reduced UBS's equity and fully applied Swiss SRB CET1 capital by around CHF 0.7 billion. Also, the persistently low interest rate environment would continue to have an adverse effect on UBS's replication portfolios, and UBS's net interest income would further decrease.</p> <p>Furthermore, the stronger Swiss franc may have a negative impact on the Swiss economy, which, given its reliance on exports, could impact some of the counterparties within UBS's domestic lending portfolio and lead to an increase in the level of credit loss expenses in future periods.</p> <p>Except as indicated above under "Impact of Swiss National Bank actions", there has been no significant change in the financial or trading position of UBS AG Group or of UBS AG since 31 December 2014.</p>
B.13	Any recent events particular to the Issuer	Not applicable, no recent events particular to UBS AG have occurred, which are to a material extent relevant to the evaluation of the UBS

	which are to a material extent relevant to the evaluation of the Issuer's solvency	AG's solvency.
B.14	Description of the group and the issuer's position within the group. Dependence upon other entities within the group.	Please see element B.5 UBS AG is the parent company of the UBS Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.
B.15	Issuer's principal activities.	<p>UBS AG with its subsidiaries is committed to providing private, institutional and corporate clients worldwide, as well as retail clients in Switzerland with superior financial advice and solutions while generating attractive and sustainable returns for shareholders. UBS's strategy centers on its Wealth Management and Wealth Management Americas businesses and its leading (in its own opinion) universal bank in Switzerland, complemented by its Global Asset Management business and its Investment Bank. These businesses share three key characteristics: they benefit from a strong competitive position in their targeted markets, are capital-efficient, and offer a superior structural growth and profitability outlook. 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. Capital strength is the foundation of UBS's success. The operational structure of the Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Retail & Corporate, Global Asset Management and the Investment Bank.</p> <p>According to article 2 of the Articles of Association of UBS AG, dated 10 February 2015 ("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 enterprise 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.</p>
B.16	Direct or indirect shareholdings or control agreements of the issuer.	Following a share-for-share exchange offer to acquire all the issued ordinary shares of UBS AG in exchange for registered shares of UBS Group AG on a one-for-one basis, and subsequent private exchanges on a one-for-one basis with various shareholders and banks in Switzerland and elsewhere outside the United States, UBS Group AG acquired 96.68% of UBS AG shares by 31 December 2014. Further private exchanges have reduced the amount of outstanding UBS AG shares by 17.1 million and as a result UBS Group held 97.29% of UBS AG shares by 6 March 2015.

[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.17	Credit ratings assigned to the issuer or its debt securities.	<p>The rating agencies Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"), Fitch Ratings Limited ("Fitch Ratings") and Moody's Investors Service, Inc., ("Moody's") have published credit ratings reflecting their assessment of the creditworthiness of UBS AG, i.e. 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 and Standard & Poor's 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.</p> <p>UBS AG has long-term counterparty credit rating of A (negative outlook) from Standard & Poor's, long-term senior debt rating of A2 (under review for possible downgrade) from Moody's and long-term issuer default rating of A (stable outlook) from Fitch Ratings.</p> <p>The rating from Fitch Ratings has been issued by Fitch Ratings Limited, and the rating from Standard & Poor's has been issued by Standard & Poor's Credit Market Services Europe Limited. Both are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011 (the "CRA Regulation"). The rating from Moody's has been issued by Moody's Investors Service, Inc., which is not established in the EEA and is not certified under the CRA Regulation, but the rating it has issued is endorsed by Moody's Investors Service Ltd., a credit rating agency established in the EEA and registered under the CRA Regulation.]</p>

Element	Section C – Securities ¹	
C.1	Type and the class of the securities, security identification number.	<p>Type and Form of Securities The Securities are [certificates] [notes] [warrants].</p> <p>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 maturity or otherwise.</p> <p>[in case of German law governed Securities represented by a Global Security, insert: 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 "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")]. No bearer Securities will be issued in or exchangeable into bearer definitive</p>

¹ 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>form, whether pursuant to the request of any Securityholder or otherwise.</p> <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 "Swedish Securities") are cleared through Euroclear Sweden AB ("Euroclear Sweden") 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 Financial Instruments Accounts Act (lag (1998:1479) om 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 "Finnish Securities") are cleared through Euroclear Finland Ltd ("Euroclear Finland") 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 (2012/749) (<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 "Norwegian Securities") are registered with Verdipapirsentralen ASA ("VPS") 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. No physical securities, such as global temporary or permanent securities or definitive securities will be issued in respect of the Norwegian Securities.]</p> <p><i>[in case of Danish Securities insert:</i> The Securities (also the "Danish Securities") are cleared through VP Securities A/S ("VP") 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 Act etc. (<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>Security identification number(s) of the Securities</p> <p>ISIN: [•]*</p> <p>[WKN: [•]*]</p>
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		<p>[Common Code: [•]*] [Valor: [•]*]</p> <p>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities:</p> <table border="1"> <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> <p>]</p>	ISIN	[WKN]	[Common Code]	[Valor]	[•]	[•]	[•]	[•]
ISIN	[WKN]	[Common Code]	[Valor]							
[•]	[•]	[•]	[•]							
C.2	Currency of the securities.	<p>[For each Series of Securities] [•]* (the "Redemption Currency")</p> <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"> <thead> <tr> <th>ISIN</th> <th>Redemption Currency</th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[•]</td> </tr> </tbody> </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>Governing law of the Securities [Each Series of the] [The] Securities will be governed by German law ("German law governed Securities").</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>Rights attached to the Securities 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>Limitation of the rights attached to the Securities 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>Status of the Securities [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>								
[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):	
C.9	<p>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> <p>[Maturity Date: [●]*</p> <p><i>[in case of fixed / floating rate securities insert:</i> [Interest Rate][Coupon]: [●]*</p> <p><i>[in case of step-up or step-down securities insert:</i> [Interest Rate][Coupon]: in relation to the [Interest][Coupon] Calculation Period_(i=1): [●]*, in relation to the [Interest][Coupon] Calculation Period_(i=2): [●]*, in relation to the [Interest][Coupon] Calculation Period_(i=n): [●]*</p> <p>[Interest] [Coupon] Payment [●]* Date:</p> <p>[Interest] [Coupon] [●]* 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> The payment of the [Interest [insert description of [the share Amount] [Coupon] is subject (including a certificate representing shares)] [the Index] [the currency following Underlying exchange rate] [the precious metal] [the (conditional [Interest commodity] [the interest rate] [the non- Amount] [Coupon]): [Interest 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: [●]*</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</p>

		<p>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="552 616 1366 947"> <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 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>	ISIN	<i>[insert ISIN]</i>	<i>[insert ISIN]</i>	Maturity Date:	[•]	[•]	[Interest Rate][Coupon]:	[•]	[•]	[Interest] [Coupon] Payment Date:	[•]	[•]	[Interest] [Coupon] Calculation Period:	[•]	[•]	[Yield:	[•]	[•]]
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<p><i>[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):</i></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></p> <p><i>[to be inserted for each Security, as required:]</i></p> <table border="1" data-bbox="552 1939 1236 2042"> <tbody> <tr> <td>[Barrier]</td> <td>[•]*</td> </tr> <tr> <td>[Coupon Payment Date]</td> <td>[•]*</td> </tr> <tr> <td>[Coupon]</td> <td>[•]*</td> </tr> </tbody> </table>	[Barrier]	[•]*	[Coupon Payment Date]	[•]*	[Coupon]	[•]*												
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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 (<i>Regulierter Markt</i>) 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][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 “Last Exchange Trading Day”). [As of the Last Exchange Trading Day trading may only take place off exchange with [the Manager] [•].]]]</i></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: [The Issuer] [The Manager (in its capacity as manager of the Issuer)] intends to apply for the listing of the</i></p>																																															

		<p>Securities at SIX Swiss Exchange ("SIX") 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: It is not intended to apply for inclusion of the Securities to trading on a securities exchange.]</i></p>
<p><i>[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):</i></p>		
<p>C.15</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, e.g. 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>[UBS Autocallable/Express Securities</p> <p>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 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.</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>Payment of Coupon or other proceeds linked to the Underlying(s)</p> <p>In addition, and as specified in the relevant Product Terms, the</p>

	<p>Securityholder may during the term of the UBS Autocallable/Express Securities be entitled to receive payment of a Coupon or other proceeds, if applicable, as specified in the applicable Product Terms. Such payment may be unconditional or conditional upon a specific performance of the Underlying(s), all as specified in the applicable Product Terms.]</p> <p>[UBS Gearing Securities</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</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>[UBS Warrants</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</p>
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	<p>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>[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).</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>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>[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.</p>
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		<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>[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.</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>[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.]</p> <p>[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).</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>[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</p>
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	<p>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 of the then current value of the Underlying(s) (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>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>[UBS Performance/Delta One Securities</p> <p>UBS Performance/Delta One 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/Delta One Securities also participate in the negative development of the Underlying(s). UBS Performance/Delta One 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.</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>[UBS Leveraged Securities</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</p>
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	<p>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>[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.</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> <p>[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.</p> <p>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.]</p>
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	<p>[UBS Floating Rate Securities</p> <p>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.</p> <p>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.</p> <p>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.]</p> <p>The following descriptions of several performance structures might be used for the Securities described in the section above, if applicable.</p> <p><u>Underlyings</u></p> <p>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).</p> <p>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).</p> <p><u>Performances</u></p> <p>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.</p> <p>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.</p>
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		<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></p> <p>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>Automatic Termination Feature</u></p> <p>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).</p> <p><u>Investment Strategies</u></p> <p>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>
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		<p><u>Bearish/Bullish/Variable Participation Rate</u> 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> 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>Coupons/Interest Amounts/Other Proceeds</u> 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> 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> 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.</p> <p><u>Physical or Cash Settlement</u> 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>
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]] [Exercise Period]</th> <th>[[Final] Valuation Date] [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]] [Exercise Period]	[[Final] Valuation Date] [Valuation Averaging Dates]	[•]	[•]	[•]	[•]	[•]
ISIN	Maturity Date	[Expiration Date]	[Exercise Date[s]] [Exercise Period]	[[Final] Valuation Date] [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>										
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"> <thead> <tr> <th>ISIN</th> <th>[Settlement Price] [Reference Price]</th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table>	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>Type of Underlying:</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</i></p>										

		<p>reference rate] [the basket comprising the aforementioned assets] [the portfolio comprising the aforementioned assets: [•]*]</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>[In relation to multi-series Securities insert following overview table of relevant information and complete for each Series of Securities:</p> <table border="1"> <thead> <tr> <th>ISIN</th> <th></th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[insert description of the underlying and where the information on the underlying can be found]</td> </tr> </tbody> </table> <p style="text-align: right;">]]</p>	ISIN		[•]	[insert description of the underlying and where the information on the underlying can be found]
ISIN						
[•]	[insert description of the underlying and where the information on the underlying can be found]					

Element	Section D – Risks	
D.2	Key information on the key risks that is specific and individual to the issuer.	<p>The Securities entails an issuer risk, also referred to as debtor risk or credit risk for prospective investors. An issuer risk is the risk that UBS AG becomes temporarily or permanently unable to meet its obligations under the Securities.</p> <p>General insolvency risk</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. In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.</p> <ul style="list-style-type: none"> • UBS AG as Issuer is subject to various risks within its business activities. Such risks comprise in particular the following key types of risks, where all of these risks might have adverse effects on the value of the Securities: • Effect of downgrading of the Issuer's rating: 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. • 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 by 50 basis points to negative 0.75%. It also moved the target range for three-month LIBOR to

		<p>between negative 1.25% and negative 0.25%, (previously negative 0.75% to positive 0.25%). 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 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 likewise adopted a negative-interest-rate policy. Fluctuation in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on UBS Group's capital strength, UBS Group's liquidity and funding position, and UBS Group's profitability.</p> <ul style="list-style-type: none"> • Regulatory and legislative changes may adversely affect UBS Group's business and ability to execute its strategic plans. The planned and potential regulatory and legislative developments in Switzerland and in other jurisdictions in which UBS Group has operations may have a material adverse effect on UBS Group's 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 UBS Group's ability to compete with other financial institutions. They are likely to be costly to implement and could also have a negative impact on UBS Group's legal structure or business model, potentially generating capital inefficiencies and affecting UBS Group's profitability. • UBS Group's capital strength is important in supporting its strategy, client franchise and competitive position. Any increase in risk-weighted assets or reduction in eligible capital could materially reduce UBS Group's capital ratios. Additionally, UBS Group is subject to a minimum leverage ratio requirement for Swiss SRB, which under certain circumstances could constrain UBS Group's business activities even if UBS Group satisfies other risk-based capital requirements. • UBS Group may not be successful in completing the execution of its announced strategic plans or its plans may be delayed or market events may adversely affect the implementation of the plan or the effects of its plans may differ from those intended. UBS Group is also exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of its Wealth Management business division, and may not be successful in implementing changes in its businesses to meet changing market, regulatory and other conditions. • Material legal and regulatory risks arise in the conduct of UBS Group's business. UBS Group is subject to a large number of claims, disputes, legal proceedings and government investigations and expects that its ongoing business activities will continue to give rise to such matters in the future. The extent of UBS Group's financial exposure to these and other matters is material and could substantially exceed the level of provisions that UBS Group has established for litigation, regulatory and similar matters. Resolution of regulatory proceedings may require UBS Group 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
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		<p>financial market utilities to limit, suspend or terminate UBS Group'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 Group.</p> <ul style="list-style-type: none"> • Operational risks, 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, may affect UBS Group's business. If UBS Group's internal controls fail or prove ineffective in identifying and remedying these risks UBS Group could suffer operational failures that might result in material losses. • UBS Group's reputation is critical to the success of its business. Reputational damage can have fundamental negative effects on UBS Group's business and prospects and a material adverse effect on UBS Group's operational results and financial conditions and on UBS Group's ability to achieve its strategic goals and financial targets. • Performance in the financial services industry is affected by market conditions and the macroeconomic climate. An economic downturn, continued low interest rates or weak or stagnant economic growth in UBS Group's core markets, or a severe financial crisis can negatively affect UBS Group's revenues and ultimately its capital base. • The UBS Group holds legacy positions and other risk positions, including positions related to real estate in various countries that may be adversely affected by market conditions. In addition, legacy risk positions may be difficult to liquidate as the continued illiquidity and complexity of many of them could make it difficult to sell or otherwise exit these positions. • UBS Group's global presence subjects it to risk from currency fluctuations, which have an effect on UBS Group's reported income and expenses, and other reported figures such as other comprehensive income, invested assets, balance sheet assets, risk-weighted assets and Basel III common equity tier 1 capital. • UBS Group is dependent upon its risk management and control processes to avoid or limit potential losses in its counterparty credit and trading businesses and could suffer losses if, for example, it does not fully identify the risks in its portfolio or if its assessment of the risks identified or its response to negative trends proves to be untimely, inadequate, insufficient or incorrect. • Valuations of certain positions rely on models; models have inherent limitations and may use inputs which have no observable source; different assumptions and inputs would generate different results, and these differences could have a significant impact on UBS Group's financial results. • Liquidity and funding management are critical to UBS Group's ongoing performance. The volume of UBS Group's funding sources or the
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		<p>availability of funding of the types required could change due to, among other things, general market disruptions, widening credit spreads, changes in capital and liquidity requirements or reductions in UBS Group's credit ratings, which could also influence the cost of funding.</p> <ul style="list-style-type: none"> • UBS Group might be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees. UBS Group's competitive strength and market position could be eroded if UBS Group is unable to identify market trends and developments, does not respond to them by devising and implementing adequate business strategies, adequately developing or updating technology, particularly in the trading businesses, or is unable to attract or retain the qualified people needed to carry them out. • UBS Group's financial results may be negatively affected by changes to accounting standards. Changes to IFRS or interpretations thereof may cause UBS Group'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 Group's regulatory capital and ratios. • UBS Group's financial results may be negatively affected by changes to assumptions supporting the value of its goodwill. If assumptions in future periods deviate from the current outlook, the value of UBS Group's goodwill may become impaired in the future, giving rise to losses in the income statement. • The effect of taxes on UBS Group's financial results is significantly influenced by reassessments of its deferred tax assets. UBS Group's full year effective tax rate could change significantly on the basis of such reassessments. • As UBS Group AG is a holding company, its operating results, financial condition and ability to pay dividends, other distributions or to pay its obligations in the future is dependent on funding, dividends and other distributions received from UBS AG or any other future direct subsidiary, which may be subject to restrictions. UBS Group's ability to pay dividends and other distributions, and to pay its obligations in the future will depend on the level of funding, dividends and other distributions, if any, received from UBS AG and any new subsidiaries established by UBS Group in the future. The ability of such subsidiaries to make loans or distributions (directly or indirectly) to UBS Group may be restricted as a result of several factors, including restrictions in financing agreements and the requirements of applicable law and regulatory and fiscal or other restrictions. Restrictions and regulatory action of this kind could impede access to funds that UBS Group may need to make payments. UBS Group's credit rating could be lower than the rating of UBS AG, which may adversely affect the market value of the securities and other obligations of UBS Group on a standalone basis. Furthermore, UBS Group expects that it may guarantee some of the payment obligations of certain of its subsidiaries from time to time. These guarantees may
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		<p>require UBS Group to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS Group is in need of liquidity to fund its own obligations.</p> <ul style="list-style-type: none"> • UBS Group's stated capital returns objective is based, in part, on capital ratios that are subject to regulatory change and may fluctuate significantly. UBS has committed to return at least 50% of its net profit to shareholders as capital returns, provided its fully applied CET1 capital ratio is at least 13% and its post-stress fully applied CET1 capital ratio is at least 10%. However, UBS's ability to maintain a fully applied CET1 capital ratio of at least 13% is subject to numerous risks, including the results of the UBS Group's business, changes to capital standards, methodologies and interpretation that may adversely affect the UBS Group's calculated fully applied CET1 capital ratio, imposition of risk add-ons or additional capital requirements such as additional capital buffers. Additionally, changes in the methodology, assumptions, stress scenario and other factors may result in material changes in UBS's post-stress fully applied CET1 capital ratio. • UBS Group may fail to realise the anticipated benefits of the exchange offer. UBS established UBS Group AG as a holding company for the UBS Group because it believes that it will, along with other measures already announced, substantially improve the resolvability of UBS Group in response to evolving regulatory requirements. UBS Group may, however, encounter substantial difficulties in achieving these anticipated benefits or these anticipated benefits may not materialize. UBS Group AG has acquired approximately 97 percent of the outstanding shares of UBS AG. Delay in acquiring full ownership of UBS AG could adversely affect the anticipated benefits of the exchange offer and the liquidity and market value of the UBS Group AG shares. The existence of minority shareholders in UBS AG may, among other things, make it more difficult or delay UBS Group's ability to implement changes to the legal structure of the UBS Group and interfere with its day-to-day business operations and its corporate governance. • If UBS Group conducts a squeeze-out merger under Swiss law, UBS AG will merge into a merger subsidiary of UBS Group, which will survive the transaction. Although UBS Group expects that the surviving entity will in most cases succeed to UBS AG's banking licenses, permits and other authorizations, such entity may need to re-apply for or seek specific licenses, permits and authorizations, as well as third-party consents. Furthermore, under Swiss law, a minority shareholder subject to the squeeze-out merger could theoretically seek to claim that the consideration offered is "inadequate" and petition a Swiss competent court to determine what is "adequate" consideration. Each of these circumstances, if it were to happen, may generate costs, delay the implementation of the squeeze-out merger or disrupt or negatively impact the UBS Group's business.
D.3	Key information on the risks that are specific and	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, as the

	individual to the securities.	<p>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 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.</p> <p><u>Special risks related to specific features of the Security structure</u></p> <p><i>[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 and may even be equal to zero. In such case the Securityholders will incur a total loss of its investment (including any transaction costs).</i></p> <p><i>[In case of the product feature "Participation Factor", "Leverage Factor", "Multiplication Factor" or, as the case may be, "Multiplier", 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] [Multiplier].]</i></p> <p><i>[In case of the product feature "Reverse Structure", insert: 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] [Basket Components] increases, or the Securities increase in value, 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 %.]</i></p> <p><i>[In case of the product feature "Express Structure", insert: 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</i></p>
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	<p>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 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.]</p> <p><i>[In case of the product feature “Thresholds, Barriers or Levels”, insert: 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.</i></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. 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: 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 the Securities is, therefore, limited to the Maximum Amount.]</i></p> <p><i>[In case of the product feature “Relevant Underlying”, insert: 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.</i></p> <p>Potential investors should, consequently, be aware that compared to Securities, which refer to only one underlying, the Securities show a higher</p>
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	<p>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: 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.</i></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 “Currency Conversion”, insert: 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] [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.</i></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</p>
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	<p>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 “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 total loss 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 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.]</p> <p><i>[In case of the product feature “No predefined term”, insert:</i> 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.]</p> <p><i>[In case of the product feature “Time-lagged Valuation” insert:</i> 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</p>
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	<p>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.]</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 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.]</i></p> <p><i>[In case the product feature “Securityholder’s Termination Right” is specified to be not applicable, insert: 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.</i></p>
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		<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>[In case of the product feature “<i>Quanto</i>”, insert: 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><u>General risks related to the Securities</u></p> <p><i>Termination and Early Redemption at the option of the Issuer</i></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><i>Adverse impact of adjustments of the Security Right</i></p> <p>It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the [Underlying] [Basket Components], which potentially lead to changes to the [Underlying] [Basket Components] or result in the underlying concept of the [Underlying]</p>
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		<p>[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><i>Substitution of the Issuer</i> 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.</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><i>Trading in the Securities / Illiquidity</i> It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid. [Applications will be or have been made to the Security Exchange(s) specified for admission or listing of the Securities. If the Securities are admitted or listed, no assurance is given that any such admission or listing will be maintained. The fact that the Securities are admitted to trading or listed does not necessarily denote greater liquidity than if this were not the case. If the Securities are not listed or traded on any exchange, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities, if any, may be adversely affected. The liquidity of the Securities, if any, may also be affected by restrictions on the purchase and sale of the Securities in some jurisdictions.] Additionally, the Issuer has the right (but no obligation) to purchase Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.</p> <p>In addition, it cannot be excluded that the number of Securities actually issued and purchased by investors is less than the intended [Issue Size] [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. Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.</p>
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	<p>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><u>Risk factors relating to [the Underlying] [the Basket Components]</u></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</p>
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		[the Underlying] [the Basket Components].
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 total loss 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 risk of loss connected with the Securities.

Element	Section E – Offer ²	
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>[Not applicable]</p> <p>[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] [specify Issue Price: [•]] (the "Issue Price") 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 [specify Fixing Date: [•]] (the "Fixing Date")], [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><i>[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 [specify Subscription Period: [•]] (the "Subscription Period"). [The Securities may only be subscribed in the minimum investment amount of [specify Minimum Investment Amount: [•]] (the "Minimum Investment Amount").] The Issue Price per Security is payable on [specify Initial Payment Date: [•]] (the "Initial Payment Date").</i></p> <p>The Issuer reserves the right [to earlier close] [or] [to extend] the Subscription Period if market conditions so require.</p> <p>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</p>

² 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.

		<p>postponed.]</p> <p><i>[in case that no Subscription Period is intended insert the following text:</i> <i>[As of [specify Start of the public offer of the Securities: [●]] (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 of [specify Minimum Investment Amount: [●]] (the "Minimum Investment Amount").] There will be no subscription period. The Issue Price per Security is payable on [specify Initial Payment Date: [●]] (the "Initial Payment Date").</i></p> <p><i>[The Issuer reserves the right [to earlier close] [or] [to extend] the Offer Period if market conditions so require.]</i></p> <p><i>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.]]</i></p>
E.4	Interest that is material to the issue/offer incl. conflicting interests.	<p><i>[to be inserted*]</i></p> <p><i>[[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.]</i></p>
E.7	Estimated expenses charged to the investor by the issuer or the offeror.	<p><i>[Not applicable; no expenses are charged to the investor by the issuer or the Manager.] [to be inserted*]</i></p>

B. SUMMARY OF THE BASE PROSPECTUS (IN THE SWEDISH LANGUAGE)**SAMMANFATTNING**

Sammanfattningar består av informationskrav vilka redogörs för i ett antal punkter ("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 emittenter, 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. Informationen har då ersatts med angivelsen "Ej tillämpligt". Vissa skrivningar i sammanfattningen står mellan hakparenteser. Sådan information kommer att kompletteras eller, när det 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	
A.1	Varning.	<p>Denna sammanfattning skall läsas som en inledning till Grundprospektet och varje beslut att investera i Värdepapperen ska baseras på investerarens bedömning av Grundprospektet i dess helhet.</p> <p>Potentiella investerare ska vara medvetna om att om ett krav gällande informationen i detta Grundprospekt framförs inför domstol, kan käranden enligt den nationella lagstiftningen i medlemsstaten i det Europeiska Ekonomiska Samarbetsområdet, bli skyldig att stå för kostnaderna för att översätta Grundprospektet innan de rättsliga förfarandena inleds.</p> <p>UBS AG i dess roll som Emittent är ansvarig för sammanfattningen, inklusive varje översättning härav, kan vara ersättningsskyldig men endast om sammanfattningen är vilseledande, felaktig eller oförenlig när den läses tillsammans med de andra delarna av Grundprospektet eller om den inte innehåller, när den läses tillsammans med de andra delarna av detta Grundprospekt, all erforderlig nyckelinformation.</p>
A.2	Samtycke till användandet av prospektet.	<p>[Emittenten samtycker till att Grundprospektet används tillsammans med relevanta Slutliga Villkor i samband med ett erbjudande till allmänheten av Värdepapperen (ett "Erbjudande till Allmänheten") av [UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Storbritannien] [och] [<i>ange finansiella mellanhänder</i>: [•]] [var och en] i sin roll som manager i förhållande till Värdepapperen (var och en benämnd "Manager" eller, i förekommande fall, en "Auktoriserad Erbjudare") 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 "Erbjudande till Allmänheten") av någon finansiell mellanhand (en "Auktoriserad Erbjudare") 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</p>

		<p>relevanta Slutliga Villkor i samband med ett erbjudande till allmänheten av Värdepapperen (ett "Erbjudande till Allmänheten") av [ange finansiella mellanhänder: [•]] (en "Auktoriserad Erbjudare") på följande villkor:]</p> <p>(a) det aktuella Erbjudandet till Allmänheten måste ske under [ange giltighetstid för erbjudandet: [•]] ("Erbjudandeperioden");</p> <p>(b) det aktuella Erbjudandet till Allmänheten får endast ske i [Sverige][,][och] [Norge][,][och] [Finland][,][och] [Danmark] [och] [Luxemburg] (var och en benämnd "Jurisdiktion för Erbjudande till Allmänheten");</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;</p> <p>[(d) den aktuella Auktoriserade Erbjudaren måste uppfylla [om tillämpligt, ange ytterligare tydliga och objektiva villkor: [•]] och [(d)[e]] varje Auktoriserad Erbjudare som inte är en Manager måste iaktta de begränsningar som anges i avsnittet "<i>Subscription and Sale</i>" som om de vore en Manager.</p> <p>[Auktoriserade Erbjudare ska underrätta investerare om anbudsvillkoren för Värdepapperen i samband med att Erbjudandet till Allmänheten lämnas av den Auktoriserade Erbjudaren till investeraren.]</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 (" Emittenten " och tillsammans med dess dotterföretag " UBS AG Koncernen ", tillsammans med UBS Group AG, holdingbolaget till UBS AG, " UBS Koncernen ", eller " Koncernen " eller " UBS ").
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. Registreringsnummet 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 aktiebolag.</p> <p>Adresserna och telefonnumren till UBS AG:s två registrerade kontor och huvudsakliga platser för verksamheten är: Bahnhofstrasse 45, CH-8001 Zürich,</p>

		Schweiz, telefonnummer +41 44 234 1111; och Aeschenvorstadt 1, CH-4051 Basel, Schweiz, telefonnummer +41 61 288 5050.
B.4b	En beskrivning av varje känd trend som påverkar emittenten eller de branscher där emittenten är verksam.	<p>Information om trender</p> <p>Som beskrivs i UBS:s rapport för det fjärde kvartalet utfärdad den 10 februari 2015, vid starten av det första kvartalet 2015, kvarstår många av de underliggande utmaningar och geopolitiska frågor som UBS tidigare har lyft fram. De blandade utsikterna för global tillväxt, frånvaron av ihållande och trovärdiga förbättringar av olösta frågor i Europa, fortsatta problem med amerikanska skattepolicys och monetära policys, ökning av geopolitisk instabilitet och större osäkerhet rörande de potentiella effekterna av lägre och potentiellt volatil energi och andra råvarupriser skulle göra förbättringar av rådande marknadsförhållanden osannolika. Utöver detta gör den senaste tidens agerande av Swiss National Bank för att ta bort golvet för EUR/CHF och Europeiska Nationalbankens agerande för att öka sin balansräkningsexpansion genom kvantitativ lättning har adderat ytterligare utmaningar särskilt för den finansiella marknaden och för de Schweiziska finansiella företagen. Det ökade värdet för schweizerfranc i relation till andra valutor, speciellt i förhållande till US dollar och till Euron, och de negativa räntorna i Eurozonen och Schweiz kommer sätta press på UBS:s lönsamhet och, om situationen kvarstår, på några av UBS:s riktade prestandanivåer. Trots bestående och nya utmaningar kommer UBS att fortsätta att verkställa sin strategi för att säkerställa företagets långsiktiga framgång och att leverera uthålliga avkastningsnivåer för aktieägare.</p>
B.5	Beskrivning av koncernen och emittentens plats inom koncernen.	<p>UBS AG är en schweizisk bank och är företaget med den huvudsakliga verksamheten inom Koncernen. Den är det enda dotterföretaget till UBS Group AG och moderbolaget till UBS Group AG. För närvarande drivs verksamhetsområdena och Corporate Center i UBS genom UBS AG, genom dess filialer världen över. Verksamheter bedrivs också genom lokala dotterföretag där detta är nödvändigt eller önskvärt.</p> <p>UBS AG har tillkännagivit att banken under mitten av år 2015 kommer överföra dess verksamhetsområden för privatpersonskunder och företag (<i>Retail & Corporate</i>) verksamhetsgren och sannolikt den i Schweiz bokförda verksamheten för förmögenhetsförvaltning (<i>Wealth Management</i>) till UBS Schweiz AG, en bank som är dotterföretag till UBS AG i Schweiz.</p> <p>I Storbritannien har UBS påbörjat implementeringen av en förändrad affärs- och verksamhetsmodell för UBS Limited vilket kommer göra det möjligt för UBS Limited att bära och behålla en större del av riskerna i och avkastningen i dess affärsverksamheter.</p> <p>I USA, för att efterleva de nya reglerna för utländska banker enligt amerikansk lagstiftning (<i>Dodd-Frank Wall Street Reform and Consumer Protection Act</i>), kommer UBS den 1 juli 2016 att utse ett mellanliggande holdingbolag som kommer äga alla av UBS:s amerikanska verksamheter med undantag för amerikanska filialer till UBS AG.</p> <p>UBS kan komma att överväga ytterligare ändringar avseende Koncernens juridiska struktur för att möta regulatoriska krav, inklusive överlåtelse av</p>

		rörelsedrivande dotterföretag hos UBS AG till att bli direktägda dotterföretag till UBS Group AG, överlåtelse av delade tjänste- och supportfunktioner till tjänsteföretag och justeringar avseende bokföringsenhet eller lokaliseringen av produkter och tjänster. Dessa strukturella förändringar diskuteras fortlöpande med den schweiziska tillsynsmyndigheten (FINMA) och andra regulatoriska myndigheter och är föremål för ett antal osäkerhetsfaktorer som kan påverka dessas genomförbarhet, omfattning och tidpunkt.
B.9	Resultatprognos eller förväntat resultat.	Ej tillämpligt; ingen resultatprognos eller förväntat resultat inkluderas i detta Grundprospekt.
B.10	Anmärkningar i revisionsberättelsen.	Ej tillämpligt. Det finns inte några anmärkningar i revisionsberättelserna avseende de konsoliderade finansiella räkenskaperna för UBS AG och de fristående finansiella räkenskaperna för UBS AG för åren som slutade den 31 december 2013 och den 31 december 2014.
B.12	Utvald historisk finansiell nyckelinformation.	UBS har hämtat den utvalda historiska finansiella nyckelinformationen i tabellen nedan för åren 2012, 2013 och 2014 från dess årsredovisning för 2014, som innehåller de reviderade konsoliderade finansiella räkenskaperna för UBS AG för året som slutade den 31 december 2014 och jämförelsesiffror för åren som slutade den 31 december 2013 och 2012. 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). Årsredovisningen för 2014 är införlivad genom hänvisning i detta Prospekt. Enligt ledningens åsikt har alla justeringar som är nödvändiga för att ge en rättvisande bild av UBS AG:s konsoliderade finansiella ställning och verksamhetsresultat. Potentiella investerare bör läsa detta Prospekt i dess helhet och dokumenten som införlivas genom hänvisning häri och ska inte enbart förlita sig på den sammanfattande informationen som anges nedan:

	Per och för året som slutade		
CHF miljoner, förutom där annat indikeras	31.12.14	31.12.13	31.12.12
	Reviderat, förutom där indikerat		
Koncernresultat			
Rörelseintäkter	28 026	27 732	25 423
Rörelsekostnader	25 557	24 461	27 216
Rörelsevinst / (förlust) före skatt	2 469	3 272	(1 794)
Nettovinst / (förlust) hänförlig till UBS AG:s aktieägare	3 502	3 172	(2 480)
Utspätt resultat per aktie (CHF)	0,91	0,83	(0,66)
Viktiga utvecklingsindikatorer			
Lönsamhet			
Avkastning på eget kapital (RoE) (%) ¹	7,0*	6,7*	(5,1)*
Avkastning på tillgångar, brutto (%) ²	2,8*	2,5*	1,9*
Kostnads-/intäktsrelation (%) ³	90,9*	88,0*	106,6*
Tillväxt			
Nettovinsttillväxt (%) ⁴	10,4*	-	-
Nettotillväxt nya medel för kombinerade verksamheter inom	2,5*	3,4*	3,2*

förmögenhetsförvaltning (%) ⁵			
Resurser			
Primärkapitalrelation (<i>Common equity tier 1 capital ratio</i>) (fullt tillämpad, %) ^{6,7}	14,2*	12,8*	9,8*
Schweizisk SRB hävstångsrelation (infasing, %) ⁸	5,4*	4,7*	3,6*
Ytterligare information			
Lönsamhet			
Avkastning på synligt kapital (%) ⁹	8,2*	8,0*	1,6*
Avkastning på riskvägda tillgångar, brutto (%) ¹⁰	12,4*	11,4*	12,0*
Resurser			
Totala tillgångar	1 062 327	1 013 355	1 259 797
Eget kapital hänförligt till UBS AG:s aktieägare	52 108	48 002	45 949
Primärkapital (<i>Common equity tier 1 capital</i>) (fullt tillämpad) ⁷	30 805	28 908	25 182*
Primärkapital (<i>Common equity tier 1 capital</i>) (infasing) ⁷	44 090	42 179	40 032*
Riskvägda tillgångar (fullt tillämpad) ⁷	217 158*	225 153*	258 113*
Riskvägda tillgångar (infasing) ⁷	221 150*	228 557*	261 800*
Primärkapitalrelation (<i>Common equity tier 1 capital ratio</i>) (infasing, %) ^{6,7}	19,9*	18,5*	15,3*
Totalkapitalrelation (fullt tillämpad, %) ⁷	19,0*	15,4*	11,4*
Totalkapitalrelation (infasing, %) ⁷	25,6*	22,2*	18,9*
Schweizisk SRB Hävstångsrelation (fullt tillämpad, %) ⁸	4,1*	3,4*	2,4*
Schweizisk SRB Hävstångsrelationsnämndare (fullt tillämpad) ¹¹	999 124*	1 015 306*	1 206 214*
Schweizisk SRB Hävstångsrelationsnämndare (infasing) ¹¹	1 006 001*	1 022 924*	1 216 561*
Övrigt			
Investerade tillgångar (CHF miljarder) ¹²	2 734	2 390	2 230
Personal (motsvarande heltidstjänster)	60 155*	60 205*	62 628*
Marknadsvärde	63 243*	65 007*	54 729*
Totalt bokfört värde per aktie (CHF)	13,56*	12,74*	12,26*
Synligt bokfört värde per aktie (CHF)	11,80*	11,07*	10,54*
* oreviderat			
<p>¹ Nettovinst/förlust hänförlig till UBS AG:s aktieägare (på årsbasis där tillämpligt) / genomsnittligt eget kapital hänförligt till UBS AG:s aktieägare. 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. ⁶ Primärkapital/riskvägda tillgångar. ⁷ Baserat på Basel III-regelverket så som detta tillämpas på schweiziska systemviktiga banker (SRB), vilket trädde i kraft i Schweiz den 1 januari 2013. Informationen som återges på fullt tillämpad basis återspeglar fullt ut effekterna av de nya kapitalavdragen och utfasningen av icke kvalificerande kapitalinstrument. Informationen som återges på infasad basis återspeglar gradvis dessa effekter under övergångsperioden. Siffror för 31 december 2012 beräknas på en uppskattad basis enligt beskrivning nedan och är på pro forma-basis. Begreppet "pro forma" så som det används i detta prospekt avser inte begreppet "pro forma finansiell information" av den innebörd som anges i Förordning (2004/809/EG). Vissa av modellerna som tillämpas vid beräkningen av pro forma informationen 31 december 2012 krävde regulatoriskt godkännande och innefattar uppskattningar (enligt diskussion med UBS primära tillsynsmyndighet) av effekten av de nya kapitalkraven. Dessa siffror måste inte presenteras eftersom Basel III kraven inte var i kraft den 31 december 2012. Dessa är icke desto mindre inkluderade av jämförelseskäl. ⁸ Schweiziska SRB Basel III primärkapital och förlustabsorberande kapital/total justerad exponering (hävstångsrelationsnämndare). Den schweiziska SRB hävstångsrelationen trädde i kraft den 1 januari 2013. Siffror för 31 december 2012 är på pro forma basis (se fotnot 7 ovan). ⁹ Nettovinst / (förlust) hänförlig till UBS aktieägare för amortering och nedskrivning av goodwill och immateriella tillgångar (på årsbasis där tillämpligt) / genomsnittligt eget kapital hänförligt till UBS AG:s aktieägare minskat med genomsnittlig goodwill och immateriella tillgångar. ¹⁰ Rörelseintäkter för kreditförluster (förlust) eller återvinning (på årsbasis där tillämpligt) / genomsnitt riskvägda tillgångar. Baserat på Basel III riskvägda tillgångar (infasing) för 2014 och 2013 och på Basel 2.5 riskvägda tillgångar för 2012. ¹¹ Hävstångsrelationsnämndare benämns också som "total justerad exponering" och beräknas i enlighet med schweiziska SRB hävstångsrelationskrav. Data representerar genomsnittet av den totala</p>			

justerade exponeringen vid slutet av de tre månader som föregick slutet av rapporteringsperioden. Siffror för 31 december 2012 är på pro forma basis (se fotnot 7 ovan).¹²Inkluderar investerade tillgångar inom Retail & Corporate.

