

# Final Terms

dated 13 May 2013

in connection with the Base Prospectus dated 20 June 2012  
(as supplemented from time to time)

of

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



for the issue of

**UBS Express Certificates**

**based on indices and fund units (ETFs)**

**ISIN SE0005188414**

These final terms (the "**Final Terms**") provide additional information to the base prospectus (the "**Base Prospectus**") that was prepared in accordance with § 6 of the German Securities Prospectus Act ("**WpPG**").

Placeholders contained in the Base Prospectus were replaced in these Final Terms by concrete data, figures and characteristics of the Security upon their determination in the context of the specific security issue.

For each issue based on the Base Prospectus the Final Terms are published in a separate document that repeats certain information contained in the Base Prospectus in addition to the specific data, figures and characteristics of the specific security issue.

Complete information about the Issuer and the specific security issue require review of the Base Prospectus (as amended by possible supplements) in conjunction with the respective Final Terms.

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## **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 Underlyings. Investments in the Securities should not be made until all the factors relevant to the Securities have been acknowledged and carefully considered. When making decisions relating to investments in the Securities, potential investors should consider all information contained in the Prospectus and, **if necessary, consult their legal, tax, financial or other advisor.**

### **I. Issuer specific Risks**

As a global financial services provider, the business activities of UBS are affected by the prevailing market situation. Different risk factors can impair the company's ability to implement business strategies and may have a direct, negative impact on earnings. Accordingly, UBS AG's revenues and earnings are and have been subject to fluctuations. The revenues and earnings figures from a specific period, thus, are not evidence of sustainable results. They can change from one year to the next and affect UBS AG's ability to achieve its strategic objectives.

#### **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, Fitch and Moody's. 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.

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

Fundamental changes in the laws and regulations affecting financial institutions could have a material and adverse effect on UBS's business. In the wake of the 2007–2009 financial crisis and the continuing 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**");
- 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;
- 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 adopt structural and other changes designed to reduce systemic risk and to make major financial institutions easier to manage, restructure, disassemble or liquidate; and
- requirements to adopt risk governance structures at a local jurisdiction level.

A number of measures have been adopted and 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 is 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.

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 the strictest among the major financial centers. This could disadvantage Swiss banks such as UBS when they compete with peer financial institutions subject to more lenient regulation or with unregulated non-bank competitors.

#### **Regulatory and legislative changes in Switzerland**

In September 2011, the Swiss parliament adopted the “too-big-to-fail” law to address the issues posed by large banks. The law became effective on 1 March 2012. Accordingly, Swiss regulatory change efforts have generally proceeded more quickly than those in other major jurisdictions, and the Swiss Financial Market Supervisory Authority (“**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 UBS, than those adopted or proposed by regulatory authorities in other major global financial centers.

The provisions of the revised banking ordinance and capital adequacy ordinance implementing the Swiss “too-big-to-fail” law became effective on 1 January 2013. These ordinances implement capital requirements that increase or decrease in proportion to UBS’s (i) market share in Switzerland and (ii) total exposure, a metric that measures balance sheet size. This could in effect result in higher or lower capital adequacy requirements than the 19% of Basel III RWA that has been publicly discussed. As UBS has previously announced, UBS’s total capital requirements are expected to fall to 17.5% reflecting the planned decrease in total exposure as part of the acceleration of UBS’s strategy announced in October 2012. Actions and interpretations of governmental authorities may affect the calculation of UBS’s capital ratios and increase its effective capital requirements. For example, UBS expects approximately CHF 2–3 billion to be added to its RWA each year from 2013 through 2019 as a result of FINMA’s decision to apply a bank-specific multiplier for banks using the internal ratings-based approach when calculating RWA for Swiss retail mortgages. In addition, a 1% countercyclical buffer on RWA arising from Swiss residential mortgages will be effective from September 2013.

The new banking and capital adequacy ordinances also contain, among other things, provisions regarding emergency plans for systemically important functions, recovery and resolution planning and intervention measures that may be triggered when certain capital thresholds are breached. Those intervention levels may be set at higher capital levels than under current law, and may depend upon the capital structure and type of buffer capital the bank will have to issue to meet the specific Swiss requirements.