Uttalande om väsentliga negativa förändringar.	<p>Med undantag för vad som indikeras nedan under "Inverkan av åtgärder av den schweiziska centralbanken", har det inte inträffat någon väsentlig negativ förändring i framtidsutsikterna för UBS AG eller UBS Koncernen sedan den 31 december 2014.</p> <p><i>Inverkan av åtgärder av den schweiziska centralbanken</i></p> <p>Den 15 januari 2015 avbröt den schweiziska centralbanken (SNB) den lägsta målsättningsväxelkursen för den schweiziska francen mot euron, vilken hade funnits på plats sedan september 2011. Vid samma tidpunkt sänkte SNB räntesatsen på saldon på insättningskonton hos SNB som överstiger en viss undantagströskel med 50 baspunkter till negativa 0,75%. Den flyttade också målsättningsintervallet för tremånaders LIBOR till mellan negativa 1,25% och negativa 0,25% (tidigare negativa 0,75% till positiva 0,25%). Dessa beslut resulterade i en betydande stärkning av den schweiziska francen mot euron, US dollar, brittiska pund, japanska yen och flera andra valutor, liksom även en sänkning av räntesatser i schweiziska franc. Per den 28 februari 2015 var växelkursen för schweiziska franc 0,95 till US dollar, 1,07 till euro, 1,47 till brittiska pund och 0,80 till 100 japanska yen. Volatilitetsnivåer för valutaväxlingskurser och räntesatser ökade också.</p> <p>En väsentlig andel av det egna kapitalet i UBS utländska verksamheter är denominerat i US dollar, euro, brittiska pund eller andra utländska valutor. Stärkningen av den schweiziska francen skulle ha lett till en uppskattad nedgång i totalt eget kapital om ungefär CHF 1,2 miljarder eller 2%, om valutakurserna per den 28 februari 2015 appliceras på de rapporterade balansposterna per den 31 december 2014. Detta inkluderar en reduktion av bokförda uppskjutna skattefordringar, huvudsakligen relaterade till USA, om ungefär CHF 0,4 miljarder (av vilka CHF 0,2 miljarder relaterar till tillfälliga skillnader för uppskjutna skattefordringar), vilket skulle bokföras över resultatet.</p> <p>På liknande vis är en väsentlig andel av UBS riskviktade tillgångar enligt Basel III (RWA) denominerade i US dollar, euro, brittiska pund eller andra utländska valutor. Group Asset and Liability Management (Group ALM) har fått mandatet att minimera de negativa effekterna från förändringar i valutakurser på UBS fullt tillämpade primärkapital (<i>CET1</i>) och kapitalrelationer. Group Asset and Liability Management Committee (Group ALCO), en kommitté inom UBS verkställande koncernledning, kan justera valutasammansättningen inom kapitalet, inom gränser som sätts av styrelsen, för att balansera effekterna av valutakursrörelser på primärkapitalet och kapitalrelationerna. Eftersom andelen av RWA denominerade i utländska valutor väger mer än kapitalet i dessa valutor och den väsentliga stärkningen av den schweiziska francen gentemot dessa valutor, var till fördel för UBS kapitalrelationer enligt Basel III.</p> <p>På en fullt tillämpad basis för schweiziska systemviktiga banker (SRB), skulle UBS ha erfarit de följande ungefärliga nedgångarna i dess kapital och RWA-poster, om valutakurserna per den 28 februari 2015 appliceras på de rapporterade balansposterna per den 31 december 2014: CHF 0,5 miljarder eller 2% i fullt tillämpat primärkapital (<i>common equity tier 1 (CET1)</i>), CHF 0,8 miljarder eller 2% i fullt tillämpat totalt kapital, CHF 5,8 miljarder eller 3% i fullt</p>
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		<p>tillämpat RWA och CHF 45,1 miljarder eller 5% i fullt tillämpad nämnare för hävstångsrelation.</p> <p>Följaktligen, baserat uteslutande på valutakursrörelser, UBS förväntar sig att dess fullt tillämpade schweiziska SRB CET1 kapitalrelation skulle ha ökat med ungefär 10 baspunkter och den fullt tillämpade hävstångsrelationen skulle ha förbättrats med ungefär 10 baspunkter.</p> <p>Sammantaget erfor UBS inte negativa intäkter inom dess handelsverksamheter i samband med SNB:s tillkännagvande.</p> <p>Men andelen av UBS rörelseintäkter denominerade i andra valutor än schweiziska franc är större än andelen av rörelseutgifter som är denominerade i andra valutor än schweiziska franc. Följaktligen har en stärkning av den schweiziska francen mot andra valutor generellt sett en negativ inverkan på UBS resultat i avsaknad av förmildrande åtgärder.</p> <p>Utöver de uppskattade effekterna av förändringar i valutakurser, påverkas UBS eget kapital och kapital av förändringar i marknadsräntor. Särskilt är nettot för UBS förmånsbestämda tillgångar och skulder känsligt för de antaganden som tillämpas. Specifikt har ändringarna i tillämplig doskonteringsränta och ränterelaterade antaganden för UBS schweiziska pensionsplan under januari och februari, reducerat UBS egna kapital och fullt tillämpade schweiziska SRB CET1 kapital med omkring CHF 0,7 miljarder. Vidare, den fortsatt låga räntemiljön skulle fortsätta att ha en negativ inverkan för UBS replikeringsportföljer och UBS nettoresultat skulle ytterligare minska.</p> <p>Vidare, den stärkta schweiziska francen kan ha en negativ inverkan på den schweiziska ekonomin, vilket, givet dess beroende av export, kan inverka på vissa av motparterna inom UBS inrikes låneportfölj och leda till en ökning i nivån av kreditförlustutgifter under kommande perioder.</p>
	Uttalande om väsentliga förändringar.	Med undantag för vad som indikeras nedan under "Inverkan av åtgärder av den schweiziska centralbanken", har det inte inträffat någon väsentlig förändring i den finansiella- eller handelspositionen för UBS Koncernen eller för UBS AG sedan den 31 december 2014.
B.13	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.14	Beskrivning av koncernen och av emittentens position inom koncernen. Beroende av andra företag inom	Vänligen se Punkt B.5. UBS AG är moderbolaget för UBS Koncernen. Som sådant är det i viss mån beroende av vissa av sina dotterföretag.

	koncernen.	
B.15	Emittentens huvudsakliga verksamhet.	<p>UBS AG och dess dotterföretag är beslutna att tillhandahålla privata, institutionella och företagskunder världen över, liksom även privatpersonskunder i Schweiz med bättre finansiell rådgivning och lösningar samtidigt som attraktiv och uthållig avkastning för aktieägarna genereras. UBS strategi är centrerad på dess verksamheter Wealth Management (förmögenhetsförvaltning) och Wealth Management Americas och dess ledande (enligt dess egen uppfattning) universalbank i Schweiz, kompletterat av dess verksamhet Global Asset Management (global tillgångsförvaltning) och dess Investmentbank. Dessa verksamheter delar tre nyckeldrag: dessa drar fördel av en stark konkurrensmässig position inom dessas målmarknader, är kapitaleffektiva och erbjuder bättre strukturella tillväxt- och lönsamhetsutsikter. UBS strategi bygger på styrkorna inom alla dess verksamheter och fokuserar dess insatser till områden där UBS är framgångsrikt, samtidigt som den försöker kapitalisera från de tilltalande tillväxtutsikterna inom de verksamheter och regioner där den är verksam. Kapitalstyrka är basen för UBS framgång. Den operationella strukturen inom Koncernen består av Corporate Center (företagscenter) och fem verksamhetsdivisioner: Wealth Management, Wealth Management Americas, Retail & Corporate (bankverksamhet för privatpersons och företagskunder), Global Asset Management och dess Investmentbank.</p> <p>Enligt Artikel 2 i Bolagsordningen för UBS AG, daterad den 10 februari 2015 ("Bolagsordningen") är verksamhetsföremålet för UBS AG att bedriva bankverksamhet. Dess verksamhetsföremål sträcker sig över alla typer av banktjänster, finansiella tjänster, rådgivningstjänster och handelsaktiviteter i Schweiz och utomlands. UBS AB 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, inteckna och sälja fast egendom och byggrätter i Schweiz och utomlands.</p>
B.16	Direkt eller indirekt aktieäggande eller kontrollöverenskommelser avseende emittenten.	Till följd av ett erbjudande "aktie-mot-aktie" att förvärva alla utfärdade, ordinarie aktier i UBS AG i utbyte mot registrerade aktier i UBS Group AG på en basis av "en-för-en" och ett efterföljande privat utbyte på basis av "en-för-en" med en mängd olika aktieägare och banker i Schweiz och på andra ställen utanför USA, förvärvade UBS Group AG 96,68% av UBS AG:s aktier per den 31 december 2014. Ytterligare privata utbyten har reducerat antalet utestående aktier i UBS AG med 17,1 miljoner, vilket resulterade i att UBS Koncernen innehade 97,29 % av aktierna i UBS AG per den 6 mars 2015.
[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.17	Kreditvärdighetsbetyg som tilldelats emittenten eller dess skuldvärdepapper.	Kreditvärderingsinstituten Standard & Poor's Credit Market Services Europe Limited (" Standard & Poor's "), Fitch Ratings Limited (" Fitch Ratings ") och Moody's Investors Service, Inc., (" Moody's ") har publicerat kreditvärdighetsbetyg som återspeglar deras bedömning av UBS AG:s kreditvärdighet, dvs. UBS förmåga att i tid fullgöra sina betalningsförpliktelser, så som amortering och räntebetalningar på långfristiga lån. Betygen från Fitch Ratings och Standard & Poor's kan tillskrivas ett plus- eller minustecken och

	<p>de från Moody's en siffra. Dessa tillkommande beteckningar indikerar den relativa positionen inom respektive betygsklass.</p> <p>UBS AG har långfristigt motparts kreditvärdighetsbetyget A (negativa utsikter) från Standard & Poor's, för långfristig icke-säkerställd, icke efterställd skuldsättning kreditvärdighetsbetyget A2 (under granskning för möjlig nedvärdering) från Moody's och för långfristig emittentfallissemang kreditvärdighetsbetyget A (stabila utsikter) från Fitch Ratings.</p> <p>Kreditvärdighetsbetyget från Fitch har utfärdats av Fitch Ratings Limited och kreditvärdighetsbetyget från Standard & Poor's har utfärdats av Standard & Poor's Credit Market Services Europe Limited. Båda är registrerade som kreditvärderingsinstitut under Förordning (2009/1060/EG), så som denna ändrades genom Förordning (2011/513/EG) ("KVI-Förordningen"). Kreditvärdighetsbetyget från Moody's har utfärdats av Moody's Investors Service, Inc., som inte är etablerat inom EES och är inte certifierad under KVI-Förordningen, men kreditvärdighetsbetyget som Moody's utfärdat stöds av Moody's Investors Service Ltd., ett kreditvärderingsinstitut som är etablerat inom EES och registrerat under KVI-Förordningen.]</p>
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Punkt		Avsnitt C – Värdepapper ¹
C.1	Typ och klass av värdepapperen, värdepappersidentifikationsnummer.	<p>Typ och Form av värdepapper Värdepapperen är [certifikat][obligationer][warranter].</p> <p>Värdepapperen emitteras i serier (var och en, en "Serie") och Värdepapperen i varje Serie kommer 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, förfallodag eller annat.</p> <p>[med avseende på Värdepapper som regleras av tysk rätt och representeras av ett Globalt Värdepapper, infoga: Värdepapperen kommer 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 (var och en, ett "Globalt Värdepapper") [ett tillfälligt, globalt, till innehavaren utställt värdepapper (var och en, ett "Tillfälligt Globalt Värdepapper") som är utbytbar vid intygande om icke-amerikanskt faktiskt ägande till ett permanent, globalt, till innehavaren utställt värdepapper (ett "Permanent Globalt Värdepapper", och tillsammans med det Tillfälliga Globala Värdepapperet, ett "Globalt Värdepapper")]. Inga Värdepapper utställda till innehavaren kommer att emitteras eller bytas ut till enskilda fysiska värdepapper som är utställda 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 ("Clearstream, Germany")] [Clearstream Banking S.A. ("Clearstream, Luxembourg")] [och/eller] [Euroclear Bank S.A./ N.V. ("Euroclear")].]</p>

¹ 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>[I fall av svenska Värdepapper, infoga: Värdepapperen (även "Svenska Värdepapper") clearas genom Euroclear Sweden AB ("Euroclear Sweden") i egenskap av det relevanta Clearingsystemet och är utfärdade i icke-certifierade och dematerialiserad, kontoförd form samt registrerade hos Euroclear Sweden i enlighet med lag (1998:1479) om kontoföring av finansiella instrument. Inga fysiska värdepapper, så som globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer emitteras för de Svenska Värdepapperen.]</p> <p>[I fall av Finska Värdepapper, infoga: Värdepapperen (även "Finska Värdepapper") clearas genom Euroclear Finland Ltd ("Euroclear Finland") i egenskap av det relevanta Clearingsystemet och är utfärdade i icke-certifierade 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 (1991/827) lag om värdeandelskonton (<i>laki arvoosuustileistä</i>). Inga fysiska värdepapper, så som globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer emitteras för de Finska Värdepapperen.]</p> <p>[I fall av Norska Värdepapper, infoga: Värdepapperen (även "Norska Värdepapper") clearas genom Verdipapirsentralen ASA ("VPS") i egenskap av det relevanta Clearingsystemet och är utfärdade i icke-certifierade 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, så som globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer emitteras för de Norska Värdepapperen. Inga fysiska värdepapper, så som globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer emitteras för de Norska Värdepapperen.]</p> <p>[I fall av Danska Värdepapper, infoga: Värdepapperen (även "Danska Värdepapper") clearas genom VP Securities A/S ("VP") 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. om dematerialiserade värdepapper i centrala värdepappersförvarare (<i>Bekendtgørelse om registrering m.v. af fondsaktiver i en vaerdipapircentral</i>), som ändrad från tid till annan, utfärdad därtill. Inga fysiska värdepapper, så som globala tillfälliga eller permanenta värdepapper eller definitiva värdepapper kommer emitteras för de Danska Värdepapperen.]</p> <p>Värdepappersidentifikationsnummer för Värdepapperen</p> <p>ISIN: [●]* [WKN: [●]* [Common kod: [●]* [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>
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		<table border="1"> <tr> <td>ISIN</td> <td>[WKN]</td> <td>[Common kod]</td> <td>[Valoren]</td> </tr> <tr> <td>[●]</td> <td>[●]</td> <td>[●]</td> <td>[●]</td> </tr> </table>	ISIN	[WKN]	[Common kod]	[Valoren]	[●]	[●]	[●]	[●]
ISIN	[WKN]	[Common kod]	[Valoren]							
[●]	[●]	[●]	[●]							
C.2	Valuta för värdepapperen.	<p>[För varje Värdepappersserie] [●]* ("Inlösenvaluta")</p> <p><i>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och ifyll för varje Serie av Värdepapper, vid behov:</i></p> <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 för Värdepapperen.								
C.8	Rättigheter kopplade till värdepapperen, inklusive rangordning och begränsningar av sådana rättigheter.	<p>Tillämplig lag för Värdepapperen</p> <p>[Varje Serie av] Värdepapper[en] kommer att vara underkastad tysk rätt ("Värdepapper underkastade tysk rätt").</p> <p>[Den juridiska effekten av registrering av Värdepapperen med relevant Clearingsystem styrs av lagarna i Clearingsystemets jurisdiktion.]</p> <p>Rättigheter förknippade med Värdepapperen</p> <p>Värdepapperen ger, med förbehåll för Villkoren för Värdepapperen, Värdepappersinnehavarna, vid förfall eller vid utövande, ett yrkande om betalning av Inlösenbeloppet i Inlösenvalutan [och/eller levererans av den Fysiska Underliggande i relevant antal].</p> <p>[Dessutom är Värdepappersinnehavare under Värdepapperens löptid berättigade, med förbehåll för Villkoren för Värdepapperen, att motta betalning av [en Kupong][Kuponger][ett Räntebelopp][Räntebelopp].]</p> <p>Begränsningar i rättigheterna relaterade till Värdepapperen</p> <p>Enligt de villkor som anges i Villkoren för Värdepapperen, har Emittenten rätt att avsluta Värdepapperen och att göra vissa justeringar av Villkoren.</p> <p>Status för Värdepapperen</p> <p>[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>								
<p><i>[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):</i></p>										
C.9	Förfallodagen och arrangemang för amortering av lån,	<p>[Förfallodag: [●]*</p> <p><i>[vid värdepapper med fast/rörlig ränta, infoga:</i></p>								

<p>inklusive återbetalningsförfaranden, en indikation på avkastning, namn på representanter för skuldebrevsinnehavarna</p>		<p>[Räntesats][Kupong]: [●]*</p> <p><i>[vid värdepapper med stigande ränta eller sjunkande ränta, infoga:</i></p> <p>[Räntesats][Kupong]: [□]* i relation till [Ränta][Kupong][en] Beräkningsperiod(i=1): [□]*, i relation till [Ränta][Kupong][en] Beräkningsperiod(i=2): [□]*, i relation till [Ränta][Kupong][en] Beräkningsperiod(i=n): [□]*</p> <p>[Ränta][Kupong] Betalning [●]*</p> <p>[Ränta][Kupong] Beräkningsperiod: [●]*</p> <p><i>[om Värdepapperen föreskriver, enligt vad som i de tillämpliga Produktvillkoren, betalning av ett villkorat Räntebelopp eller Kupong, till exempel där betalningen av Räntebeloppet eller Kupongen är beroende av utvecklingen av den Underliggande, infoga:</i></p> <p>Betalningen av [infoga beskrivning av [aktien (inklusive [Räntebeloppet][Kupong] är ett certifikat som representerar aktier)] beroende av utvecklingen av [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. [□]*]</p> <p>Kalkylavkastning: [Inte tillämplig; Värdepapperen erbjuder inte betalning av fast ränta.] <i>[om Värdepapperen erbjuder betalning av fast ränta, ange kalkylavkastning: [□]</i> 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> <p>Namn på representant för innehavare av skuldvärdepapper: Ej tillämpligt; det finns ingen representant för Värdepappersinnehavare.]</p>
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		<p>[Avseende Värdepapper som emitteras i flera serier infoga följande tabell över relevant information och ifyll för varje serie av Värdepapper, om så krävs:</p> <table border="1" data-bbox="555 331 1433 667"> <tr> <td>ISIN</td> <td>[infoga ISIN]</td> <td>[infoga ISIN]</td> </tr> <tr> <td>Förfallodag</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Ränta][Kupong]</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Ränta][Kupong] Betalningsdag:</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Ränta][Kupong] Beräkningsperiod:</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>[Avkastning]</td> <td>[•]</td> <td>[•]</td> </tr> </table> <p>]</p> <p>Värdepappersinnehavare kommer erhålla betalning i form av Inlösenbeloppet på Förfallodagen och på [varje] [Ränta][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 för, göras i enlighet med de relevanta reglerna och operationella förfarandena som är tillämpliga på och/eller utfärdade av Clearingsystemet ("CA Reglerna") för det relevanta Clearingsystemet eller den relevanta mellanmannen eller för dess order för kreditering på kontona för de relevanta kontoinnehavarna hos Clearingsystemet eller den relevanta mellanmannen.</p> <p>Emittenten ska anses ha fullgjort dess inlösenförpliktelser eller varje annan betalnings- eller annan förpliktelse under Villkoren för Värdepapperen vid leverans till Clearingsystemet på det sätt som beskrivs ovan.]</p>	ISIN	[infoga ISIN]	[infoga ISIN]	Förfallodag	[•]	[•]	[Ränta][Kupong]	[•]	[•]	[Ränta][Kupong] Betalningsdag:	[•]	[•]	[Ränta][Kupong] Beräkningsperiod:	[•]	[•]	[Avkastning]	[•]	[•]				
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[Avkastning]	[•]	[•]																						
<p>[Följande Punkt C.10 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 räntebetalningar):</p>																								
C.10	<p>Derivatkomponenter i räntebetalningen.</p>	<p>[Ej tillämpligt; Värdepapperen har inte derivatkomponenter i räntebetalningarna.]</p> <p>[infoga beskrivning av derivatkomponenterna i räntebetalningarna, som tillämpliga]</p> <p>[att infogas för varje Värdepapper, vid behov:]</p> <table border="1" data-bbox="555 1659 1433 2056"> <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> </table>	[Barriär]	[•]*	[Kupongbetalningsdag]	[•]*	[Kupong]	[•]*	[Dagsberäkningskonvention]	[•]*	[Räntebelopp]	[•]*	[Ränteberäkningsperiod]	[•]*	[Räntebetalningsdag]	[•]*	[Räntesats]	[•]*	[Nominellt Belopp]	[•]*	[Observationsdag]	[•]*	[Observationsperiod]	[•]*
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[□]	[•]	[•]																															
C.11	<p>Upptagande till handel på en reglerad marknad eller andra liknande marknader</p>	<p><i>[Om Emittenten eller en Manager, vilket kan vara fallet, avser att ansöka om inregistrering av Värdepapperen (på en börs som inte är SIX Swiss Exchange), infoga följande text: [Emittenten][En Manager] avser 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 Utlöpanedagen, ska handeln med Värdepapperen avslutas [[två] [•] handelsdag[ar] före] [på] [Värderingsdagen][den Slutliga Värderingsdagen][Utlöpanedagen][Förfalldagen] [•] (sådan dag, den "Sista Handelsdagen på Börsen"). [Per den Sista Handelsdagen på Börsen kan handel bara äga rum utanför börsen med [Manager] [•].]]]</i></p> <p><i>[Värdepapperen som redan emitterats har upptagits till handel på [ange börs: [•]].]</i></p> <p><i>[Om Emittenten avser 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 ("SIX") och om upptagande till handel på plattformen SIX Structured Products Exchange AG]</i></p> <p><i>[Om varken Emittenten eller en Manager avser ansöka om notering av Värdepapperen, infoga följande text: Det finns ingen avsikt att ansöka om upptagande av Värdepapperen till handel på en värdepappersbörs.]</i></p>																															
<p><i>[Följande Punkter C.15, C.16, C.17, C.18, C.19 och C.20 ska endast infogas om det rör sig om Värdepapper där</i></p>																																	

Emittenten har en skyldighet som uppstår vid emissionstillfället att betala investerare 100 % av det nominella värdet (där det dessutom kan finnas en räntebetaling):

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 andra Underliggande], kommer även värdet på Värdepapperen [(bortsett från speciella kännetecken för Värdepapperen)] sannolikt att [öka][minska].</p> <p>I synnerhet, Inlösenbeloppet, om något, som ska erhållas av Värdepappersinnehavaren vid utövande av Värdepapperen är beroende av utvecklingen av [Underliggande] [Korgkomponenterna]][i relation till utvecklingen av [en annan Underliggande][andra Underliggande]]. [Dessutom bör det noteras att kommande referenser till "Underliggande" kan innebära 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 kännetecken är exempel som beskriver hur värdet på Värdepapperen är beroende av Underliggande:</p> <p>[UBS Värdepapper med Automatisk Inlösen/ Expressinlösen</p> <p>UBS Värdepapper med Automatisk Inlösen/Expressinlösen är passande 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, så kommer Värdepapperen att lösas in i förtid före Förfallodagen.</p> <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 komma att bestämmas i referens till utvecklingen av en eller flera Underliggande, enligt vad som anges i de relevanta Produktvillkoren.</p> <p>Betalningen av Kupong eller andra likvider relaterade till Underliggande Vidare och enligt vad som anges i de relevanta Produktvillkoren, kan Värdepappersinnehavarna under löptiden för UBS Värdepapper med Automatisk Inlösen/Expressinlösen komma att vara berättigade att erhålla betalning av en Kupong eller andra likvider, om tillämpliga, enligt vad som anges i de tillämpliga Produktvillkoren. Sådan betalning kan vara ovillkorad eller villkorad av en speciell utveckling hos Underliggande, enligt vad som</p>
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	<p>anges i de tillämpliga Produktvillkoren.]</p> <p>[UBS Värdepapper med Utväxling</p> <p>UBS Värdepapper med Utväxling erbjuder Värdepappersinnehavarna möjlighet att ta del av den positiva utvecklingen av Underliggande. Omvänt, Värdepappersinnehavare av UBS Värdepapper med Utväxling kan också ta del av 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 att ta del av den positiva utvecklingen hos Underliggande i relation till andra Underliggande. Omvänt, Värdepappersinnehavarna av UBS Värdepapper med Utväxling kan ta del av den negativa utvecklingen av Underliggande i relation till andra 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, Värdepappersinnehavarna i UBS Värdepapper med Utväxling (Sälj) kan också delta i den positiva utvecklingen av Underliggande, eftersom UBS Värdepapper med Utväxling (Sälj) kan bidra med riskpotential på uppsidan 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 andra underliggande. Omvänt, Värdepappersinnehavare i UBS Värdepapper med Utväxling (Sälj) kan delta i den positiva utvecklingen av Underliggande i relation till andra Underliggande.</p> <p>UBS Värdepapper med Utväxling kan löpa ut och vara värdelös 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 Produktvillkoren. Typiskt sett beräknas Inlösenbeloppet genom att multiplicera det Nominella Beloppet eller sådant annat belopp enligt vad som anges i Produktvillkoren, med den relevanta utvecklingen för de(n) Underliggande och därefter multiplicera med Deltagandegrad, Hävstångsfaktorn eller Multiplikatorn, men andra faktorer kan också tas med i beräkningen, enligt vad som anges i Produktvillkoren.</p> <p>Inlösenbeloppet kan bestämmas med hänvisning till utvecklingen av en eller flera Underliggande, enligt vad som anges i Produktvillkoren.]</p> <p>[UBS Warranter</p> <p>UBS Köpwarranter tillåter Värdepappersinnehavare att oproportionerligt (med hävstångseffekt) delta i den positiva utvecklingen för de[n] Underliggande. Omvänt, så deltar Värdepappersinnehavare av UBS Köpwarranter också oproportionerligt (med hävstångseffekt) i den negativa utvecklingen för de(n) Underliggande. Värdepappersinnehavare bär risken för att UBS Köpwarranter löper ut och blir värdelösa om Referenspriset eller Avvecklingspriset för de(n) Underliggande, enligt vad som anges i</p>
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	<p>Produktvillkoren för UBS Köpwaranter, är lika med eller lägre än Startkursen.</p> <p>UBS Säljwaranter tillåter Värdepappersinnehavare att oproportionerligt (med hävstångseffekt) delta i den negativa utvecklingen för de(n) Underliggande. Omvänt, så deltar Värdepappersinnehavare av UBS Säljwaranter också oproportionerligt (med hävstångseffekt) i den positiva utvecklingen för de(n) Underliggande. Värdepappersinnehavare bär risken för att UBS Säljwaranter löper ut och blir värdelösa om Referenspriset eller Avvecklingspriset för de(n) Underliggande, enligt vad som anges i Produktvillkoren för UBS Säljwaranter, 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 relevanta Produktvillkoren.]</p> <p>[UBS Kapitalskyddade Värdepapper/UBS delvis Kapitalskyddade Värdepapper</p> <p>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 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 beloppet som är lika med emissionskursen inte helt skyddat vid förfall. För att skillnaden mellan nivån av kapitalskydd och emissionskursen ska överbyggas, krävs det att särskilda villkor, relaterade till den Underliggandes tillgångsprisrörelser, uppfylls för att undvika förlust vid förfall.</p> <p>Oberoende av produktens struktur, så måste hänsyn tas till emittentrisk som gäller för UBS AG.</p> <p>Inlösenbeloppet kan bestämmas med hänvisning till utvecklingen för en eller flera Underliggande, enligt vad som anges i relevanta Produktvillkor.</p> <p>Emissionskursen på UBS Kapitalskyddade Värdepapper/UBS delvis Kapitalskyddade Värdepapper kan också vara högre eller mindre än 100 procent.]</p> <p>[UBS Sprintvärdepapper</p> <p>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 Produktvillkoren. Omvänt kan Värdepappersinnehavare av UBS Sprintvärdepapper även delta i en del av, eller hela, den negativa utvecklingen av Underliggande. UBS</p>
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	<p>Sprintvärdepapper finns också med en obegränsad potential för uppgång, alltså utan Tak.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen för en eller flera Underliggande, enligt vad som anges i de relevanta Produktvillkoren.]</p> <p>[UBS Bonusvärdepapper UBS Bonusvärdepapper ger Värdepappersinnehavare möjlighet att delta i den positiva utvecklingen för Underliggande. Omvänt kan Värdepappersinnehavare av UBS Bonusvärdepapper även delta i den negativa utvecklingen för 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 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 för en eller flera Underliggande, enligt vad som anges i de relevanta Produktvillkoren.]</p> <p>[UBS Överutvecklingsvärdepapper 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 Avvecklingspriset för den Underliggande, enligt vad som anges i de relevanta 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>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen för en eller flera Underliggande, enligt vad som anges i de relevanta Produktvillkoren.]</p> <p>[UBS Omvända Konvertibelvärdepapper/GOAL Beroende på om Referenspriset eller Avvecklingspriset för Underliggande som anges i de relevanta Produktvillkoren, är lägre än eller lika med Startkursen eller högre än Startkursen, kan Värdepappersinnehavare erhålla antingen det nominella värdet eller utvecklingen av Underliggande.</p> <p>Utöver detta är Värdepappersinnehavaren berättigad att erhålla på den relevanta Ränte-/Kupongbetalningsdagen 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, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen för en eller flera Underliggande, enligt vad som anges i de relevanta</p>
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		<p>Produktvillkoren.]</p> <p>[UBS Kick-In GOAL/Omvänd Konvertibel med Barriär 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 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 Produktvillkoren. Om de(n) Underliggande stänger över en förutbestämd nivå på en viss dag enligt vad som anges i 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 Produktvillkoren, är Värdepappersinnehavare berättigade att på Förfallodagen erhålla, beroende på produktens struktur, antingen den Fysiska Underliggande i lämpligt antal som antingen uttrycks i Multipliceringsfaktorn eller, vilket fallet än kan vara, och enligt vad som anges i Produktvillkoren, lika med antalet Referensaktier per Valör eller en kontantbetalning av det då aktuella värdet för de(n) Underliggande (justerat för respektive ratio). Barriären kan observeras antingen kontinuerligt eller på förutbestämda dagar, enligt vad som anges i Produktvillkoren.</p> <p>Utöver detta är Värdepappersinnehavare berättigad att erhålla på den relevanta Ränte-/Kupongbetalningsdagen 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, enligt vad som anges i de tillämpliga Produktvillkoren.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen för en eller flera Underliggande, enligt vad som anges i de relevanta Produktvillkoren.]</p> <p>[UBS Utveckling / Delta One Värdepapper UBS Utveckling/Delta One Värdepapper tillåter investerare att delta – om de tillämpliga Produktvillkoren anger att en Förvaltningsavgift är tillämplig, med beaktande av Förvaltningsavgiften – i den positiva utvecklingen av Underliggande. Omvänt, investerare i UBS Utveckling/Delta One Värdepapper deltar också i den negativa utvecklingen av Underliggande.</p> <p>UBS Utveckling/Delta One Värdepapper kan emitteras som Värdepapper utan förutbestämd Förfallodag eller med en förutbestämd Förfallodag. De kan ha en ovillkorlig rättighet i Värdepapperet för Emittent och/eller Värdepappersinnehavare som kan utnyttjas och som gör att Värdepapperen inlöses/utlöper vid någon tidpunkt, enligt vad som anges i de relevanta Produktvillkoren.</p> <p>Inlösenbeloppet kan fastställas genom hänvisning till utvecklingen för en</p>
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	<p>eller flera Underliggande, enligt vad som anges i de relevanta Produktvillkoren.]</p> <p>[UBS Hävstångsvärdepapper 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, enligt vad som anges i de relevanta Produktvillkoren, är deltagandegraden i en potentiellt stigande kursutveckling högre än 100 procent. Den exakta utvecklingstakten varierar beroende på produkttegenskaperna och är förutbestämd för varje emission, enligt vad som anges i 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 en vinst motverkad av en förlustrisk som motsvarar en direkt, eller som situationen kan vara med hävstång, 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 tillkommande säkerhetströskel, enligt vad som anges i relevanta Produktvillkor, 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 på förfallodagen.</p> <p>Inlösenbeloppet kan fastställas med hänvisning till utvecklingen för en eller flera Underliggande, enligt vad som anges i de relevanta Produktvillkoren.]</p> <p>[UBS Nollkupongvärdepapper UBS Nollkupongsvärdepapper ger Värdepappersinnehavare rätt att erhålla betalning i form av Nominellt Värde per Värdepapper på Förfallodagen. Som ett resultat är UBS Noll Kupongvärdepapper 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 av ett UBS Nollkupongsvärdepapper är under det nominella värdet. Under löptiden för UBS Noll Kupongvärdepapper är Värdepappersinnehavaren inte berättigad att erhålla betalning av ränta.]</p> <p>[UBS Värdepapper med Fast Ränta UBS Värdepapper med Fast Ränta ger Värdepappersinnehavaren rätt att erhålla betalning i form av Nominellt Värde per Värdepapper på Förfallodagen. 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>
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		<p>Under löptiden för UBS Värdepapper med Fast Ränta, är Värdepappersinnehavare på den relevanta Räntebetalningsdagen berättigad att få betalning av Räntebeloppet som hänför sig till den föregående Ränteberäkningsperioden. Räntebeloppet beräknas genom applicering av Räntesatsen och Dagberäkningskonventionen till det Nominella Beloppet per Värdepapper. Räntesatsen är fast för hela löptiden för UBS Värdepapper med Fast Ränta.</p> <p>[UBS Värdepapper med Rörlig Ränta</p> <p>UBS Värdepapper med Rörlig Ränta ger Värdepappersinnehavaren rätt att erhålla betalning av det Nominella Värdet per Värdepapper på Förfalldagen. Som ett resultat är UBS Värdepapper med Rörlig Ränta är 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 Värdepappersinnehavare på den relevanta Räntebetalningsdagen berättigad att få betalning av Räntebeloppet som hänför sig till den föregående Ränteberäkningsperioden. Räntebeloppet beräknas genom applicering av Räntesatsen och Dagberäkningskonventionen till det Nominella Beloppet per Värdepapper.</p> <p>Räntesatsen i relation till varje Ränteberäkningsperiod(i) är lika med Priset för Underliggande, om det är angivet, antingen (i) plus eller, vilket än kan vara fallet, (ii) minus en särskild marginalprocent, enligt vad som anges i de relevanta Produktvillkoren.]</p> <p>Följande beskrivningar av flertalet utvecklingsstrukturer kan användas för Värdepapper beskrivna ovan, om tillämpliga.</p> <p><u>Underliggande</u></p> <p>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. Korgutvecklingar 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> <p><u>Utvecklingar</u></p> <p>I princip är det sannolikt att värdet på Värdepapperen (bortsett från särskilda egenskaper hos Värdepapperen) kommer öka, i fall priset på Underliggande eller, om det anges som tillämpligt i definitionen av "Underliggande" att en "Korg" är angiven som tillämplig i de tillämpliga Produktvillkoren, i Korgkomponenterna, ökar. I fall priset på Underliggande eller Korgkomponenter minskar, är det också troligt att värdet på Värdepapperen (bortsett från speciella egenskaper hos Värdepapperen) minskar.</p>
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		<p>Motsatsvis kan Värdepapperen, om så anges i de relevanta 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 minska i värde, om priset på Underliggande eller, om det anges som tillämpligt i definitionen av "Underliggande" att en "Korg" är angiven som tillämplig i de tillämpliga Produktvillkoren, i Korgkomponenterna, ökar, eller så kommer Värdepapperen att öka i värde, om priset på Underliggande eller, om det anges som tillämpligt i definitionen av "Underliggande" att en "Korg" är angiven som tillämplig i de tillämpliga Produktvillkoren, i 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 som ett procenttal av den initiala nivån för de(n) Underliggande. Den slutliga nivån och/eller den initiala nivån kan 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 negativt att 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 utlösas endast om mer än ett värde möts.</p> <p>Barriärer kan definieras antingen för att observera endast 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>
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		<p><u>Funktion för Automatiskt Avslut</u> Om de relevanta Produktvillkoren anger att Funktionen för Automatiskt Avslut är tillämplig, kan Värdepapperen avslutas och lösas in i förtid vid inträffande av en händelse för automatiskt avslut (inklusive, men inte begränsat till, en Händelse för Stop-Loss eller Händelse för Knock-Out).</p> <p><u>Investeringsstrategier</u> Utveckling kan definieras som den hypotetiska utvecklingen av en särskild, på förhand definierad, investeringsstrategi. Det kan till exempel vara en strategi att endast investera i den Underliggande på särskilda förutbestämda datum. Ett annat exempel kan vara en strategi att investera i den Underliggande beroende på dess realiserade volatilitet, utveckling, momentum eller andra metrisk värden hos den Underliggandes nivå över produktens livslängd.</p> <p><u>Nedgångsinriktad/Uppgångsinriktad/Variabel Deltagandegrad</u> Deltagandegrad är vanligtvis proportionell med en särskild grad (vilken i sig själv kan vara beroende av särskilda förutbestämda villkor, till exempel utvecklingen av en eller flera Underliggande) och kan vara negativ eller positiv.</p> <p><u>Valutakonventering</u> Värdepappersinnehavarens rätt som finns i Värdepapperen kan bestämmas på basis av en valuta annan än Inlösenvalutan, valutaenhet eller beräkningsenhet, och även värdet av den Underliggande eller, så som fallet kan vara, Korgkomponenterna kan bestämmas i sådan valuta annan än Inlösenvalutan, valutaenhet eller beräkningsenhet. Valutakursen som ska användas för att bestämma Inlösenbeloppet kan antingen vara förutbestämd (quanto funktion) eller variabel.</p> <p><u>Kuponger/Räntebelopp/Andra Likvider</u> Om de relevanta Produktvillkoren anger att ovillkorad Kupong, Räntebelopp eller annan likvid är tillämplig, så är Värdepappersinnehavaren berättigad att ta emot betalning i form av den relevanta Kupongen, Räntebeloppet eller annan likvid, enligt vad som i de tillämpliga Produktvillkoren.</p> <p>Om de relevanta Produktvillkoren anger att villkorad Kupong, Räntebelopp eller annan likvid är tillämplig, är Värdepappersinnehavaren berättigad att ta emot betalning i form av den relevanta Kupongen, Räntebeloppet eller annan likvid förutsatt att villkoren uppfylls. Om, i fall av en villkorad Kupong, Räntebelopp eller annan likvid, dessa krav inte är uppfyllda, så utbetalas ingen Kupong, Räntebelopp eller annan likvid.</p> <p>Under dessas 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> Endast om produktens egenskaper "Kapitalskydd" anges som tillämplig i de relevanta Produktvillkoren motsvarar Avvecklingsbeloppet, i varje fall, åtminstone det kapitalskyddade Minimibeloppet.</p>
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		<p><u>Maximalt Belopp</u> 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> 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>										
C.16	Utlöpandedag eller förfallodag, utövandedag eller den slutliga referensdagen.	<p>[Förfallodag: [•]*]</p> <p>[Utlöpandedag: [•]*]</p> <p>[[Utövandedag[ar]][Utövandeperiod]: [•]*]</p> <p>[[Slutlig] Värderingsdag: [•]*]</p> <p>[Genomsnittliga Värderingsdagar: [•]*]</p> <p><i>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och färdigställ för varje Serie av Värdepapper:</i></p> <table border="1"> <thead> <tr> <th>ISIN</th> <th>Förfallodag</th> <th>Utlöpandedag</th> <th>[Utövandedag[ar]][Utövandeperiod]</th> <th>[[Slutlig] Värderingsdag][Genomsnittliga Värderingsdagar]</th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table> <p>]</p>	ISIN	Förfallodag	Utlöpandedag	[Utövandedag[ar]][Utövandeperiod]	[[Slutlig] Värderingsdag][Genomsnittliga Värderingsdagar]	[•]	[•]	[•]	[•]	[•]
ISIN	Förfallodag	Utlöpandedag	[Utövandedag[ar]][Utövandeperiod]	[[Slutlig] Värderingsdag][Genomsnittliga Värderingsdagar]								
[•]	[•]	[•]	[•]	[•]								
C.17	Avvecklingsförfarande för de derivatvärdepapper.	<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 för, göras i enlighet med de relevanta reglerna och operationella förfarandena som är tillämpliga på och/eller utfärdade av Clearingsystemet ("CA Reglerna") för det relevanta Clearingsystemet eller den relevanta mellanmannen eller för dess order för kreditering på kontona för de relevanta kontoinnehavarna hos Clearingsystemet eller den relevanta mellanmannen.</p> <p>Emittenten ska anses ha fullgjort dess inlösenförpliktelser eller varje annan betalnings- eller annan förpliktelse under Villkoren för Värdepapperen vid leverans till Clearingsystemet på det sätt som beskrivs ovan.</p>										
C.18	En beskrivning av hur avkastningen på derivatvärdepapper äger rum.	Värdepappersinnehavare kommer på den relevanta Förfallodagen erhålla [betalning i form av Inlösenbeloppet][och/eller][leverans av den Fysiska Underliggande i tillämpligt antal, vilket fallet kan vara].										

C.19	Utövandepris eller slutligt referenspris hos Underliggande.	<p>[Avvecklingspris: [•]*] [Referenspris: [•]*] [Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och färdigställ för varje Serie av Värdepapper:</p> <table border="1" data-bbox="555 371 1433 450"> <tr> <td data-bbox="555 371 994 409">ISIN</td> <td data-bbox="994 371 1433 409">[Avvecklingspris][Referenspris]</td> </tr> <tr> <td data-bbox="555 409 994 450">[•]</td> <td data-bbox="994 409 1433 450">[•]</td> </tr> </table>	ISIN	[Avvecklingspris][Referenspris]	[•]	[•]
ISIN	[Avvecklingspris][Referenspris]					
[•]	[•]					
C.20	Typ av underliggande och var informationen om underliggande kan finnas.	<p>Typ av Underliggande:</p> <p>[infoga förklaring 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 relevanta 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 [den Underliggande] och [dess] [dessas] volatilitet kan finnas [på hemsidan] [•].</p> <p>[Avseende Värdepapper som emitteras i flera serier infoga följande översiktliga tabell med relevant information och färdigställ för varje Serie av Värdepapper:</p> <table border="1" data-bbox="555 1048 1433 1227"> <tr> <td data-bbox="555 1048 994 1086">ISIN</td> <td data-bbox="994 1048 1433 1086"></td> </tr> <tr> <td data-bbox="555 1086 994 1227">[•]</td> <td data-bbox="994 1086 1433 1227">[infoga beskrivning av underliggande tillgång och var information om underliggande tillgång kan finnas]</td> </tr> </table>	ISIN		[•]	[infoga beskrivning av underliggande tillgång och var information om underliggande tillgång kan finnas]
ISIN						
[•]	[infoga beskrivning av underliggande tillgång och var information om underliggande tillgång kan finnas]					

Punkt	Avsnitt D – Risker	
D.2	Nyckelinformation om väsentliga risker som är specifika och individuella för Emittenten.	<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 dess förpliktelser under Värdepapperen.</p> <p>Generell risk för insolvens</p> <p>Varje Värdepappersinnehavare bär den generella risken att den finansiella situationen för Emittenten kan försämrats. Värdepapperen utgör direkta, icke säkerställda och icke efterställda förpliktelser för Emittenten och förpliktelserna kommer vid Emittentens insolvens att rangordnas lika med samtliga andra nuvarande och framtida icke säkerställda och icke efterställda förpliktelser för Emittenten, med undantag för de förpliktelser som har förmånsrätt enligt tvingande lagregler. Emittentens förpliktelser under Värdepapperen garanteras inte av något system av insättningsgarantier eller kompensationsplaner. Om Emittenten blir insolvent kan följaktligen Värdepappersinnehavare lida en total förlust av sina investeringar i Värdepapperen.</p> <p>UBS är som Emittent utsatt för olika riskfaktorer i sin affärsverksamhet. Sådana risker består särskilt av följande typer av risker, där alla av dessa</p>

		<p>risker kan ha en negativ inverkan på värdet för Värdepapperen:</p> <ul style="list-style-type: none"> • Inverkan av nedvärdering at Emittentens kreditvärdighetsbetyg: Den allmänna uppfattningen om Emittentens kreditvärdighet kan påverka värdet för Värdepapperen. Som en konsekvens kan varje nedvärdering av Emittentens kreditvärdighetsbetyg ha en negativ inverkan på värdet för Värdepapperen. • Den 15 januari 2015 avbröt den schweiziska centralbanken (SNB) den lägsta målsättningsväxelkursen för den schweiziska francen mot euron, vilken hade funnits på plats sedan september 2011. Vid samma tidpunkt sänkte SNB räntesatsen på saldon på insättningskonton hos SNB som överstiger en viss undantagströskel med 50 baspunkter till negativa 0,75%. Den flyttade också målsättningsintervallet för tremånaders LIBOR till mellan negativa 1,25% och negativa 0,25% (tidigare negativa 0,75% till positiva 0,25%). Dessa beslut resulterade i en betydande stärkning av den schweiziska francen mot euron, US dollar, brittiska pund, japanska yen och flera andra valutor, liksom även en sänkning av räntesatser i schweiziska franc. Den långsiktiga kursen för den schweiziska francen mot dessa andra valutor är inte säker, inte heller är den framtida riktningen för räntesatser i den schweiziska francen. Flera andra centralbanker har på liknande sätt antagit policys om negativ ränta. Fluktuationer i valutakurser och fortsatt låga eller negativa räntesatser kan ha en mycket negativ inverkan på UBS Koncernens kapitalstyrka, UBS Koncernens likviditets- och finansieringsposition och UBS Koncernens lönsamhet. • Regulatoriska och lagstiftningsmässiga förändringar kan negativt inverka på UBS Koncernens verksamhet och förmåga att genomföra dess strategiska planer. De planerade och potentiella regulatoriska och lagstiftningsmässiga utvecklingarna i Schweiz och i andra jurisdiktioner där UBS Koncernen bedriver verksamhet kan ha väsentlig negativ inverkan på UBS Koncernens förmåga att genomföra dess strategiska planer, på lönsamheten eller livskraften för vissa verksamhetsområden globalt eller i särskilda jurisdiktioner och, i vissa fall, på UBS Koncernens förmåga att konkurrera med andra finansiella institutioner. Dessa kommer sannolikt att vara kostsamma att implementera och kan också ha en negativ inverkan på UBS Koncernens juridiska struktur och affärsmodell, potentiellt genereras kapitaleffektiviteter och påverka UBS Koncernens lönsamhet. • UBS Koncernens kapitalstyrka är viktig för att stödja dess strategi, kunderbudande och konkurrensmässiga position. Varje ökning i riskvägda tillgångar eller en reducering i kvalificerande kapital skulle kunna väsentligt reducera UBS Koncernens kapitalrelationer. Vidare, UBS Koncernen är underkastad ett krav på lägsta hävstångsrelation för schweiziska SRB-banker, vilket under vissa omständigheter skulle kunna begränsa UBS Koncernens affärsverksamheter även om UBS Koncernen möter övriga riskbaserade kapitalkrav. • UBS Koncernen kanske inte är framgångsrik i att genomföra sina tillkännagivna strategiska planer eller dess planer kan bli försenade eller
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		<p>marknadshändelser kan negativt inverka på genomförandet av planen eller effekterna av dess planer kan skilja sig från de avsedda. UBS Koncernen är också exponerad mot potentiell utflöde av klienttillgångar inom dess tillgångssamlade verksamheter och mot förändringar som påverkar lönsamheten inom dess affärsområde Wealth Management och kanske inte är framgångsrik i att genomföra förändringar inom dess verksamheter för att möta ändrade marknads-, regulatoriska eller andra förhållanden.</p> <ul style="list-style-type: none"> • Väsentliga juridiska och regulatoriska risker uppkommer vid driften av UBS Koncernens verksamhet. UBS Koncernen är föremål för ett stort antal krav, tvister, rättsliga förfaranden och statliga undersökningar och förväntar sig att dess pågående affärsverksamheter kommer att fortsätta att ge upphov till sådana saker i framtiden. Omfattningen av UBS Koncernens finansiella exponering mot dessa och andra saker är väsentlig och kan i betydande mån överstiga nivån av de reserveringar UBS Koncernen har etablerat för rättegångar, regulatoriska förfaranden och liknande aspekter. Lösningen på regulatoriska förfaranden kan kräva att UBS Koncernen erhåller undantag för regulatoriska avvikelser för att upprätthålla vissa verksamheter, kan berättiga regulatoriska myndigheter att begränsa, temporärt stänga ner eller avsluta tillstånd och regulatoriska godkännanden och kan tillåta att finansiella marknadsfunktioner att begränsa, temporärt stänga ner eller avsluta UBS Koncernens deltagande inom sådana funktioner. Misslyckande att erhålla sådana undantag, eller varje begränsning, temporär nedstängning eller avslutande av tillstånd, godkännanden eller deltaganden, skulle kunna ha väsentliga konsekvenser för UBS Koncernen. • Operationella risker, inklusive de som härrör från processfel, misslyckat utförande, obehörig handel, bedrägeri, systemfel, finansiell brottslighet, cyber-attacker, informationsintrång och misslyckanden inom säkerhet och fysiskt skydd, kan påverka UBS Koncernens verksamhet. Om UBS Koncernens interna kontroller misslyckas eller visar sig vara otillräckliga vad gäller identifiering och hantering av dessa risker, skulle UBS Koncernen kunna drabbas av operationella misslyckanden som kan resultera i väsentliga förluster. • UBS Koncernens rykte är kritiskt för framgången för dess verksamhet. Renommeskada kan ha grundläggande negativ inverkan på UBS Koncernens verksamhet och framtidsutsikter och ha väsentlig negativ inverkan på UBS Koncernens verksamhetsresultat och finansiella omständigheter och på UBS Koncernens förmåga att uppnå dess strategiska mål och finansiella mål. • Utveckling inom den finansiella tjänsteindustrin påverkas av marknadsförhållanden och det markoekonomiska klimatet. En ekonomisk nedgång, fortsatt låga marknadsräntor eller svag eller stagnerande ekonomisk tillväxt på UBS Koncernens kärnmarknader eller en allvarlig finansiell kris kan negativt inverka på UBS Koncernens intäkter och ytterst dess kapitalbas. • UBS Koncernen innehar äldre positioner och andra riskpositioner, inklusive positioner hänförliga till fast egendom i olika länder som kan
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		<p>påverkas negativt av marknadsförhållanden. Dessutom äldre riskpositioner kan vara svåra att likvidera eftersom den fortsatta bristande likviditeten och komplexiteten för många av dessa kan göra det svårt att sälja eller på annat sätt gå ur dessa positioner.</p> <ul style="list-style-type: none"> • UBS Koncernens globala närvaro utsätter den för risk från valutafluktuationer, vilket har inverkan på UBS Koncernens rapporterade intäkter och utgifter och andra rapporterade siffror såsom annan inkomst, investerade tillgångar, tillgångar på balansräkningen, riskvägda tillgångar och primärkapital enligt Basel III. • UBS Koncernen är beroende av dess riskhantering- och kontrollprocesser för att undvika eller begränsa potentiella förluster inom dess motpartskredits- och handelsverksamheter och skulle kunna drabbas av förluster om, till exempel, den inte till fullo identifierar riskerna inom dess portfölj eller om dess bedömning av riskerna som identifierats eller dess svar på negativa trender visar sig ske vid fel tidpunkt, olämpliga, otillräckliga eller felaktiga. • Värderingar av vissa positioner förlitar sig på modeller; modeller har inneboende begränsningar och kan använda ingångsvärden som inte har någon observerbar källa; andra antaganden och ingångsvärden skulle generera andra resultat och dessa skillnader skulle kunna ha en betydande inverkan på UBS Koncernens finansiella resultat. • Likviditets- och finansieringsförvaltning är kritiskt för UBS Koncernens pågående verksamhet. Volymen för UBS Koncernens finansieringskällor eller tillgången till finansiering av de slag som krävs, kan förändras på grund av, bland annat, allmänna marknadsstörningar, ökade kreditspreadar, förändringar i kapital och likviditetskrav eller nedvärderingar av UBS Koncernens kreditvärdighetsbetyg, vilket även kan inverka på kostnaden för finansiering. • UBS Koncernen kan vara oförmögen att identifiera eller tillvarata intäkter eller konkurrensmässiga möjligheter eller att behålla och attrahera kvalificerade anställda. UBS Koncernens konkurrensmässiga styrka och marknadsställning skulle kunna erodera om UBS Koncernen är oförmögen att identifiera marknadstrender och utvecklingar, inte svarar på dessa genom att ta fram och genomföra lämpliga affärsstrategier, på lämpligt sätt ta fram eller uppdatera teknologi, särskilt inom handelsverksamheterna eller är oförmögen att attrahera eller behålla de kvalificerade personer som behövs för att utföra dessa. • UBS Koncernens finansiella resultat kan påverkas negativt av förändringar inom redovisningsstandarder. Förändringar i IFRS eller tolkningar därav kan föranleda att UBS Koncernens framtida rapporterade resultat och finansiella position skiljer sig från de som tidigare rapporterats på grund av införandet av redovisningsstandarder på retroaktiv basis. Sådana förändringar kan också påverka UBS Koncernens regulatoriska kapital och relationer. • UBS Koncernens finansiella resultat kan påverkas negativt av
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		<p>förändringar i antaganden för värderingen av dess goodwill. Om antaganden under framtida perioder skiljer sig från de nuvarande utsikterna, kan värdet av UBS Koncernens goodwill försämrans, vilket ger upphov till förluster över resultaträkningen.</p> <ul style="list-style-type: none"> • Inverkan av skatter på UBS Koncernens finansiella resultat påverkas i väsentlig mån av omvärderingar av dess uppskjutna skattefordringar. UBS Koncernens effektiva skattekostnad på helårsbasis skulle kunna förändras väsentligt på basis av sådana omvärderingar. • Eftersom UBS Group AG är ett holdingbolag, är dess rörelseresultat, finansiella ställning och förmåga att betala utdelningar, andra överföringar eller att betala sina förpliktelser i framtiden, beroende av finansiering, utdelning och andra överföringar erhållna från UBS AG eller varje annat framtida direktägt dotterföretag, vilka kan vara föremål för begränsningar. UBS Koncernens förmåga att UBS Koncernens förmåga att betala utdelningar och andra överföringar samt att betala sina förpliktelser i framtiden kommer att bero på nivån av finansiering, utdelningar och andra överföringar, om några, erhållna från UBS AG och varje nytt dotterföretag etablerat av UBS Koncernen i framtiden. Förmågan hos sådana dotterföretag att lämna lån eller överföringar (direkt eller indirekt) till UBS Koncernen kan vara begränsad som en konsekvens av flera faktorer, inklusive restriktioner i finansieringsavtal och krav enligt tillämplig rätt samt regulatoriska och skattemässiga eller andra begränsningar. Begränsningar och regulatoriska åtgärder av detta slag kan försämra tillgången till medel som UBS Koncernen behöver för att göra betalningar. UBS Koncernens kreditvärdighetsbetyg kan bli lägre än kreditvärdighetsbetyget för UBS Koncernen, vilket kan negativt påverka marknadsvärdet för värdepapper och andra förpliktelser som UBS Koncernen sett på enskild basis. Vidare UBS Koncernen förväntar sig att det kan komma att garantera betalningsförpliktelserna för vissa av sina dotterföretag från tid till annan. Dessa garantier kan kräva att UBS Koncernen tillhandahåller betydande medel eller tillgångar till dotterföretag eller dessas borgenärer eller motparter vid en tidpunkt när UBS Koncernen är i behov av likviditet för att finansiera sina egna förpliktelser. • UBS Koncernens angivna mål för avkastning från kapital baseras, delvis, på kapitalrelationer som är föremål för regulatoriska förändringar och kan fluktuera i betydande mån. UBS har beslutat att återföra åtminstone 50% av dess nettovinst till aktieägare som avkastning från kapital, förutsatt att dess fullt tillämpade primärkapitalrelation är minst 13% och dess fullt tillämpade primärkapitalrelation vid stresstest är minst 10%. Men UBS förmåga att upprätthålla en fullt tillämpad primärkapitalrelation om minst 13% är underkastad ett flertal risker, inklusive resultatet från UBS Koncernens verksamhet, förändringar i kapitalstandarder, metodologier och tolkningar som kan negativt inverka på UBS Koncernens beräknade fullt tillämpade primärkapitalrelation, påförande av att risktillägg, eller ytterligare kapitalkrav såsom ytterligare kapitalbuffertar. Vidare, förändringar i metodologin, antaganden, stressscenarier och andra faktorer kan resultera i väsentliga skillnader i UBS fullt tillämpade primärkapitalrelation vid stresstest.
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		<ul style="list-style-type: none"> • UBS Koncernen kan misslyckas med att realisera de förväntade fördelarna med utbyteserbjudandet. UBS etablerade UBS Group AG som ett holdingbolag för Koncernen eftersom det anser att det kommer, tillsammans med andra åtgärder som redan har tillkännagivits, påtagligt kommer att förbättra lösningsförmågan hos UBS Koncernen vid svarsåtgärder på utvecklingen av regulatoriska krav. UBS Koncernen kan dock möta påtagliga svårigheter i att uppnå dessa fördelar eller dessa förväntade fördelar kanske inte uppkommer. UBS Group AG har förvärvat ungefär 97 procent av de utestående aktierna i UBS AG. Försening i att förvärva fullt ägande av UBS AG skulle kunna negativt påverka de förväntade fördelarna av utbyteserbjudandet och likviditeten och marknadsvärdet för UBS Group AG:s aktier. Förekomsten av minoritetsaktieägare i UBS AG kan, bland annat, göra det svårare eller försena UBS Koncernens förmåga att genomföra förändringar i den juridiska strukturen för UBS Koncernen och störa dess dagliga verksamhetsdrift och företagsstyrning. • Om UBS Koncernen genomför en fusion för att tvinga ut minoriteten under schweizisk rätt, kommer UBS AG att fusionera in i ett fusionsdotterföretag till UBS Koncernen, som kommer att överleva transaktionen. Även om UBS Koncernen förväntar sig att den överlevande juridiska personen i de flesta fall kommer att överta UBS AG:s banktillstånd, licenser och andra godkännanden, kan en sådan juridisk person vara tvungen att åter-ansöka om eller söka särskilda tillstånd, licenser och auktorisationer, liksom även samtycke från tredje man. Vidare, enligt schweizisk rätt är kan en minoritetsaktieägare som blir utsatt för en fusion för att tvinga ut minoriteten teoretiskt sett göra gällande att det erbjudna vederlaget är "otillräckligt" och begära att schweizisk domstol fastställa vad som är "tillräckligt" vederlag. Var och en av dessa omständigheter, om de skulle inträffa, kan generera kostnader, försena genomförandet av en fusion för att tvinga ut minoriteten eller störa eller negativt inverka på UBS Koncernens verksamhet.
D.3	Nyckelinformation om risker som är specifika och individuella för värdepapperen.	<p>Potentiella investerare i Värdepapperen ska vara medvetna om att Värdepapperen utgör en riskfylld investering som kan leda till total förlust 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 (inklusive transaktionskostnader). [Även när Värdepapperen är kapitalskyddade till Minimibeloppet vid förfall och risken för en förlust därför inledningsvis är begränsad till Minimibeloppet, bär investerare risken för att Emittentens finansiella situation försämras och potentiellt medför oförmåga för Emittenten att fullgöra sina förpliktelser under Värdepapperen.] [Investerare bär risken för att Emittentens finansiella situation försämras och potentiellt medför oförmåga för Emittenten att fullgöra sina förpliktelser under Värdepapperen.] Potentiella investerare måste därför vara förberedda på och i stånd att klara av en partiell eller till och med en total förlust av investerat kapital. Investerare som är intresserade av att köpa Värdepapper måste bedöma sin finansiella situation, för att tillförsäkra sig om att de är i en situation där de klarar av de risker för förluster som Värdepapperen innebär.</p>

		<p><u>Särskilda risker relaterade till specifika egenskaper hos Värdepapperets struktur</u></p> <p>[För det fall Värdepapperen är kopplade till en Underliggande infoga: Potentiella investerare ska vara medvetna om att den del [inklusive [Räntebeloppet] [Räntebeloppen] och] av Inlösenbeloppet som erläggas i enlighet med de Allmänna Villkoren för Värdepapperen är beroende av utvecklingen på 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 och kan till och med vara lika med noll. I sådana fall kommer Värdepappersinnehavarna ådra sig en total förlust av sina investeringar (inklusive eventuella transaktionskostnader).]</p> <p>[För det fall produkten innehåller bestämmelser om "Deltagandegrad", "Hävstångsfaktor", "Multiplikationsfaktor" eller, i förekommande fall, "Multiplikator", infoga: Potentiella investerare ska vara medvetna om att tillämpningen av [Deltagandegrad] [Hävstångsfaktor] [Multiplikationsfaktor] [Multiplikator] 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] [Multiplikatorn].]</p> <p>[För det fall produkten har en "Omvänd Struktur", infoga: Potentiella investerare ska vara medvetna om att Värdepapperen har en så kallad omvänd struktur och att, därmed, Värdepapperen (oberoende av andra egenskaper hänförliga till Värdepapperen eller några andra faktorer, som kan vara av betydelse för värdet på Värdepapperen) sjunker i värde, om priset på [den Underliggande] [Korgkomponenterna] ökar, eller Värdepapperen ökar i värde, 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 %.]</p> <p>[För det fall produkten har en "Expresstruktur", infoga: Potentiella investerare ska vara medvetna om att Värdepapperen enligt de Allmänna 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 ett lämpligt antal] i förhållande till det förtida upphörandet. Värdepappersinnehavaren är dock inte berättigad att begära [några ytterligare betalningar under Värdepapperen]</p>
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	<p>[eller, i förekommande fall,] [leverans av den Fysiska Underliggande] efter sådant förtida upphörande.</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 Värdepappersinnehavaren den så kallade återinvesteringsrisken. 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><i>[För det fall produkten har "Trösklar, Barriärer eller Nivåer", infoga: Potentiella investerare ska 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 de Allmänna Villkoren till Värdepapperen.</i></p> <p>Endast under förutsättning att den aktuella tröskeln, barriären eller, i förekommande fall, nivån inte har nåtts och/eller sjunkit under respektive överstigit den vid den tidpunkt eller period som anges i de Allmänna Villkoren till Värdepapperen, erhåller innehavaren av ett Värdepapper ett belopp, förbestämt i de Allmänna Villkoren till Värdepapperen som Inlösenbelopp. Annars deltar Värdepappersinnehavaren i utvecklingen av [den Underliggande] [Korgkomponenterna] och bär, därmed, risken för en total förlust av det investerade kapitalet.]</p> <p><i>[För det fall produkten har ett "Maxbelopp", infoga: Potentiella investerare ska 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 de Allmänna Villkoren för Värdepapperen. Till skillnad från en direktinvestering i [den Underliggande] [Korgkomponenterna] är den potentiella vinsten under Värdepapperen, därmed, begränsad till Maxbeloppet.]</i></p> <p><i>[För det fall produkten har en "Relevant Underliggande", infoga: Potentiella investerare ska 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 utvecklingen av den Relevanta Underliggande Tillgången och, därmed, till att den Underliggande uppvisar en viss förbestämd utveckling, till exempel den sämsta utvecklingen under en observationsperiod.</i></p> <p>Potentiella investerare ska, följaktligen, vara medvetna om att Värdepapperen jämfört med Värdepapper som hänvisar till endast en</p>
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	<p>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 när [nivån på Inlösenbeloppet] [eller, i förekommande fall,] [värdet på den Fysiska Underliggande som ska levereras i lämpligt antal] beräknas.]</p> <p>[För det fall produkten innefattar "Fysisk Leverans", infoga: Potentiella investerare ska vara medvetna om att när Värdepapperen förfaller, kommer ingen utbetalning av ett Inlösenbelopp ske, utan leverans, om någon, av den Fysiska Underliggande som den beskrivs i de Allmänna Villkoren till Värdepapperen i lämpligt antal kommer att ske. Potentiella investerare ska, därmed, beakta att i fall av inlösen av Värdepapperen genom fysisk leverans av den Fysiska Underliggande i ett lämpligt antal, erhåller investerare inte ett kontantbelopp, utan en rätt till den relevanta säkerheten, som är 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 något, bör potentiella investerare bekanta sig med den Fysiska Underliggande, som ska levereras, om något, 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 ett lämpligt antal kan, under vissa omständigheter, eventuellt ha ett väldigt lågt eller till och med inget värde. I sådant fall bär Värdepappersinnehavarna risken för en total förlust av det investerade kapitalet 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 och den faktiska leveransen av den Fysiska Underliggande på Förfalldagen stannar hos Värdepappersinnehavaren. All nedgång av värdet på den Fysiska Underliggande efter utgången av löptiden på Värdepapperen måste bäras av Värdepappersinnehavaren.]</p> <p>[För det fall produkten innefattar "Valutakonvertering", infoga: Potentiella investerare ska vara medvetna om att Värdepappersinnehavarens rättighet i Värdepapperen bestäms på grundval av en annan valuta än Inlösenvalutan, valutaenhet eller beräkningsenhet, och även värdet av den [Underliggande] [Korgkomponenter] bestäms i en sådan annan valuta än Inlösenvalutan, valutaenhet eller beräkningsenhet. 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 utländsk valuta, valutaenhet eller beräkningsenhet.</p> <p>Sådan utveckling kan dessutom öka Värdepappersinnehavarnas exponering mot förluster därför att en ogynnsam utveckling av den relevanta valutakursen i motsvarande mån kan sänka värdet på de förvärvade</p>
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	<p>Värdepapperen under deras löptid eller, i förekommande fall, [nivån på Inlösenbeloppet] [eller, i förekommande fall,] [värdet på den Fysiska Underliggande som ska levereras i ett lämpligt antal], om något. Valutakurser bestäms av faktorer av tillgång och efterfrågan 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>[För det fall produkten har "Kapitalskydd", infoga: Potentiella investerare ska vara medvetna om att Värdepapperen vid utgången av sin löptid är kapitalskyddade i den utsträckningen att ett Minimibelopp är kapitalskyddat (utan hänsyn till erbjudandepremien), med andra ord erhåller investeraren vid löptidens slut oberoende av den faktiska utvecklingen på [den Underliggande] [Korgkomponenterna], i varje fall Minimibeloppet. Om en investerare förvärvar Värdepapperen till ett pris, som är högre än Minimibeloppet, ska den potentiella investeraren vara medveten om att (det proportionella) kapitalskyddet endast refererar till det lägre Minimibeloppet. I denna kontext måste beaktas att kapitalskyddet endast gäller vid slutet av löptiden, med andra ord under förutsättning att Värdepapperen inte har blivit inlösta [eller, i förekommande fall, inlösts i förtid]. [Kontantbeloppet som ska betalas] [eller, i förekommande fall,] [värdet på den Fysiska Underliggande som ska levereras i ett 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 kan till och med vara lika med noll. I sådant fall kommer Värdepappersinnehavarna ådra sig en total förlust av sin investering (inklusive transaktionskostnader).</p> <p>Potentiella investerare i Värdepapperen bör vidare beakta att trots kapitalskyddet som gäller 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 total förlust av deras investeringar i Värdepapperen. Potentiella investerare måste därför vara förberedda och kapabla att ådra sig partiell eller till och med en total förlust av det investerade kapitalet. Förvärvare av Värdepapperen bör i vilket fall bedöma sin finansiella situation, för att försäkra sig om att de är i en position för att kunna bära riskerna för förlust som är förknippade med Värdepapperen.]</p> <p>[För det fall produkten har "Ingen förbestämd löptid", infoga: Potentiella investerare ska vara medvetna om att Värdepapperen inte har, till skillnad från värdepapper med en bestämd löptid, någon förbestämd inlösendag och därmed ingen bestämd löptid. Följaktligen måste Värdepappersinnehavarens rätt i sådana Värdepapper påkallas av respektive Värdepappersinnehavare på en specifik Avvecklingsdag i enlighet med avvecklingsprocessen som beskrivs i de Allmänna Villkoren för Värdepapperen, om Värdepappersrätten ska hävdas. I det fall Avvecklingsbegäran som krävs inte vederbörligen mottas på den aktuella Avvecklingsdagen, kan Värdepapperen inte avvecklas förrän vid nästa Avvecklingsdag som anges i de Allmänna Villkoren för Värdepapperen.]</p> <p>[För det fall produkten har "Tidsfördröjd Värdering", infoga: Potentiella</p>
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	<p>investerare ska vara medvetna om att vid avveckling av Värdepapperen på en Avvecklingsdag eller, i förekommande fall, om en automatisk avvecklingshändelse inträffar (inklusive, men inte begränsat till, en Händelse för Stop Loss eller Händelse för Knock Out) i enlighet med de Allmänna Villkoren för Värdepapperen, kommer Värderingsdagen eller den Slutliga Värderingsdagen relevant för att fastställa Referenspriset eller Avvecklingspriset, enligt vad som anges i de Slutliga Villkoren, att i enlighet med de Allmänna Villkoren för Värdepapperen vara en dag som följer 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, enligt vad som anges i de Allmänna Villkoren, bärs av den relevanta Värdepappersinnehavaren.]</p> <p>[För det fall produkten har "Automatisk Avveckling", infoga: Potentiella investerare ska vara medvetna om att i fall en automatisk avvecklingshändelse inträffar (inklusive, men inte begränsat till, en Händelse för Stop Loss eller Händelse för Knock Out) i enlighet med de Allmänna Villkoren till Värdepapperen, är löptiden på alla utestående Värdepapper automatiskt avvecklad.</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 därför erhåller mindre än sitt investerade kapital.</p> <p>Om en automatisk avvecklingshändelse inträffar, bär Värdepappersinnehavaren även återinvesteringsrisken, dvs. investeraren bär risken för att denne måste återinvestera återbetalningsbeloppet, om något, som betalas av Emittenten enligt marknadsvillkor i fall en automatisk avvecklingshändelse inträffar, vilket kan vara mindre fördelaktigt än de som var rådande vid tiden för förvärvet av Värdepapperen.]</p> <p>[För det fall produkten har en "Minsta Avvecklingsstorlek", infoga: Potentiella investerare ska vara medvetna om att varje Värdepappersinnehavare, måste i enlighet med de Allmänna Villkoren för Värdepapperen erbjuda ett angivet minsta antal av Värdepapperen, 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 behöva sälja sina Värdepapper eller köpa ytterligare Värdepapper (och ådra sig transaktionskostnader i vardera 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 "Värdepappersinnehavarens Avvecklingsrätt" angivits vara inte tillämplig, infoga: Potentiella investerare ska vara medvetna om att Värdepappersinnehavare inte har en avvecklingsrätt och att Värdepapperen, följaktligen, inte kan avvecklas av Värdepappersinnehavaren under sin löptid.</p>
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	<p>Innan Värdepapperen förfaller är realisation av Värdepapperens ekonomiska värde (eller delar därav), om inte Värdepapperen har varit föremål för förtida återbetalning och avveckling av Emittenten i enlighet med de Allmänna Villkoren till Värdepapperen eller, om så är angivet i de relevanta Slutliga Villkoren, en avveckling av Värdepapperen av Värdepappersinnehavaren i enlighet med de Allmänna Villkoren till Värdepapperen, endast möjlig genom att sälja 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 realiseraras. 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 "Quanto", infoga: Potentiella investerare ska vara medvetna om att priset på [den Underliggande] [Korgkomponenterna] är bestämt i en annan valuta än Återbetalningsvalutan, så kallad underliggande valuta. Det relevanta priset på [den Underliggande] [Korgkomponenterna] som används för beräkning av belopp som ska betalas under Värdepapperen uttrycks i Återbetalningsvalutan utan någon hänsyn till växlingskursen mellan den underliggande valutan för [den Underliggande] [Korgkomponenterna], och Återbetalningsvalutan (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 Återbetalningsvalutan kan ha en negativ påverkan på värdet av Värdepapperen.]</p> <p><u>Generella risker avseende Värdepapperen</u> <i>Avslutande och Förtida Inlösen efter Emittentens val</i> Potentiella investerare i Värdepapperen ska 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 berättigad att begära betalning av ett inlösenbelopp avseende denna förtida inlösen. Men Värdepappersinnehavaren är inte berättigad att begära ytterligare betalningar avseende Värdepapperen efter den relevanta dagen för avslutande. Vidare, det Avslutsbeloppet, om något, som ska erläggas i händelse av en förtida inlösen av Värdepapperen av Emittenten kan vara markant lägre än det belopp som skulle ha förfallit till betalning vid det planerade slutet av löptiden för Värdepapperen. Värdepappersinnehavaren bär därför risken att inte ta del av utveckling av [den Underliggande] [Korgkomponenterna], i förväntad omfattning och under den förväntade perioden. Om Emittenten löser in Värdepapperen bär Värdepappersinnehavaren en återinvesteringsrisk, dvs. investeraren bär risken att investeraren måste återinvestera Avslutsbeloppet, om något, som utbetalas av Emittenten vid inlösen till rådande marknadsförhållanden, som kan vara mindre förmånliga än de som rådde vid tidpunkten då Värdepapperen förvärvades.</p> <p><i>Negativ inverkan av justering av Värdepapperens rättigheter</i> Det kan inte uteslutas att vissa omständigheter inträffar eller särskilda</p>
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	<p>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 vida justeringar i enlighet med Villkoren för Värdepapperen för att beakta dessa händelser eller åtgärder. Dessa justeringar kan medföra en negativ inverkan på Värdepapperens värde.</p> <p><i>Substitution av Emittenten</i> Förutsatt att Emittenten inte underlåter att infria sina skyldigheter under Värdepapperen, är Emittenten i enlighet med de Allmänna Villkoren till Värdepapperen, när som helst berättigad, utan Värdepappersinnehavarnas samtycke, att substituera in ett annat bolag inom UBS-Koncernen som Emittent ("Substituerande Emittent") med hänsyn till alla skyldigheter under eller med koppling till Värdepapperen.</p> <p>Detta kan påverka notering av Värdepapperen och, i synnerhet, kan det vara nödvändigt för den Substituerande Emittenten att ansöka på nytt om notering på den relevanta marknaden eller börs där Värdepapperen är noterade. Dessutom kommer, efter en sådan substitution, Värdepappersinnehavare vara föremål för den Substituerande Emittentens kreditrisk.</p> <p><i>Handel med Värdepapperen/ Illikviditet</i> 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 handlas för på andrahandsmarknaden eller om sådan marknad är likvid eller illikvid.</p> <p>[Ansökningar kommer att lämnas in eller har lämnats in till Värdepappersbörs(er) angivna för upptagande eller inregistrering av Värdepapperen. Om Värdepapperen är upptagna eller inregistrerade, ges ingen garanti för att sådant upptagande eller inregistrering 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 för 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 erbjudande eller genom privat överenskommelse. Värdepapper förvärvade på detta sätt kan innehas eller säljas vidare eller överlämnas för annullering.</p> <p>Dessutom kan det inte uteslutas att antalet Värdepapper som faktiskt emitteras och förvärvas av investerare är färre än den avsedda [Emissionsstorleken] [Sammanlagda Nominella Beloppet] av Värdepapperen. Följaktligen finns det en risk att, på grund av den låga volymen av Värdepapper som faktiskt emitteras, likviditeten för Värdepapperen är lägre</p>
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	<p>än om alla Värdepapper hade emitterats och förvärvats av investerare.</p> <p>Managern avser att, under normala marknadsförhållanden, ställa köp- och säljkurser för emitterade Värdepapper regelbundet. 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. Potentiella investerare ska därför inte förlita sig på möjligheterna att sälja Värdepapper vid någon specifik tidpunkt eller till något särskilt pris.</p> <p><i>Beskattning avseende Värdepapperen</i></p> <p>Potentiella investerare ska 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 till någon skattesammanfattning i Grundprospektet utan uppmanas istället att efterfråga sina egna skatterådgivare avseende sin individuella beskattning vad gäller förvärv, försäljning eller inlösen av Värdepapperen. Endast dessa rådgivare är i position att vederbörligen bedöma den specifika positionen för den potentiella investeraren.</p> <p><i>Förändrad beskattning av Värdepapperen</i></p> <p>Bedömning gällande Beskattning av Värdepapperen i Grundprospektet återspeglar Emittentens uppfattning på basis av den juridiska situationen vid dagen för Grundprospektet. Dock kan inte en annan skattebehandling av skattemyndigheter eller skattedomstolar uteslutas. 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><i>Potentiella Intressekonflikter</i></p> <p>Emittenten och dess närstående bolag kan ingå transaktioner som relaterar till Värdepapperen på ett eller annat sätt, antingen för egen räkning eller på uppdrag av en kund. Sådana transaktioner behöver inte vara gynnsamma för Värdepappersinnehavare och kan få positiv eller negativ effekt på värdet av [den Underliggande] [Korgkomponenterna], och följaktligen på värdet av Värdepapperen. Vidare kan bolag som är närstående till Emittenten vara motparter i hedgningstransaktioner som relaterar till Emittentens förpliktelser som följer av Värdepapperen. Som ett resultat kan intressekonflikter uppstå mellan bolag som är närstående till Emittenten, så väl 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 närstående bolag 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 närstående bolag emittera andra</p>
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	<p>derivatinstrument relaterade till den Underliggande eller, i förekommande fall, Korgkomponenterna; introduktionen av sådana konkurrerande produkter kan påverka värdet på Värdepapperen. Emittenten och dess närstående bolag kan erhålla icke-offentlig information relaterad till [den Underliggande] [Korgkomponenterna], och varken Emittenten eller någon av dess närstående åtar sig att göra denna information tillgänglig för Värdepappersinnehavarna. Dessutom kan ett eller flera av Emittentens närstående bolag publicera forskningsrapporter om [den Underliggande] [Korgkomponenterna]. Sådana aktiviteter kan innebära intressekonflikter och kan påverka Värdepapperens värde negativt.</p> <p>Inom ramen för erbjudandet och försäljningen av Värdepapperna, kan Emittenten eller dess närstående direkt eller indirekt betala avgifter i olika belopp till tredje parter, såsom distributörer eller investeringsrådgivare, eller motta betalning av avgifter i varierande belopp, inklusive dem som tas ut i samband med distribution av Värdepapperen, från tredje parter. Potentiella investerare ska vara medvetna om att Emittenten kan behålla avgifter helt eller delvis. Emittenten, eller i förekommande fall, Managern, kommer på begäran tillhandahålla information om dessa avgifter.</p> <p><u>Riskfaktorer relaterade till [den Underliggande] [Korgkomponenterna]</u></p> <p>Värdepapperen är beroende av värdet på [Underliggande Tillgångar] [Korgkomponenterna] och risken förknippad med [den Underliggande] [dessa Korgkomponenter]. Värdet på [Underliggande Tillgångar] [Korgkomponenterna] beror på flertalet faktorer som kan bli sammankopplade. Dessa kan inkludera ekonomiska, finansiella eller politiska händelser som är utom Emittentens kontroll. Den gångna utvecklingen för [Underliggande Tillgångar][Korgkomponenterna] skall inte ses som en indikator på den framtida utvecklingen under löptiden för Värdepapperen och Emittenten ger inte någon uttalad eller tyst garanti eller representation vad gäller framtida utveckling av [Underliggande Tillgångar][Korgkomponenterna].</p> <p><i>[i fall av en korg av Underliggande eller, som fallet kan vara, en portfölj av Underliggande Tillgångar infoga: Investerare ska också notera att nivån för Inlösenbeloppet beror på utvecklingen av [korgen innehållande Korgkomponenterna] [en portfölj innehållande Underliggande Tillgångar]. Som resultat av detta, kan fluktuationer i värdet av [en Korgkomponent][en Underliggande] komma att sätta igång eller intensifiera fluktuationerna i värdet av andra [Korgkomponenter i korgen] [Underliggande Tillgångar i portföljen]. Till och med vid fall av en positiv utveckling av en eller flera [Korgkomponenter][Underliggande Tillgångar], kan utvecklingen av [korgen][portföljen], som helhet bli negativ om utvecklingen av andra [Korgkomponenter][Underliggande Tillgångar] är mer negativa. Det kan finnas betydande negativ effekt på kalkuleringen eller specificeringen av inlösenbeloppet om utvecklingen av en eller flera [Korgkomponenter i en Korg][Underliggande Tillgångar i en portfölj], på vilken kalkuleringen eller specificeringen av inlösenbeloppet grundar sig på, har försämrats i betydande mån.]</i></p> <p><i>[vid fall av försämring av en relativ utveckling av en Underliggande jämfört med en annan Underliggande Tillgång infoga: Investerare ska också notera</i></p>
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		<p>att nivån på Inlösenbeloppet är beroende av den relativa utvecklingen på [Underliggande Tillgångar][andra Underliggande Tillgångar] jämfört med utvecklingen av [en annan Underliggande Tillgång][andra Underliggande Tillgångar]. Konsekvent härmed, kommer värdet på Värdepapperen även i fall av en positiv utveckling av den relevanta Underliggande Tillgången förbli konstant, om de andra Underliggande Tillgångarna utvecklas parallellt med detta.</p> <p>Investorerare ska vara medvetna om att de relevanta [Underliggande Tillgångarna][Korgkomponenterna] inte kommer innehåsa av Emittenten för att bringa fördel till Värdepappersinnehavarna, och att Värdepappersinnehavarna inte kommer få ta del av några äganderättigheter (inkluderat, utan begränsning, rösträttigheter, rättigheter att få del av utdelning eller andra utbetalningar eller andra rättigheter) med avseende på [Underliggande Tillgångar][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 förfalldagen till Minimibeloppet och risken således inledningsvis är begränsad, bär varje] [Varje] investerare [bär] risken i Värdepapperen att Emittentens finansiella situation försämras. Potentiella investerare måste därför vara förberedda på att drabbas av en partiell eller rentav total förlust av hela sin investering. Varje investerare som är intresserad av att köpa Värdepapper bör bedöma sin finansiella situation, för att säkerställa att de är i en sådan position att de kan bära risken för förlust förknippad med Värdepapperen.</p>

Punkt	Avsnitt E – Erbjudande ²	
E.2b	Motiv till erbjudandet och användning av intäkterna.	Ej tillämpligt. Motiven för erbjudande och användningen av intäkterna skiljer sig inte åt från att generera vinst och/eller säkra vissa risker.
E.3	Former och villkor för erbjudandet.	<p>[Ej tillämpligt.]</p> <p>[[Det har överenskommit om att Managern, på eller efter respektive Emissionsdag för Värdepapperen, får köpa Värdepapper och ska placera Värdepapperen för försäljning, [till [Emissionskursen] [ange Emissionskurs: [•]] ("Emissionskursen")] på villkor som kan komma att ändras i Jurisdiktionen för Erbjudande till Allmänheten [under [Teckningsperioden] [Erbjudandeperioden] (enligt definition nedan)]. [Emissionskursen [kommer att bli] [var] fastställd [vid Starten för erbjudandet till allmänheten avseende Värdepapperen (såsom definieras nedan)] [den [ange Fastställsedag: [•]] ("Fastställsedagen")], [baserad på den rådande marknadssituationen och värdet på den Underliggande [, och [kommer [sedan] att göras] [är] tillgänglig på [•].] [Efter Teckningsperioden (såsom definieras nedan) avslutas] [Från Starten för erbjudandet till allmänheten avseende Värdepapperen (såsom definieras nedan)] [Från Fastställsedagen] [Därefter,] [kommer] [var] försäljningskursen [justeras] [justerat] kontinuerligt för att reflektera den rådande marknadssituationen.]</p> <p>[vid fall av Teckningsperiod infoga följande text: Värdepapperen ska</p>

² 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.

		<p>kunna tecknas från Managern [och] [i förekommande fall, ange alternativa eller ytterligare finansiella mellanhänder som placerar eller senare återförsäljer Värdepapperen: [•]] under normala öppettider för banker under [ange Teckningsperiod: [•]] ("Teckningsperioden"). [Värdepapperen kan endast köpas med minst ett lägsta investeringsbelopp på [ange Lägsta Investeringsbelopp: [•]] ("Lägsta Investeringsbeloppet").] Emissionskursen för varje Värdepapper ska betalas den [ange Initial Betalningsdag: [•]] ("Initial Betalningsdag").]</p> <p>Emittenten förbehåller sig rätten att tidigare avsluta eller förlänga Teckningsperioden om marknadsförhållandena kräver det.</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>[i det fall ingen Teckningsperiod är avsedd infoga följande text: [Från [ange start för det offentliga erbjudandet för Värdepapperen: [•]] ("Starten för erbjudandet till allmänheten av Värdepapperen"),] [kan Värdepapperen köpas från Managern [och] [i förekommande fall, ange alternativa eller ytterligare finansiella mellanhänder 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: [•]] ("Lägsta Investeringsbeloppet").] Det kommer inte vara någon Teckningsperiod. Emissionskursen för varje Värdepapper ska betalas den [ange Initialt Betalningsdag: [•]] ("Initiala Betalningsdagen").]</p> <p>[Emittenten förbehåller sig rätten att tidigare avsluta eller förlänga Erbjudandeperioden om marknadsförhållandena kräver det.]</p> <p>Efter den Initiala Betalningsdagen ska respektive investerares Värdepapper krediteras dennes konto i enlighet med bestämmelserna för motsvarande Clearingsystem.]]</p>
E.4	Intressen som är väsentliga för emissionen/erbjudandet inkl. intressekonflikter.	<p>[att infogas^{*)}</p> <p>[[Förutom den [relevanta] Auktoriserade Erbjudaren(arna) rörande [dennes][dess] ersättning,] [som][Som] så långt Emittenten är medveten, ingen person som är inblandad i utfärdandet [och erbjudandet] [och noteringen] av [varje Serie av] Värdepapperen har något väsentligt intresse i utfärdandet [och erbjudandet] [och noteringen] av Värdepapperen].</p>
E.7	Förväntade kostnader som debiteras investeraren av emittenten eller	<p>[Ej tillämpligt; inga kostnader debiteras investeraren av emittenten eller Managern.]</p> <p>[att infogas^{*)}</p>

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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 sådant udbud af Værdipapirer vedhæftes de relevante Endelige Vilkår.

Element	Afsnit A – Indledning og advarsler	
A.1	Advarsel.	<p>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.</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 medlemsstaterne at betale omkostningerne i forbindelse med oversættelse af Basisprospektet, inden sagen indledes.</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>[[Udstederen giver sit samtykke til brug af Basisprospektet og de Endelige Vilkår i forbindelse med et offentligt udbud af Værdipapirerne (et "Offentligt Udbud") gennem [UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, England] [og] [<i>anfør yderligere finansielle formidlere: [•]</i>] [hver for sig] i sin egenskab af formidler i relation til Værdipapirerne (hver for sig en "Formidler" eller, alt efter omstændighederne, en "Autoriseret Udbyder") på følgende grundlag:]</p> <p>[Udstederen giver sit samtykke til brug af Basisprospektet og de Endelige Vilkår i forbindelse med et offentligt udbud af Værdipapirerne (et "Offentligt Udbud") gennem enhver finansiell formidler (hver for sig en "Autoriseret Udbyder"), som er godkendt til at forestå sådanne udbud i henhold til MiFID-direktivet (Direktiv 2004/39/EF) på følgende grundlag:]</p> <p>[Udstederen giver sit samtykke til brug af Basisprospektet og de Endelige Vilkår i forbindelse med et offentligt udbud af Værdipapirerne (et "Offentligt Udbud") gennem [<i>anfør finansielle formidlere: [•]</i>] (hver for sig</p>

	<p>en "Autoriseret Udbyder") på følgende grundlag:]</p> <p>(a) det relevante Offentlige Udbud skal foregå i perioden [<i>anfør Udbudsperiode: [•]</i>] ("Udbudsperioden"),</p> <p>(b) det relevante Offentlige Udbud må alene foretages i [Sverige][,][og] [Norge][,][og] [Finland][,][og] [Danmark] [og] [Luxembourg] (hver for sig en "Jurisdiktion for Udbuddet til Offentligheden"),</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 skal opfylde [<i>hvis relevant, anfør andre entydige og objektive betingelser: [•]</i>] og</p> <p>[(d)[e)] enhver Autoriseret Udbyder, som ikke er en Formidler, skal iagttage de begrænsninger, der er anført under "Tegning og Salg" (<i>Subscription and Sale</i>), som om denne var en Formidler.</p> <p>[Den Autoriserede Udbyder skal underrette investorer om udbudsvilkårene for de relevante Værdipapirer på tidspunktet for den Autoriserede Udbyders Offentlige Udbud til investoren.]</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	
B.1	Udsteders juridiske navn og forretningsnavn.	Udsteders juridiske navn og forretningsnavn er UBS AG (" Udsteder ", og sammen med sine datterselskaber benævnt " UBS AG-koncernen " og sammen med UBS-koncernen AG, holdingselskabet for UBS AG, benævnt " UBS-koncernen " eller " Koncernen " eller " UBS ").
B.2	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-City. 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-City 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>

		Kontaktoplysninger til UBS AG's hjemstedskontor henholdsvis hovedkontor 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.4b	Kendte tendenser, der påvirker Udsteder, og brancher inden for hvilke, Udstederen driver virksomhed.	<p>Oplysninger om tendenser</p> <p>Som beskrevet i UBS' 4. kvartalsrapport, som blev offentliggjort den 10. februar 2015, er mange af de underliggende udfordringer og geografiske problemstillinger, som UBS tidligere har fremhævet, stadig aktuelle i begyndelsen af første kvartal 2015. De blandede udsigter til global vækst, fraværet af vedvarende og troværdige forbedringer af uløste spørgsmål i Europa, de fortsatte problemstillinger vedrørende USA's skattemæssige og monetære forhold, stigende geopolitisk ustabilitet og større usikkerhed omkring de potentielle følger af lavere og potentielt volatile energi- og øvrige råvarepriser gør det usandsynligt, at der skulle indtræffe forbedringer i de aktuelle markedsforhold. Den schweiziske nationalbanks seneste tiltag i forhold til at fjerne den nedre grænse på euroen i forhold til schweitzerfrancen (<i>EUR/CHF-floor</i>) og den Europæiske Centralbanks tiltag i forhold til at forøge sin balanceekspansion via kvantitative lempelser har desuden medført yderligere udfordringer for de finansielle markeder og i særlig grad for de finansielle virksomheder, der har hovedkontor i Schweiz. Schweizerfrancens højere værdi i forhold til andre valutaer, især den amerikanske dollar og euroen, og de negative renter i eurozonen og Schweiz vil sætte UBS' rentabilitet under pres og, hvis det varer ved, vil dette ligeledes gøre sig gældende for nogle af UBS' målsatte præstationsniveauer. Til trods for aktuelle og nye udfordringer agter UBS fortsat at iværksætte sin strategi for at sikre bankens langsigtede succes og for at levere holdbare afkast til aktionærerne.</p>
B.5	Beskrivelse af koncernen og Udstederens position inden for koncernen.	<p>UBS AG er en schweizisk bank og er det primære driftsselskab i Koncernen. UBS AG er det eneste datterselskab i UBS-koncernen AG og moderselskab for UBS AG-koncernen. UBS' forretningsdivisioner og Koncerncentret (<i>Corporate Center</i>) driver på nuværende tidspunkt primært virksomhed ud fra UBS AG gennem filialer verden over. Forretningsdivisionerne driver ligeledes virksomhed gennem lokale datterselskaber, hvor dette er nødvendigt eller hensigtsmæssigt.</p> <p>UBS har tilkendegivet, at banken medio 2015 agter at overdrage forretningsdivisionen Privatkunder & Virksomheder (<i>Retail & Corporate</i>) og den del af forretningsdivisionen Formueforvaltning (<i>Wealth Management</i>), som bogføres i Schweiz, til UBS Switzerland AG, som er et bankdatterselskab af UBS AG i Schweiz.</p> <p>I Storbritannien har UBS påbegyndt implementeringen af en revideret forretnings- og driftsmodel for UBS Limited, som vil gøre det muligt for UBS Limited at bære og beholde en større del af de risici henholdsvis det afkast, der er forbundet med bankens forretningsaktiviteter.</p> <p>Med henblik på senest den 1. juli 2016 at efterleve de nye regler for</p>

		<p>udenlandske banker i henhold til den amerikanske lov 'the Dodd-Frank Wall Street Reform and Consumer Protection Act', vil UBS i USA udpege et mellemliggende holdingselskab, som kommer til at eje UBS' amerikanske aktiviteter, bortset fra UBS AG's filialer.</p> <p>UBS kan som følge af lovgivningsmæssige krav evt. ændre Koncernens juridiske organisationsform yderligere, herunder overdrage UBS AG's driftsdatterselskaber, således at de bliver direkte datterselskaber i UBS-koncernen AG, overdrage delte service- og supportfunktioner til servicevirksomheder samt ændre bogføringsenheden eller placeringen af produkter og serviceydelser. Disse strukturændringer drøftes løbende med det schweiziske finanstilsyn, FINMA, og andre tilsynsmyndigheder og er forbundet med en række usikkerheder, som kan indvirke på ændringernes gennemførlighed, omfang og tidsmæssige gennemførelse.</p>
B.9	Resultatforventninger eller -prognoser.	Ikke relevant. Prospektet indeholder ikke oplysninger om resultatforventninger eller -prognoser.
B.10	Revisorpåtegning med forbehold.	Ikke relevant. Revisorpåtegningen i forhold til UBS AG's koncernregnskab og UBS AG's egne årsregnskaber for årene, der sluttede henholdsvis den 31. december 2013 og 31. december 2014, indeholder ingen forbehold.
B.12	Udvalgte historiske finansielle nøgleoplysninger.	<p>UBS AG har hentet følgende udvalgte konsoliderede økonomiske data for årene 2012, 2013 og 2014 fra sin årsrapport for 2014, som indeholder UBS AG's reviderede koncernregnskab for året, der sluttede den 31. december 2014, og sammenligningstal for årene, der sluttede henholdsvis den 31. december 2013 og 2012. Koncernregnskaberne er udarbejdet i overensstemmelse med de internationale regnskabsstandarder (<i>International Financial Reporting Standards</i> ("IFRS")), som er udstedt af the International Accounting Standards Board ("IASB") og er angivet i schweizerfranc (CHF). Årsrapporten for 2014 er indarbejdet i dette Prospekt ved henvisning. Efter ledelsens skøn er der foretaget alle sådanne justeringer, som måtte være nødvendige for at give et retvisende billede af UBS AG's konsoliderede finansielle stilling og driftsresultat. Potentielle investorer bør læse dette Prospekt i sin helhed samt dokumenter, der er indarbejdet heri ved henvisning, og bør ikke udelukkende forlade sig på de oplysninger, der er sammenfattet nedenfor:</p>

CHF mio., medmindre andet fremgår	Pr. eller for året, der sluttede		
	31.12.14	31.12.13	31.12.12
	<i>revideret, medmindre andet fremgår</i>		
Koncernresultat			
Driftsindtægter	28.026	27.732	25.423
Driftsudgifter	25.557	24.461	27.216
Driftsoverskud (driftstab) før skat	2.469	3.272	(1.794)
Nettooverskud (nettotab) henførbart til UBS AG-aktionærer	3.502	3.172	(2.480)
Udvandet indtjening pr. aktie (CHF)	0,91	0,83	(0,66)
Nøgleindikatorer			
Rentabilitet			

Egenkapitalforrentning (RoE) (%) ¹	7,0*	6,7*	(5,1)*
Afkastningsgrad, brutto (%) ²	2,8*	2,5*	1,9*
Omkostninger i forhold til indtægter (%) ³	90,9*	88,0*	106,6*
Vækst			
Nettovækst i overskud (%) ⁴	10,4*	-	-
Nettovækst nye midler for kombinerede formueforvaltningsvirksomheder (%) ⁵	2,5*	3,4*	3,2*
Ressourcer			
Egentlig kernekapitaldækning (fuldt anvendt, %) ^{6,7}	14,2*	12,8*	9,8*
Schweizisk SRB gearingsforhold (indfaset, %) ⁸	5,4*	4,7*	3,6*
Yderligere oplysninger			
Rentabilitet			
Afkast på synlig kapital (%) ⁹	8,2*	8,0*	1,6*
Afkast på risikovægtede aktiver, brutto (%) ¹⁰	12,4*	11,4*	12,0*
Ressourcer			
Aktiver i alt	1.062.327	1.013.355	1.259.797
Egenkapital henførbart til UBS AG-aktionærer	52.108	48.002	45.949
Egentlig kernekapital (fuldt anvendt) ⁷	30.805	28.908	25.182*
Egentlig kernekapital (indfaset) ⁷	44.090	42.179	40.032*
Risikovægtede aktiver (fuldt anvendt) ⁷	217.158*	225.153*	258.113*
Risikovægtede aktiver (indfaset) ⁷	221.150*	228.557*	261.800*
Egentlig kernekapitaldækning (indfaset, %) ^{6,7}	19,9*	18,5*	15,3*
Kapitaldækning i alt (fuldt anvendt, %) ⁷	19,0*	15,4*	11,4*
Kapitaldækning i alt (indfaset, %) ⁷	25,6*	22,2*	18,9*
Schweizisk SRB gearingsforhold (fuldt anvendt, %) ⁸	4,1*	3,4*	2,4*
Schweizisk SRB gearingsforholdets nævner (fuldt anvendt, %) ¹¹	999.124*	1.015.306*	1.206.214*
Schweizisk SRB gearingsforholdets nævner (indfaset) ¹¹	1.006.001*	1.022.924*	1.216.561*
Andet			
Investerede aktiver (CHF mia.) ¹²	2.734	2.390	2.230
Medarbejdere (årsværk)	60.155*	60.205*	62.628*
Børsværdi	63.243*	65.007*	54.729*
Indre værdi pr. aktie i alt (CHF)	13,56*	12,74*	12,26*
Synlig indre værdi pr. aktie (CHF)	11,80*	11,07*	10,54*

* urevideret

¹ Nettooverskud / nettotab, som kan henføres til UBS AG-aktionærer (på årsbasis, hvor relevant) / gennemsnitlig egenkapital, der kan henføres til UBS AG-aktionærer. ² Driftsindtægter før kredittab (udgift) eller genindvinding (på årsbasis, hvor relevant) / gennemsnitlig aktivsum i alt. ³ Driftsudgifter / driftsindtægter før kredittab (udgift) eller genindvinding. ⁴ 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. ⁵ Sammenlagt for Wealth Management og Wealth Management Americas' netto nye midler for perioden (på årsbasis, hvor relevant) / investerede aktiver ved periodens begyndelse. ⁶ Egentlig kernekapital / risikovægtede aktiver. ⁷ Baseret på Basel III-regelsættet således som dette gælder for schweiziske systemisk relevante banker (SRB), som trådte i kraft i Schweiz den 1. januar 2013. Oplysningerne, som er angivet på fuldt anvendt basis, afspejler fuldt ud virkningerne af de nye kapitalfradrag og afviklingen af ikke-kvalificerende kapitalinstrumenter. De oplysninger, der er angivet på indfaset basis, afspejler gradvist disse virkninger i overgangsperioden. Tallene pr. 31. december 2012 er beregnet på skønsmæssig basis som beskrevet nedenfor, og er angivet som "proformatal". Udtrykket "proformatal" som anvendt i dette Prospekt henviser ikke til udtrykket "proformaregnskab", således som dette er defineret i Forordning (EF) 809/2004. Nogle af de metoder, der er anvendt ved beregningen af proforma-oplysningerne pr. 31. december 2012, krævede myndighedsgodkendelse og inkluderede skøn (som drøftet med UBS' primære tilsynsmyndighed) over virkningen af nye kapitalomkostninger. Disse tal kræves ikke fremlagt, da Basel III-kravene ikke var trådt i kraft den 31. december 2012. De er ikke desto mindre inkluderet af sammenligningsmæssige grunde. ⁸ Schweizisk SRB Basel III egentlig kernekapital og tabsabsorberende kapital / reguleret eksponering i alt (gearingsforholdets nævner). Det schweiziske SRB gearingsforhold trådte i kraft den 1. januar 2013. Tallene pr. 31. december 2012 er proformatal (se fodnote 7 ovenfor). ⁹ Nettooverskud /

nettotab, der kan henføres til UBS AG-aktionærer før amortisering og værdiforringelse af goodwill og immaterielle anlægsaktiver (på årsbasis, hvor relevant) / gennemsnitlig egenkapital, som kan henføres til UBS AG-aktionærer minus gennemsnitlig goodwill og immaterielle anlægsaktiver. ¹⁰ Driftsindtægter før kredittab (udgift) eller genindvinding (på årsbasis, hvor relevant) / gennemsnitlig risikovægtede aktiver. Baseret på Basel III risikovægtede aktiver (indfaset) for 2014 og 2013 og på Basel 2.5 risikovægtede aktiver for 2012. ¹¹ Gearingforholdets nævner benævnes ligeledes "reguleret eksponering i alt" og beregnes i overensstemmelse med kravene i henhold til det schweiziske SRB gearingsforhold. Tallene repræsenterer gennemsnittet af den regulerede eksponering i alt ved udgangen af den 3-måneders periode, der går forud for rapporteringsperiodens afslutning. Tallene pr. 31. december 2012 er proformata (se fodnote 7 ovenfor). ¹² Inkluderer investerede aktiver for Retail & Corporate.

<p>Erklæring vedrørende væsentlige negative ændringer.</p>	<p>Bortset fra, hvad der er anført nedenfor under "Konsekvenser af den schweiziske nationalbanks tiltag", er der ikke siden den 31. december 2014 indtrådt nogen væsentlig negativ ændring i fremtidsudsigterne for UBS AG eller UBS AG-koncernen.</p> <p><i>Konsekvenser af den schweiziske nationalbanks tiltag</i></p> <p>Den 15. januar 2015 fjernede den schweiziske nationalbank (SNB) kursloftet for schweizerfrancen over for euroen, som havde været en realitet siden september 2011. SNB sænkede samtidigt renten på indlån i SNB, som oversteg en given tærskel, med 50 basispoint til -0,75 %. SNB ændrede også målintervallet for 3 mdr. LIBOR til mellem -1,25 % og -0,25 % (tidligere -0,75 % til +0,25 %). Disse beslutninger resulterede i en betydelig styrkelse af schweizerfrancen over for euroen, den amerikanske dollar, det britiske pund, den japanske yen og adskillige andre valutaer samt i en sænkning af CHF-renten. Den 28. februar 2015 handledes schweizerfrancen til CHF 0,95 for USD 1, CHF 1,07 for EUR 1, CHF 1,47 for GBP 1 og CHF 0,80 for JPY 100. Valutakurs- og rentevolatiliteten steg ligeledes.</p> <p>En væsentlig del af egenkapitalen fra UBS' udenlandske aktiviteter er denomineret i USD, EUR, GBP og andre udenlandske valutaer. Stigningen i schweizerfrancen ville have medført et skønnet fald i den samlede egenkapital på ca. CHF 1,2 mia. eller 2 % ved anvendelse af valutakurserne pr. 28. februar 2015 på de afrapporterede mellemværender pr. 31. december 2014. Dette indbefatter en reduktion i indregnede udskudte skatteaktiver, primært i relation til USA, på ca. CHF 0,4 mia. (hvoraf CHF 0,2 mia. vedrører midlertidige forskelle i udskudte skatteaktiver), som ville blive indregnet i øvrig totalindkomst.</p> <p>En væsentlig del af UBS' Basel III risikovægtede aktiver er desuden denomineret i USD, EUR, GBP og andre udenlandske valutaer. Koncernens Aktiv- og Passivforvaltning (<i>Group Asset and Liability Management</i>) er bemyndiget til at minimere de negative virkninger af valutakursændringer på UBS' fuldt anvendte egentlige kernekapital og soliditetsprocent. Koncernens Aktiv- og Passivforvaltningsudvalg (<i>Group Asset and Liability Management Committee</i>), et udvalg under UBS-koncernens direktion, kan inden for rammer fastsat af bestyrelsen tilpasse kapitalens fordeling på valutaer for at afpasse virkningen af valutakursændringer på den fuldt anvendte egentlige kernekapital og soliditetsprocent. Eftersom andelen af risikovægtede aktiver, der er denomineret i udenlandske valutaer, overstiger kapitalen i disse valutaer, og den væsentlige stigning i schweizerfrancen over for disse valutaer var til gavn for UBS' Basel III soliditetsprocent.</p> <p>UBS ville på fuldt anvendt basis for schweiziske systemisk relevante banker (SRB) have oplevet følgende skønnede fald i sin kapital og</p>
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		<p>risikovægtede aktivalsaldo ved anvendelse af valutakurserne pr. 28. februar 2015 på de afrapporterede mellemværender pr. 31. december 2014: CHF 0,5 mia. eller 2 % i forhold til den fuldt anvendte egentlige kernekapital (CET1), CHF 0,8 mia. eller 2 % i forhold til den fuldt anvendte samlede kapital, CHF 5,8 mia. eller 3 % i forhold til de fuldt anvendte risikovægtede aktiver og CHF 45,1 mia. eller 5 % i forhold til gearingsforholdets nævner på fuldt anvendt basis.</p> <p>Udelukkende baseret på valutakursændringer er det således UBS' vurdering, at dets schweiziske SRB egentlige kernekapitaldækning på fuldt anvendt basis ville være steget med ca. 10 basispoint, og det fuldt anvendte gearingsforhold ville have forbedret sig med ca. 10 basispoint. Samlet set medførte den schweiziske nationalbanks udmeldelse ikke en negativ indtjening på UBS' handelsaktiviteter.</p> <p>Andelen af UBS' driftsindtægter i andre valutaer end schweizerfrancen er dog højere end andelen af driftsomkostninger i andre valutaer end schweizerfrancen. En stigning i schweizerfrancen over for andre valutaer har derfor generelt en negativ indvirkning på UBS' indtjening i tilfælde af manglende afbødende foranstaltninger.</p> <p>Udover de skønnede konsekvenser af ændringer i valutakurserne påvirkes UBS' aktier og egenkapital af renteændringer. Særligt beregningen af UBS' nettoydelsesbaserede pensionsaktiver og -forpligtelser er følsomme over for de anvendte forudsætninger. Særligt ændringerne i gældende diskonteringssatser og renterelaterede forudsætninger for UBS' schweiziske pensionsplan i januar og februar har reduceret UBS' egenkapital og schweiziske SRB egentlig kernekapitaldækning på fuldt anvendt basis med omkring CHF 0,7 mia. Også en konstant lav rente ville have en fortsat negativ indvirkning på UBS' replikerende porteføljer, og UBS' nettorentindtægt ville falde yderligere.</p> <p>Den styrkede schweizerfranc kan have en negativ indvirkning på den schweiziske økonomi, der – som følge af eksportafhængigheden – kunne indvirke på nogle af modparterne inden for UBS' indenlandske udlånsportefølje og i fremtidige regnskabsår føre til en stigning i kredittabsomkostningerne.</p>
	Erklæring vedrørende væsentlige ændringer.	Bortset fra, hvad der er anført ovenfor under "Konsekvenser af den schweiziske nationalbanks tiltag", er der ikke siden den 31. december 2014 indtrådt nogen væsentlig ændring i den finansielle eller handelsmæssige stilling for UBS AG-koncernen eller UBS AG.
B.13	Begivenheder, der er indtruffet for nylig, som er særlige for Udstederen, og som i væsentlig grad er væsentlige ved bedømmelsen af	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.

	Udstederens solvens.	
B.14	Beskrivelse af koncernen og Udsteders plads i koncernen.	Jf. Element B.5.
	Afhængighed af andre enheder i koncernen.	UBS AG er moderselskab i UBS-koncernen og er som sådan i en vis udstrækning afhængig af visse af sine datterselskaber.
B.15	Udstederens hovedaktiviteter.	<p>Sammen med sine datterselskaber er det UBS AG's målsætning at levere økonomisk rådgivning og løsninger af højeste kvalitet til privatkunder, institutionelle kunder og erhvervs-kunder over hele verden samt til detailkunder i Schweiz, og derved generere stabile afkast til sine aktionærer. UBS' forretningsstrategi er centreret omkring Wealth Management og Wealth Management Americas og dets (efter UBS' opfattelse) førende universalbankaktiviteter i Schweiz, kompletteret af dets aktiviteter inden for Global Asset Management og Investment Banking. Disse aktiviteter er karakteriseret ved tre centrale egenskaber: De bygger på en stærk konkurrencemæssig position i deres fokusmarkeder, er kapitaleffektive og tilbyder overlegne udsigter for strukturel vækst og rentabilitet. 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. Kapitalstyrke er grundlaget for UBS' succes. Koncernens driftsstruktur er sammensat af Koncerncentret og fem forretningsdivisioner: Wealth Management, Wealth Management Americas, Retail & Corporate, Global Asset Management og Investment Bank.</p> <p>I henhold til pkt. 2 i UBS AG's vedtægter dateret 10. februar 2015 ("Vedtægter") er UBS AG's formål at drive bankvirksomhed. Bankens virksomhedsformål strækker sig over alle typer af banktjenester, finansielle tjenester, rådgivningstjenester samt handels- og serviceydelse 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 lede, og have kapitalandele, i disse virksomheder. UBS AG har tilladelse til at erhverve, belåne og sælge fast ejendom og byggeretter i Schweiz og i udlandet.</p>
B.16	Beskrivelse af, om Udstederen er direkte eller indirekte ejet eller kontrolleret.	Efter gennemførelsen af et aktieombytningstilbud, som indebar tilbud om på en-til-en basis at erhverve alle udstedte ordinære aktier i UBS AG til gengæld for navnenoterede aktier i UBS Group AG og en efterfølgende privat ombytning på en-til-en basis med forskellige aktionærer og banker i Schweiz og andre lande uden for USA, erhvervede UBS-koncernen AG 96,68 % af aktierne i UBS AG pr. 31. december 2014. Yderligere private ombytninger har reduceret antallet af cirkulerende UBS AG-aktier med 17,1 mio., og som resultat heraf ejede UBS-koncernen 97,29 % af aktierne i UBS AG den 6. marts 2015.
<i>[Nedenstående Element B.17 skal alene indsættes ved Værdipapirer, hvor Udstederen er forpligtet til ved</i>		

udstedelse at betale investor 100 % af den nominelle værdi:		
B.17	Den kreditvurdering, som Udstederen eller dens gældsværdipapirer har opnået.	<p>Kreditvurderingsbureauet Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"), Fitch Ratings Limited ("Fitch Ratings") og Moody's Investors Service, Inc. ("Moody's") har offentliggjort kreditvurderinger, som afspejler deres vurdering af UBS AG's kreditværdighed, dvs. UBS' evne til at indfri sine forpligtelser i takt med at disse forfalder, såsom hovedstols- eller rentebetalinger på langfristede lån. De kreditvurderinger, som UBS opnår fra Fitch Ratings og Standard & Poor's, kan have et foranstillet plus- eller minustegn, og kreditvurderingerne fra Moody's et tal. Disse supplerende betegnelser indikerer den relative placering inden for den pågældende kreditvurderingsklasse.</p> <p>UBS AG's langfristede modpartskreditgivningsaktiviteter har opnået en kreditvurdering på A (negative fremtidsudsigter) fra Standard & Poor's, UBS AG's langfristede foranstående gæld har opnået en kreditvurdering på A2 (evt. nedgradering under evaluering) fra Moody's og UBS AG's langsigtede ustederrating (<i>issuer default rating</i>) har opnået en kreditvurdering på A (stabile fremtidsudsigter) fra Fitch Ratings.</p> <p>Kreditvurderingen fra Fitch Ratings er udstedt af Fitch Ratings Limited, og kreditvurderingen fra Standard & Poor's er udstedt af Standard & Poor's Credit Market Services Europe Limited. Begge er registreret som kreditvurderingsbureauer i henhold til Forordning (EF) nr. 1060/2009 som ændret ved Forordning (EF) nr. 513/2011 ("Forordning om kreditvurderingsbureauer"). Kreditvurderingen fra Moody's er udstedt af Moody's Investors Service, Inc., som ikke er etableret i EØS og ikke er godkendt i henhold til Forordningen om kreditvurderingsbureauer, men den udstedte kreditvurdering er godkendt af Moody's Investors Service Ltd., et kreditvurderingsbureau, som er etableret i EØS og registeret i henhold til Forordningen om kreditvurderingsbureauer.]</p>

Element	Afsnit C – Værdipapirer ¹	
C.1	Beskrivelse af den type og klasse Værdipapirer, der udbydes, samt fondskode.	<p>Værdipapirstype og -form Værdipapirerne er [certifikater] [obligationer] [warrants].</p> <p>Værdipapirerne kan udstedes i serier (hver for sig en "Serie"), 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>[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</p>

¹ 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.

	<p>retsplejelov (<i>German Civil Code</i>) og vil ved udstedelse være repræsenteret ved [et eller flere permanente globale ihændehaverværdipapir(er) (hver for sig et "Globalt Værdipapir") [et midlertidigt globalt ihændehaverværdipapir (hver for sig et "Midlertidigt Globalt Værdipapir"), som ved dokumentation for ikke-amerikansk egentlig ejerskab kan ombyttes til et permanent globalt ihændehaverværdipapir (hver for sig et "Permanent Globalt Værdipapir" og tilsammen med det Midlertidige Globale Værdipapir benævnt et "Globalt Værdipapir"]. Ingen Værdipapirer i ihændehaverform vil blive udstedt eller kunne ombyttes til fysiske ihændehaverværdipapirer, hverken på begæring af nogen Værdipapirindehaver eller i øvrigt.</p> <p>[Hvert enkelt] [[Det] Globale Værdipapir deponeres hos [Clearstream Banking AG ("Clearstream, Tyskland") [Clearstream Banking S.A. ("Clearstream, Luxembourg") [og/eller] [Euroclear Bank S.A./ N.V. ("Euroclear")].]</p> <p>[for så vidt angår Svenske Værdipapirer, indsæt: Værdipapirerne (også de "Svenske Værdipapirer") cleares gennem Euroclear Sweden AB ("Euroclear Sverige") som det relevante Clearingsystem og udstedes i dematerialiseret, elektronisk form og registreres hos Euroclear Sverige i overensstemmelse med den svenske lov om bogføring af finansielle instrumenter (<i>lag (1998:1479) om kontoföring av finansiella instrument</i>). Der udstedes ingen fysiske værdipapirer, såsom globale midlertidige eller permanente værdipapirer eller værdipapirer i papirform i forbindelse med de Svenske Værdipapirer.]</p> <p>[for så vidt angår Finske Værdipapirer, indsæt: Værdipapirerne (også de "Finske Værdipapirer") cleares gennem Euroclear Finland Ltd ("Euroclear Finland") 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 (2012/749) (<i>laki arvo-osuusjärjestelmästä ja selvitystoiminnasta</i>) og den finske lov om Elektronisk Bogføring af Værdipapirer (1991/827) (<i>laki arvo-osuustileistä</i>). Der udstedes ingen fysiske værdipapirer, såsom globale midlertidige eller permanente værdipapirer eller værdipapirer i papirform i forbindelse med de Finske Værdipapirer.]</p> <p>[for så vidt angår Norske Værdipapirer, indsæt: Værdipapirerne (også de "Norske Værdipapirer") er registreret hos Verdipapirsentralen ASA ("VPS") 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 (<i>Lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter</i>). Der udstedes ingen fysiske værdipapirer, såsom globale midlertidige eller permanente værdipapirer eller værdipapirer i papirform i forbindelse med de Norske Værdipapirer.]</p> <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</p>
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		<p>og registreres hos VP i overensstemmelse med den danske værdipapirhandelslov (<i>lov om værdipapirhandel m.v.</i>), 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>Fondskode(r) for Værdipapirerne ISIN-kode: [●]* [WKN-nummer: [●]*] [Fælleskode: [●]*] [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"> <tr> <td>ISIN-kode</td> <td>[WKN-nummer]</td> <td>[Fælles-kode]</td> <td>[Valor-nummer]</td> </tr> <tr> <td>[●]</td> <td>[●]</td> <td>[●]</td> <td>[●]</td> </tr> </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"). [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"> <tr> <td>ISIN-kode</td> <td>Indløsningsvaluta</td> </tr> <tr> <td>[●]</td> <td>[●]</td> </tr> </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>Gældende ret for Værdipapirerne [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>Rettigheder tilknyttet Værdipapirerne 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 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>Begrænsning i de rettigheder, der er knyttet til Værdipapirerne Udsteder er berettiget til under iagttagelse af de betingelser, der er</p>								

		<p>anført i Betingelserne, at afslutte Værdipapirerne og at foretage visse ændringer til Betingelserne.</p> <p>Værdipapirernes status</p> <p>[Hver Serie af] Værdipapirerne vil udgøre direkte, usikrede og ikke-efterstillede forpligtelser på Udstederen og vil være sideordnet med hinanden og med alle øvrige eksisterende og fremtidige usikrede og ikke-efterstillede forpligtelser på Udstederen, med undtagelse af de forpligtelser, som Udstederen er underlagt i henhold til ufravigelige lovregler.</p>
<p>[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):</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>[for så vidt angår værdipapirer med fast/variabel rente, indsæt: [Rentesats][Kuponrente]: [●]*</p> <p>[for så vidt angår såkaldte step up- eller step down-værdipapirer, indsæt: [Rentesats][Kuponrente]: i relation til Beregningsperioden for [Rente][Kuponrente]_(i=1): [●]*, i relation Beregningsperioden for [Rente][Kuponrente]_(i=2): [●]*, i relation til Beregningsperioden for [Rente][Kuponrente]_(i=n): [●]*</p> <p>Betalingsdato for [Rente] [●]* [Kuponrente]: Betalingsperiode for [Rente] [●]* [Kuponrente]:</p> <p>[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:</p> <p>Betalingen af [indsæt beskrivelse af [aktien (herunder et aktiebevis, der omfatter flere aktier)] [Rentebeløbet] [Indekset] [valutakursen] [ædelmetallet] [råvaren] [rentesatsen] [værdipapiret med begrænsede rettigheder] [ETF-andelen] [ikke-ETF-andelen] [Kuponrenten] afhænger af udviklingen i det Underliggende Aktiv (betinget [Rentebeløb] [Kuponrente]): [futureskontrakten (herunder, hvor relevant, de relevante forfaldsmåneder)] [referencerenten] [puljen, der omfatter ovennævnte aktiver] [porteføljen, der omfatter ovennævnte aktiver. [●]*</p> <p>Afkast: [Ikke relevant. Der er ikke til Værdipapirerne knyttet udbetaling af et fast rentebeløb.]</p> <p>[for så vidt angår Værdipapirer, hvortil der er knyttet udbetaling af et fast rentebeløb, angiv afkastet: [●]</p> <p>Afkastet beregnes i henhold til ICMA-metoden. Det er en metode til beregning</p>

		<p>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 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" data-bbox="571 651 1385 1055"> <thead> <tr> <th>ISIN-kode</th> <th>[indsæt ISIN-kode]</th> <th>[indsæt ISIN-kode]</th> </tr> </thead> <tbody> <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>]</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> <p>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.]</p>	ISIN-kode	[indsæt ISIN-kode]	[indsæt ISIN-kode]	Forfaldsdato:	[•]	[•]	[Rentesats][Kuponrente]:	[•]	[•]	Betalingsdato for [Rente] [Kuponrente]:	[•]	[•]	Beregningsperiode for [Rente] [Kuponrente]:	[•]	[•]	[Afkast:	[•]	[•]
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Beregningsperiode for [Rente] [Kuponrente]:	[•]	[•]																		
[Afkast:	[•]	[•]																		
<p>[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):</p>																				
C. 10	Derivat-komponent i rentebetalingen.	<p>[Ikke relevant. Der er ikke noget 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" data-bbox="571 1939 1257 2047"> <tbody> <tr> <td>[Grænse]</td> <td>[•]*</td> </tr> <tr> <td>[Betalingsdato for Kuponrente]</td> <td>[•]*</td> </tr> <tr> <td>[Kuponrente]</td> <td>[•]*</td> </tr> </tbody> </table>	[Grænse]	[•]*	[Betalingsdato for Kuponrente]	[•]*	[Kuponrente]	[•]*												
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[Observationsdato]	[•]*																																																
[Observationsperiode]	[•]*																																																
[Kursen på det Underliggende Aktiv]	[•]*																																																
[Indløsningsvaluta]	[•]*																																																
[Referencekurs]	[•]*																																																
[Afrekningskurs]	[•]*																																																
[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 "Sidste Dag for Børshandel"). [Med virkning fra den Sidste Dag for Børshandel kan handel alene finde sted uden for markedet direkte med [Formidleren] [•].]]</p> <p>[De allerede udstedte Værdipapirer er allerede optaget til handel på:</p>																																															

		<p>[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 ("SIX") 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>
<p>[Følgende Elementer C.15, C.16, C.17, C.18, C.19 og C.20 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):</p>		
C.15	<p>Beskrivelse af, hvordan værdien af værdipapirerne påvirkes af de underliggende instrumenter.</p>	<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 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>[UBS Værdipapirer med Automatisk Indløsning/Ekspresindløsning (UBS Autocallable/Express Securities)]</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>Betaling af kuponrente eller andet provenu knyttet til de(t) Underliggende Aktiv(er)</p> <p>I tillæg til og som nærmere anført i de relevante Produktvilkår kan Værdipapirindehaveren i løbetiden for UBS Værdipapirer med Automatisk Indløsning/Ekspresindløsning være berettiget til at modtage betaling af en Kuponrente eller evt. andet udbytte som nærmere anført i de gældende Produktvilkår. Sådant betaling kan som nærmere anført i de gældende Produktvilkår være ubetinget eller betinget af en specifik udvikling i de(t) Underliggende Aktiv(er) som nærmere beskrevet i de gældende Produktvilkår.]</p> <p>[UBS Gearingværdipapirer (<i>UBS Gearing Securities</i>)</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 Værdipapirindehavere af UBS Gearingværdipapirer (Put) ligeledes deltage i den positive udvikling i de[t] Underliggende Aktiv[er], idet de pågældende UBS Gearingværdipapirerne (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 de[t] Underliggende Aktiv[er] 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>
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	<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 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 kan ligeledes medregne 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>[UBS Warrants</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>[UBS Kapitalbeskyttede Værdipapirer/UBS Delvist Kapitalbeskyttede Værdipapirer (<i>UBS Capital Protected Securities/UBS Partially Capital Protected Securities</i>)</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</p>
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	<p>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 på under 100 % er det nominelle beløb ved forfald ikke fuldt sikret. En kursstigning for de(t) Underliggende Aktiv(er) ved forfald er nødvendig for at bygge bro over forskellen mellem niveauet for kapitalbeskyttelsen og 100 % af det nominelle beløb og 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>Udstedelseskursen for UBS Kapitalbeskyttede Værdipapirer/UBS Delvist Kapitalbeskyttede Værdipapirer kan være over 100.]</p> <p>[UBS Sprintværdipapirer (UBS Sprint Securities)</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>[UBS Bonusværdipapirer (UBS Bonus Securities)</p> <p>UBS Bonusværdipapirer giver Værdipapirindehavere mulighed for at deltage i den positive udvikling i de(t) Underliggende Aktiv(er). Omvendt 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 Værdipapirernes løbetid eller i nogen periode eller på nogen dag i Værdipapirernes 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</p>
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	<p>Produktvilkår.]</p> <p>[UBS Outperformance-værdipapirer (<i>UBS Outperformance Securities</i>) 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>Indløsningsbeløbet kan fastsættes med udgangspunkt i udviklingen i et eller flere Underliggende Aktiv(er) som nærmere anført i de relevante Produktvilkår.]</p> <p>[UBS Omvendt Konvertible Værdipapirer/UBS GOAL (<i>UBS Reverse Convertible Securities/UBS GOAL</i>) 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).</p> <p>Værdipapirindehaveren har desuden ret til på den relevante Betalingsdato for Rente/Kuponrente at modtage et Rentebeløb/Kuponrentebeløb: 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>[UBS Kick-In GOAL/Omvendt Konvertible Værdipapirer med Grænse (<i>UBS Kick-In GOAL/Barrier Reverse Convertible Securities</i>) 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 når 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</p>
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	<p>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 af et beløb svarende til værdien af de(t) Underliggende Aktiv(er) på det pågældende tidspunkt (justeret for det respektive forhold). Grænsen kan observeres enten kontinuerligt eller på fastsatte datoer 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: 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>[UBS Performance/Delta One-værdipapirer (<i>UBS Performance/Delta One Securities</i>)</p> <p>UBS Performance/Delta One-værdipapirer giver investorer mulighed for – hvis de gældende Produktvilkår indeholder bestemmelser om, at 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/Delta One-værdipapirer ligeledes deltage i den negative udvikling i de(t) Underliggende Aktiv(er).</p> <p>UBS Performance/Delta One-værdipapirer kan være udstedt såvel med som uden en forudbestemt Forfaldsdato. Der kan til UBS Performance/Delta One-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>[UBS Gearede Værdipapirer (<i>UBS Leveraged Securities</i>)</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).</p>
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	<p>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 udviklingssats 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>[UBS Nulkuponværdipapirer (<i>Zero Coupon Securities</i>)</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. 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 Nulkuponværdipapirenes løbetid.]</p> <p>[UBS Værdipapirer med Fast Rente (<i>UBS Fixed Rate Securities</i>)</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. 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 Fast Rente berettiget til på den relevante Rentebetingsdato at modtage betaling af Rentebeløbet i relation til den foregående Renteberegningsperiode. Rentebeløbet beregnes ved anvendelse af</p>
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	<p>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>[UBS Værdipapirer med Variabel Rente (<i>UBS Floating Rate Securities</i>) 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. 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>Følgende beskrivelser på flere udviklingsstrukturer kan evt. blive anvendt i forbindelse med Værdipapirerne beskrevet i afsnittet ovenfor</p> <p><u>Underliggende Aktiver</u> 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> 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</p>
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	<p>(<i>reverse structure</i>). I så fald falder Værdipapirerne i værdi (uanset hvilke øvrige egenskaber eller faktorer, der måtte være knyttet til Værdipapirerne, og som måtte være relevante for Værdipapirens værdi), 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, henholdsvis stiger Værdipapirerne i værdi, 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 kan kun 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.</p> <p>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</p>
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	<p>fjernes, kan fx nævnes kuponrenter, deltagelsesgrader eller Underliggende Aktiv(er).</p> <p><i>Automatisk Afslutning (Automatic Termination)</i> 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> 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 andet mål for de(t) Underliggende Aktiv(er)s niveau i produktets løbetid.</p> <p><u>Baissepræget/Haussepræget/Variabel</u> <u>Deltagelsesgrad</u> <i>(Bearish/Bullish/Variable Participation Rate)</i> 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 negative eller positive.</p> <p><u>Valutaomregning</u> 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 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>Kuponrente/Rentebeløb/Øvrigt Provenu</u> 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> <p>Værdipapirer kan således i deres løbetid generere løbende indtægter. De fleste Værdipapirer genererer dog ikke ubetingede indtægter, fx udbytte eller rente.</p>
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		<p><u>Kapitalbeskyttelse</u> 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> 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> 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>										
C.16	Udløbs- eller forfaldsdato, udnyttelsesdato eller endelig referencedato.	<p>[Forfaldsdato: [•]] [Udløbsdato: [•]] [[Udnyttelsesdato(er)][Udnyttelsesperiode]: [•]] [[Endelig] Værdiansættelsesdato: [•]] [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"> <thead> <tr> <th>ISIN-kode</th> <th>Forfalds-dato</th> <th>[Udløbs-dato]</th> <th>[Udnyttelses-dato(er)] [Udnyttelses-periode]</th> <th>[[Endelig] Værdiansættelsesdato] [Gennemsnitlige Værdiansættelsesdatoer]</th> </tr> </thead> <tbody> <tr> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table> <p style="text-align: right;">]</p>	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]								
[•]	[•]	[•]	[•]	[•]								
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, levering] 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 relevant 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: [•]] [Referencekurs: [•]] <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="571 331 1279 407"> <tr> <td data-bbox="571 331 785 371">ISIN-kode</td> <td data-bbox="785 331 1279 371">[Afregningskurs] [Referencekurs]</td> </tr> <tr> <td data-bbox="571 371 785 407">[•]</td> <td data-bbox="785 371 1279 407">[•]</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>Typen af Underliggende Aktiv:</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" data-bbox="571 1012 1401 1155"> <tr> <td data-bbox="571 1012 820 1048">ISIN-kode</td> <td data-bbox="820 1012 1401 1048"></td> </tr> <tr> <td data-bbox="571 1048 820 1155">[•]</td> <td data-bbox="820 1048 1401 1155"><i>[indsæt beskrivelse af det underliggende aktiv og hvor oplysninger om det underliggende aktiv kan findes]</i></td> </tr> </table> <p style="text-align: right;">]</p>	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>					

Element	Afsnit D – Risici	
D.2	Nøgleoplysning-er om de vigtigste risici, der er specifikke for Udstederen.	<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>Generel insolvensrisiko</p> <p>Den enkelte investor bærer den generelle risiko for, at Udsteders finansielle situation kan forværres. Gælds-værdipapirerne 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. I tilfælde af Udstederens insolvens risikerer investorer således at miste hele deres investering i Værdipapirerne.</p> <p>UBS AG er som Udsteder eksponeret for forskellige brancherelaterede risici. Disse risici omfatter særligt følgende typer af risici, som alle kan have en negativ indvirkning på værdien af Værdipapirerne:</p>

		<ul style="list-style-type: none"> • Konsekvensen af en nedgradering af Udstederens kreditvurdering: Den generelle vurdering af Udstederens kreditværdighed kan påvirke Værdipapirenes værdi. Et kreditvurderingsbureaus eventuelle nedgradering af Udstederens kreditvurdering kan således have en negativ indvirkning på Værdipapirenes værdi. • Den 15. januar 2015 fjernede den schweiziske nationalbank (SNB) kursloftet for schweizerfrancen over for euroen, som havde været en realitet siden september 2011. SNB sænkede samtidigt renten på indlån i SNB, som oversteg en given tærskel, med 50 basispoint til -0,75 %. SNB ændrede også målintervallet for 3 mdr. LIBOR til mellem -1,25 % og -0,25 % (tidligere -0,75 % til +0,25 %). Disse beslutninger resulterede i en betydelig styrkelse af schweizerfrancen over for euroen, den amerikanske dollar, det britiske pund, den japanske yen og adskillige andre valutaer samt i en sænkning af CHF-renten. Såvel CHF-kursens udvikling på længere sigt over for disse andre valutaer som CHF-rentens fremtidige udvikling er forbundet med usikkerhed. Adskillige andre banker har ligeledes indført en minusrente-politik. Valutakursudsving og fortsat lave eller negative renter kan have en skadelig indvirkning på UBS-koncernens konsolidering, UBS-koncernens stilling i forhold til likviditets- og kapitalfremskaffelse samt UBS-koncernens rentabilitet. • Ændringer i love og forskrifter kan have en negativ indvirkning på UBS-koncernens virksomhed og evne til at udføre sine virksomhedsstrategier. Planlagte og potentielle ændringer i love og forskrifter i Schweiz og andre lande, hvor UBS-koncernen driver virksomhed, kan have en væsentlig negativ indvirkning på UBS-koncernens evne til at udføre sine virksomhedsstrategier, på visse forretningsdivisioners lønsomhed eller rentabilitet på verdensplan eller specifikke steder og i visse tilfælde på UBS-koncernens konkurrenceevne i forhold til andre finansielle institutioner. Det kan indebære store omkostninger at udføre disse og kan ligeledes have en negativ indvirkning på UBS-koncernens juridiske organisationsform eller forretningsmodel, hvilket potentielt set kan medføre manglende kapitaleffektivitet med deraf følgende indvirkning på UBS-koncernens rentabilitet. • UBS-koncernens konsolidering er et vigtigt bærende element i forhold til UBS-koncernens strategi, kundeforhold og konkurrencesituation. Enhver stigning i risikovægtede aktiver eller reduktion af kapitalgrundlaget kan reducere UBS-koncernens soliditetsprocent væsentligt. UBS-koncernen er desuden underlagt et mindstekrav i forhold til det schweiziske SRB gearingsforhold, som under visse omstændigheder kan begrænse UBS-koncernens forretningsaktiviteter, selvom UBS-koncernen opfylder andre risikobaserede kapitalkrav. • UBS-koncernen kan mislykkes med at gennemføre sine udmeldte strategiske planer, eller planerne kan blive forsinket, eller der kan indtræffe markedsbegivenheder, som har en væsentlig negativ indvirkning på implementeringen deraf, eller effekten af planerne kan afvige fra, hvad der var tilsigtet. UBS-koncernen er ligeledes udsat for mulig udgående strøm af kundeaktiver i sine
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		<p>formueforvaltningsaktiviteter og ændringer, der påvirker rentabiliteten af UBS-koncernens forretningsdivision for formueforvaltning (<i>Wealth Management</i>), ligesom UBS-koncernen kan mislykkes med at gennemføre ændringer i sine aktiviteter for at opfylde ændrede markedsmæssige, lovgivningsmæssige og andre betingelser.</p> <ul style="list-style-type: none"> • Der opstår væsentlige juridiske og lovgivningsmæssige risici i udførelsen af UBS-koncernens aktiviteter. UBS-koncernen er udsat for risikoen for en lang række krav, tvister, søgsmål og offentlige undersøgelser og forventer, at dens løbende forretningsaktiviteter fortsat vil give anledning til sådanne risici også i fremtiden. UBS-koncernens finansielle eksponering over for disse og andre forhold kan være væsentlig og i væsentligt grad overstige det hensættelsesniveau, som UBS-koncernen har etableret til retssager, lovgivningsmæssige og lignende forhold. UBS-koncernen kan som følge af administrative afgørelser blive pålagt at indhente bindende tilsagn fra myndighederne for at opretholde visse aktiviteter, ligesom sådanne afgørelser kan give tilsynsmyndighederne ret til at begrænse, suspendere eller ophæve licenser og myndighedstilladelser og tillade specifikke finansielle institutioner (såkaldte <i>financial market utilities</i>) at begrænse, suspendere eller ophæve UBS-koncernens deltagelse i sådanne institutioner. Manglende indhentelse af sådanne afkald eller en evt. begrænsning, suspendering eller ophævelse af licenser, tilladelser eller deltagelser kan have væsentlige konsekvenser for UBS-koncernen. • Operationelle risici, herunder risici som følge af procesfejl, afviklingsfejl, uredelighed, uautoriseret handel, svig, systemfejl, finansiell kriminalitet, cyberangreb, brud på datasikkerheden samt sikkerhedssvigt og manglende fysisk beskyttelse, kan indvirke på UBS-koncernens aktiviteter. Hvis UBS-koncernens interne kontrolsystemer svigter eller viser sig at være mangelfulde i forhold til at identificere og imødegå sådanne risici, kan UBS-koncernen blive udsat for driftsforstyrrelser, der kan medføre væsentlige tab. • UBS-koncernens omdømme er væsentlig for fremgangen i UBS-koncernens aktiviteter. En negativ påvirkning af UBS-koncernens omdømme kan have en væsentlig negativ indvirkning på UBS-koncernens driftsresultater og finansielle stilling samt på UBS-koncernens evne til at opnå sine strategiske og finansielle målsætninger. • Udviklingen i branchen for finansielle serviceydelser påvirkes af markedsforskel og det makroøkonomiske klima. Økonomisk nedgang, et fortsat lavt renteniveau eller en svag eller stagnerende økonomisk vækst på UBS-koncernens kernemarkeder eller en alvorlig finansiell krise kan have en negativ indvirkning på UBS-koncernens indtjening og i yderste konsekvens UBS-koncernens ansvarlige kapital. • UBS-koncernen har ældre og andre risikopositioner, herunder positioner, der er forbundet med fast ejendom i forskellige lande, som kan påvirkes negativt af markedsforskel. Ældre risikopositioner kan desuden være vanskelige at afvikle, idet en fortsat illikviditet og kompleksiteten i mange af dem kan gøre det vanskeligt at sælge eller på anden måde at afvikle
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		<p>disse positioner.</p> <ul style="list-style-type: none"> • UBS-koncernens globale tilstedeværelse udsætter UBS-koncernen for risiko for valutaudsving, som indvirker på UBS-koncernens rapporterede indtægter og omkostninger samt andre regnskabstal så som anden totalindkomst, investerede aktiver, balanceaktiver, risikovægtede aktiver og Basel III egentlig kernekapital. • UBS-koncernen er afhængig af sine risikostyrings- og kontrolprocesser for at undgå eller begrænse potentielle tab på sin modpartskreditgivnings- og handelsaktiviteter og kan lide tab, hvis den fx ikke i fuld udstrækning identificerer risiciene i sin portefølje, eller hvis UBS-koncernens vurdering af de identificerede risici eller reaktion på negative tendenser viser sig at være forkert timet, utilstrækkelig, mangelfuld eller forkert. • Værdiansættelsen af visse positioner er baseret på modeller; modeller har indbyggede begrænsninger og kan være baseret på input, som ikke har en kontrollerbar kilde; forskellige forudsætninger og input genererer forskellige resultater, og disse forskelle kan have en væsentlig indvirkning på UBS-koncernens regnskabsresultat. • Likviditet og finansieringsstyring er kritisk for UBS-koncernens fortsatte resultater. Omfanget af UBS-koncernens finansieringskilder eller tilgængeligheden af de nødvendige finansieringstyper kan ændre sig bl.a. som følge af generelle markedsforstyrrelser, stigende kreditspænd, ændringer i kapital- og likviditetsbehov eller en negradering af UBS-koncernens kreditvurderinger, som også kan indvirke på finansieringsomkostningerne. • Det er ikke nødvendigvis muligt for UBS-koncernen at identificere eller udnytte indtjenings- eller konkurrencemuligheder eller fastholde eller tiltrække kvalificerede medarbejdere. UBS-koncernens konkurrencekraft og markedsposition kan svækkes, hvis UBS-koncernen ikke er i stand til at identificere konjunkturer og udviklingslinjer, ikke imødegår dem ved at udarbejde og implementere passende forretningsstrategier, ikke i tilstrækkelig grad udvikler og opdaterer teknologier, særligt inden for handelsaktiviteter, eller ikke er i stand til at tiltrække eller fastholde de kvalificerede medarbejdere, der er nødvendige for at udføre dem. • UBS-koncernens regnskabsresultat kan blive påvirket negativt af en ændring i regnskabsstandarder. Ændringer til IFRS eller fortolkninger deraf kan bevirke, at UBS-koncernens fremtidige regnskabsresultater og finansielle stilling afviger fra de aktuelle forventninger. Sådanne ændringer kan ligeledes indvirke på UBS-koncernens lovpligtige kapital og nøgletal. • UBS-koncernens regnskabsresultat kan blive påvirket negativt af en ændring i forudsætninger, der har betydning for værdien af UBS-koncernens goodwill. Hvis forudsætninger i fremtidige perioder afviger fra de aktuelle forventninger til fremtiden, kan værdien af UBS-koncernens goodwill blive forringet i fremtiden, hvilket kan give anledning til tab i resultatopgørelsen.
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		<ul style="list-style-type: none"> • Virkningen af skatter på UBS-koncernens regnskabsresultat påvirkes væsentligt af ændringer i UBS-koncernens udskudte skatteaktiver. UBS-koncernens effektive skattesats for hele året kan ændre sig væsentligt på baggrund af sådanne ændringer. • Eftersom UBS-koncernen AG er et holdingselskab, afhænger dens driftsresultat, finansielle stilling og evne til at udbetale udbytte eller fortage andre udlodninger eller til at opfylde sine forpligtelser i fremtiden af midler, udbytter og øvrige udlodninger modtaget fra UBS AG eller ethvert andet evt. fremtidigt direkte datterselskab, som kan være omfattet af begrænsninger. UBS-koncernens evne til at udbetale udbytte og foretage andre udlodninger og til at opfylde sine betalingsforpligtelser i fremtiden afhænger af størrelsen af de midler, udbytter og øvrige udlodninger, som evt. modtages fra UBS AG og evt. nye datterselskaber, som UBS-koncernen stifter i fremtiden. Sådanne datterselskabers evne til at give lån eller foretage udlodninger (direkte eller indirekte) til UBS-koncernen kan være begrænset som følge af flere faktorer, herunder begrænsninger i henhold til låneaftaler og kravene i henhold til gældende lovgivning samt myndigheds- og skattemæssige eller øvrige begrænsninger. Begrænsninger og myndighedstiltag af denne art kan vanskeliggøre adgangen til den kapital, som UBS-koncernen måtte have brug for at opfylde sine betalingsforpligtelser. UBS-koncernens kreditvurdering kan være lavere end kreditvurderingen for UBS AG, hvilken kan have en negativ indvirkning på værdipapirernes kursværdi og på UBS-koncernens øvrige forpligtelser som en selvstændig enhed. UBS-koncernen forventer desuden at kunne garantere nogle af betalingsforpligtelserne for visse af UBS-koncernens datterselskaber til enhver tid. Disse garantier kan kræve, at UBS-koncernen tilvejebringer væsentlige midler eller aktiver for datterselskaber eller deres kreditorer eller modparter på et tidspunkt, hvor UBS-koncernen har brug for likviditet til at finansiere sine egne forpligtelser. • UBS-koncernens anførte målsætning for kapitalafkast er delvist baseret på en soliditetsprocent, der er omfattet af lovgivningsmæssige ændringer, og som kan svinge meget. UBS har givet tilsagn om et afkast til aktionærene på mindst 50 % af sit nettooverskud, forudsat at den fuldt anvendte egentlige kernekapitalprocent er på mindst 13 % og den fuldt anvendte egentlige kernekapitalprocent efter gennemførelse af stresstest er på mindst 10 %. UBS' evne til at opretholde en fuldt anvendt egentlig kernekapitalprocent på mindst 13 % er dog eksponeret for adskillige risici, herunder resultatet af UBS-koncernens virksomhed, ændringer i kapitalkrav, metoder og fortolkninger, som kan have en negativ indvirkning på UBS-koncernens beregnede fuldt anvendte egentlige kernekapitalprocent, indførelsen af risikotillæg eller yderligere kapitalkrav så som yderligere kapitalbuffere. Ændringer i metoder, forudsætninger, stressscenariet og øvrige faktorer kan desuden medføre væsentlige ændringer i UBS' fuldt anvendte egentlige kernekapitalprocent efter gennemførelse af stresstest. • UBS-koncernen kan mislykkes med at realisere de forventede fordele ved
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		<p>ombytningsstilbuddet. UBS stiftede UBS-koncernen AG som et holdingselskab for UBS-koncernen, da det er af den opfattelse, at det sammen med andre allerede udmeldte tiltag i væsentlig grad vil forbedre UBS-koncernens afviklingsmuligheder som reaktion på nye myndighedskrav. UBS-koncernen kan dog stå over for betydelige vanskeligheder i forhold til at opnå disse forventede fordele, eller disse forventede fordele bliver evt. ikke til virkelighed. UBS-koncernen AG har erhvervet ca. 97 % af UBS AG's udestående aktier. Forsinket opnåelse af 100 % ejerskab af UBS AG kan have en negativ indvirkning på de forventede fordele af ombytningsstilbuddet og på likviditeten og kursværdien af UBS-koncernen AG's aktier. Eksistensen af minoritetsaktionærer i UBS AG kan blandt andet vanskeliggøre eller forsinke UBS-koncernens evne til at gennemføre ændringer til UBS-koncernens juridiske organisationsform og forstyrre de daglige forretningsmæssige aktiviteter og corporate governance.</p> <ul style="list-style-type: none"> • Hvis UBS-koncernen gennemfører en såkaldt squeeze out-fusion i henhold til schweizisk ret, fusionerer UBS AG ind i et datterselskab til UBS-koncernen, som vil være det fortsættende selskab. Selvom UBS-koncernen forventer, at den fortsættende enhed i de fleste tilfælde vil overtage UBS AG's banklicenser, tilladelser og øvrige bemyndigelser, vil sådan enhed eventuelt skulle genansøge om eller indhente specifikke licenser, tilladelser og bemyndigelser samt samtykke fra tredjemand. I henhold til schweizisk lov kan en minoritetsaktionær, som er omfattet af squeeze out-fusionen, desuden teoretisk set søge at gøre gældende, at det tilbudte vederlag er "utilstrækkeligt" og begære en schweizisk kompetent domstol om at fastsætte et "tilstrækkeligt" vederlag. Hver af disse omstændigheder kan, hvis de skulle indtræffe, medføre omkostninger, forsinke gennemførelsen af squeeze out-fusionen eller forstyrre eller indvirke negativt på UBS-koncernens virksomhed.
D.3	Nøgleoplysning-er om de vigtigste risici, der er specifikke for Værdipa-pirerne.	<p>Potentielle investorer i Værdipapirerne skal være opmærksomme på, at Værdipapirerne udgør en risikoinvestering, som kan medføre, at de mister hele 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 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><u>Særlige risici forbundet med de konkrete elementer i Værdipapirernes struktur</u></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 og kan endda være 0. I så fald vil Værdipapirindehaverne miste hele deres investering (inklusive evt. transaktionsomkostninger).]</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] [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 eller faktorer, der måtte være knyttet til Værdipapirerne, og som måtte være relevante for Værdipapirens værdi) falder i værdi, hvis kursen på [det Underliggende Aktiv] [Puljekomponenterne] stiger, eller stiger i værdi, 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 udløber forud for Forfaldsdatoen uden afgivelse af varsel eller erklæring fra Udstederen eller Værdipapirindehaveren, 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 udleveret] efter 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>
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		<p>I tilfælde af Værdipapirernes førtidige udløb bærer Værdipapirindehaverne tillige den såkaldte reinvesteringsrisiko. 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 Værdipapirernes erhvervelse.]</p> <p><i>[Hvis produktet omfatter "Minimumsgrænser, Barrierer eller Niveauer", indsæt: Potentielle investorer skal være opmærksomme på, at [Indløsningsbeløbet] [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.</i></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. 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: Potentielle investorer skal være opmærksomme på, at [Indløsningsbeløbet] [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.]</i></p> <p><i>[Hvis produktet omfatter "Relevant Underliggende Aktiv", indsæt: Potentielle investorer skal være opmærksomme på, at beregningen af niveauet for [Indløsningsbeløbet] [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.</i></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]</p>
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	<p>[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: 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.</i></p> <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 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><i>[Hvis produktet omfatter "Valutaomregning", 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 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.</i></p> <p>Sådan udvikling kan desuden 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</p>
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	<p>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><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 bør i denne sammenhæng tages i betragtning, at kapitalbeskyttelsen kun gælder ved udgangen af løbetiden, dvs. at Værdipapirerne ikke er afsluttet henholdsvis udløbet førtidigt]. [Det kontante beløb, der skal betales] [henholdsvis] [[V/v]ærdien 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 Værdipapirernes løbetid, hvor kapitalbeskyttelsen gælder op til Minimumsbeløbet og endda kan være 0. I så fald vil Værdipapirindehaverne miste hele deres investering (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 Udsteder 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 miste hele deres investering 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 på 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,</p>
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	<p>såfremt der indtræder en automatisk afslutningsbegivenhed (herunder, men ikke begrænset til, en Stop Loss- eller Knock Out-begivenhed) i 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 sådan dato og Værdiansættelsesdatoen eller den Endelige Værdiansættelsesdato som nærmere angivet i de Endelige Vilkår påhviler den relevante Værdipapirindehaver.]</p> <p>[Hvis produktet omfatter "Automatisk Afslutning", 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. 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 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 "Mindsteantallet for Udnyttelse", 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 ikke at omfatte "Værdipapirindehaveres Afslutningsret", indsæt: Potentielle investorer skal være opmærksomme på, at Værdipapirindehavere ikke har en afslutningsret, og Værdipapirerne kan således ikke afsluttes af Værdipapirindehaverne i deres løbetid. Inden</p>
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	<p>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 Endelige Vilkår, Værdipapirindehaverne har udnyttet deres Værdipapirrettigheder i overensstemmelse med Betingelserne for Værdipapirerne, kun muligt gennem afhændelse af Værdipapirerne.</p> <p>Afhændelse af Værdipapirerne forudsætter, at markedsdeltagerne 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 en forpligtelse for Udsteder over for Værdipapirindehaverne til at kompensere for dette eller til at generhverve Værdipapirerne.]</p> <p>[Hvis produktet omfatter "Quanto", 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 nogle af de 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><u>Generelle risici vedrørende Værdipapirerne</u></p> <p><i>Afslutning og Førtidig Indløsning efter Udstederens valg</i></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 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</p>
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		<p>mindre gunstige end dem, der gjorde sig gældende på tidspunktet for Værdipapirernes erhvervelse.</p> <p>Negativ indvirkning af tilpasninger af Værdipapirrettighederne</p> <p>Det kan ikke udelukkes, 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 Værdipapirernes værdi.</p> <p>Udskiftning af Udstederen</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 "Indskiftede Udsteder") for så vidt angår alle de i henhold til eller 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 sådan udskiftning vil Værdipapirindehaverne desuden blive eksponeret for den kreditrisiko, der er forbundet med den Indskiftede Udsteder.</p> <p>Handel med Værdipapirerne/Illikviditet</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, kan der ikke gives nogen garanti for, at sådan optagelse eller notering 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>
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	<p>Det kan heller ikke udelukkes, 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 deres niveau eller fastsættelse. Potentielle investorer bør således ikke forvente, at de kan sælge Værdipapirerne på et bestemt tidspunkt eller til en bestemt kurs.</p> <p><i>Beskatning i relation til Værdipapirerne</i></p> <p>Potentielle investorer skal være opmærksomme på, at de kan være pligtige 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 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><i>Ændringer i Beskatning i relation til Værdipapirerne</i></p> <p>Det i Basisprospektet anførte omkring beskatning af Værdipapirerne udtrykker Udstederens opfattelse på baggrund af den juridiske situation, der kan identificeres pr. dags dato. Det kan dog ikke udelukkes, at der kan finde en anden skattemæssig behandling sted fra skattemyndighedernes og skattedomstolens side. 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><i>Potentielle interessekonflikter</i></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 må ikke tilgodese Værdipapirindehaverne og kan have en positiv eller negativ indvirkning på [det Underliggende Aktivs] [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</p>
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		<p>kan der opstå interessekonflikter mellem Udstederens koncernforbundne selskaber samt mellem disse selskaber og investorer i relation til forpligtelser vedrørende beregningen af Værdipapirenes 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 Værdipapirenes 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 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 eller kan have en negativ indvirkning på Værdipapirenes 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 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>Risikofaktorer forbundet med [det Underliggende Aktiv] [Puljekomponenterne]</p> <p>Værdipapirerne afhænger af værdien af [det Underliggende Aktiv] [Puljekomponenterne] og den risiko, der er forbundet med [sådan 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 Værdipapirenes 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].</i></p>
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		<p>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 negative 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.]</p> <p>[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.]</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 investerede beløb.	<p>[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 risikoen for, at Udstederens økonomiske situation forværres. Potentielle investorer skal således være parate til og kunne klare at miste deres investering 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>

Element	Afsnit E – Udbud ²	
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>[Ikke relevant]</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] [angiv Udstedelseskurs].</p>

² 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>[•] ("Udstedelseskursen") 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 [angiv Fastsættelsesdatoen: [•]] ("Fastsættelsesdatoen")] [baseret på de gældende markedsforhold og kursen på det Underliggende Aktiv [og [vil [derefter] blive gjort] [være] 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>[ved tilvalg af Tegningsperiode indsættes følgende tekst: Værdipapirerne kan tegnes hos Formidleren [og] [indsæt eventuelt alternative eller yderligere finansielle mellemænd, der placerer Værdipapirerne til salg eller efterfølgende videresælger Værdipapirerne: [•]] inden for normal bankåbningstid i [angiv Tegningsperiode: [•]] ("Tegningsperiode"). [Der kan kun tegnes Værdipapirer for et minimumsinvesteringsbeløb på [angiv Minimumsinvesteringsbeløb: [•]] ("Minimumsinvesteringsbeløb").] Udstedelseskursen pr. Værdipapir skal betales den [angiv Første Betalingsdato: [•]] ("Første Betalingsdato").</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>[ved fravalg af Tegningsperiode indsættes følgende tekst: [Værdipapirerne kan [med virkning fra [angiv Starten på det offentlige udbud af Værdipapirerne: [•]] ("Starten på det offentlige udbud af Værdipapirerne")] købes hos Formidleren [og] [indsæt eventuelt alternative eller yderligere finansielle mellemænd, der placerer Værdipapirerne til salg eller efterfølgende videresælger Værdipapirerne: [•]] inden for normal bankåbningstid [i Udbudsperioden]. [Sådan udbud af Værdipapirerne foretages løbende.] [Der kan kun købes Værdipapirer for et minimumsinvesteringsbeløb på [angiv Minimumsinvesteringsbeløb: [•]] ("Minimumsinvesteringsbeløb").] Der er ingen tegningsperiode. Udstedelseskursen pr. Værdipapir skal betales den [angiv Første Betalingsdato: [•]] ("Første Betalingsdato").</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>
E.4	Beskrivelse af	[indsættes*]

	eventuelle interesser, der er væsentlige for udstedelsen/udbuddet, herunder interessekonflikter.	[[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.]
E.7	Anslåede udgifter, som investor pålægges af udbyder/udsteder.	[Ikke relevant. Hverken den pågældende Udsteder eller Formidleren vil opkræve betaling fra investorerne i Værdipapirerne.] [indsættes*]

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 Group" and together with UBS Group AG, the holding company of UBS AG, "UBS Group", or "Group" or "UBS") are affected by certain risks, including those described below, which may impact UBS's ability to execute its strategy and 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 UBS's ability to execute its strategy and affect its 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.

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 and Moody's Investors Service, Inc. 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.

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

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 by 50 basis points to negative 0.75%. It also moved the target range for three-month LIBOR to between negative 1.25% and negative 0.25%, (previously negative 0.75% to positive 0.25%). 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 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 likewise adopted a negative-interest-rate policy.

A significant portion of the equity of UBS's foreign operations is denominated in US dollars, euros, British pounds and other foreign currencies.

Similarly, a significant portion of UBS's Basel III risk-weighted assets (RWA) are denominated in US dollars, euros, British pounds and other foreign currencies. Group Asset and Liability Management (Group ALM) is mandated with the task of minimizing adverse effects from changes in currency rates on UBS's capital ratios. The Group Asset and Liability Management Committee, a committee of the UBS Group Executive Board, can adjust the currency mix in capital, within limits set by the Board of Directors, to balance the effect of foreign exchange movements on the fully applied CET1 capital and total capital ratio. As a result, the proportion of RWA denominated in foreign currencies outweighs the capital in these currencies, and any further significant appreciation of the Swiss franc against these currencies would be expected to benefit our Basel III capital ratios, while a depreciation of the Swiss franc would be expected to have a detrimental effect.

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. Therefore, appreciation of the Swiss franc against other currencies generally has an adverse effect on UBS's earnings in the absence of any mitigating actions.

In addition to the estimated effects from changes in foreign currency exchange rates, UBS's equity and capital are affected by changes in interest rates. In particular, the calculation of UBS's 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. Also, a continuing low or negative interest rate environment would have an adverse effect on the re-pricing of UBS's assets and liabilities, and would significantly impact the net interest income generated from UBS's wealth management and retail and corporate businesses. The low or negative interest rate environment may affect customer behavior and hence the overall balance sheet structure. Any mitigating actions that we may take to counteract these effects, such as the introduction of selective de-posit fees or minimum lending rates, could result in the loss of customer deposits, a key source of our funding, and / or a declining market share in our domestic lending portfolio.

Furthermore, the stronger Swiss franc may have a negative impact on the Swiss economy, which, given its reliance on exports, could impact some of the counterparties within UBS's domestic lending portfolio and lead to an increase in the level of credit loss expenses in future periods.

Regulatory and legal changes may adversely affect the Group's business and ability to execute its strategic plans

Fundamental changes in the laws and regulations affecting financial institutions can have a material and adverse effect on the Group's business. In the wake of the 2007–2009 financial crisis and the following

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 risk-weighted assets (“RWA”), including potential requirements to calculate or disclose RWA using less risk-sensitive “standardized approaches” rather than the internal models approach the Group currently use as required by FINMA under the Basel III framework;
- changes in the calculation of the leverage ratio or the introduction of a more demanding leverage ratio;
- new or significantly enhanced liquidity 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 level.

Many of these measures have been adopted and their implementation has had a material effect on the Group’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 a high level of 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/or the dates of their effectiveness. The implementation of such measures and further, more restrictive changes may materially affect the Group’s business and ability to execute its strategic plans.

Notwithstanding attempts by regulators to coordinate their efforts, the measures adopted or proposed differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. The absence of a coordinated approach, moreover, disadvantages institutions headquartered in jurisdictions that impose relatively more stringent standards. Switzerland has adopted capital and liquidity requirements for its major international banks that are among the strictest of the major financial centres. This could disadvantage Swiss banks such as the Group when they compete with peer financial institutions subject to more lenient regulation or with unregulated non-bank competitors.

Regulatory and legislative changes in Switzerland

Swiss regulatory changes have generally proceeded more quickly in capital, liquidity and other areas than those in other major jurisdictions, and FINMA, the Swiss National Bank ("SNB") and the Swiss Federal Council are implementing requirements that are significantly more onerous and restrictive for major Swiss banks, such as , than those adopted or proposed by regulatory authorities in other major global financial centers. In December 2014, a group of senior experts representing the private sector, authorities and academia (the "**Brunetti group**") appointed by the Swiss Federal Council published recommendations on, among other things, safeguarding systemic stability and "too-big-to-fail" ("TBTF"), including with respect to the calculation of RWA, higher leverage ratio and withdrawing regulatory waivers at the level of the entity holding systemically relevant functions. The Brunetti group's work on the TBTF regime served as the basis for the Swiss Federal Council's review report on the Swiss TBTF law that was presented to the Swiss parliament in February 2015. In its report, the Swiss Federal Council confirmed the findings of the Brunetti group and mandated the Federal Department of Finance to set up a working group with representatives of FINMA and SNB that is expected to submit proposals to the Swiss government by the end of 2015. This may result in further changes to the Swiss TBTF and regulatory regime.

Capital 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, the Group is subject to base capital requirements, as well as a "progressive buffer" that scales with the Group's total exposure (a metric that is based on the Group's balance sheet size) and market share in Switzerland. In addition, Swiss governmental authorities have the authority to impose an additional countercyclical buffer capital requirement of up to 2.5% of RWA. This authority has been exercised to impose an additional capital charge of 2% in respect of RWA arising from Swiss residential mortgage loans. FINMA has further required banks using the internal ratings based approach to use a bank-specific multiplier when calculating RWA for owner-occupied Swiss residential mortgages, which is being phased in through 2019. FINMA has notified us that the RWA increase should be extended to Swiss income producing and commercial real estate from the first quarter of 2015. FINMA also announced that the RWA levels of other asset classes are to be reviewed. We understand these reviews to be in anticipation of the Basel Committee on Banking Supervision (BCBS) expected prudential reforms, for example, the reduction in the variability of capital ratios or capital floors.

In addition, the Group and FINMA have mutually agreed to an incremental operational capital requirement to be held against litigation, regulatory and similar matters and other contingent liabilities, which added CHF 17.5 billion to the Group's RWA as of 31 December 2014. There can be no assurance that the Group will not be subject to increases in capital requirements in the future either from the imposition of additional requirements or changes in the calculation of RWA or other components of the existing minimum capital requirement.

The BCBS has issued far-reaching proposals (i) on revising the standardized approach to credit risk, e.g., by relying less on external credit ratings, reducing the scope of national discretion and strengthening the link between the standardized and the IRB approach, (ii) on mandatory disclosure of RWA based on the standardized approach and (iii) on the design of a capital floor framework. If adopted by the BCBS and implemented into Swiss regulation, implementation of disclosure or capital calculations based on the standardized approach would result in significant implementation costs to UBS. In addition, a capital standard

or floor based on the standardized approach would likely be less risk sensitive and would likely result in higher capital requirements.

Liquidity and funding: The Group is required to maintain a Liquidity Coverage Ratio (“LCR”) of high-quality liquid assets to estimated stressed short-term funding outflows and will be required to maintain a Net Stable Funding Ratio (“NSFR”), both of which are intended to ensure that the Group is not overly reliant on short-term funding and that it has sufficient long-term funding for illiquid assets.

The Group currently calculates its LCR under supervisory guidance from FINMA. FINMA has issued a circular, which requires the Group to calculate its leverage ratio using new rules that align the leverage ratio denominator with the rules issued by the Bank of International Settlements (“BIS”). The Group will make use of a one-year transition period under which the prior definition may still be used, but the Group must disclose both measures of LCR commencing with the first quarter of 2015.

Neither the international nor Swiss standards for the calculation of NSFR have been fully implemented.

These requirements, together with liquidity requirements imposed by other jurisdictions in which the Group operates, require the Group to maintain substantially higher levels of overall liquidity than was previously the case. Increased capital requirements and higher liquidity requirements make certain lines of business less attractive and may reduce the Group’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 the Group’s funding outflows would not exceed the assumed amounts.

Resolution planning and resolvability: The revised Swiss banking act and capital adequacy ordinances provide FINMA with additional powers to intervene to prevent a failure or resolve a failing financial institution. These measures may be triggered when certain thresholds are breached and permit the exercise of considerable discretion by FINMA 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 the Group, including restrictions on the payment of dividends and interest. Although the actions that FINMA may take in such circumstances are not yet defined, the Group could be required directly or indirectly, for example, to alter its legal structure (e.g. to separate 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 extinguish or convert to common equity the liabilities of a bank in connection with its resolution.

Swiss TBTF requirements require systemically important banks, including the Group, to put in place viable emergency plans to preserve the operation of systemically important functions despite a failure of the institution, to the extent that such activities are not sufficiently separated in advance. The Swiss TBTF law provides for the possibility of a limited reduction of capital requirements for systemically important institutions that adopt measures to reduce resolvability risk beyond what is legally required. Such actions would likely include an alteration of 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. However, there is no certainty with respect to timing or size of a potential capital rebate.

The Group announced a series of measures to improve the resolvability of the Group:

- In December 2014, UBS Group AG completed an exchange offer for the shares of UBS AG and now holds approximately 97% of the outstanding shares of UBS AG and is the holding company for the Group.

- The Group plans to establish a new banking subsidiary of UBS in Switzerland and filed a formal application for a banking license in the third quarter of 2014. The subsidiary, which will be named UBS Switzerland AG, will include the Group's Retail & Corporate business division and the Swiss-booked business within the Wealth Management business division. The Group expects to implement this change in a phased approach starting in mid-2015.
- In the United Kingdom, in consultation with UK and Swiss regulators, the Group has implemented the first stages of a revised business and operating model for UBS Limited in the second quarter of 2014 with a follow-up phase scheduled for implementation during the second quarter of 2015. This change entails UBS Limited bearing and retaining a greater degree of the risk and reward of its business activities. The Group has increased the capitalization of UBS Limited accordingly.
- In the United States, new rules for foreign banks promulgated by the Federal Reserve System under Sections 165 and 166 of Dodd-Frank will require an intermediate holding company to own all of its operations other than US branches of UBS AG by 1 July 2016. As a result, the Group will designate an intermediate holding company to hold all its US subsidiaries.

The Group may consider further changes to the legal structure of the Group in response to regulatory requirements in Switzerland or in other countries in which it operates, including to further improve the resolvability of the Group, to respond to Swiss and other capital requirements, and to respond to regulatory required changes in legal structure. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, the transfer of shared service and support functions to service companies and adjustments to booking entity or location of services or products. 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 feasibility, scope and timing. Movement of businesses to a new subsidiary ("**subsidiarization**") will require significant time and resources to implement. Subsidiarization in Switzerland and elsewhere may create operational, capital, funding and tax inefficiencies and increase the Group's and counterparties' credit risk. Refer to "Regulatory and legislative changes outside Switzerland" for a description of other regulatory and legislative developments that may affect these decisions and further discussion of these risks. There can be no assurance that the execution of the changes the Group has planned or may implement in the future will result in a material reduction in the progressive capital buffer as permitted under the Swiss TBTF law or that these changes will satisfy existing or future requirements for resolvability or mandatory structural change in banking organizations.

Market regulation: The Swiss government has also held a consultation on proposed regulations that would affect the terms of client relationships, including providing clients of financial intermediaries and consumer groups a right of collective action against a financial intermediary. These laws may, if enacted, have a material impact on the market infrastructure that the Group uses, available platforms, collateral management and the way the Group interacts with clients. In addition, these initiatives may cause the Group to incur material implementation costs.

Regulatory and legislative changes outside Switzerland:

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

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

For example, the Group has significant operations in the UK and currently uses UBS AG's London branch as a global booking center for many types of products. The Group has been required by the Prudential Regulatory Authority ("PRA") and by FINMA to increase very substantially 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. In addition, the UK Independent Commission on Banking has recommended structural and non-structural reforms of the banking sector, most of which have been endorsed by the UK government and implemented in the Financial Services (Banking Reform) Act. Key proposed measures proposed include the ring-fencing of retail banking activities in the UK (which the Group does not expect to affect the Group directly), additional common equity tier 1 capital requirements of up to 3% of RWA for retail banks, and the issuance by UK banks of debt subject to bail-in provisions. Furthermore, the European Commission published its proposal for a "Regulation on bank structural reform" in January 2014. The objectives of the Regulation center on the reduction of the systemic impact of banks and addressing the too big to fail problem. Proposals include the separation of retail banking activities from the wholesale banking activities together with a ban on proprietary trading and lending to hedge funds and private equity funds. Significant divergence in views on the scope and application of these proposals persists at the EU level with full potential political agreement not likely before early 2016. Issues that remain the subject of debate include how prescriptive to be as to separation requirements and which trading activities entities can and cannot engage in. The applicability and implications of such changes to branches and subsidiaries of foreign banks are also not yet entirely clear, but they could have a material adverse effect on the Group's businesses located or booked in the UK and other EU locations.

In February 2014, the Federal Reserve Board issued final rules for foreign banking organizations ("FBO") operating in the US (under Section 165 of Dodd-Frank) that include the following: (i) a requirement for FBO with more than USD 50 billion of US non-branch assets to establish an intermediate holding company ("IHC") to hold all US subsidiary operations, (ii) risk-based capital and leverage requirements for the IHC, (iii) liquidity requirements, including a 30-day onshore liquidity requirement for the IHC, (iv) risk management requirements including the establishment of a risk committee and the appointment of a US chief risk officer, (v) stress test and capital planning requirements and (vi) a debt-to-equity limit for institutions that pose "a grave threat" to US financial stability. Requirements differ based on the overall size of the foreign banking organization and the amount of its US-based assets. The Group expects that it will be subject to the most stringent requirements based on its current operations. The Group will have to establish an IHC by 1 July 2016 and meet many of the new requirements. The IHC will not need to comply with the US leverage ratio until 1 January 2018.

US regulators published final regulations implementing the Volcker Rule in December 2013 and generally extended until 2015 the time to conform to this rule and the related regulations. In general, the Volcker Rule prohibits any banking entity from engaging in proprietary trading and from owning interests in hedge funds and other private fund vehicles. The Volcker Rule also broadly limits investments and other transactional activities between a bank and funds that the bank has sponsored or with which the bank has certain other relationships. The Volcker Rule permits the Group and other non-US banking entities to engage in certain activities that would otherwise be prohibited to the extent that they are conducted solely outside the US and certain other conditions are met. The Group will be required to establish an extensive global compliance framework to ensure compliance with the Volcker Rule and the available exemptions. Moreover, the Volcker Rule may affect the way in which the Group conducts certain business lines. The Group continues to evaluate the final rule and its impact on its activities. The Volcker Rule could 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 over-the-counter ("OTC") derivative contracts to be traded on exchanges or trading facilities and cleared through central counterparties by the end of 2012. This commitment is being implemented through Dodd-Frank in the US and corresponding legislation in the European Union, Switzerland and other jurisdictions, and has and will continue

to have a significant effect on the Group's OTC derivatives business, which is conducted primarily in the Investment Bank. For example, the Group 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, although some market participants may be able to offset this effect with higher trading volumes in commoditized products. Although the Group is preparing for these thematic market changes, the changes are likely to reduce the revenue potential of certain lines of business for market participants generally, and UBS may be adversely affected.

These mandatory clearing requirements will be supplemented by mandatory requirements to trade such clearable instruments on regulated venues under the forthcoming Markets in Financial Instruments Directive ("MiFID II") and the Markets in Financial Instruments Regulation ("MiFIR"). These two pieces of legislation, together with the more detailed implementing measures, due to take effect in early 2017 have the potential to bring about a major change to many aspects of the way financial services are provided in and into the European Economic Area. All areas of the provision of financial services are impacted across all client types. Some notable areas covered include increased pre- and post-trade transparency, particularly into the area of fixed income products; further restrictions on the provision of inducements; the introduction of a new discretionary trading venue with the aim of regulating broker crossing networks; trading controls for algorithmic trading activities; increased conduct of business requirements and strengthened supervisory powers which include powers for authorities to ban products or services in particular situations. The Group will not know the full effect of this legislation until the details of the implementing legislation and national implementation (where applicable) are completed. The Group expects that this legislation will necessitate changes in business models and procedures in a number of areas. This will likely entail the expenditure of significant time and resources on an ongoing basis and, in common with some other legislative proposals in this area, may also reduce the revenue potential of some of Group's businesses.

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. The Group expects to register UBS AG as a securities-based swap dealer with the SEC, when its registration is required. Regulations issued by the CFTC impose substantial new requirements on registered swap dealers for clearing, trade execution, transaction reporting, recordkeeping, risk management and business conduct. Certain of the CFTC's regulations, including those relating to swap data reporting, recordkeeping, compliance and supervision, apply to UBS AG globally. Application of these requirements to UBS AG's swaps business with non-US persons continues to present a substantial implementation burden, will likely duplicate or conflict with legal requirements applicable to the Group outside the US, including in Switzerland, and may place UBS at a competitive disadvantage to firms that are not CFTC-registered swap dealers.

Regulation of cross-border provision of financial services: In many instances the Group provides services on a cross-border basis. The Group is therefore sensitive to barriers restricting market access for third-country firms. In particular, efforts in the European Union ("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 the Group'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). While the issuance of such determinations in particular jurisdictions may ensure the Group's access to markets in those jurisdictions, a negative determination in other jurisdictions may negatively influence the Group'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, the Group will generally need to rely on jurisdictions' willingness to collaborate.

Resolution and recovery; bail-in

The Group 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 proposed EU Bank Recovery and Resolution Directive. Resolution plans may increase the pressure on the Group 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 impact the Group'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.

The Financial Stability Board ("FSB") and the BCBS have issued proposed standards on Total Loss-Absorbing Capacity (TLAC) that aims to build up adequate loss-absorbing capacity for global systemically important banks to ensure that an orderly wind-down is possible. The FSB proposes that a minimum Pillar 1 TLAC requirement be set within the range of 16% to 20% of RWA and at least twice the Basel III tier 1 leverage ratio requirement. In addition, a number of jurisdictions, including Switzerland, the US, the UK and the EU, have implemented or are considering implementing changes that would allow resolution authorities to write down or convert into equity unsecured debt to execute a bail-in. The scope of bail-in authority and the legal mechanisms that would be utilized for the purpose are subject to a great deal of development and interpretation. Regulatory requirements to maintain minimum TLAC, including potential requirements to maintain TLAC at subsidiaries, 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, may increase the total amount and cost of funding for the Group.

Possible consequences of regulatory and legislative developments

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

The Group's capital strength is important in supporting its strategy, client franchise and competitive position

The Group's capital position, as measured by the fully applied common equity tier 1 and total capital ratios under Basel III requirements, is determined by: (i) RWA (credit, non-counterparty related, market and operational risk positions, measured and risk-weighted according to regulatory criteria) and (ii) eligible capital. Both RWA and eligible capital may fluctuate based on a number of factors. RWA are driven by the Group's business activities and by changes in the risk profile of its exposures, as well as regulatory requirements. For instance, substantial market volatility, a widening of credit spreads (a major driver of the Group's value-at-risk), adverse currency movements, increased counterparty risk, a deterioration in the economic environment, or increased operational risk could result in a rise in RWA. The Group's eligible capital would be reduced if the Group experiences net losses or losses through other comprehensive income, as determined for the purpose of the regulatory capital calculation, which may also render it more difficult or more costly for the Group 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 the Group's net defined benefit obligation recognized in other comprehensive income. See "Fluctuation in foreign exchange rates and continuing low or negative interest rates may have a detrimental effect on Group's capital strength, Group's liquidity and funding position, and Group's profitability" Any such increase in RWA or reduction in eligible capital could materially reduce the Group's capital ratios.

Risks captured in the operational risk component of RWA have become increasingly significant as a component of the Group's overall RWA as a result of significant reductions in market and credit risk RWA, as the Group executes its strategy, and increased operational risk charges arising from operational risk events (including charges arising from litigation, regulatory and similar matters). The Group has agreed with FINMA

on a supplemental analysis that is used to calculate an incremental operational risk capital charge to be held for litigation, regulatory and similar matters and other contingent liabilities. The incremental RWA calculated based on this supplemental analysis as of 31 December 2014 was CHF 17.5 billion. Future developments in and the ultimate elimination of the incremental RWA attributable to the supplemental analysis will depend on provisions charged to earnings for litigation, regulatory and similar matters and other contingent liabilities and on developments in these matters. There can be no assurance that UBS will be successful in addressing these matters and reducing or eliminating the incremental operational risk component of RWA.

The required levels and calculation of the Group's regulatory capital and the calculation of its RWA are also subject to changes in regulatory requirements or their interpretation, as well as the exercise of regulatory discretion. Changes in the calculation of RWA under Basel III and Swiss requirements (such as the revised treatment of certain securitization exposures under the Basel III framework) have significantly increased the level of the Group's RWA and, therefore, have adversely affected the Group's capital ratios. The Group has achieved substantial reductions in RWA, in part to mitigate the effects of increased capital requirements. Further changes in the calculation of RWA, imposition of additional supplemental RWA charges, or imposition of an RWA floor based on the standardized approach or other methodology could substantially increase the Group's RWA. In addition, the Group may not be successful in pursuing its plans to further reduce RWA, either because the Group is unable to carry out fully the actions it has planned or because other business or regulatory developments or actions to some degree counteract the benefit of its actions.

In addition to the risk-based capital requirements, the Group is subject to a minimum leverage ratio requirement for Swiss systemically relevant banks. The leverage ratio operates separately from the risk-based capital requirements, and, accordingly, under certain circumstances could constrain the Group's business activities even if the Group satisfies other risk-based capital requirements. The Group has achieved substantial reductions in its balance sheet and expects to make further reductions as it winds down its Non-core and Legacy Portfolio positions. These reductions have improved the Group's leverage ratio and contributed to its ability to comply with the more stringent leverage ratio requirements. There is also a risk that the minimum leverage ratio requirement will be increased significantly beyond the levels currently scheduled to come into effect, which would make it more difficult for the Group to satisfy the requirements without adversely affecting certain of its businesses. The leverage ratio 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.

Changes in international or Swiss requirements for risk-based capital, leverage ratios, LCR or NSFR, including changes in minimum levels, method of calculation or supervisory add-ons could have a material adverse effect on the Group's capital position and its business. Any such changes that are implemented only in Switzerland or more quickly in Switzerland may have an adverse effect on the Group's competitive position compared with institutions regulated under different regimes.

The Group may not be successful in completing its announced strategic plans or in implementing changes in its businesses to meet changing market, regulatory and other conditions

In October 2012, the Group announced a significant acceleration in the implementation of its strategy. The strategy included transforming UBS's Investment Bank to focus it on its traditional strengths, very significantly reducing Basel III RWA and further strengthening the Group's capital position, and significantly reducing costs and improving efficiency. The Group has substantially completed the transformation of its business, but elements remain that are not complete. There continues to be a risk that the Group will not be successful in completing the execution of its plans, that its plans may be delayed, that market events may adversely affect the implementation of the plan or that the effects of its plans may differ from those intended.

The Group has substantially reduced the RWA and balance sheet usage of its Non-core and Legacy Portfolio positions, but there can be no assurance that the Group will continue to be able to exit them 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 the legacy risk positions in particular could make it difficult to sell or otherwise exit these positions and

reduce the RWA and the balance sheet usage associated with these exposures. As the size of the Non-core and Legacy Portfolio decreases, achieving a complete exit of particular classes of transactions will be necessary to achieve the reductions of RWA, balance sheet and costs associated with the positions. At the same time, the Group's ability to meet its future capital targets and requirements depends in part on its ability to reduce RWA and balance sheet usage without incurring unacceptable losses.

As part of its strategy, the Group has a program underway to achieve significant incremental cost reductions. The success of the Group's strategy and its ability to reach certain of the targets it has announced depends on the success of the effectiveness and efficiency measures the Group is able to carry out. As is often the case with major effectiveness and efficiency programs, the Group's plans involve significant risks. Included among these are the risks that restructuring costs may be higher and may be recognized sooner than the Group has projected, that the Group 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 the Group anticipates. Changes in workforce location or reductions in workforce can lead to charges to the income statement well in advance of the cost savings intended to be achieved through such workforce strategy. For example, under IFRS the Group is required to recognize provisions for real estate lease contracts when the unavoidable costs of meeting the obligations under the contracts are considered to exceed the future economic benefits expected to be received under them. In addition, as the Group implements its effectiveness and efficiency programs, it may experience unintended consequences such as the loss or degradation of capabilities that the Group needs in order to maintain its competitive position and achieve its targeted returns.

The Group is exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of its Wealth Management business division, and the Group may not be successful in implementing the business changes needed to address them. The Group 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 the Group's substantial losses, the damage to its reputation, the loss of client advisors, difficulty in recruiting qualified client advisors and tax, legal and regulatory developments concerning the Group's cross-border private banking business.

Many of these factors have been successfully addressed. The Group's Wealth Management and Wealth Management Americas business divisions recorded substantial net new money inflows in 2013 and 2014. Long-term changes affecting the cross-border private banking business model will, however, continue to affect client flows in the Wealth Management business division 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, is the heightened focus of fiscal authorities on cross-border investments. Changes in local tax laws or regulations and their enforcement and the implementation of cross-border tax information exchange regimes, may affect the ability or the willingness of the Group's clients to do business with the Group or the viability of the Group's strategies and business model. For the last three years, the Group 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.

The net new money inflows in recent years in the Group'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 European clients. This dynamic, combined with changes in client product preferences as a result of which low-margin products account for a larger share of the Group's revenues than in the past, put downward pressure on the Group's return on invested assets and adversely affect the profitability of its Wealth Management business division. The Group has implemented changes in its product offerings and service improvements, and will continue its efforts to adjust to client trends and market dynamics as necessary, in an effort to overcome the effects of these changes in the business mix on its profitability, but there can be no assurance that the Group will be able to counteract those effects. In addition, the Group 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 the Group’s margins on these products and the current offering may be less attractive to clients than the products it replaces. There can be no assurance that the Group will be successful in its efforts to offset the adverse impact of these trends and developments.

Global Asset Management experienced net outflows of client assets in 2012 and 2013, although it had net inflows for the first three quarters of 2014 and for full year 2014. Further net outflows of client assets could adversely affect the results of this business division.

Material legal and regulatory risks arise in the conduct of the Group's business

The nature of its business subjects the Group to significant regulatory oversight and liability risk. As a global financial services firm operating in more than 50 countries, the Group is subject to many different legal, tax and regulatory regimes. The Group is involved in a variety of claims, disputes, legal proceedings and government investigations. These proceedings expose the Group 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 the Group’s future business or financial results, is extremely difficult to predict.

In December 2012, the Group 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 with the US Department of Justice (“DOJ”) and UBS Securities Japan Co. Ltd. also pled guilty to one count of wire fraud relating to the manipulation of certain benchmark interest rates. The settlements do not resolve investigations by other authorities or civil claims that have been or may in the future be asserted by private and governmental claimants with respect to submissions regarding LIBOR or other benchmark interest rates. The extent of the Group’s financial exposure to these remaining matters is extremely difficult to estimate and could be material.

UBS settlements with governmental authorities in connection with 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 the guilty plea of a Group subsidiary was required, despite the Group’s full cooperation with the authorities in the investigations relating to LIBOR and other benchmark interest rates, and despite the Group’s receipt of conditional leniency or conditional immunity from antitrust authorities in a number of jurisdictions, including the US and Switzerland. The Group understands that, in determining the consequences to the Group, the authorities considered the fact that it has in the recent past been determined that it has engaged in serious misconduct in several other matters. The heightened risk level was further illustrated by the European Commission (“EC”) announcement in December 2013 of fines against other financial institutions related to its Yen Interest Rate Derivatives (“YIRD”) investigation. The EC stated that the Group would have been subject to fines of approximately EUR 2.5 billion had the Group not received full immunity for disclosing to the EC the existence of infringements relating to YIRD. Recent resolution of enforcement matters involving other financial institutions further illustrates the continued increase in the financial and other penalties, reputational risk and other consequences of regulatory matters in major jurisdictions, particularly the US, and the resulting difficulty in predicting in this environment the financial and other terms of resolutions of pending government investigations and similar proceedings. In 2014, Credit Suisse AG (CS) and BNP Paribas (BNPP) each pleaded guilty to criminal charges in the United States and simultaneously entered into settlements with other US agencies, including the Federal Reserve and the New York Department of Financial Services (DFS). These resolutions involved the payment of substantial penalties (USD 1.8 billion in the case of CS and USD 8.8 billion in the case of BNPP), agreements with respect to future operation of their businesses and actions with respect to relevant personnel. In the case of BNPP, the DFS suspended for a one-year period BNPP’s ability to conduct through its New York branch business activity related to the business line that gave rise to the illegal conduct, namely US dollar clearing for specified BNPP business units. In addition, the US Department of Justice (DOJ)

has announced a series of resolutions related to the conduct of major financial institutions in packaging, marketing, issuing and selling residential mortgage-backed securities. In these resolutions, financial institutions have been required to pay penalties ranging from USD 7 to USD 16.7 billion and, in many cases, were also required to provide relief to consumers who were harmed by the relevant conduct.

UBS continues to be subject to a large number of claims, disputes, legal proceedings and government investigations, including the matters described in the notes to the financial statements included herein, and expects that its ongoing business activities will continue to give rise to such matters in the future. The extent of UBS's financial exposure to these and other matters is material and could substantially exceed the level of provisions that UBS has established for litigation, regulatory and similar matters. 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, the non-prosecution agreement UBS entered into with the DOJ in connection with LIBOR (the "NPA") may be terminated by the DOJ if the Group commits any US crime or otherwise fails to comply with the NPA and the DOJ may obtain a criminal conviction of UBS AG in relation to the matters covered by the NPA. 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 us 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.

In connection with discussions of a possible resolution of investigations relating to the Group's foreign exchange business with the Antitrust and Criminal Division of the DOJ, UBS and the DOJ have extended the term of the NPA by one year to 18 December 2015. As a result of this history and UBS's ongoing obligations under the NPA, the Group's level of risk with respect to regulatory enforcement may be greater than that of some of its peer institutions.

At this point in time, the Group believes that the industry continues to operate in an environment where charges associated with litigation, regulatory and similar matters will remain elevated for the foreseeable future and the Group continues to be exposed to a number of significant claims and regulatory matters.

Ever since its losses in 2007 and 2008, the Group has been subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain its strategic flexibility. While the Group believes that it has remediated the deficiencies that led to the material losses during the 2007–2009 financial crisis, the unauthorized trading incident announced in September 2011, the LIBOR-related settlements of 2012 and settlements with some regulators of matters related to the Group'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. For example, following the unauthorized trading incident, FINMA placed restrictions (since removed) on acquisitions or business expansions in its Investment Bank unit. The Group is determined to address the issues that have arisen in the above and other matters in a thorough and constructive manner. The Group is in active dialogue 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.

Operational risks may affect UBS's business

The Group's businesses are dependent on the Group's 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 the Group is subject and to prevent, or promptly detect and stop, unauthorized, fictitious or fraudulent transactions. The Group'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.

For example, cyber-crime is a fast growing threat to large organizations that rely on technology to support their business. Cyber-crime can range from internet-based attacks that interfere with the organizations' internet websites, to more sophisticated crimes that target the organizations, as well as their clients, and seek to gain unauthorized access to technology systems in efforts to disrupt business, steal money or obtain sensitive information.

A major focus of US governmental policy 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 their clients. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could have serious consequences, both from legal enforcement action and from damage to the Group's reputation.

Although the Group 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, the Group could suffer operational failures that might result in material losses, such as the loss from the unauthorized trading incident announced in September 2011.

Participation in high-volume and high-frequency trading activities, even in the execution of client-driven business, can also expose the Group to operational risks. The Group's loss in 2012 relating to the Facebook initial public offering illustrates the exposure participants in these activities have to unexpected results arising not only from their own systems and processes but also from the behavior of exchanges, clearing systems and other third parties and from the performance of third-party systems.

The Group's wealth and asset management businesses operate in an environment of increasing regulatory scrutiny and changing standards. Legislation and regulators have changed and are likely to continue to change fiduciary and other standards of care for asset managers and advisers and have increased focus on mitigating or eliminating conflicts of interest between a manager or adviser and the client. These changes have 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 the Group fails to effectively implement controls to ensure full compliance with new, rising 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 the Group'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 the Group's ability to prepare and publish accurate and timely financial reports. Following the unauthorized trading incident announced in September 2011, management determined that the Group 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 the Group's financial statements for either year.

In addition, despite the contingency plans the Group 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 the Group 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 the Group or third parties with whom the Group conducts business.

The Group's reputation is critical to the success of its business

The Group's reputation is critical to the success of the Group's strategic plans. Damage to its reputation can have fundamental negative effects on the Group's 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 the Group's very large losses during the financial crisis, the US cross-border matter (relating to the governmental inquiries and investigations relating to the Group'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 the Group's reputation. Reputational damage was an important factor in the Group's loss of clients and client assets across the Group's 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 the Group's financial performance, and the Group 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 the Group's involvement in the LIBOR matter and investigations relating to the Group's foreign exchange and precious metals business have also adversely affected the Group's reputation. Any further reputational damage could have a material adverse effect on the Group's operational results and financial condition and on its ability to achieve the Group's strategic goals and financial targets.

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

The financial services industry prospers in conditions of economic growth, stable geopolitical conditions; transparent, liquid and buoyant capital markets and positive investor sentiment. An economic downturn, continued low interest rates or weak or stagnant economic growth in the Group's core markets, or a severe financial crisis can negatively affect the Group's revenues and ultimately its capital base.

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, war or terrorism. Because financial markets are global and highly interconnected, even local and regional events can have widespread impact well beyond the countries in which they occur. 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. The Group has material exposures to a number of these markets, both as a wealth manager and as an investment bank. Moreover, the Group's strategic plans depend more heavily upon its ability to generate growth and revenue in emerging markets, causing the Group to be more exposed to the risks associated with them. The continued absence of sustained and credible improvements to unresolved issues in Europe, continued US fiscal and monetary policy issues, emerging markets fragility and the mixed outlook for global growth demonstrate that macroeconomic and political developments can have unpredictable and destabilizing effects. Adverse developments of these kinds have affected the Group's businesses in a number of ways, and may continue to have further adverse effects on the Group's businesses as follows:

- a general reduction in business activity and market volumes, as the Group has recently experienced, affects fees, commissions and margins; local or regional economic factors, such as the ongoing European sovereign debt concerns and negative interest rates, could also have an effect on the Group;
- a market downturn is likely to reduce the volume and valuations of assets the Group manages on behalf of clients, reducing its asset and performance-based fees;
- the ongoing low interest rate environment will further erode interest margins in several of the Group's businesses and adversely affect the UBS's net defined benefit obligations in relation to its pension plans;
- negative interest rates announced by central banks in Switzerland or elsewhere may also affect client behavior and changes to the Group's deposit and lending pricing and structure that the Group may make to respond to negative interest rates and client behavior may cause deposit outflows, reduced business volumes or otherwise adversely affect the Group's businesses;
- reduced market liquidity or volatility limits trading and arbitrage opportunities and impedes the Group's ability to manage risks, impacting both trading income and performance-based fees;

- deteriorating market conditions could cause a decline in the value of assets that the Group owns and accounts for as investments or trading positions;
- worsening economic conditions and adverse market developments could lead to impairments and defaults on credit exposures and on the Group's trading and investment positions, and losses may be exacerbated by declines in the value of collateral the Group holds; and
- 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), the Group 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.

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

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

The Group 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

The Group, like other financial market participants, 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 the Group recorded substantial losses on fixed income trading positions, particularly in 2008 and 2009. Although the Group has very significantly reduced its risk exposures starting in 2008, and more recently as it progresses its strategy and focuses on complying with Basel III capital standards, the Group continues to hold substantial legacy risk positions, primarily in its Non-core and Legacy Portfolio. In many cases these risk positions remain illiquid, and the Group continues to be exposed to the risk that the remaining positions may again deteriorate in value. In the fourth quarter of 2008 and the first quarter of 2009, certain of these positions were reclassified for accounting purposes from fair value to amortized cost; these assets are subject to possible impairment due to changes in market interest rates and other factors.

Moreover, the Group 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, the Group 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 dramatic appreciation of the Swiss franc following recent announcements by the Swiss National Bank, adoption of negative interest rates by the Swiss National Bank or other central banks or any return of crisis conditions within the eurozone and the potential implications of the recent decision in Switzerland to reinstate immigration quotas for EU/EEA countries, could also adversely affect the Swiss economy, the Group's business in Switzerland in general and, in particular, the Group's Swiss mortgage and corporate loan portfolios.

In addition, the Group is exposed to risk in its prime brokerage, reverse repo and Lombard lending activities, as the value or liquidity of the assets against which the Group provides financing may decline rapidly.

The Group's global presence subjects it to risk from currency fluctuations

The Group prepares its consolidated financial statements in Swiss francs. However, a substantial portion of its assets, liabilities, invested assets, revenues and expenses are denominated in other currencies, particularly the US dollar, the euro and the British pound. Accordingly, changes in foreign exchange rates, particularly between the Swiss franc and the US dollar (US dollar revenues account for the largest portion of the Group's non-Swiss franc revenues) have an effect on the Group's reported income and expenses, and on other reported figures such as other comprehensive income, invested assets, balance sheet assets, RWA and Basel III CET1 capital. These effects may adversely affect the Group's income, balance sheet, capital and liquidity ratios. The effects described under "Recent Developments – *Impact of Swiss National Bank Actions*" clearly illustrate the potential effect of significant currency movements, particularly of the Swiss Franc.

The Group is dependent upon its risk management and control processes to avoid or limit potential losses in its counterparty credit and trading businesses

Controlled risk-taking is a major part of the business of a financial services firm. Credit risk is an integral part of many of the Group's retail, corporate, wealth management and Investment Bank activities, and the Group's non-core activities that were transferred to Corporate Center – Non-core and Legacy Portfolio, including lending, underwriting and derivatives activities. Changes in interest rates, credit spreads, securities' prices, market volatility and liquidity, foreign exchange levels and other market fluctuations can adversely affect the Group's earnings. Some losses from risk-taking activities are inevitable, but to be successful over time, the Group must balance the risks it takes against the returns it generates. The Group 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, the Group is not always able to prevent serious losses arising from extreme or sudden market events that are not anticipated by the Group's 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 the Group aggregates risk to identify potentially highly correlated exposures proved to be inadequate. Notwithstanding the steps the Group has taken to strengthen its risk management and control framework, the Group could suffer further losses in the future if, for example:

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

The Group also manages risk on behalf of its clients in its asset and wealth management businesses. The performance of assets the Group 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 the Group is not in line with relevant

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

If the Group decides to support a fund or another investment that it sponsors in its asset or wealth management businesses, it might, depending on the facts and circumstances, incur charges 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 the Group 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 the Group's earnings.

Valuations of certain positions rely on models; models have inherent limitations and may use inputs which 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 models. Such models have inherent limitations; different assumptions and inputs would generate different results, and these differences could have a significant impact on the Group's 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 the Group's financial results. Moreover, evolving market practice may result in changes to valuation techniques that could have a material impact on the Group's 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 the Group's financial results.

Liquidity and funding management are critical to the Group's ongoing performance

The viability of the Group's business depends on the availability of funding sources, and the Group's success depends upon its ability to obtain funding at times, in amounts, for tenors and at rates that enable the Group to efficiently support its asset base in all market conditions. A substantial part of the Group'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 the Group'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 the Group's credit ratings can increase the Group's 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. The Group'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 the Group's businesses.

More stringent capital and liquidity 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 potential future requirements to maintain senior unsecured debt that could be written down in the event of the Group's insolvency or other resolution, may increase the Group's funding costs or limit the availability of funding of the types required.

The Group might 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. The Group faces competition at the level of local markets and individual business lines, and from global financial institutions that are comparable to the Group in their size and breadth. Barriers to entry in individual markets and pricing levels are being eroded by new technology. The Group expects these trends to continue and competition to increase. The Group's competitive strength and market position could be eroded if the Group is unable to identify market trends and developments, does 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 the Group's employee compensation are affected not only by the Group's 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 the Group's ability to retain and attract key employees, and may in turn negatively affect the Group's business performance. The Group 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 the Group has issued in the market but with a higher capital ratio write-down trigger, increased average deferral periods for stock awards, and expanded forfeiture provisions for certain awards linked to business performance. These changes, while intended to better align the interests of the Group's staff with those of other stakeholders, increase the risk that key employees will be attracted by competitors and decide to leave the Group, and that the Group may be less successful than its competitors in attracting qualified employees. The loss of key staff and the inability to attract qualified replacements, depending upon which and how many roles are affected, could seriously compromise the Group's ability to execute its strategy and to successfully improve its operating and control environment.

In a referendum in March 2013, the Swiss cantons and voters approved an initiative to give shareholders of Swiss listed companies more influence over board and management compensation (the "**Minder Initiative**"). In November 2013, the Swiss Federal Council issued the final transitional ordinance implementing the constitutional amendments resulting from this initiative, which came into force on 1 January 2014. The ordinance requires public companies to specify in their articles of association ("**AoA**") a mechanism to permit a "say-on-pay" vote, setting out three requirements: (i) the vote on compensation must be held annually, (ii) the vote on compensation must be binding rather than advisory and (iii) the vote on compensation must be held separately for the board of directors and members of the executive board. In addition, shareholders will need to determine the details of the "say-on-pay" vote in the AoA, in particular the nature of the vote, timing aspects and the consequences of a "no" vote. Each company affected by the Minder Initiative must undertake a first binding vote on management compensation and remuneration of the board of directors at its 2015 annual general meeting.

The EU has adopted legislation that caps the amount of variable compensation in proportion to the amount of fixed compensation for employees of a bank active within the EU. This legislation will apply to employees of UBS in the EU. These and other similar initiatives may require the Group to make further changes to its compensation structure and may increase the risks described above.

The Group's financial results may be negatively affected by changes to accounting standards

The Group reports its results and financial position in accordance with IFRS as issued by the IASB. Changes to IFRS or interpretations thereof may cause the Group'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 the Group's regulatory capital and ratios. The Group monitors potential accounting changes and when these are finalised by the IASB, the Group determines the potential impact and discloses 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 the Group's reported results, financial position and regulatory capital in the future.

The Group's financial results may be negatively affected by changes to assumptions supporting the value of the Group's goodwill

The goodwill that the Group has recognized on the respective balance sheets of its operating segments is tested for impairment at least annually. The Group's impairment test in respect of the assets recognized as of 31 December 2014 indicated that the value of the Group's goodwill is 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 Group's goodwill may become impaired in the future, giving rise to losses in the income statement. For example, in the third quarter of 2012, the carrying amount of goodwill and of certain other non-financial assets of the Investment Bank was written down, resulting in a pre-tax impairment loss of almost CHF 3.1 billion.

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

The deferred tax assets ("DTA") that the Group has recognized on its balance sheet as of 31 December 2014 in respect of 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 deferred tax assets may need to be adjusted in the future. These adjustments may include write-downs of deferred tax assets through the income statement.

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

In 2015, notwithstanding the effects of any potential reassessment of the level of deferred tax assets, the Group expects its effective tax rate to be approximately 25%. Consistent with past practice, the Group expects to revalue its overall level of deferred tax assets in the second half of 2015 based on a reassessment of future profitability taking into account updated business plan forecasts, including consideration of a possible further extension of the forecast period used for US DTA recognition purposes to seven years from the six years used at 31 December 2014. The full year effective tax rate could change significantly on the basis of this reassessment. It could also change if aggregate tax expenses for locations other than Switzerland, the US and the UK differ from what is expected. The Group'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 deferred tax assets.

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 the Group to materially differ from the amount accrued.

The Group is currently 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 are expected to carry on 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 deferred tax assets associated with such tax losses could be written down through the income statement.

A net charge of CHF 123 million was recognized in operating expenses (within operating profit before tax) in 2014 in relation to the UK bank levy. This is a balance sheet levy, payable by banks operating in the UK. The Group's bank levy expense for future years will depend on both the rate of the levy and the Group's taxable UK liabilities at each year-end; changes to either factor could increase the cost. This expense could increase if organizational changes involving UBS Limited and/or UBS AG alter the level or profile of the Group's bank levy tax base. The Group expects that the annual bank levy charge will continue to be recognized for IFRS purposes as an expense arising in the final quarter of each financial year, rather than being accrued throughout the year, as it is charged by reference to the year-end balance sheet position.

As UBS Group AG is a holding company, its operating results, financial condition and ability to pay dividends other distributions or to pay its obligations in the future is dependent on funding, dividends and other distributions received from UBS AG or any other future direct subsidiary, which may be subject to restrictions

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

In addition, UBS Group'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.

UBS Group's credit rating could be lower than the rating of UBS AG, which may adversely affect the market value of the securities and other obligations of UBS Group on a standalone basis.

Furthermore, UBS Group expects that it may guarantee some of the payment obligations of certain of its subsidiaries from time to time. These guarantees may require UBS Group to provide substantial funds or assets to subsidiaries or their creditors or counterparties at a time when UBS Group is in need of liquidity to fund its own obligations.

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

The Group has committed to return at least 50% of its net profit to shareholders as capital returns, provided its fully applied CET1 capital ratio is at least 13% and its post-stress fully applied CET1 capital ratio is at least 10%. As of 31 December 2014, the Group's post-stress CET1 capital ratio exceeded this 10% objective, and the actions of the Swiss National Bank did not cause a breach of this objective either in January or February 2015. However, the Group's ability to maintain a fully applied CET1 capital ratio of at least 13% is subject to numerous risks, including the results of the Group's business, changes to capital standards, methodologies and interpretation that may adversely affect the Group's calculated fully applied CET1 capital ratio, imposition of risk add-ons or additional capital requirements such as additional capital buffers.

Changes in the methodology, assumptions, stress scenario and other factors may result in material changes in the Group's post-stress fully applied CET1 capital ratio. The Group's objective to maintain a post-stress fully applied CET1 capital ratio of at least 10% is a condition to the Group's capital returns commitment. To calculate the Group's post-stress CET1 capital ratio, the Group forecasts capital one year ahead based on internal projections of earnings, expenses, distributions to shareholders and other factors affecting CET1 capital, including the Group's net defined benefit assets and liabilities. The Group also forecasts one-year developments in RWA. The Group adjusts these forecasts based on assumptions as to how they may change as a result of a severe stress event. The Group then further deducts from capital the stress loss estimated using its combined stress test (CST) framework to arrive at the post-stress CET1 capital ratio. Changes to the Group's results, business plans and forecasts, in the assumptions used to reflect the effect of a stress event on the Group's business forecasts or in the results of the Group's CST, could have a material effect on the Group's stress scenario results and on the Group's calculated fully applied post-stress CET1 capital ratio. The Group's CST framework relies on various risk exposure measurement methodologies which are predominantly proprietary, on the Group's selection and definition of potential stress scenarios and on the Group's assumptions regarding estimates of changes in a wide range of macroeconomic variables and certain idiosyncratic events for each of those scenarios. The Group periodically reviews these methodologies, and assumptions are subject to periodic review and change on a regular basis. The Group's risk exposure measurement methodologies may change in response to developing market practice and enhancements to the Group's own risk control environment and input parameters for models may change due to changes in positions, market parameters and other factors. The Group'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 fully applied post-stress CET1 capital ratio, or in the assumptions used in a particular scenario, may cause the post-stress CET1 capital ratio to fluctuate materially from period to period. The Group's business plans and forecasts are subject to inherent uncertainty, the Group's 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. The Group's risk exposure 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 the Group may therefore rely on prior month/quarter data as an estimate. All of these factors may result in the Group's post-stress CET1 capital ratio, as calculated using the Group's methodology for any period, being materially higher or lower than the actual effect of a stress scenario.

UBS Group may fail to realise the anticipated benefits of the exchange offer

UBS established UBS Group AG as a holding company for the UBS Group because it believes that it will, along with other measures already announced, substantially improve the resolvability of the Group in response to evolving regulatory requirements. These measures may also qualify UBS Group for a rebate on the progressive buffer capital requirements applicable to the Group as a systemically relevant Swiss bank under applicable Swiss TBTF requirements. UBS Group may, however, encounter substantial difficulties in achieving these anticipated benefits or these anticipated benefits may not materialize. For example, the relevant regulators may find the measures that the Group is undertaking or their implementation to be ineffective or insufficient (especially in the context of market turbulence or in distressed situations), or they may not grant potential relief to the full extent hoped for. UBS Group may also be required to adopt further measures to meet existing or new regulatory requirements.

UBS Group AG has acquired approximately 97 percent of the outstanding shares of UBS AG. Delay in acquiring full ownership of UBS AG could adversely affect the anticipated benefits of the exchange offer and the liquidity and market value of the UBS Group AG shares. Such a delay may occur if UBS Group determines that the squeeze-out merger cannot be implemented or is not advisable for any reason, including, among other things, disruption to the business, the negative impact on regulatory consents, approvals and licenses or required third-party rights. The existence of minority shareholders in UBS AG may, among other things, make it more difficult or delay UBS Group's ability to implement changes to the legal structure of the UBS Group and interfere with its day-to-day business operations and its corporate governance. In addition, any holders of UBS AG shares will have a pro rata claim upon any dividends or other distributions of UBS AG and would receive a proportionate share of any dividend payments or other distributions made by UBS AG, reducing the amount of any dividend payments or other distributions that UBS might make to holders of UBS Group AG shares.

Risks Associated with a Squeeze-out Merger

If UBS Group conducts a squeeze-out merger under Swiss law, UBS AG will merge into a merger subsidiary of UBS Group, which will survive the transaction. Although UBS Group expects that the surviving entity will in most cases succeed to UBS AG's banking licenses, permits and other authorizations, such entity may need to re-apply for or seek specific licenses, permits and authorizations, as well as third-party consents. Furthermore, although UBS Group expects this occurrence to be unlikely given that minority shareholders subject to the squeeze-out will be offered listed securities in UBS Group and the consideration to be offered in the squeeze-out merger will be identical to the consideration offered in the exchange offer, under Swiss law, a minority shareholder subject to the squeeze-out merger could theoretically seek to claim, within two months of the publication of the squeeze-out merger, that the consideration offered is "inadequate" and petition a Swiss competent court to determine what is "adequate" consideration. Each of these circumstances, if it were to happen, may generate costs, delay the implementation of the squeeze-out merger or disrupt or negatively impact the Group's business.

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. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

Potential investors of the Securities should recognise that the Securities **constitute a risk investment** which can lead to a **total loss** of their investment in the Securities. Securityholders will incur a loss, if the amounts 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. 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 "**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 "**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. No statutory or voluntary deposit guarantee scheme

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

3. Termination and 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, it cannot be excluded 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.

4. **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.

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

It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlying 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.

6. 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.

7. 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.

8. 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. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

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

9. **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.

10. **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.

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

In addition, it cannot be excluded that the number of Securities actually issued and purchased by investors is less than the intended Issue Size 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.**

12. **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.

13. 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.

14. 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.

15. 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.

16. 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, it cannot be excluded 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.

17. **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.

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

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

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

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

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

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

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

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

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

Securityholders holding their Securities through a foreign financial institution or other foreign entity should be aware that a portion of any payments under the Securities 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.**

19. 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, a different tax treatment by the fiscal authorities and tax courts cannot be excluded. 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.

20. 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.

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 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

It cannot be ruled out 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. No assurance is given that such admission or listing will 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. It cannot be excluded 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, it cannot be excluded 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.

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 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 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, 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 Financial Instruments Accounts Act (lag (1998:1479) om 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 Operations (749/2012) (*laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*) 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 Norway 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 Act etc. (*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 other clearing system, as the case may be, 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 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 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 Act etc. (*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 København 5, 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 will 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 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 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. 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 "**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.

Payment of Coupon or other proceeds linked to the Underlying(s)

In addition, and as specified in the relevant Product Terms, the Securityholder may during the term of the UBS Autocallable/Express Securities be entitled to receive payment of a Coupon or other proceeds, if applicable, as specified in the applicable Product Terms. Such payment may be unconditional or conditional upon a specific performance of the Underlying(s), 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.

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.

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.

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.

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.

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).

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.

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 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 of the then current value of the Underlying(s) (adjusted by the respective ratio). The barrier can be observed either continuously or on predefined dates, as specified in the relevant Product Terms.

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.

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 Performance/Delta One Securities

UBS Performance/Delta One 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/Delta One Securities also participate in the negative development of the Underlying(s).

UBS Performance/Delta One 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.

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.

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).

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 product.

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.

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 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 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 or (ii) 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

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	Product Terms	
Part 1:	<i>Key Terms and Definitions of the Securities</i>	[•]
Part 2: § 1 - 3	<i>Special Conditions of the Securities</i>	[•]
	General Conditions	
§ 4	<i>Form of Securities; Title and Transfer; Status</i>	[•]
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§ 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>	[•]
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§ 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 "i*" 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]_(t):

The Accumulated Borrowing Fee_(t) [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 depositary that represents a specified number of Underlying Shares issued by an entity organised outside the United States held in a safekeeping account with the depositary'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_(i=1)] [Basket Component_(i=1)] equals [●] ("**Barrier_(i=1)**") , [●] and

the Barrier in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [●] ("**Barrier_(i=n)**").]

[indicative. The Barrier [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].*]

[The term "Barrier" shall also refer to all Barriers_(i=1) to _(i=n).]

[Basket Component:

The Basket Component_(i=1) 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 or the Global 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_(i=1)"), [as maintained, calculated and published by [•] (the "Index Sponsor_(i=1)") [as maintained by [•] (the "Index Sponsor_(i=1)") and calculated and published by [•] (the "Index Calculator_(i=1)")]] [in the case of a fund unit as the Basket Component insert, if appropriate, the following text: (the "Fund Unit_(i=1)") in the [•] (the "Fund_(i=1)") [in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [(also "ADR_(i=1)") [(also "GDR_(i=1)")]] (In such context, the Share_(i=1) underlying [the ADR_(i=1)] [the GDR_(i=1)] is also referred to as the "Underlying Share_(i=1)"); [•] and

the Basket Component_(i=n) 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 or the Global 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_(i=n)"), [as maintained, calculated and published by [•] (the "Index Sponsor_(i=n)") [as maintained by [•] (the "Index Sponsor_(i=n)") and calculated and published by [•] (the "Index Calculator_(i=n)")]] [in the case of a fund unit as the Basket Component insert, if appropriate, the following text: (the "Fund Unit_(i=n)") in the [•] (the "Fund_(i=n)") [in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [(also "ADR_(i=n)") [(also "GDR_(i=n)")]] (In such context, the Share_(i=n) underlying [the ADR_(i=n)] [the GDR_(i=n)] is also referred to as the "Underlying Share_(i=n)").

[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_(i=1) to _(i=n) [and to all Indices_(i=1) to _(i=n)], all Index Calculators_(i=1) to _(i=n) and all Index Sponsors_(i=1) to _(i=n), as the case may be] [and to all Fund Units_(i=1) to _(i=n) and all Funds_(i=1) to _(i=n), 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:
[Bonus Level:**

The Basket Performance equals [•]

The Bonus Level

[equals [•].]

[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] ("**Bonus Level_(i=1)**"), [•] and

the Barrier in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] ("**Bonus Level_(i=n)**").]

[indicative. The Bonus Level [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].^{*}]

[The term "Bonus Level" shall also refer to all Bonus Levels_(i=1) to _(i=n).]

[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, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ]].]
[Cap:	<p>The Cap</p> <p>[equals [•].]</p> <p>[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] ("Cap_(i=1)"), [•] and</p> <p>the Cap in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] ("Cap_(i=n)").]</p> <p>[indicative. The Cap [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].*]</p> <p>[The term "Cap" shall also refer to all Caps_{(i=1) to (i=n)}.]</p>
[Cap Level:	<p>The Cap Level</p> <p>[equals [•].]</p> <p>[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] ("Cap Level_(i=1)"), [•] and</p> <p>the Cap in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] ("Cap Level_(i=n)").]</p> <p>[indicative. The Cap Level [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].*]</p> <p>[The term "Cap Level" shall also refer to all Cap Levels_{(i=1) to (i=n)}.]</p>
CA Rules:	CA Rules means [[•]

[the Swedish Financial Instruments Accounts Act (lag (1998:1479) om kontoföring av finansiella instrument)]

[the Finnish Act on the Book-Entry System and Clearing Operations (749/2012) (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 Act etc. (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_(t):

The Certificate Value_(t) equals [•] [on [Fund Business Day][•] 't', and Certificate Value(0) 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 Financial Instruments Accounts Act (Sw. lag (1998:1479) om 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 Operations (749/2012) (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 5, Denmark, in its capacity as central securities depository under the Danish Securities Trading Act (Lov om værdipapirhandel m.v.), as amended from time to time)]

or any successor in this capacity or any other Clearing System referred to in the Final Terms. [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_(i=1) in relation to the Observation Date_(i=1) equals [•] [converted into the Redemption Currency] [commercially rounded to [two] [•] decimal places]. [indicative. The Coupon_(i=1) in relation to the Observation Date_(i=1) will be fixed on the Fixing Date [at the Fixing Time]^{*}; [•] and

the Coupon_(i=n) in relation to the Observation Date_(i=n) equals [•] [converted into the Redemption Currency] [commercially rounded to [two] [•] decimal places]. [indicative. The Coupon_(i=n) in relation to the Observation Date_(i=n) will be fixed on the Fixing Date [at the Fixing Time]^{*}.]

The term "Coupon" shall also refer to all Coupons_(i=1) to _(i=n).]]

[Coupon Barrier:

The Coupon Barrier

[equals [•].]

[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] ("**Coupon Barrier_(i=1)**")], [•] and

the Coupon Barrier in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] ("**Coupon Barrier_(i=n)**").]

[indicative. The Coupon Barrier [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time]^{*}.]

[The term "Coupon Barrier" shall also refer to all Coupon Barriers_(i=1) to _(i=n).]]

[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:	<p>The Coupon Payment Date means [•] [the [•] Banking Day after the [relevant] Observation Date].]</p> <p>[If any Coupon Payment Date would fall on a day which is not a [Banking Day] [•], the payment date shall be:</p> <p>[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] [•]]</p> <p>[if Following Business Day Convention insert: postponed to the next day which is a [Banking Day] [•]]</p> <p>[if Preceding Business Day Convention insert: the immediately preceding [Banking Day] [•]]</p> <p>(the "Business Day Convention").]</p>
[Coupon Period:	<p>[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].]</p> <p>[The Coupon Period_(i=1) 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_(i=1)] (including) [•] and the Coupon Period_(i=n) means the period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date_(i=n-1)] (excluding) and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date_(i=n)] (including).]]</p>

D.

[Day Count Fraction:	The Day Count Fraction, in respect of the calculation of an amount for
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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.]

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_(i=1)] [Basket Component_(i=1)] equals [•] (“Express Level_(i=1)”), [•] and

the Express Level in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] (“Express Level_(i=n)”).]

[indicative. The Express Level [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].*]

[The term “Express Level” shall also refer to all Express Levels_(i=1) to _(i=n).]

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_(i)] [a Basket Component_(i)], [•] [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_(i)] [Basket Component_(i)]] [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_(i)] [a Basket Component_(i)], [•] [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_(t)] [Basket Component_(t)]
[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_(t)] [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_(t)] [the time of the official determination of the [Price] [[•] price] of each Basket Component_(t)] [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.]

[Fund Value_(t):

The Fund Value_(t) 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.]]

[Futures Contract with the next Expiration Date:

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.]]

[FX Factor: The FX Factor equals [•] [the quotient of the • (“•”) currency exchange rate on the Observation Date_(i=n) (“FX_{End}”), divided by the • currency exchange rate on the Fixing Date (“FX_{Start})].

[The currency exchange rate is expressed in units • per 1 unit •.]

[“FX_{Start}” and “FX_{End}” 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 page “•” (or a substitute page thereof).]

[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.]

[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.]]

G.

[Global Depository Receipt:

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.]

Governing Law:

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.

I.

[Initial Strike:

The Initial Strike

[equals [•].]

[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] (“Initial Strike_(i=1)”), [•] and

the Initial Strike in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] (“Initial Strike_(i=n)”).]

[indicative. The Initial Strike [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].*]

[The term “Initial Strike” shall also refer to all Initial Strikes_(i=1) to _(i=n).]]

[Initial Payment Date:	The Initial Payment Date means [•]. [In the case of abbreviation or extension of the Subscription Period, the Initial Payment Date may be changed accordingly.]
[Interest Amount:	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.]
[Interest Amount Fixing Date:	The Interest Amount Fixing Date means [•].]
[Interest Amount Fixing Time:	The Interest Amount Fixing Time means [•] [[•] hrs [(local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom]).]]
[Interest Calculation Period:	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)].]
[Interest Payment Date:	<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>[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 Interest Payment Date shall be the immediately preceding Banking Day] [•]]</p> <p>[if Following Business Day Convention insert: postponed to the next day which is a [Banking Day] [•]]</p> <p>[if Preceding Business Day Convention insert: the immediately preceding [Banking Day] [•]]</p> <p>(the "Business Day Convention".)]</p>
[Interest Rate:	<p>The Interest Rate equals [•]</p> <p>[in case of fixed rate securities insert, if applicable:</p> <p>[•] % [per annum]]</p> <p>[in case of step-up or step-down securities insert, if applicable:</p> <p>in relation to the Interest Calculation Period_(i=1) [•] % [per annum],</p> <p>in relation to the Interest Calculation Period_(i=2) [•] % [per annum], [•]</p>

in relation to the Interest Calculation Period_(i=n) [●] % [per annum]

[, as determined by the Calculation Agent by referring to the Relevant 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, 1 Finsbury Avenue, London EC2M 2PP, 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_(i=1)] [Basket Component_(i=1)] equals [●] ("Kick In Level_(i=1)"), [●] and

the Kick In Level in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] (“**Kick In Level_(i=n)**”).]

[indicative. The Kick In Level [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].^{*}]

[The term “Kick In Level” shall also refer to all Kick In Levels_(i=1) to _(i=n).]

[Kick In Strike:

The Kick In Strike

[equals [•].]

[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] (“**Kick In Strike_(i=1)**”), [•] and

the Kick In Strike in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] (“**Kick In Strike_(i=n)**”).]

[indicative. The Kick In Strike [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].^{*}]

[The term “Kick In Strike” shall also refer to all Kick In Strikes_(i=1) to _(i=n).]

[Kick In Threshold:

The Kick In Threshold

[equals [•].]

[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] (“**Kick In Threshold_(i=1)**”), [•] and

the Kick In Threshold in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] (“**Kick In Threshold_(i=n)**”).]

[indicative. The Kick In Threshold [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].^{*}]

[The term “Kick In Threshold” shall also refer to all Kick In Thresholds_(i=1) to _(i=n).]

[Kick Out Level:

The Kick Out Level

[equals [•].]

[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] (“**Kick Out Level_(i=1)**”), [•] and

the Kick Out Level in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] (“**Kick Out Level_(i=n)**”).]

[indicative. The Kick Out Level [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].^{*}]

- [The term "Kick Out Level" shall also refer to all Kick Out Levels_(i=1) to _(i=n).]]
- L.
- [Last Trading Date:** 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.]]
- [Leverage Factor:** [The Leverage Factor equals [•] [indicative. The Leverage Factor will be fixed on the Fixing Date [at Fixing Time].]
- [The Leverage Factor represents the amount which will be invested into the Fund. The Leverage Factor will be set at [•%].*]]
- [Leverage Value_(t):** The Leverage Value_(t) [means [•] [represents a notional borrowing by the Issuer to facilitate the allocation to Fund Units over [100%][•] of the 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 [•]]
- [Look-Back Level:** The Look-Back Level of [the Underlying] [an Underlying_(t)] [a Basket Component_(t)] equals [•] [the lowest of the [closing prices] [•] of [the Underlying] [an Underlying_(t)] [a Basket Component_(t)] 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_(i=1)] [Basket Component_(i=1)] equals [•] ("Loss Threshold_(i=1)"), [•] and
- the Loss Threshold in relation to the [Underlying_(i=n)] [Basket

Component_(i=n) equals [•] (“Loss Threshold_(i=n)”).]

[indicative. The Loss Threshold [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].*]

[The term “Loss Threshold” shall also refer to all Loss Thresholds_{(i=1) to (i=n)}.]]

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].]]

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:	<p>The MF Adjustment Date means [•].</p> <p>[If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date] [•] in relation to [the Underlying] [an Underlying_(i)] [a Basket Component_(i)], [•] [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_(i)] [Basket Component_(i)] [the aggregate [Underlyings] [Basket Components]]].]</p>
[MF Fixing Date:	<p>The MF Fixing Date means [•].</p> <p>If this day is not [a Fund Business Day] [[an Underlying] [a Basket Component] Calculation Date] [•] in relation to [the Underlying] [an Underlying_(i)] [a Basket Component_(i)], [•] [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_(i)] [Basket Component_(i)] [the aggregate [Underlyings] [Basket Components]]].</p> <p>[In the case of abbreviation or extension of the Subscription Period the MF Fixing Date may be changed accordingly.]</p>
[Minimum Amount:	<p>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.*]]</p>
[Minimum Exercise Size:	<p>The Minimum Exercise Size equals [•].]</p>
[Minimum Settlement Amount:	<p>The Minimum Settlement Amount equals [0.001] [•] in the Redemption Currency per Security.]</p>
[Minimum Trading Size:	<p>The Minimum Trading Size equals [•].]</p>
[Minimum Transferable Size:	<p>The Minimum Transferable Size equals [•] [Security] [Securities].]</p>
[Multiplication Factor:	<p>The Multiplication Factor equals the factor [•] [indicative. The Multiplication Factor will be fixed on the Fixing Date [at Fixing Time].*]]</p>
[Multiplier:	<p>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.*]]</p>
N.	
[Net Asset Value:	<p>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</p>

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.] [•.]

[NIBOR:	NIBOR means [•.]
[Nominal [(Denomination)]:	Amount The Nominal Amount [(Denomination)] per Security equals [•.]
[Notional Investor:	The Notional Investor means a hypothetical investor (in the same position as the Issuer) investing in the Fund Units of the Fund.]
[Number of Fund Units:	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 _(i)] [a Basket Component _(i)], [•] [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 _(i)] [Basket Component _(i)] [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 _(i=1) 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 _(i=1)] (including) [•] and the Observation Period _(i=n) means the

period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date_(i=n-1) (excluding)] and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date_(i=n) (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, 1 Finsbury Avenue, London EC2M 2PP, 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_(i=n) equals (indicative)]
[The term "Payout Factor" shall also refer to all Payout Factors_(i=n) to _(i=n)]
[The Payout Factor will be fixed on the Fixing Date.^{*}]]

[Percentage Weighting: The Percentage Weighting
[equals [•].]
[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] ("Percentage Weighting_(i=1)"), [•] and
the Percentage Weighting in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] ("Percentage Weighting_(i=n)").]]

[Physical Underlying: The Physical Underlying means
[in the case of shares as the Physical Underlying insert, if appropriate, the following text: the shares of [•] with the ISIN [•]]
[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 [•]

[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 [•]]

[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 [•]]

[•]

[in a number that considers [the Participation Factor] [the Leverage Factor] [the Multiplier], expressed as a decimal number] [•].]

[Price of the Basket Component:

The Price of the Basket Component means

[•]

[the [•] price(s) of the respective Basket Component(s) as [continuously] determined [by the Relevant Trading System] [or] [on the Relevant Exchange]] [or]

[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]

[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]

[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]

[in the case of a fund unit as the Basket Component insert, if applicable, the following text: [•] [the Net Asset Value of the [relevant] 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.]]

Principal Paying Agent:

The Principal Paying Agent means [•] [UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland [, acting through its [London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ]]].

R.

[Rate:

The Rate equals [•] [[•] + [•] [per annum]]]

Redemption Currency:

The Redemption Currency means [•]. [The product feature “**Currency Conversion**” applies.]

[Reference Banks:

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.]]

[Reference Level:

The Reference Level [of the Underlying] [in the case of a portfolio of Underlyings insert, if appropriate, the following text: in relation to the relevant Underlying_(i)] equals

[•]

[[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.] *]

[in the case of a portfolio of Underlyings insert, if appropriate, the following text: [the Price of [the relevant Underlying_(i)] [the Relevant Underlying] [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Reference Level of the Underlying_(i) will be fixed [at the Fixing Time] on the Fixing Date.] *]

[in the case of a Basket as the Underlying insert, if appropriate, the following text: 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].]]

[Reference Price:

The Reference Price [of the Underlying] [in the case of a portfolio of Underlyings insert, if appropriate, the following text: in relation to the relevant Underlying_(i)] equals

[•]

[the Price of the Underlying on [the Valuation Date] [the Final Valuation Date] [at the Valuation Time].]

[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.]

[in the case of a portfolio of Underlyings insert, if appropriate, the following text: the Price of [the relevant Underlying_(i)] [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_(i)] [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 published on [•]

[(i) [the Valuation Date] [the Final Valuation Date] [the latest of the Valuation Averaging Dates] 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] 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]],

[[Reuters] [•] on page ["EUROFX/1"] ["ECB37"] [•], 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_(i=1)] [Basket Component_(i=1)], [•] and [•] in relation to the [Underlying_(i=n)] [Basket Component_(i=n)]. The term "Relevant Exchange" shall also refer to all Relevant Exchanges_(i=1) to _(i=n).]]

[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_(i=1)] [Basket Component_(i=1)], [•] and [•] in relation to the [Underlying_(i=n)] [Basket Component_(i=n)]. The term "Relevant Exchange Market" shall also refer to all Relevant Exchange Markets_(i=1) to _(i=n).]]

[Relevant Futures and Options Exchange:

The Relevant Futures and Options Exchange means

[•]

[[•] in relation to the [Underlying_(i=1)] [Basket Component_(i=1)], [•] and [•] in relation to the [Underlying_(i=n)] [Basket Component_(i=n)].]

[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_{(i=1) to (i=n)}.]]

[Relevant Reference Agent:

The Relevant Reference Agent means

[•]

[[•] in relation to the [Underlying_(i=1)] [Basket Component_(i=1)], [•] and [•] in relation to the [Underlying_(i=n)] [Basket Component_(i=n)]. The term "Relevant Reference Agent" shall also refer to all Relevant Reference Agents_{(i=1) to (i=n)}.]]

[Relevant Reference Market:

The Relevant Reference Market means

[•]

[[•] in relation to the [Underlying_(i=1)] [Basket Component_(i=1)], [•] and [•] in relation to the [Underlying_(i=n)] [Basket Component_(i=n)]. The term "Relevant Reference Market" shall also refer to all Relevant Reference Markets_{(i=1) to (i=n)}.]]

[Relevant Reference Rate:

The Relevant Reference Rate equals [insert description of the reference rate: [•].]

[Relevant Screen Page:

The Relevant Screen Page means

[•]

[[•] in relation to the [Underlying_(i=1)] [Basket Component_(i=1)], [•] and [•] in relation to the [Underlying_(i=n)] [Basket Component_(i=n)]. The term "Relevant Screen Page" shall also refer to all Relevant Screen Pages_{(i=1) to (i=n)}.]]

[Relevant Trading System:

The Relevant Trading System 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 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].]

[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] [•].]

[[•] in relation to the [Underlying_(i=1)] [Basket Component_(i=1)], [•] and [•] in relation to the [Underlying_(i=n)] [Basket Component_(i=n)]. The term "Relevant Trading System" shall also refer to all Relevant Trading Systems_{(i=1) to (i=n)}.]]

[Relevant Underlying: The Relevant Underlying means

[•]

[the Underlying_(i), which has had, in relation to the other Underlyings, the **worst** performance during the Term of the Securities]

[the Underlying_(i), which has had, in relation to the other Underlyings, the **best** performance during the Term of the Securities].]

[Reverse Level: The Reverse Level

[equals [•].]

[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] (“Reverse Level_(i=1)”), [•] and

the Reverse Level in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] (“Reverse Level_(i=n)”).]

[indicative. The Reverse Level [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].*]

[The term “Reverse Level” shall also refer to all Reverse Levels_(i=1) to _(i=n).]

[Roll Over Date: 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]
Automatic Termination:	[Applicable] [Not Applicable]
Currency Conversion:	[Applicable] [Not Applicable]

Capital Protection:	[Applicable] [Not Applicable] [Capital Protected Securities] [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.]]

[Securityholder Termination Amount:

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] [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].]]

[Settlement Amount:

The Settlement Amount equals [insert amount: [•]].]

[Settlement Cycle:

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].]]

[Settlement Price:

The Settlement Price [of the Underlying] [in the case of a portfolio of Underlyings insert, if appropriate, the following text: in relation to the relevant Underlying_(i)] equals

[•]

[the Price of the Underlying on [the Valuation Date] [the Final Valuation Date] [at the Valuation Time].]

[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.]

[in the case of a portfolio of Underlyings insert, if appropriate, the following text: the Price of [the relevant Underlying_(i)] [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_(i)] [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 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.]]

[Sprint Factor:

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:

The Stop Loss Level

[equals [•].]

[in relation to the [Underlying_(i=1)] [Basket Component_(i=1)] equals [•] ("Stop Loss Level_(i=1)"), [•] and

the Stop Loss Level in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] ("Stop Loss Level_(i=n)").]

[indicative. The Stop Loss Level [in relation to each [Underlying_(i)] [Basket Component_(i)] will be fixed on the Fixing Date [at the Fixing Time].*]

[The term "Stop Loss Level" shall also refer to all Stop Loss Levels_(i=1) to _(i=n).]]

[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 "Stop Loss Expiration Date").]]

[Stop Loss Early Redemption Amount:

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).

For avoidance of doubt, the Stop Loss Early Redemption Amount may not be equal to the Stop Loss Level.]]

[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:

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_(i)] equals

[•]

[[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.]*]

[in the case of a portfolio of Underlyings insert, if appropriate, the following text: [the Price of [the relevant Underlying_(i)] [the Relevant Underlying] [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Strike of the Underlying_(i) will be fixed [at the Fixing Time] on the Fixing Date.]*]

[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 Underlying Currency].]]

[Strike of the Basket Component:

The Strike of the Basket Component_(i=1) equals [the Price of the Basket

Component_(i=1) [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Strike of the Basket Component_(i=1) will be fixed [at the Fixing Time] on the Fixing Date.*] [•]

The Strike of the Basket Component_(i=n) equals [the Price of the Basket Component_(i=n) [at the Fixing Time] on the Fixing Date] [•]. [indicative. The Strike of the Basket Component_(i=n) 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 or the Global 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")]. In such context, the share underlying [the ADR] [the GDR] 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_(i=1) 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 or the Global 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_(i=1)"), [as maintained, calculated and published by [●] (the "Index Sponsor_(i=1)") [as maintained by [●] (the "Index Sponsor_(i=1)") and calculated and published by [●] (the "Index Calculator_(i=1)")]] [in the case of a fund unit as the Underlying insert, if appropriate, the following text: (the "Fund Unit_(i=1)") in the [●] (the "Fund_(i=1)") [in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [(also "ADR_(i=1)") [(also "GDR_(i=1)") (In such context, the share_(i=1) underlying [the ADR_(i=1)] [the GDR_(i=1)] is also referred to as the "Underlying Share_(i=1)"); [●] and the Underlying_(i=n) 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 or the Global 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_(i=n)"), [as maintained, calculated and published by [●] (the "Index Sponsor_(i=n)") [as maintained by [●] (the "Index Sponsor_(i=n)") and calculated and published by [●] (the "Index Calculator_(i=n)")]] [in the case of a fund unit as the Underlying insert, if appropriate, the following text: (the "Fund Unit_(i=n)") in the [●] (the "Fund_(i=n)") [in the case of a certificate representing shares as the Underlying insert, if appropriate, the following text: [(also "ADR_(i=n)") [(also "GDR_(i=n)") (In such context, the share_(i=n) underlying [the ADR_(i=n)] [the GDR_(i=n)] is also referred to as the "Underlying Share_(i=n)").

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_(i=1) to _(i=n) [and to all Indices_(i=1) to _(i=n)], to all Index Calculators_(i=1) to _(i=n) and all Index Sponsors_(i=1) to _(i=n), as the case may be [and to all Fund Units_(i=1) to _(i=n) and all Funds_(i=1) to _(i=n), 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:	<p>The Underlying Calculation Date means</p> <p>[•]</p> <p>[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]]</p> <p>[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]]</p> <p>[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]</p> <p>[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]].]</p>
[Underlying Currency:	<p>The Underlying Currency means [•].]</p>
V. [Valuation Averaging Date:	<p>[The Valuation Averaging Date means [•].]</p> <p>[The Valuation Averaging Date_(i=1) means the [•]; and</p> <p>the Valuation Averaging Date_(i=n) 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] [•].]</p> <p>The term "Valuation Averaging Date" shall also refer to all Valuation Averaging Dates_(i=1) to _(i=n).]</p> <p>If one of these days is not [an Underlying] [a Basket Component]</p>

Calculation Date in relation to [the Underlying] [an Underlying_(i)] [a Basket Component_(i)], [•] [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_(i)] [Basket Component_(i)] [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_(i)] [a Basket Component_(i)], [•] [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_(i)] [Basket Component_(i)] [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_(i=1) 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_(i=1)] (including) [•] and the Valuation Period_(i=n) means the period commencing at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date_(i=n-1)] (excluding) and ending at [•] hrs local time [•] [Frankfurt am Main, Federal Republic of Germany] [London, United Kingdom] [Zurich, Switzerland], on [•] [Observation Date_(i=n)] (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_(i)] [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_(i)] [the time of the official determination of the [Price] [[•] price] of each Basket Component_(i)] [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_(i=1)] [Basket Component_(i=1)] equals [•] ("Weighting_(i=1)"), [•] and

the Weighting in relation to the [Underlying_(i=n)] [Basket Component_(i=n)] equals [•] ("Weighting_(i=n)").]

[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 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 Issuing Agent in Finland shall be entitled to obtain from Euroclear Finland information based on Euroclear Finland's register regarding the Securities 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.

4. (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 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 "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 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 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 "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 Securityholders' 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 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 "**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 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 "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 Securityholders' 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 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.

(5) 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.

(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 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 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 or 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 17 April 2015
(as supplemented from time to time)

of

[UBS AG

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

[UBS AG, Jersey Branch
(the Jersey branch of UBS AG)]

[UBS AG, London Branch
(the London branch of UBS AG)]



for the issue of

[insert Issue Size / Aggregate Nominal Amount: •] [insert marketing designation of the Securities: •]

ISIN [•]

[WKN [•]]

[Valor [•]]

[Common Code [•]]

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 17 April 2015, 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 are available for viewing at www.ubs.com/keyinvest or a successor address. 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: [•]] [Common Code:[•]]]

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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

[Not applicable, these Final Terms have been prepared for the purposes of admission to trading of the Securities only and no offer to the public is being made pursuant to these Final Terms.]

[[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] [the Offer Period] (as defined in “II. Subscription, Purchase and Delivery of the Securities” 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.]

[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: [●].]]

[Issue Size:

The Issue Size means [●] [Securities]. [indicative. The Issue Size will be fixed [on the Fixing Date [at the 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]].*]]

[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] [the Offer Period] depending on the demand for the Securities during [the Subscription Period] [the Offer Period]].*]]

[Aggregate Amount of the Issue:	[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].*]]
Issue Date:	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.]
Issue Price:	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].]
[Fees	[•]]
[Offer Period:	[specify Offer Period: [•]]
Manager:	<p>The Manager means [•] [UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland [, acting through its [London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom] [Jersey Branch, 24 Union Street, Saint Helier, Jersey JE4 8UJ].]</p> <p>[UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.]</p> <p>[The term “Manager” shall also refer to all Managers_(i=1) to _(i=n).]]</p>
[Relevant Manager:	The Relevant Manager means [•] [The term “Relevant Manager” shall also refer to all Relevant Managers _(i=1) to _(i=n) .]]
[Reasons for the offer and use of proceeds	[Not Applicable] [if applicable, <i>specify reasons and use</i>]]
Type and form of the Securities	[Specify Security:[Certificates] [Notes] or [Warrants]]
Clearing system	<p>[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)]</p> <p>[Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany]</p> <p>[Clearstream Banking S.A., Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg)]</p> <p>[Euroclear Bank S.A./ N.V., Brussels, as operator of the Euroclear</p>

System (1 Boulevard du Roi Albert II, B - 1210 Brussels, Belgium)]

[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 5, Denmark]

[or any other Clearing System and applicable address.]

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 [•].

Conflicting Interests: [[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.]

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 “**Currency Conversion**” ”]

[“ 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 “**Securityholder’s Termination Right**” does not apply
”]
- [“
product feature “**Quanto**”
”]
- [“
risks related to a **share** as [the Underlying] [a Basket Component]
”]
- [“
risks related to a **certificate representing shares** as [the Underlying]
[a Basket Component]
”]
- [“
risks related to a **non-equity security** as [the Underlying] [a Basket
Component]
”]
- [“
risks related to a **precious metal** as [the Underlying] [a Basket
Component]
”]
- [“
risks related to a **commodity** as [the Underlying] [a Basket
Component]
”]
- [“
risks related to an **index** as [the Underlying] [a Basket Component]
”]
- [“
risks related to the **UBS Multi Asset Portfolio T10 Total Return Index**
as [the Underlying] [a Basket Component]
”]
- [“
risks related to a **not exchange fund unit** as [the Underlying] [a
Basket Component]
”]
- [“
risks related to an **exchange traded fund unit** as [the Underlying] [a
Basket Component]
”]
- [“
risks related to a **futures contract** as [the Underlying] [a Basket
Component]
”]
- [“
risks related to a **currency exchange rate** 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] [•].]]]

[The Securities already issued are admitted to trading on [specify securities exchange: [•]].]

[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 neither the Issuer nor a Manager intends to apply for a listing of the Securities, insert the following text: 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 of [each Series of] the Securities has an interest material to the offer.]

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 ([UBS AG](http://www.esma.europa.eu/page/List-registered-and-certified-</i></p>
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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.]

[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, 1 Finsbury Avenue, London EC2M 2PP, 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).]

Additional conditions: [Not Applicable, the above consent to use the Prospectus is not subject to any additional conditions.] [*if applicable, specify additional conditions: [•]*]

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: [•]*].]

Public Offer Jurisdiction: [Sweden][,] [and] [Norway][,] [and] [Finland][,] [and] [Denmark] [and] [Luxembourg]

[Financial Intermediaries:] [*specify financial intermediaries: [•]*]

[Further conditions attached to the Consent:] [*if applicable, specify further clear and objective conditions: [•]*]

VII. Indication of Yield

Yield: [Not Applicable] [*if applicable, specify yield: [•]*] [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

[Method of calculating the yield:] 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

Authorisation	The issuance of Securities under the Base Prospectus from time to time has been authorised by applicable corporate authorisations.
Procedure for redemption of Securities	[Not Applicable] <i>[if applicable, specify: [●]]</i>
Disturbing events that affects the Underlying	[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>
Adjustment rules for taking into account events that affects the Underlying	[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>
Explanation of how the Underlying affects the Securities	[Not Applicable] <i>[if applicable, specify: [●]]</i>
[Amortization	[Not Applicable] <i>[if applicable, specify: [●]]</i>
[Preferential rights	[Not Applicable]
[Subscription rights	[Not Applicable]
[Tranche reserved for offer in a specific country	[Not Applicable] <i>[if applicable, specify: [●]]</i>
[Arranger	[Specify name of arranger and address of organizer in every applicable country]
Paying Agent	<i>[specify: [●]]</i>
[Deposit Agent	[Not Applicable] <i>[if applicable, specify: [●]]</i>
Guarantor(s)	Not Applicable
Calculation Agent	<i>[specify names and addresses: [●]]</i>
[The role of advisor(s)	[Not Applicable]
Information from third parties	[Not Applicable] [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.] [●]
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 7th 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.

No assurance can be given that the algorithm on which the Index is based will be successful or that the Index will outperform any alternative algorithm that 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 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.

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 th 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_t" is the Index Level determined at the Valuation Time on Index Business Day t;

"Index₀" is the Index Base Value;

"PU_t" 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_t = PU_{t-1}

- If on the immediately preceding Index Business Day t a Trigger Event HAS occurred PU_t will be determined in accordance with the formula below:

$$PU_t = IdealPortfolioWeight_t \times \frac{Index_{t-1}}{Portfolio_{t-1}}$$

"IdealPortfolioWeight_t" 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_t" 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_t = CU_{t-1}

- If on the immediately preceding Index Business Day t a Trigger Event HAS occurred CU_t 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_t" 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_t = BU_{t-1}

- If on the immediately preceding Index Business Day t a Trigger Event HAS occurred BU_t 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 t 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;

"RealizedVolatilityt" is the annualized exponentially weighted volatility of the Portfolio over the last 40 Index Business Days and is calculated as follows:

$$Realized\ Volatility_t = \sqrt{254} \times \sqrt{\frac{\sum_{j=1}^{40} \left(\left(1 - \frac{3}{40}\right)^j \times \left(\frac{Portfolio_{t-j+1} - 1}{Portfolio_{t-j}}\right)^2 \right)}{\sum_{j=1}^{40} \left(1 - \frac{3}{40}\right)^j}}$$

"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:

$$Portfolio_t = \sum_{u=1}^M \left[UW_t^u \times \left(\frac{UL_t^u}{UL_{RD}^u} - \left(\frac{(FX_t^u)^{FXScalarU}}{(FX_{RD}^u)^{FXScalarU}} - 1 \right) \right) \right] + CW_t \times \frac{Cash_t}{Cash_{RD}}$$

"Portfolio₀" 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;

"AccumulatedManagementFees" 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_t"), 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_t"), 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 (" $Perf_t^R$ ") 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 (" $Perf_t^R$ ") 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_t^R " 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 $Perf_t^R$ 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:

$$UW_t^U = \text{MIN} \left[\left(\frac{1}{\frac{Vol_{DD}^{MRF}}{RF} + \sum_{R=1}^{RF} \frac{1}{Vol_{DD}^R}} \right) \times Y^U ; UWCAP^U \right] \times Portfolio_{RD} \times (1 - \text{RebalancingCost})$$

Also, on each Rebalancing Date t (" RD_t "), the Cash Weight (" CW_t ") is calculated in accordance with the following formula:

$$CW_t = Portfolio_{RD} \times (1 - \text{RebalancingCost}) - \sum_{u=1}^M UW_t^u$$

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 t 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	UWCA P_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	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%	Note Future (Bloomberg: TY1 Comdty) +25% First 5Y Euro Bobl Future (Bloomberg: OE1 Comdty) +) +	
4	UBS 10Y Euro Bond Total Return Strategy	Not Available please see strategy description in Section 8.2	1	N/A	0.25	20%	25% First 10Y Euro Bund Future (Bloomberg: RX1 Comdty)	
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 7th 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 5th 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[®] Index.

The Euro Stoxx 50[®] 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[®] Index.

The S&P 500[®] 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' ,

$$Strategy(t') = Strategy(r) \times \left(\frac{Futures(t')}{Futures(r)} + \frac{Cash(t')}{Cash(r)} - 1 \right)$$

Base Value = 100 USD on 19th 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 3rd 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(t) 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 (“**Issuer**”) with its subsidiaries (together, “**UBS AG Group**” and together with UBS Group AG, the holding company of UBS AG, “**UBS Group**”, or “**Group**” or “**UBS**”) is committed to providing private, institutional and corporate clients worldwide, as well as retail clients in Switzerland with superior financial advice and solutions while generating attractive and sustainable returns for shareholders. UBS Group's strategy centers on its Wealth Management and Wealth Management Americas businesses and its leading (in its own opinion) universal bank in Switzerland, complemented by its Global Asset Management business and its Investment Bank. These businesses share three key characteristics: they benefit from a strong competitive position in their targeted markets, are capital-efficient, and offer a superior structural growth and profitability outlook. UBS Group's strategy builds on the strengths of all of its businesses and focuses its efforts on areas in which UBS Group excels, while seeking to capitalize on the compelling growth prospects in the businesses and regions in which it operates. Capital strength is the foundation of UBS Group's success. The operational structure of the UBS Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Retail & Corporate, Global Asset Management and the Investment Bank.

On 31 December 2014 UBS AG (consolidated) common equity tier 1 capital ratio¹ was 14.2% on a fully applied basis and 19.9% on a phase-in basis, invested assets stood at CHF 2,734 billion, equity attributable to UBS AG shareholders was CHF 52,108 million and market capitalization was CHF 63,243 million. On the same date, UBS AG Group employed 60,155 people².

On 31 December 2014 UBS Group AG (consolidated) common equity tier 1 capital ratio¹ was 13.4% on a fully applied basis and 19.4% on a phase-in basis, invested assets stood at CHF 2,734 billion, equity attributable to UBS Group AG shareholders was CHF 50,608 million and market capitalization was CHF 63,526 million. On the same date, UBS employed 60,155 people².

The rating agencies Standard & Poor's Credit Market Services Europe Limited (“**Standard & Poor's**”), Fitch Ratings Limited (“**Fitch Ratings**”) and Moody's Investors Service, Inc., (“**Moody's**”) have published 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 and Standard & Poor's 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 long-term counterparty credit rating of A (negative outlook) from Standard & Poor's, long-term senior debt rating of A2 (under review for possible downgrade) from Moody's and long-term issuer default rating of A (stable outlook) from Fitch Ratings.

The following table gives an overview of the rating classes as used by the three major rating agencies and their respective meaning. UBS's rating is indicated by the red box.

¹ 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 the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. For information as to how common equity tier 1 capital is calculated, refer to the section “Capital management” in UBS's Annual Report 2014.

² Full-time equivalents.

Standard & Poor's			Moody's		Fitch Ratings	
Long-term issuer credit rating			Long-term rating		Long-term Issuer Default Rating	
AAA	Extremely strong capacity to meet financial commitments		Aaa	Highest quality	AAA	Highest credit quality
AA+	Very strong capacity to meet financial commitments		Aa1	High quality	AA+	Very high credit quality
AA			Aa2		AA	
AA-			Aa3		AA-	
A+	Strong capacity to meet its financial commitments		A1	Upper-medium grade	A+	High credit quality
A			A2		A	
A-			A3		A-	
BBB+	Adequate capacity to meet its financial commitments		Baa1	Medium grade	BBB+	Good credit quality
BBB			Baa2		BBB	
BBB-			Baa3		BBB-	
BB+	Significant speculative characteristics	Less vulnerable in the near term than other lower-rated obligors	Ba1	Speculative, subject to substantial credit risk	BB+	Speculative
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			B2		B	
B-			B3		B-	
CCC+	Currently vulnerable	Caa1	Speculative, of poor standing and subject to very high credit risk	CCC	Substantial credit risk	
CCC		Caa2		CC		Very high levels of credit risk
CCC-		Caa3		C		Exceptionally high levels of credit risk
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	
R	Under regulatory supervision		C	Typically in default, with little prospects for recovery of principal or interest	D	Default
SD	Selective default					
D	Default					

Standard & Poor's and Fitch Ratings are registered as credit rating agencies under Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011 (the "CRA Regulation"). Moody's is not established in the EEA and is not certified under the CRA Regulation, but the rating it has issued is endorsed by Moody's Investors Service Ltd., a credit rating agency established in the EEA and registered under the CRA Regulation.

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, 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 enterprise 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 shares are listed on the SIX Swiss Exchange.

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, Retail & Corporate, Global 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 2014 of UBS Group AG and UBS AG as of 31 December 2014 in the English language (the "**Annual Report 2014**", which is incorporated by reference into this Base Prospectus) on pages 39-41 (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 2014 on pages 46-62 (inclusive).

Wealth Management

Wealth Management provides comprehensive financial services to wealthy private clients around the world - except those served by Wealth Management Americas. UBS is a global firm with global capabilities, and Wealth Management clients benefit from the full spectrum of UBS's global resources, ranging from investment management solutions to wealth planning and corporate finance advice, as well as a wide range of specific offerings. Its guided architecture model gives clients access to a wide range of products from third-party providers 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. It provides advice-based solutions and banking services through financial advisors who deliver a fully integrated set of products and services specifically designed to address the needs of ultra high net worth and high net worth individuals and families. It includes the domestic US and Canadian business as well as international business booked in the US.

Retail & Corporate

Retail & Corporate provides comprehensive financial products and services to its retail, corporate and institutional clients in Switzerland, maintaining a leading position in these client segments and embedding its offering in a multi-channel approach. The retail and corporate business constitutes a central building block of UBS's universal bank delivery model in Switzerland, supporting other business divisions by referring clients to them and assisting retail clients to build their wealth to a level at which UBS can transfer them to its Wealth Management unit. Furthermore, it leverages the cross-selling potential of products and services provided by its asset-gathering and investment banking businesses. In addition, Retail & Corporate manages a substantial part of UBS's Swiss infrastructure and Swiss banking products platform, which are both leveraged across the Group.

Global Asset Management

Global Asset Management is a large-scale asset manager with well diversified businesses across regions and client segments. It serves third-party institutional and wholesale clients, as well as clients of UBS's wealth management businesses with a broad range of investment capabilities and styles across all major traditional

and alternative asset classes. Complementing the investment offering, the fund services unit provides fund administration services for UBS and third-party funds.

Investment Bank

The Investment Bank provides corporate, institutional and wealth management clients with expert advice, innovative financial solutions, execution and comprehensive access to the world's capital markets. It offers advisory services and access to international capital markets, and provides comprehensive 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 Core Functions and Non-core and Legacy Portfolio. Core Functions include Group-wide control functions such as finance (including treasury services such as liquidity, funding, balance sheet and capital management), risk control (including compliance) and legal. In addition, Core Functions provide 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. 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.

As of 1 January 2015, Corporate Center – Core Functions was reorganized into two new components, Corporate Center – Services and Corporate Center – Group Asset and Liability Management (Group ALM).

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

UBS AG (consolidated) key figures

UBS AG derived the selected consolidated financial data included in the table below for the years 2012, 2013 and 2014 from its Annual Report 2014, which contains the audited consolidated financial statements of UBS AG for the year ended 31 December 2014 and comparative figures for the years ended 31 December 2013 and 2012. 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).

<i>CHF million, except where indicated</i>	As of or for the year ended		
	31.12.14	31.12.13	31.12.12
	<i>audited, except where indicated</i>		
Group results			
Operating income	28,026	27,732	25,423
Operating expenses	25,557	24,461	27,216
Operating profit / (loss) before tax	2,469	3,272	(1,794)

Net profit / (loss) attributable to UBS AG shareholders	3,502	3,172	(2,480)
Diluted earnings per share (CHF)	0.91	0.83	(0.66)

Key performance indicators**Profitability**

Return on equity (RoE) (%) ¹	7.0*	6.7*	(5.1)*
Return on assets, gross (%) ²	2.8*	2.5*	1.9*
Cost / income ratio (%) ³	90.9*	88.0*	106.6*

Growth

Net profit growth (%) ⁴	10.4*	-	-
Net new money growth for combined wealth management businesses (%) ⁵	2.5*	3.4*	3.2*

Resources

Common equity tier 1 capital ratio (fully applied, %) ^{6,7}	14.2*	12.8*	9.8*
Swiss SRB leverage ratio (phase-in, %) ⁸	5.4*	4.7*	3.6*

Additional information**Profitability**

Return on tangible equity (%) ⁹	8.2*	8.0*	1.6*
Return on risk-weighted assets, gross (%) ¹⁰	12.4*	11.4*	12.0*

Resources

Total assets	1,062,327	1,013,355	1,259,797
Equity attributable to UBS AG shareholders	52,108	48,002	45,949
Common equity tier 1 capital (fully applied) ⁷	30,805	28,908	25,182*
Common equity tier 1 capital (phase-in) ⁷	44,090	42,179	40,032*
Risk-weighted assets (fully applied) ⁷	217,158*	225,153*	258,113*
Risk-weighted assets (phase-in) ⁷	221,150*	228,557*	261,800*
Common equity tier 1 capital ratio (phase-in, %) ^{6,7}	19.9*	18.5*	15.3*
Total capital ratio (fully applied, %) ⁷	19.0*	15.4*	11.4*
Total capital ratio (phase-in, %) ⁷	25.6*	22.2*	18.9*
Swiss SRB leverage ratio (fully applied, %) ⁸	4.1*	3.4*	2.4*
Swiss SRB leverage ratio denominator (fully applied) ¹¹	999,124*	1,015,306*	1,206,214*
Swiss SRB leverage ratio denominator (phase-in) ¹¹	1,006,001*	1,022,924*	1,216,561*

Other

Invested assets (CHF billion) ¹²	2,734	2,390	2,230
Personnel (full-time equivalents)	60,155*	60,205*	62,628*
Market capitalization	63,243*	65,007*	54,729*
Total book value per share (CHF)	13.56*	12.74*	12.26*
Tangible book value per share (CHF)	11.80*	11.07*	10.54*

* unaudited

¹ Net profit / loss attributable to UBS AG shareholders (annualized as applicable) / average equity attributable to UBS AG shareholders.² Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. ³ Operating expenses / operating income before credit loss (expense) or recovery. ⁴ 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. ⁵ Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. ⁶ Common equity tier 1 capital / risk-weighted assets. ⁷ Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible

capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are calculated on an estimated basis described below and are referred to as "pro-forma". The term "pro-forma" as used in this prospectus does not refer to the term "pro forma financial information" within the meaning of Regulation (EC) 809/2004. Some of the models applied when calculating 31 December 2012 pro-forma information required regulatory approval and included estimates (as discussed with UBS's primary regulator) of the effect of new capital charges. These figures are not required to be presented, because Basel III requirements were not in effect on 31 December 2012. They are nevertheless included for comparison reasons.⁸ Swiss SRB Basel III common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above).⁹ Net profit / (loss) 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.¹⁰ Operating income before credit loss (expense) or recovery (annualized as applicable) / average risk-weighted assets. Based on Basel III risk-weighted assets (phase-in) for 2014 and 2013, and on Basel 2.5 risk-weighted assets for 2012.¹¹ The leverage ratio denominator is also referred to as "total adjusted exposure" and is calculated in accordance with Swiss SRB leverage ratio requirements. Data represent the average of the total adjusted exposure at the end of the three months preceding the end of the reporting period. Numbers for 31 December 2012 are on a pro-forma basis (see footnote 7 above).¹² Includes invested assets for Retail & Corporate.

Impact of Swiss National Bank actions

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 by 50 basis points to negative 0.75%. It also moved the target range for three-month LIBOR to between negative 1.25% and negative 0.25% (previously negative 0.75% to positive 0.25%). These decisions resulted in a 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. As of 28 February 2015, the Swiss franc exchange rate was 0.95 to the US dollar, 1.07 to the euro, 1.47 to the British pound and 0.80 to 100 Japanese yen. Volatility levels in foreign currency exchange and interest rates also increased.

A significant portion of the equity of UBS's foreign operations is denominated in US dollars, euros, British pounds and other foreign currencies. The appreciation of the Swiss franc would have led to an estimated decline in total equity of approximately CHF 1.2 billion or 2% when applying currency translation rates as of 28 February 2015 to the reported balances as of 31 December 2014. This includes a reduction in recognized deferred tax assets, mainly related to the US, of approximately CHF 0.4 billion (of which CHF 0.2 billion relates to temporary differences deferred tax assets), which would be recognized in other comprehensive income.

Similarly, a significant portion of UBS's Basel III risk-weighted assets (RWA) are denominated in US dollars, euros, British pounds and other foreign currencies. Group Asset and Liability Management (Group ALM) is mandated with the task of minimizing adverse effects from changes in currency rates on UBS's fully applied CET1 capital and capital ratios. The Group Asset and Liability Management Committee (Group ALCO), a committee of the UBS Group Executive Board, can adjust the currency mix in capital, within limits set by the Board of Directors, to balance the effect of foreign exchange movements on the fully applied CET1 capital and capital ratio. As the proportion of RWA denominated in foreign currencies outweighs the capital in these currencies, the significant appreciation of the Swiss franc against these currencies benefited UBS's Basel III capital ratios.

On a fully applied basis for Swiss systemically relevant banks (SRB) UBS would have experienced the following approximate declines in its capital and RWA balances when applying currency translation rates as of 28 February 2015 to the reported balances as of 31 December 2014: CHF 0.5 billion or 2% in fully applied common equity tier 1 (CET1) capital, CHF 0.8 billion or 2% in fully applied total capital, CHF 5.8 billion or 3% in fully applied RWA and CHF 45.1 billion or 5% in the fully applied leverage ratio denominator.

Consequently, based solely on foreign exchange movements, UBS estimates that its fully applied Swiss SRB CET1 capital ratio would have increased by approximately 10 basis points and the fully applied leverage ratio would have improved by approximately 10 basis points.

In aggregate, UBS did not experience negative revenues in its trading businesses in connection with the SNB announcement.

However, 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. Therefore, appreciation of the Swiss franc against other currencies generally has an adverse effect on UBS's earnings in the absence of any mitigating actions.

In addition to the estimated effects from changes in foreign currency exchange rates, UBS's equity and capital are affected by changes in interest rates. In particular, the calculation of UBS's net defined benefit assets and liabilities is sensitive to the assumptions applied. Specifically, the changes in applicable discount rate and interest rate related assumptions for UBS's Swiss pension plan during January and February would have reduced UBS's equity and fully applied Swiss SRB CET1 capital by around CHF 0.7 billion. Also, the persistently low interest rate environment would continue to have an adverse effect on UBS's replication portfolios, and UBS's net interest income would further decrease.

Furthermore, the stronger Swiss franc may have a negative impact on the Swiss economy, which, given its reliance on exports, could impact some of the counterparties within UBS's domestic lending portfolio and lead to an increase in the level of credit loss expenses in future periods.

The new legal structure of UBS Group and future structural changes

During 2014, UBS established UBS Group AG as the holding company of UBS Group.

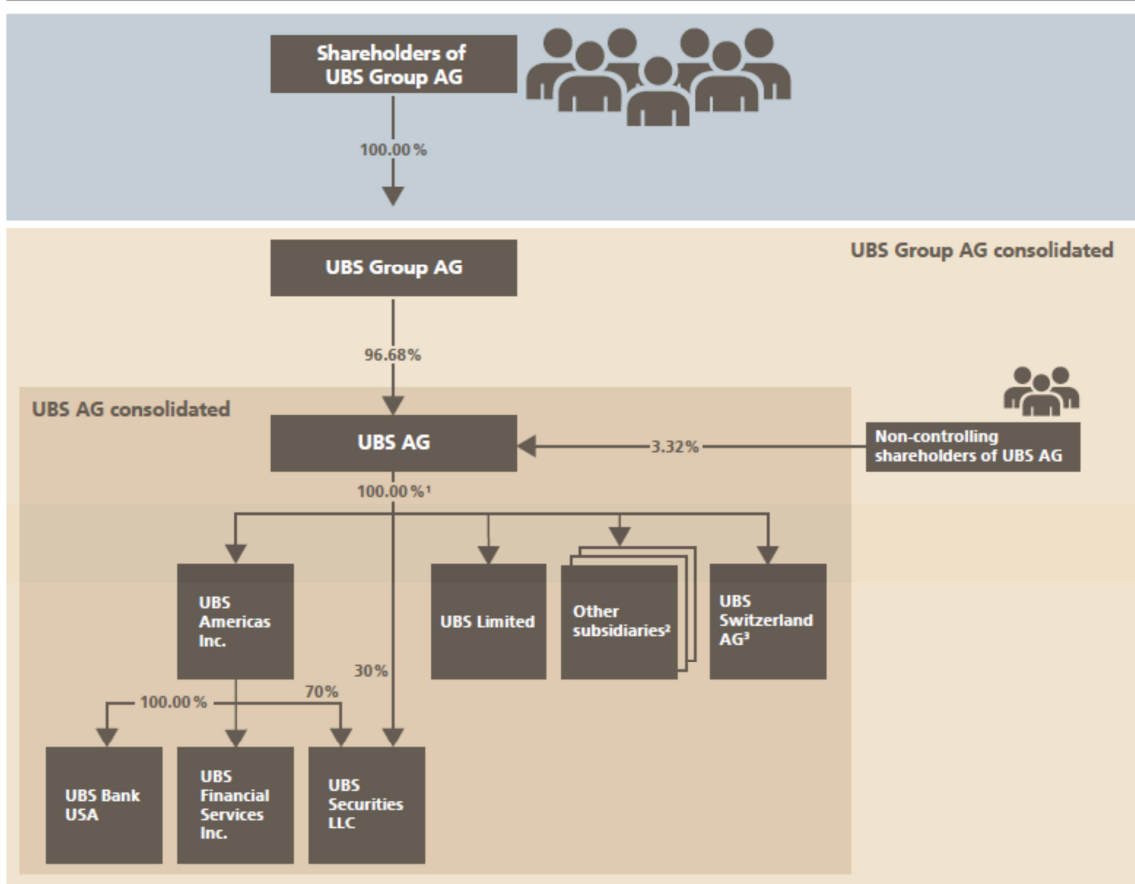
UBS Group AG was incorporated on 10 June 2014 as a wholly owned subsidiary of UBS AG. On 29 September 2014, UBS Group AG launched an offer to acquire all the issued ordinary shares of UBS AG in exchange for registered shares of UBS Group AG on a one-for-one basis. Following the exchange offer and subsequent private exchanges on a one-for-one basis with various shareholders and banks in Switzerland and elsewhere outside the United States, UBS Group AG acquired 96.68% of UBS AG shares by 31 December 2014. Further private exchanges have reduced the amount of outstanding UBS AG shares by 17.1 million and as a result UBS Group held 97.29% of UBS AG shares by 6 March 2015.

UBS Group AG has filed a request with the Commercial Court of the Canton of Zurich for a procedure under article 33 of the Swiss Stock Exchanges and Securities Trading Act (the "**SESTA procedure**"). If the SESTA procedure is successful, the shares of the remaining minority shareholders of UBS AG will be automatically exchanged for UBS Group AG shares, and UBS Group AG will become the 100% owner of UBS AG. The timing and success of the SESTA procedure are dependent on the court. UBS Group currently expects that the SESTA procedure will be completed in the second half of 2015.

UBS Group AG may continue to acquire additional UBS AG shares using any method permitted under applicable law, including purchases of UBS AG shares or share equivalents or exchanges of UBS AG shares with UBS Group AG shares on a one for one basis.

The establishment of a group holding company is intended, along with other measures already announced, to substantially improve the resolvability of UBS Group in response to evolving too big to fail regulatory requirements.

Legal structure as of 31 December 2014



¹ Direct and indirect holdings. The entities specifically listed are the Group's individually significant subsidiaries as of 31 December 2014. Refer to "Note 30 Interests in subsidiaries and other entities" in the "Financial information" section of this report for more information. ² UBS AG and the significant subsidiaries shown in this chart hold in aggregate 100% of these other subsidiaries with very few exceptions. ³ UBS Switzerland AG is a wholly owned, non-operating subsidiary of UBS AG. It is intended to become operational in the second quarter of 2015.

In Switzerland, UBS is progressing toward the transfer of its Retail & Corporate business division and the Swiss-booked business of its Wealth Management business division into UBS Switzerland AG by mid-2015. Pursuant to the Swiss Merger Act, UBS Group will transfer all relevant assets, liabilities and contracts of clients of the Retail & Corporate business and the Swiss-booked clients of the Wealth Management business. Under the Swiss Merger Act, UBS AG will retain joint liability for obligations existing on the date of the transfer that are transferred to UBS Switzerland AG. UBS Switzerland AG will contractually assume joint liability for contractual obligations of UBS AG existing on the date of transfer. Neither UBS AG nor UBS Switzerland AG will have joint liability for new obligations incurred by the other after the effective date of the asset transfer.

In the UK, UBS has begun to implement a revised business and operating model for UBS Limited, which will enable UBS Limited to bear and retain a larger proportion of the risk and reward in its business activities.

In the US, to comply with new rules for foreign banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act, by 1 July 2016 UBS will designate an intermediate holding company that will own all of UBS's US operations except US branches of UBS AG.

UBS's strategy, its business and the way UBS serves its clients are not affected by these changes. These plans do not require UBS to raise additional common equity capital and are not expected to materially affect the firm's capital-generating capability.

UBS is confident that the establishment of UBS Group AG as the holding company of the Group along with its other announced measures will substantially enhance the resolvability of the Group. UBS expects that the

Group will qualify for a rebate on the progressive buffer capital requirements, which should result in lower overall capital requirements. FINMA has confirmed that UBS's proposed measures are in principle suitable to warrant a rebate, although the amount and timing will depend on the actual execution of these measures and can therefore only be specified once all measures are implemented.

UBS may consider further changes to the Group's legal structure in response to regulatory requirements, including to further improve the resolvability of the Group, to respond to capital requirements, to seek any reduction in capital requirements to which the Group may be entitled, and to meet any other regulatory requirements regarding its legal structure. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, the transfer of shared service and support functions to service companies, 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.

3. Organisational Structure of the Issuer

UBS AG is a Swiss bank and the main operating company of the Group. It is the sole subsidiary of UBS Group AG and the parent company of the UBS AG Group. UBS Group held 97.29% of UBS AG shares by 6 March 2015. Upon the successful completion of the squeeze-out procedure, UBS Group AG will own all the shares of UBS AG and is expected to directly acquire certain other UBS Group companies over time. Refer to "Recent Developments – The new legal structure of UBS Group and future structural changes" for more information.

UBS's legal entity structure is designed to support its businesses with an efficient legal, tax and funding framework considering regulatory restrictions in the countries where UBS operates. UBS operates as a group with five business divisions and a Corporate Center. Currently the business divisions and the Corporate Center primarily operate out of UBS AG, through its branches worldwide, aiming to capitalize on the business opportunities and cost efficiencies that arise from the use of a single legal platform, and to enable the flexible and efficient use of capital. Where it is neither possible nor efficient to operate out of UBS AG, businesses operate through local subsidiaries. This can be the case when required for legal, tax or regulatory purposes, or when legal entities join the Group through acquisition.

UBS has announced that it intends to transfer by mid-2015 its Retail & Corporate business division and the Swiss-booked business of its Wealth Management business division into UBS Switzerland AG, a banking subsidiary of UBS AG in Switzerland.

In the UK, UBS has begun to implement a revised business and operating model for UBS Limited, which will enable UBS Limited to bear and retain a larger proportion of the risk and reward in its business activities.

In the US, to comply with new rules for foreign banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act, by 1 July 2016 UBS will designate an intermediate holding company that will own all of UBS's US operations except US branches of UBS AG.

UBS may consider further changes to the Group's legal structure in response to regulatory requirements, including to further improve the resolvability of the Group, to respond to capital requirements, (to seek any reduction in capital requirements to which the Group may be entitled), and to meet any other regulatory requirements regarding its legal structure. Such changes may include the transfer of operating subsidiaries of UBS AG to become direct subsidiaries of UBS Group AG, the transfer of shared service and support functions to service companies, 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) and other regulatory authorities and remain subject to a number of uncertainties that may affect their feasibility, scope or timing.

UBS AG's interests in subsidiaries and other entities as of 31 December 2014, including information on UBS AG's significant subsidiaries, are discussed in the UBS Group AG and UBS AG annual report as of 31 December 2014 in the English language version published on 13 March 2015 (the "Annual Report 2014") on pages 691-699 (inclusive).

4. Trend Information

As stated in UBS's fourth quarter report issued on 10 February 2015, at the start of the first quarter of 2015, many of the underlying challenges and geopolitical issues that UBS has previously highlighted remain. The mixed outlook for global growth, the absence of sustained and credible improvements to unresolved issues in Europe, continuing US fiscal and monetary policy issues, increasing geopolitical instability and greater uncertainty surrounding the potential effects of lower and potentially volatile energy and other commodity prices would make improvements in prevailing market conditions unlikely. In addition, recent moves by the Swiss National Bank to remove the EUR / CHF floor and by the European Central Bank to increase its balance sheet expansion via quantitative easing have added additional challenges to the financial markets and to Swiss-based financial services firms specifically. The increased value of the Swiss franc relative to other currencies, especially the US dollar and the euro, and negative interest rates in the eurozone and Switzerland will put pressure on UBS's profitability and, if they persist, on some of UBS's targeted performance levels. Despite ongoing and new challenges, UBS will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders.

5. Administrative, Management and Supervisory Bodies of UBS AG

UBS AG is subject to, and acts in compliance 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. 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 UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Chairman	2015	Member of the Board of Directors of UBS Group AG. Member of the board of the Swiss Finance Council, the Swiss Bankers Association, the Institute of International Finance and the International Monetary Conference; member of the European Banking Group, the European Financial Services Roundtable, the IMD Foundation Board in Lausanne, the Group of Thirty, Washington, D.C. and the Foundation Board of Avenir Suisse; research fellow at the Center for Economic Policy Research, London; senior research fellow at the Center for Financial Studies, Frankfurt/Main; member of the European Money and Finance Forum in Vienna and of the Monetary Economics and International Economics Councils of the leading association of German-speaking economists, the Verein für Socialpolitik; member of the Advisory Board of the German Market Economy Foundation and of the Advisory Board of the Department of Economics at the University of Zurich; member of the Board of Directors of the Financial Services Professional Board, Kuala Lumpur.
Michel Demaré Syngenta International AG, Schwarzwaldallee 215, CH-4058 Basel	Independent Vice Chairman	2015	Member of the Board of Directors of UBS Group AG. Chairman of the board of Syngenta, a member of the IMD Supervisory Board, Lausanne, and Chairman of SwissHoldings, Berne. Chairman of the Syngenta Foundation for Sustainable Agriculture. Member of the advisory board of the Department of Banking and Finance, University of Zurich. Member of the board of Louis-Dreyfus Commodities Holdings BV
David Sidwell UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Senior Independent Director	2015	Member 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; unaffiliated board member of Gavi, the Vaccine Alliance; board member of Ace Limited; Chairman of the board of Village Care, New York; Director of the National Council on Aging, Washington D.C.
Reto Francioni Deutsche Börse AG, D-60485 Frankfurt am Main	Member	2015	Member of the Board of Directors of UBS Group AG. CEO of Deutsche Börse AG and chairman of the Supervisory Board of Eurex Zürich AG and Eurex Frankfurt AG; Professor at the University of Basel. Member of the Shanghai International Financial Advisory Committee, of the Advisory Board of Moscow International Financial Center, of the International Advisory Board of Instituto de Empresa, of the Steering Committee of the Project "Role of Financial Services in Society", World Economic Forum, of the Franco-German Roundtable, and of the Strategic Advisory Group of VHV Insurance.
Ann F. Godbehere UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2015	Member of the Board of Directors of UBS Group AG. Board member and Chairperson of the Audit Committee of Prudential plc, Rio Tinto plc, Rio Tinto Limited. Member of the board of British American Tobacco plc.
Axel P. Lehmann Zurich Insurance Group, Mythenquai 2, CH-8002 Zurich	Member	2015	Member of the Board of Directors of UBS Group AG. Member of the Group Executive Committee, Group Chief Risk Officer and Regional Chairman Europe of Zurich Insurance Group, Zurich; Chairman of the board of Farmers Group, Inc.; Chairman of Zurich Insurance plc., Dublin; member of the supervisory board of Zurich Beteiligungs AG, Frankfurt a.M.; Chairman of the board of trustees of the Pension Plans 1 and 2 of the Zurich Insurance Group. Chairman of the board of the Institute of Insurance Economics at and member of the International and Alumni Advisory Board of the University of St. Gallen; former Chairman and member of the Chief Risk Officer Forum; member of the board of Economiesuisse; Chairman of the Global Agenda Council on the Global Financial System of World Economic Forum (WEF).
Helmut Panke UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2015	Member of the Board of Directors of UBS Group AG. Member of the board and Chairperson of the Regulatory and Public Policy Committee of Microsoft Corporation; member of the board and Chairperson of the Safety & Risk Committee of Singapore Airlines Ltd.; member of the Supervisory Board of Bayer AG
William G. Parrett UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2015	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, the Blackstone Group LP and Thermo Fisher Scientific Inc.; member of the board of IGATE Corporation. Past Chairman of the board of the United States Council for International Business and of United Way Worldwide; member of the Carnegie Hall Board of Trustees; member of the Committee on Capital Markets Regulation

Isabelle Romy Froriep, Bellerivestrasse 201, CH-8034 Zurich	Member	2015	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; member and Vice Chairman of the Sanction Commission of the SIX Swiss Exchange
Beatrice Weder di Mauro Johannes Gutenberg- University Mainz, Jakob Welder-Weg 4, D-55099 Mainz	Member	2015	Member of the Board of Directors of UBS Group AG. Professor at the Johannes Gutenberg University, Mainz; member of the board of Roche Holding Ltd., Basel, and Robert Bosch GmbH, Stuttgart. Member of the Corporate Governance Commission of the German Government and of the Global Agenda Council on Sovereign Debt of the World Economic Forum. Member of the economic advisory board of Fraport AG and a member of the advisory board of Deloitte Germany. Member of the Senate of the Max Planck Society. Deputy Chairman of the University Council of the University of Mainz
Joseph Yam UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Member	2015	Member of the Board of Directors of UBS Group AG. Executive Vice President of the China Society for Finance and Banking. Distinguished research fellow of the Institute of Global Economics and Finance at the Chinese University of Hong Kong; member of the board of Community Chest of Hong Kong; member of the International Advisory Council of China Investment Corporation. Member of the board of Johnson Electric Holdings Limited and of UnionPay International Co., Ltd.

UBS AG's Board of Directors has announced that it will nominate Jes Staley for election to the Board at the annual general meeting of shareholders on 7 May 2015.

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 Human Resources and Compensation Committee who are elected by the shareholders, 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 Corporate Culture and Responsibility Committee, the Governance and Nominating Committee, the Human Resources and Compensation Committee and the Risk Committee. The BoD has also established ad-hoc committees, i.e. the Strategy Committee and the Special Committee.

Audit Committee

The Audit Committee ("AC") consists of five BoD members, all of whom having been determined by the BoD to be fully independent and financially literate.

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 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 UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Group Chief Executive Officer
Markus U. Diethelm UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Group General Counsel
Lukas Gähwiler UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	President Retail & Corporate and President Switzerland
Ulrich Körner UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	President Global Asset Management and President Europe, Middle East and Africa
Philip J. Lofts UBS AG, 677 Washington Boulevard, Stamford, CT 06901 USA	Group Chief Risk Officer
Robert J. McCann UBS AG, 1200 Harbor Boulevard, Weehawken, NJ 07086 USA	President Wealth Management Americas and President Americas
Tom Naratil UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	Group Chief Financial Officer and Group Chief Operating Officer
Andrea Orcel UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	President Investment Bank
Chi-Won Yoon UBS AG, 2 International Finance Centre 52/F, 8 Finance Street, Central, Hong Kong	President Asia Pacific
Jürg Zeltner UBS AG, Bahnhofstrasse 45, CH-8001 Zurich	President Wealth Management

No member of the GEB has any significant business interests outside UBS AG.

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

Following the exchange offer mentioned above and subsequent private exchanges on a one-for-one basis with various shareholders and banks in Switzerland and elsewhere outside the United States, UBS Group AG acquired 96.68% of UBS AG shares by 31 December 2014. Further private exchanges have reduced the amount of outstanding UBS AG shares by 17.1 million and as a result UBS Group AG held 97.29% of UBS AG shares by 6 March 2015.

UBS Group AG has filed a request with the Commercial Court of the Canton of Zurich for a procedure under article 33 of the Swiss Stock Exchanges and Securities Trading Act (the "SESTA procedure"). If the SESTA procedure is successful, the shares of the remaining minority shareholders of UBS AG will be automatically exchanged for UBS Group AG shares, and UBS Group AG will become the 100% owner of UBS AG. The timing and success of the SESTA procedure are dependent on the court. UBS Group currently expects that the SESTA procedure will be completed in the second half of 2015.

7. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

A description of UBS AG and UBS AG (consolidated) assets and liabilities, financial position and profits and losses for financial year 2013 is available in the financial information section of the annual report of UBS AG as of 31 December 2013 in the English language ("**Annual Report 2013**"), and for financial year 2014 in the financial information section of the Annual Report 2014. UBS AG's financial year is the calendar year.

Historical Financial Information

With respect to the financial year 2013, reference is made to the following parts of the Annual Report 2013 (within the Financial information section, English version):

- (i) the Consolidated Financial Statements of UBS AG, in particular to the Income Statement on page 350, the Balance Sheet on page 353, the Statement of Cash Flows on pages 357-358 (inclusive) and the Notes to the Consolidated Financial Statements on pages 359-505 (inclusive); and
- (ii) the Financial Statements of UBS AG (Parent Bank), in particular to the Income Statement on page 510, the Balance Sheet on page 511, the Statement of Appropriation of Retained Earnings on page 512, the Notes to the Parent Bank Financial Statements on pages 513-531 (inclusive) and the Parent Bank Review on pages 507-509 (inclusive); and
- (iii) the section entitled "Introduction and accounting principles" on page 344.

With respect to the financial year 2014, reference is made to the following parts of the Annual Report 2014 (within the Financial information section, English version):

- (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 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).

As described in the Annual Report 2014 (Note 1b to the UBS AG consolidated financial statements) UBS AG has made certain adjustments in 2014 to the consolidated historical financial statements for the year ended 31 December 2013 due to (i) the adoption of Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32, Financial Instruments: Presentation) and (ii) removing exchange-traded derivative client cash balances from UBS AG's balance sheet. The comparative balance sheet as of 31 December 2013 was restated to reflect the effects of adopting these changes. These restatements had no impact on total equity, net profit, earnings per share or on UBS AG's Basel III capital.

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 order to meet Swiss regulatory requirements and in accordance with Swiss GAAP. The Financial information section of the annual reports also includes 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 2013 and 2014 were audited by Ernst & Young. The reports of the auditors on the consolidated financial statements can be found on pages 348-349 (inclusive) of the Annual Report 2013 and on pages 552-553 (inclusive) of the Annual Report 2014 (in both cases, within the Financial information section, English version). The reports of the auditors on the standalone financial statements of UBS AG can be found on pages 532-533 (inclusive) of the Annual Report 2013 and on pages 761-762 (inclusive) of the Annual Report 2014 (in both cases, within the Financial information section, English version).

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 is 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. 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 22a to the audited UBS AG consolidated financial statements. 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 UBS therefore cannot provide a numerical estimate of the future losses that could arise from the class of litigation, regulatory and similar matters, it 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. Among other things, the non-prosecution agreement (NPA) described in paragraph 7 of this section, which UBS entered into with the US Department of Justice, Criminal Division, Fraud Section (DOJ) in connection with UBS's submissions of benchmark interest rates, including among others the British Bankers' Association London Interbank Offered Rate (LIBOR), may be terminated by the DOJ if UBS commits any US crime or otherwise fails to comply with the NPA and the DOJ may obtain a criminal conviction of UBS in relation to the matters covered by the NPA. See paragraph 7 of this section for a description of the NPA. 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 UBS's capital requirements and

the calculation of operational risk for this purpose is included in the "Capital management" section of the Annual Report 2014.

Provisions for litigation, regulatory and similar matters by segment^{1,2}

<i>CHF million</i>	WM	WMA	R&C	GI AM	IB	CC – CF	CC – NcLP	Total 31.12.14	Total 31.12.13
Balance at the beginning of the year	165	56	82	3	22	488	808	1,622	1,432
Additions from acquired companies	0	0	0	0	0	0	0	0	8
Increase in provisions recognized in the income statement	409	196	59	55	1,861	17	344	2,941	1,788
Release of provisions recognized in the income statement	(15)	(27)	0	0	(5)	(201)	(147)	(395)	(93)
Provisions used in conformity with designated purpose	(374)	(36)	(49)	(5)	(649)	0	(173)	(1,286)	(1,417)
Reclassifications	0	0	0	0	(4)	0	2	(2)	(6)
Foreign currency translation / unwind of discount	3	20	0	1	33	8	107	172	(89)
Balance at the end of the year	188	209	92	53	1,258	312	941	3,053	1,622

1 WM = Wealth Management; WMA = Wealth Management Americas; R&C = Retail & Corporate; GI AM = Global Asset Management; IB = Investment Bank; CC–CF = Corporate Center – Core Functions; CC–NcLP = Corporate Center - Non-core and Legacy Portfolio. 2 Provisions, if any, for the matters described in (a) item 4 of this section are recorded in Wealth Management, (b) item 6 of this section are recorded in Wealth Management Americas, (c) items 10 and 11 of this section are recorded in the Investment Bank, (d) items 3 and 9 of this section are recorded in Corporate Center – Core Functions and (e) items 2 and 5 of this section are recorded in Corporate Center – Non-core and Legacy Portfolio. Provisions, if any, for the matters described in items 1 and 8 of this section are allocated between Wealth Management and Retail & Corporate, and provisions for the matter described in item 7 of this section are allocated between the Investment Bank and Corporate Center– Core Functions.

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.

As a result of investigations in France, in May and June 2013, respectively, 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 ("témoin assisté") regarding the laundering of proceeds of tax fraud and of banking and financial solicitation by unauthorized persons. In July 2014, UBS AG was placed under formal examination with respect to the potential charges of laundering of proceeds of tax fraud, for which it had been previously declared witness with legal assistance, and the investigating judges

ordered UBS to provide bail ("caution") of EUR 1.1 billion. UBS 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 intends to challenge the judicial process in the European Court of Human Rights. UBS (France) S.A. and UBS AG are summoned to appear in March 2015. In addition, the investigating judges have issued arrest warrants against three Swiss-based former employees of UBS who did not appear when summoned by the investigating judge. Separately, in June 2013, the French banking supervisory authority's disciplinary commission reprimanded UBS (France) S.A. for having had insufficiencies in its control and compliance framework around its cross-border activities and "know your customer" obligations. It imposed a penalty of EUR 10 million which was paid.

In January 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's balance sheet at 31 December 2014 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 a large number of lawsuits related to approximately USD 10 billion in original face amount of RMBS underwritten or issued by UBS. Of the USD 10 billion in original face amount of RMBS that remains at issue in these cases, approximately USD 3 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 7 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. A class action in which UBS was named as a defendant was settled by a third-party issuer and received final approval by the district court in 2013. The settlement reduced the original face amount of third-party RMBS at issue in the cases pending against UBS by approximately USD 24 billion. The third-party

issuer will fund the settlement at no cost to UBS. In January 2014, certain objectors to the settlement filed a notice of appeal from the district court's approval of the settlement.

UBS is also named as a defendant in several cases asserting fraud and other claims brought by entities that purchased collateralized debt obligations that had RMBS exposure and that were arranged or sold by UBS.

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 (Southern District of New York). The Kansas court partially granted UBS's motion to dismiss in 2013 and held that the NCUA's claims for ten of the 22 RMBS certificates on which it had sued were time-barred. As a result, the original principal balance at issue in that case was reduced from USD 1.15 billion to approximately USD 413 million. The original principal balance at issue in the Southern District of New York case is approximately USD 402 million. In March 2015, the US Court of Appeals for the Tenth Circuit issued a ruling in a similar case filed by the NCUA against Barclays Capital, Inc. and others that substantially endorsed the Kansas Court's reasoning in dismissing certain of the NCUA's claims as time-barred. However, the Tenth Circuit nevertheless held that the NCUA's claims against Barclays could proceed because Barclays had contractually agreed not to assert certain statute of limitations defenses against the NCUA. UBS is evaluating the Tenth Circuit's ruling and assessing the potential impact of the decision on the NCUA's dismissed claims against UBS.

Loan repurchase demands related to sales of 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 they 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. UBS has been notified by certain institutional purchasers of mortgage loans and RMBS of their contention that possible breaches of representations may entitle the purchasers to require that UBS repurchase the loans or to other relief. The table "Loan repurchase demands by year received – original principal balance of loans" summarizes repurchase demands received by UBS and UBS's repurchase activity from 2006 through 5 March 2015. In the table, repurchase demands characterized as Demands resolved in litigation and Demands rescinded by counterparty are considered to be finally resolved. Repurchase demands in all other categories are not finally resolved.

Loan repurchase demands by year received – original principal balance of loans ¹

<i>USD million</i>	2006-2008	2009	2010	2011	2012	2013	2014	2015, through 5 March	Total
Resolved demands									
Actual or agreed loan repurchases / make whole payments by UBS	12	1							13
Demands rescinded by counterparty	110	104	19	303	237				773
Demands resolved in litigation	1	21							21
Demands expected to be resolved by third parties									
Demands resolved or expected to be resolved through enforcement of indemnification rights against third-party originators		77	2	45	107	99	72		403
Demands in dispute									
Demands in litigation			346	732	1,041				2,118
Demands in review by UBS				2					3
Demands rebutted by UBS but not yet rescinded by counterparty		1	2	1	18	519	260		801
Total	122	205	368	1,084	1,404	618	332	0	4,133

¹ Loans submitted by multiple counterparties are counted only once.

Payments that UBS has made to date to resolve repurchase demands equate to approximately 62% of the original principal balance of the related loans. Most of the payments that UBS has made to date have related to so-called "Option ARM" loans; severity rates may vary for other types of loans with different characteristics. Losses upon repurchase would typically reflect the estimated value of the loans in question at the time of repurchase as well as, in some cases, partial repayment by the borrowers or advances by servicers prior to repurchase.

In most instances in which UBS would be required to repurchase loans due to misrepresentations, UBS would be able to assert demands against third-party loan originators who provided representations when selling the related loans to UBS. However, many of these third parties are insolvent or no longer exist. UBS estimates that, of the total original principal balance of loans sold or securitized by UBS from 2004 through 2007, less than 50% was purchased from surviving third-party originators. In connection with approximately 60% of the loans (by original principal balance) for which UBS has made payment or agreed to make payment in response to demands received in 2010, UBS has asserted indemnity or repurchase demands against originators. Since 2011, UBS has advised certain surviving originators of repurchase demands made against UBS for which UBS would be entitled to indemnity, and has asserted that such demands should be resolved directly by the originator and the party making the demand.

UBS cannot reliably estimate the level of future repurchase demands, and does not know whether its rebuttals of such demands will be a good predictor of future rates of rebuttal. UBS also cannot reliably estimate the timing of any such demands.

Lawsuits related to contractual representations and warranties concerning mortgages and RMBS: In 2012, certain RMBS trusts filed an action (Trustee Suit) in the Southern District of New York 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 of loans identified in the complaint or other breaches that plaintiffs can establish were independently discovered by UBS. On 25 February 2015, the court denied plaintiffs' motion seeking reconsideration of its ruling. 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. Related litigation brought by Assured Guaranty was resolved in 2013.

In 2012, the Federal Housing Finance Agency, on behalf of Freddie Mac, filed a notice and summons in New York Supreme Court initiating suit against UBS RESI for breach of contract and declaratory relief arising from alleged breaches of representations and warranties in connection with certain mortgage loans and UBS RESI's alleged failure to repurchase such mortgage loans. The lawsuit seeks, among other relief, specific performance of UBS RESI's alleged loan repurchase obligations for at least USD 94 million in original principal balance of loans for which Freddie Mac had previously demanded repurchase; no damages are specified. In 2013, the Court dismissed the complaint for lack of standing, on the basis that only the RMBS trustee could assert the claims in the complaint, and the complaint was unclear as to whether the trustee was the plaintiff and had proper authority to bring suit. The trustee subsequently filed an amended complaint, which UBS moved to dismiss. The motion remains pending.

In 2013, Residential Funding Company LLC ("RFC") filed a complaint in New York Supreme Court against UBS RESI asserting claims for breach of contract and indemnification in connection with loans purchased from UBS RESI with an original principal balance of at least USD 460 million that were securitized by an RFC affiliate. This is the first case filed against UBS seeking damages allegedly arising from the securitization of whole loans purchased from UBS. Damages are unspecified.

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.

As reflected in the table "Provision for claims related to sales of residential mortgage-backed securities and mortgages," UBS's balance sheet at 31 December 2014 reflected a provision of USD 849 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.

Provision for claims related to sales of residential mortgage-backed securities and mortgages

<i>USD million</i>	31.12.14	31.12.13
Balance at the beginning of the year	817	668
Increase in provision recognized in the income statement	239	1,359
Release of provision recognized in the income statement	(120)	(1)
Provision used in conformity with designated purpose	(87)	(1,208)
Balance at the end of the year	849	817

Mortgage-related regulatory matters: In August 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. UBS has also been responding to a subpoena 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.

3. Claims related to UBS disclosure

In 2012, a consolidated complaint was filed in a putative securities fraud class action pending in federal court in Manhattan against UBS AG and certain of its current and former officers relating to the unauthorized trading incident that occurred in the Investment Bank and was announced in September 2011. The lawsuit was filed on behalf of parties who purchased publicly traded UBS securities on any US exchange, or where title passed within the US, during the period 17 November 2009 through 15 September 2011. In 2013, the district court granted UBS's motion to dismiss the complaint in its entirety, from which plaintiffs filed an appeal. In 2015, the appellate court affirmed the district court's dismissal of the action.

4. 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 the Swiss Financial Market Supervisory Authority (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 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 US District Court for the Southern District of New York 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 June 2014, the US Supreme Court denied the BMIS Trustee's petition seeking review of the Second Circuit ruling. In December 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. 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 January 2015, a court of appeal reversed a lower court decision in favor of UBS in one such case and ordered UBS to pay EUR 49 million, plus interest. UBS has filed an application for leave to appeal the decision.

5. Kommunale Wasserwerke Leipzig GmbH ("KWL")

In 2006, KWL entered into a single-tranche collateralized debt obligation/credit default swap (STCDO/CDS) transaction with UBS, with latter legs being intermediated in 2006 and 2007 by Landesbank Baden-Württemberg (LBBW) and Depfa Bank plc (Depfa). KWL retained UBS Global Asset Management to act as portfolio manager under the STCDO/CDS. UBS and the intermediating banks terminated the STCDO/CDS following non-payment by KWL under the STCDOs. UBS claimed payment of approximately USD 319.8 million, plus interest, from KWL, Depfa and LBBW.

In 2010, UBS (UBS AG, UBS Limited and UBS Global AM) issued proceedings in the English High Court against KWL, Depfa and LBBW seeking declarations and/or to enforce the terms of the STCDO/CDS contracts, and each of KWL, Depfa and LBBW filed counterclaims. Judgment was given in November 2014, following a three-month trial. The Court ruled that UBS cannot enforce the STCDO/CDS entered into with KWL, LBBW or Depfa, which have been rescinded, granted the fraudulent misrepresentation claims of LBBW and Depfa against UBS, and ruled that UBS Global Asset Management breached its duty in the management of the underlying portfolios. The Court dismissed KWL's monetary counterclaim against UBS. The majority of the premiums paid to KWL and the fees paid to LBBW and Depfa under the transactions have been returned to UBS and UBS has returned monies received under the transaction from Depfa. UBS has been ordered to pay part of the other parties' costs in the proceedings. The Court of Appeal has denied UBS's application for permission to appeal the judgment on written submission. UBS has requested an oral hearing to reconsider the refusal of its application.

In separate proceedings brought by KWL against LBBW in Leipzig, Germany, the court ruled in LBBW's favor in June 2013 and upheld the validity of the STCDO as between LBBW and KWL. KWL has appealed against that ruling and, in December 2014, the appeal court stayed the appeal proceedings following the judgment and UBS's request for permission to appeal in the proceedings in England. KWL and LBBW have been given permission by the English trial judge to make applications to recover their costs in the German proceedings as damages from UBS in the English proceedings after the German proceedings conclude.

In 2011 and 2013, the former managing director of KWL and two financial advisers were convicted in Germany on criminal charges related to certain KWL transactions, including swap transactions with UBS. All three have lodged appeals.

Since 2011, the SEC has been conducting an investigation focused on, among other things, the suitability of the KWL transaction, and information provided by UBS to KWL. UBS has provided documents and testimony to the SEC and is continuing to cooperate with the SEC.

UBS's balance sheet at 31 December 2014 reflected provisions with respect to matters described in this item 5 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. 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 Co. of Puerto Rico and distributed by UBS

Financial Services Inc. of Puerto Rico (UBS PR) have led to multiple regulatory inquiries, as well as customer complaints and arbitrations with aggregate claimed damages exceeding USD 1.1 billion. 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 also was filed in February 2014 against various UBS entities and current and certain former directors of the funds, alleging hundreds of millions in losses in the funds. In May 2014, a federal class action complaint 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.

An internal review also disclosed that certain clients, many of whom acted at the recommendation of one financial advisor, invested proceeds of non-purpose loans in closed-end fund securities in contravention of their loan agreements.

In October 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 the settlement, UBS contributed USD 3.5 million to an investor education fund, offered USD 1.68 million in restitution to certain investors and, among other things, committed to undertake an additional review of certain client accounts to determine if additional restitution would be appropriate.

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 and other consultants and underwriters, trustees of the System, and the President and Board of the Government Development Bank of Puerto Rico. The 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. UBS is named in connection with its underwriting and consulting services. In 2013, the case was dismissed by the Puerto Rico Court of First Instance on the grounds that plaintiffs did not have standing to bring the claim. That dismissal was subsequently overturned by the Puerto Rico Court of Appeals. UBS's petitions for appeal and reconsideration have been denied by the Supreme Court of Puerto Rico.

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. Plaintiffs in that action and the federal class action filed in May 2014 described above are now seeking to have those two actions consolidated.

UBS's balance sheet at 31 December 2014 reflected provisions with respect to matters described in this item 6 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.

7. Foreign exchange, LIBOR, and benchmark rates

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 UBS's 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 US Commodity Futures Trading Commission (CFTC), the 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) and the Hong Kong Monetary Authority (HKMA). WEKO stated in March 2014 that it had reason to believe that certain banks may have colluded to manipulate foreign exchange rates. A number of authorities also reportedly are investigating potential manipulation of precious metals prices. UBS and other financial institutions have received requests from various authorities relating to their foreign exchange businesses, and UBS is cooperating with the authorities. UBS has taken and will take appropriate action with respect to certain personnel as a result of its ongoing review.

In November 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. The conduct described in the settlements and the FINMA order includes certain UBS personnel: engaging in efforts, alone or in cooperation/collusion with traders at other banks, to manipulate FX benchmark rates involving multiple currencies, attempts to trigger client stop-loss orders for the benefit of the bank, and inappropriate sharing of confidential client information. UBS has ongoing obligations to cooperate with these authorities and to undertake certain remediation, including actions to improve processes and controls and requirements imposed by FINMA to apply compensation restrictions for certain employees and to automate at least 95% of its global foreign exchange and precious metals trading by 31 December 2016. Investigations by numerous authorities, including the DOJ, the Federal Reserve Board and the CFTC, remain ongoing notwithstanding these resolutions.

In December 2014, the HKMA announced the conclusion of its investigation into foreign exchange trading operations of banks in Hong Kong. The HKMA found no evidence of collusion among the banks or of manipulation of foreign exchange benchmark rates in Hong Kong. The HKMA also found that banks had internal control deficiencies with respect to their foreign exchange trading operations.

Some other investigating authorities have initiated discussions of possible terms of a resolution of their investigations. Resolutions may include findings that UBS engaged in attempted or actual misconduct and failed to have controls in relation to its foreign exchange business that were adequate to prevent misconduct. Authorities may impose material monetary penalties, require remedial action plans or impose other non-monetary penalties. In connection with discussions of a possible resolution of investigations relating to UBS's foreign exchange business with the Antitrust and Criminal Divisions of the DOJ, UBS and the DOJ have extended the term of the NPA by one year to 18 December 2015. No agreement has been reached on the form of a resolution with the Antitrust or Criminal Divisions of the DOJ. It is possible that other investigating authorities may seek to commence discussions of potential resolutions in the near future. UBS is not able to predict whether any such discussion will result in a resolution of these matters, whether any resolution will be on terms similar to those described above, or the monetary, remedial and other terms on which any such resolution may be achieved.

Foreign exchange-related civil litigation: Putative class actions have been filed since November 2013 in US federal courts against UBS and other banks. These actions are 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 March 2015, UBS entered into a settlement agreement to resolve those actions. The settlement, which is subject to court approval, requires among other things that UBS pay USD 135 million and provide cooperation to the settlement class. In January 2015, UBS was added to an ongoing putative class action against other banks in federal court in New York on behalf of a putative class of persons that transacted in physical silver or a silver financial instrument

priced, benchmarked, and/or settled to the London silver fix at any time from January 1, 1999 to an unspecified date. The complaint asserts claims under the antitrust laws and the Commodity Exchange Act and for unjust enrichment. In February 2015, a putative class action was filed in federal court in New York against UBS and other banks on behalf of a putative class of persons who entered into any standardized FX futures contracts and options on FX futures contracts on an exchange since January 1, 2008. The complaint asserts claims under the Commodity Exchange Act and the antitrust laws.

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, including HIBOR (Hong Kong Interbank Offered Rate) and ISDAFIX, a benchmark rate used for various interest rate derivatives and other financial instruments. 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 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. The conduct described in the various settlements and the FINMA order includes certain UBS personnel: engaging in efforts to manipulate submissions for certain benchmark rates to benefit trading positions; colluding with employees at other banks and cash brokers to influence certain benchmark rates to benefit their trading positions; and giving inappropriate directions to UBS submitters that were in part motivated by a desire to avoid unfair and negative market and media perceptions during the financial crisis. The benchmark interest rates encompassed by one or more of these resolutions include Yen LIBOR, GBP LIBOR, CHF LIBOR, Euro LIBOR, USD LIBOR, EURIBOR (Euro Interbank Offered Rate) and Euroyen TIBOR (Tokyo Interbank Offered Rate). UBS has ongoing obligations to cooperate with authorities with which it has reached resolutions and to undertake certain remediation with respect to benchmark interest rate submissions. In addition, under the NPA, UBS has 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. As noted above, the term of the NPA has been extended by one year to 18 December 2015. Any failure to comply with these obligations could result in termination of the NPA and potential criminal prosecution in relation to the matters covered by the NPA. The MAS, HKMA, ASIC and the Japan Financial Services Agency have all resolved investigations of UBS (and in some cases other banks). The orders or undertakings in connection with these investigations generally require UBS to take remedial actions to improve its processes and controls, impose monetary penalties or other measures. Investigations by the CFTC, ASIC and other governmental authorities remain ongoing notwithstanding these resolutions. In October 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 has paid a EUR 12.7 million fine, which was reduced to this level based in part on UBS's cooperation with the EC.

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 Swiss franc LIBOR and certain transactions related to Swiss franc LIBOR. The Canadian Competition Bureau (Bureau) had granted UBS conditional immunity in connection with potential competition law violations related to submissions for Yen LIBOR, but in January 2014, the Bureau discontinued its investigation into Yen LIBOR for lack of sufficient evidence to justify prosecution under applicable laws. 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 it has conditional immunity or leniency in connection with the matters covered by the conditional grants, subject to its 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 UBS, 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 linked directly or indirectly to US dollar LIBOR, Yen LIBOR, Euroyen TIBOR, EURIBOR and US Dollar ISDAFIX. Also pending are actions asserting losses related to various products whose interest rate was linked to US dollar 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 LIBOR, Euroyen TIBOR, EURIBOR or US Dollar ISDAFIX rates and seek unspecified compensatory and other damages, including treble and punitive damages, under varying legal theories that include violations of the CEA, the federal racketeering statute, federal and state antitrust and securities laws and other state laws. In February 2015, a putative class action was filed in federal court in New York against UBS and other financial institutions on behalf of parties who entered into interest rate derivatives linked to Swiss franc (CHF) LIBOR. Plaintiffs allege that defendants conspired to manipulate CHF LIBOR and the prices of CHF LIBOR-based derivatives from 1 January 2005 through 31 December 2009 in violation of US antitrust laws and the CEA, among other theories, and seek unspecified compensatory damages, including treble damages. In 2013, a federal court in New York dismissed the federal antitrust and racketeering claims of certain US dollar LIBOR plaintiffs and a portion of their claims brought under the CEA and state common law. The court has granted certain plaintiffs permission to assert claims for unjust enrichment and breach of contract against UBS and other defendants and limited the CEA claims to contracts purchased between 15 April 2009 and May 2010. Certain plaintiffs have also appealed the dismissal of their antitrust claims. UBS and other defendants in other lawsuits including the one related to Euroyen TIBOR have filed motions to dismiss. In March 2014, the court in the Euroyen TIBOR lawsuit dismissed the plaintiff's federal antitrust and state unfair enrichment claims, and dismissed a portion of the plaintiff's CEA claims. Discovery is currently stayed.

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 the CEA, among other theories, and seeks unspecified compensatory damages, including treble damages.

With respect to additional matters and jurisdictions not encompassed by the settlements and order referred to above, UBS's balance sheet at 31 December 2014 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.

8. Swiss retrocessions

The Swiss Supreme Court ruled in 2012, in a test case against UBS, that distribution fees paid to a bank 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 bank, 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 31 December 2014 reflected a provision with respect to matters described in this item 8 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.

9. 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 2.3 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. 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. These assessments are being challenged in administrative proceedings. In May 2014, UBS was notified that the administrative court had rendered a decision in favor of the taxpayer, Pactual, in connection with a profit-sharing plan assessment relating to an affiliate company. That decision became final in October 2014. In August 2014, UBS was notified that the administrative court had rendered a decision that was largely in favor of the tax authority with respect to the goodwill amortization assessment. UBS is awaiting written decisions from the administrative court for this matter, at which time an appeal will be taken. In 2013 and 2014, approximately BRL 163 million in tax claims relating to the period for which UBS has indemnification obligations were submitted for settlement through amnesty programs announced by the Brazilian government.

10. Matters relating to the CDS market

In 2013 the EC issued a Statement of Objections against thirteen 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. UBS submitted its response to the Statement of Objections in January 2014 and presented UBS's position in an oral hearing in May 2014. 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 January and April 2014, putative class action plaintiffs filed consolidated amended complaints in the Southern District of New York against twelve 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. Plaintiffs assert claims on behalf of all purchasers and sellers of CDS that transacted directly with any of the dealer defendants since 1 January 2008, and seek unspecified trebled compensatory damages and other relief. In September 2014, the court granted in part and denied in part defendants' motions to dismiss the complaint.

11. 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 the Financial Industry Regulatory Authority, who reportedly are pursuing similar investigations industry-wide. In January 2015, the SEC announced the resolution of its investigation concerning the operation of UBS's ATS between 2008 and 2012, which focused on certain order types and disclosure practices that were discontinued two years ago. Under the SEC settlement order, which charges UBS with, among other things, violations of Section 17(a)(2) of the Securities Act of 1933 and Rule 612 of Regulation NMS (known as the sub-penny rule), UBS has paid a total of USD 14.5 million, which includes a fine of USD 12 million and disgorgement of USD 2.4 million. UBS is cooperating in the ongoing regulatory matters, including by the SEC.

Additional matters that have recently been, but are no longer, considered material

Lehman principal protection notes. From March 2007 through September 2008, UBS Financial Services Inc. ("UBSFS") sold approximately USD 1 billion face amount of structured notes issued by Lehman Brothers Holdings Inc. ("Lehman"), a majority of which were referred to as "principal protection notes," reflecting the fact that while the notes' return was in some manner linked to market indices or other measures, some or all of the investor's principal was an unconditional obligation of Lehman as issuer of the notes. Based on its role as an underwriter of Lehman structured notes, UBSFS was named as a defendant in a putative class action asserting violations of disclosure provisions of the federal securities laws. In August 2013, UBSFS agreed to a proposed USD 120 million settlement of the case, which was approved by the Court in December 2013. Previously, certain of the other underwriter defendants and the former officers and directors of Lehman reached separate settlements regarding the same case. UBSFS also was named in numerous individual civil suits and customer arbitrations, none of which remain pending. The individual customer claims, some of which resulted in awards payable by UBSFS, related primarily to whether UBSFS adequately disclosed the risks of these notes to its customers.

Inquiries regarding cross-border wealth management businesses. In Germany, two different authorities have been conducting investigations against UBS Deutschland AG and UBS AG, respectively, and against certain employees of these entities concerning certain matters relating to our past cross-border business. UBS is cooperating with these authorities within the limits of financial privacy obligations under Swiss and other applicable laws. UBS reached a settlement in July 2014 with the authorities in Bochum, concluding those proceedings. The settlement included a payment of approximately EUR 302 million. The proceedings by the authorities in Mannheim have not revealed sufficient evidence supporting the allegations being investigated.

Claims related to UBS disclosure. A putative consolidated class action has been filed in the United States District Court for the Southern District of New York against UBS, a number of current and former directors and senior officers and certain banks that underwrote UBS's May 2008 Rights Offering (including UBS Securities LLC (UBSS)) alleging violation of the US securities laws in connection with UBS's disclosures relating to UBS's positions and losses in mortgage-related securities, UBS's positions and losses in auction rate securities, and UBS's US cross-border business. In 2011, the court dismissed all claims based on purchases or sales of UBS ordinary shares made outside the US, and, in 2012, the court dismissed with prejudice the remaining claims based on purchases or sales of UBS ordinary shares made in the US for failure to state a claim. In May 2014, the Second Circuit upheld the dismissal of the complaint and the matter is now concluded. UBS, a number of senior officers and employees and various UBS committees have also been sued in a putative consolidated class action for breach of fiduciary duties brought on behalf of current and former participants in two UBS Employee Retirement Income Security Act (ERISA) retirement plans in which there were purchases of UBS stock. In 2011, the court dismissed the ERISA complaint. In 2012, the court denied plaintiffs' motion for leave to file an amended complaint. On appeal, the Second Circuit upheld the dismissal of all counts relating to one of the retirement plans. With respect to the second retirement plan, the Court upheld the dismissal of some of the counts, and vacated and remanded for further proceedings with regard to the counts alleging that defendants had violated their fiduciary duty to prudently manage the plan's investment options, as well as the claims derivative of that duty. In September 2014, the trial court dismissed the remaining claims. Plaintiffs have filed a notice of appeal.

Transactions with Italian public sector entities. A number of transactions that UBS Limited and UBS AG respectively entered into with public sector entity counterparties in Italy have been called into question or become the subject of legal proceedings and claims for damages and other awards. In Milan, in 2012, civil claims brought by the City of Milan against UBS Limited, UBS Italia SIM Spa and three other international banks in relation to a 2005 bond issue and associated derivatives transactions entered into with Milan between 2005 and 2007 were settled without admission of liability. In 2012, the criminal court in Milan issued a judgment convicting two current UBS employees and one former employee, together with employees from the three other banks, of fraud against a public entity in relation to the same bond issue and the execution, and subsequent restructuring, of the related derivative transactions. In the same proceedings, the Milan criminal court also found UBS Limited and three other banks liable for the administrative offense of failing to have in place a business organizational model capable of preventing the criminal offenses of which its employees were convicted. The sanctions imposed against UBS Limited, which could only become effective after all appeals were exhausted, were confiscation of the alleged level of profit flowing from the criminal findings (EUR 16.6 million), a fine in respect of the finding of the administrative offense (EUR 1 million) and payment of legal fees. UBS Limited and the individuals appealed that judgment and, in March 2014, the Milan Court of Appeal overturned all findings of liability against UBS Limited and the convictions of the UBS individuals and acquitted them. It issued a full judgment setting out the reasons for its rulings in June 2014. The appellate prosecutor did not pursue a further appeal and the acquittals are now final.

Derivative transactions with the Regions of Calabria, Tuscany, Lombardy, Lazio and Campania, and the City of Florence have also been called into question or become the subject of legal proceedings and claims for damages and other awards. UBS AG and UBS Limited have settled all civil disputes with the Regions of Tuscany, Lombardy, Lazio and Calabria and the City of Florence without any admission of liability.

Equities trading systems and practices. UBS was among dozens of defendants, including broker dealers, trading exchanges, high frequency trading firms, and dark pool sponsors, named in putative class actions pending in New York federal court, which have been filed on behalf of purchasers and sellers of equity securities. The lawsuits allege principally that the defendants' equities order handling practices favored high frequency trading firms at the expense of other market participants, in violation of the federal securities laws. Plaintiffs filed a consolidated amended complaint in September 2014 in which UBS is no longer named as a defendant.

Besides the proceedings specified in this section 7. 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's and/or UBS Group's financial position or profitability, are or have been pending during the last twelve months until the date of this document.

9. Significant Changes in the Financial or Trading Position; Material Adverse Change in Prospects

Except as indicated above under "Recent Developments – *Impact of Swiss National Bank actions*", there has been no significant change in the financial or trading position of UBS AG Group or of UBS AG since 31 December 2014.

Except as indicated above under "Recent Developments – *Impact of Swiss National Bank actions*", there has been no material adverse change in the prospects of UBS AG or UBS AG Group since 31 December 2014.

10. Material Contracts

No material contracts have been concluded 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 39 of the Articles of Association of UBS AG dated 10 February 2015 ("**Articles of Association**"), UBS AG shareholders elect the auditors for a term of office of one year. At the Annual General Meeting of shareholders of UBS ("**AGM**") of 3 May 2012, 2 May 2013 and 7 May 2014, 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 the Swiss Institute of Certified Accountants and Tax Consultants based in Zurich, Switzerland.

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 United States Securities Act of 1933, as amended, (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. Trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") or by the United States Securities and Exchange Commission. The Securities (or any rights thereunder) will be offered only outside of the United States and only to persons that are not U.S. persons as defined in Regulation S of the Securities Act.

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 of benefit of, U.S. persons.

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

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. EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria applies instead a withholding system in relation to such payments, deducting tax at rate of meanwhile 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries including Switzerland, Andorra, Liechtenstein, Monaco and San Marino, and certain dependent or associated territories of certain Member States including Anguilla, Aruba, Bonaire, Sint Eustatius, Saba, British Virgin Islands, Curaçao, Guernsey, Isle of Man, Jersey, Cayman Islands, Montserrat, Sint Maarten and Turks and Caicos Islands, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

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

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

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

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

The Commission's Proposal has 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.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

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

3. Taxation in 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: *investeringssparkonto*). 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

The EU Savings Tax Directive came into force on 1 July 2005. The EU Savings Tax Directive applies, amongst other matters, to payments of interest on debt claims of every kind made by a Paying Agent in an EU Member State for the benefit of individual investors resident in the EU.

In circumstances where the EU Savings Tax Directive applies, such a paying agent would be under an obligation to provide information to the tax authorities of the EU Member States in which individual investors reside. A paying agent for these purposes is any economic operator who pays interest to, or secures interest for the beneficial owner, and could in relation to the Programme include a broker effecting the sale of the Securities.

4. 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 % (2015). 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 an 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 % (2015), 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 23.5 %

(2014). 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 23.5 % (2015). 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 % (2015). Pension funds may, however, only be placed in certain assets listed in section 12 of the Danish Executive Order no. 1359 of 22 December 2014 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.

5. 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 (33 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 within the same year and the five subsequent years after the transfer.

Legal entities

For legal entities, the income can be defined as capital gains or other business income. Capital gains accrued from the disposal of the securities that are included in the business assets of corporations with unlimited tax liability in Finland, are deemed income subject to taxation. Correspondingly, the depreciable acquisition cost of the securities is treated as a deductible expense in taxation. Thus the profit being the difference between the sales price and the depreciable acquisition cost of the securities is taxed as a corporate income of the legal entity.

In the event the securities are not included in a corporation's business assets, income accrued from them are taxed in the source of personal income or as capital gains or loss as described above, see "Individuals". However, a corporation may not use a presumed acquisition cost.

The corporate income is taxed at a tax rate of 20 per cent.

6. Taxation in Norway

The summary is solely related to holders of Securities who are resident in Norway for tax purposes ("Norwegian Security holders").

The Norwegian tax consequences depend inter alia on the classification of the Securities for Norwegian tax purposes. The summary outlines Norwegian tax consequences for Securities classified as debentures for Norwegian tax purposes and equity Securities with no capital protection and shares in companies tax resident within the European Economic Area as underlying objects, respectively.

Certain tax consequences may occur for certain categories of Securityholders, e.g. for Security holder to which certain tax regimes apply, in cases where benefits from Securities are connected to employment situations, if the Security holder ceases to be tax resident in Norway etc.

Due to the general nature of this summary, potential investors are advised to consult with and rely upon their own tax advisors.

1.1 Taxation on the redemption and realisation of Securities – Securities classified as debentures (debt securities)

Norwegian Security holders, both physical persons and companies, are taxable in Norway in respect of capital gains on the redemption or realisation of Securities, and have a corresponding right to deduct losses that arise

from such redemption or realisation. The tax liability applies irrespective of how long the Securities have been owned and the number of Securities that have been redeemed or realised.

Gains or losses are calculated per Security, as the difference between the consideration received in respect of the Security and the tax basis of the Security. The tax basis of each Security is generally the Norwegian Security holder's purchase price for the Security. Costs incurred in connection with the acquisition, redemption or realisation of the Security may be deducted from the Norwegian Security holder's taxable ordinary income in the year of redemption or realisation.

Gains are taxable as ordinary income in the year of redemption or realisation, and losses can be deducted from ordinary income in the year of redemption or realisation. The tax rate for ordinary income is 27%.

If the Norwegian Security holder owns Securities acquired at different points in time, the Securities that were acquired first will be regarded as the first to be disposed of, on a first-in, first-out basis (the FIFO principle).

1.2 Taxation on the redemption and realisation of Securities – Derivatives with shares in companies tax resident within the European Economic Area as underlying objects etc. (equity securities)

1.2.1 Norwegian Individual Security holders

Norwegian Security holders that are physical persons ("Norwegian Individual Security holders") are taxable in Norway in respect of capital gains upon redemption or realisation of the Securities with shares in companies tax resident within the European Economic Area as underlying objects, or indexes of shares which mainly derives its value from shares in companies tax resident within the European Economic Area as underlying objects, and have a corresponding right to deduct losses that arise upon such redemption or realisation. The tax liability applies irrespective of how long the Securities have been owned and the number of Securities that have been redeemed or realised.

Gains or losses are calculated per Security, as the difference between the consideration received in respect of the Security and the tax basis of the Security. The tax basis of each Security is generally the Norwegian Individual Security holder's purchase price for the Security. Costs incurred in connection with the acquisition, redemption or realisation of the Security may be deducted from the Norwegian Individual Security holder's taxable ordinary income in the year of redemption or realisation.

Gains are taxable as ordinary income in the year of redemption or realisation, and losses can be deducted from ordinary income in the year of redemption or realisation. The tax rate for ordinary income is 27%.

If the Norwegian Individual Security holder owns Securities acquired at different points in time, the Securities that were acquired first will be regarded as the first to be disposed of, on a first-in, first-out basis (the FIFO principle).

1.2.2 Norwegian Corporate Security holders

Capital gains derived from Securities are generally subject to tax in Norway at the rate of 27%. For Norwegian Security holders that are limited liability companies and similar entities ("Norwegian Corporate Security holders"), Securities with shares in companies tax resident within the European Economic Area as underlying objects, or indexes of shares which mainly derives its value from shares in companies tax resident within the European Economic Area as underlying objects, should be comprised by the Norwegian participation exemption method.

Provided that the requirements in the participation exemption method are fulfilled, capital gains upon redemption or realisation of the Securities are exempt from tax in Norway, and losses upon redemption or realisation of the Securities are not tax deductible in Norway.

1.3 New wealth tax

Norwegian Corporate Security holders are not subject to net wealth taxation in Norway.

Norwegian Individual Security holders are subject to net wealth taxation in Norway. Securities are included as part of the taxable base for this purpose. The Securities will be valued at market value on 1 January in the year after the income year. The maximum aggregate rate of net wealth tax is currently 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

Effective 1 January 2014, a transfer of Securities through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

7. 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 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 (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 (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 Annual Report of UBS AG as of 31 December 2013, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the Statutory Auditor and the Independent Registered Public Accounting Firm on the Consolidated Financial Statements" and the "Report of the Statutory Auditor on the Financial Statements");
- (c) a copy of the Annual Report of UBS Group AG and UBS AG as of 31 December 2014, comprising the comprising 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
- (d) the quarterly reports of UBS 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 and quarterly reports of UBS AG are published on the UBS website, at 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 AG as of 31 December 2013, comprising the sections (1) Operating environment and strategy on pages 17 to 64, (2) Financial and operating performance on pages 65 to 138, (3) Risk, treasury and capital management on pages 139 to 252, (4) Corporate governance, responsibility and compensation on pages 253 to 339, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements") on pages 341 to 606;
- (b) the Annual Report of UBS Group AG and UBS AG as of 31 December 2014, comprising the sections (1) UBS Group – Changes to our legal structure on pages 17 to 24 , (2) Operating environment and strategy on pages 25 to 78, (3) Financial and operating performance on pages 79 to 153, (4) Risk, treasury and capital management on pages 155 to 280, (5) Corporate governance, responsibility and compensation on pages 281 to 382, (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") on pages 383 to 860; and
- (c) 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.

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).

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N. SIGNATORIES

Signed on behalf of the Issuer,

17 April 2015:

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 [●] 2015, 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.]

N. SIGNATORIES

Signed on behalf of the Issuer,

17 April 2015:

UBS AG

By:



(signed by Sigrid Kossatz)

By:



(signed by Stefanie Zaromitidis)