If UBS is not able to demonstrate that its systemically relevant functions in Switzerland can be maintained even in case of a threatened insolvency, FINMA may impose more onerous requirements on us. Although the actions that FINMA may take in such circumstances are not yet defined, UBS could be required directly or indirectly, for example, to alter UBS’s legal structure (e.g. to separate lines of business into dedicated entities, with limitations on intra-group funding and certain guarantees), or in some manner to further reduce business risk levels. The law also provides that the largest banks will be eligible for a capital rebate if they take actions that facilitate recovery and resolvability beyond ensuring that the systemically important functions are maintained in case of insolvency. 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 from exposure to risks arising from other parts of the group, thereby making it easier to dispose of certain parts of the group in a recovery scenario, or to liquidate or dispose of certain parts of the group in a resolution scenario, without necessarily adversely affecting other parts.

Due to recent changes in Swiss regulatory requirements, and due to liquidity requirements imposed by certain other jurisdictions in which UBS operates, UBS has been required to maintain substantially higher levels of liquidity overall than had been UBS's usual practice in the past. Like increased capital requirements, higher liquidity requirements make certain lines of business, particularly in the Investment Bank, less attractive and may reduce UBS's overall ability to generate profits.

### **Regulatory and legislative changes outside Switzerland**

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

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 UBS's aggregate credit exposure to counterparties as they transact with multiple UBS AG affiliates, expose UBS's businesses to higher local capital requirements, and potentially give rise to client and counterparty concerns about the credit quality of the subsidiary. Such changes could also negatively impact UBS's funding model and severely limit UBS's booking flexibility. For example, UBS has significant operations in the UK and use UBS AG's London branch as a global booking center for many types of products. UBS is being required by the UK Financial Services Authority and by FINMA to increase very substantially the capitalization of UBS's UK bank subsidiary, UBS Limited, and expect to be required to change UBS's booking practices to reduce or even eliminate UBS's utilization of UBS AG 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. Key measures proposed include the ring-fencing of retail activities in the UK, additional common equity tier 1 capital requirements of up to 3% of RWA for retail banks, and the issuance of debt subject to "bail-in" provisions. The applicability and implications of such changes to offices and subsidiaries of foreign banks are not yet entirely clear, but they could have a material effect on UBS's businesses located or booked in the UK.

The adoption of the Dodd-Frank Act in the US will also affect a number of UBS's activities, as well as those of other banks. The implementation of the Volcker Rule as of July 2012, for example, is one reason for UBS's exiting equities proprietary trading business segments within the Investment Bank. For other trading activity, UBS expects that it will be required to implement a compliance regime, including the calculation of detailed metrics for each trading book, and may be required to implement a compliance plan globally. Depending on the nature of the final rules, as well as the manner in which they are implemented, the Volcker Rule could have a substantial impact on market liquidity and the economics of market-making activities. The Volcker Rule also broadly limits investments and other transactional activities between banks and covered funds. The proposed implementing regulations both expand the scope of covered funds and provide only a very limited exclusion for activities of UBS outside the US. If adopted as proposed, the regulations could limit certain of UBS's activities in relation to funds, particularly outside the US. Moreover, at the end of 2012, the Federal Reserve issued proposed rules for foreign banking organizations in the US (sections 165 and 166 of Dodd-Frank Act) that include (i) a requirement for an intermediate holding company to hold US subsidiary operations, (ii) risk-based capital and leverage requirements, (iii) liquidity requirements (both substantive and procedural), (iv) single-counterparty credit limits, (v) risk management and risk committee requirements, (vi) stress test requirements, including public disclosure of the results, (vii) a debt-to-equity limit, and (viii) a framework for early remediation of financial weaknesses. The proposal would impose different requirements based on the overall size of the foreign banking organization and the size of its US-based assets. If the rules are adopted as proposed, UBS would be subject to the most stringent requirements based on the current size of its global and US operations.

In addition, 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 the Dodd-Frank Act in the US and corresponding legislation in the European Union and other jurisdictions, and will have a significant impact on UBS's OTC derivatives business, primarily in the Investment Bank. For example, UBS expects that, as a rule, the shift of OTC derivatives trading to a central clearing model will tend to reduce profit margins in these products, although some market participants may be able to offset this effect with higher trading volumes in commoditized products. Although UBS is preparing for these thematic market changes, they are likely to reduce the revenue potential of certain lines of business for market participants generally, and UBS may be adversely affected.

UBS AG registered as a swap dealer in the US at the end of 2012 enabling the continuation of swaps business with US persons. Regulations issued by the Commodity Futures Trading Commission (“**CFTC**”) impose substantial new requirements on registered swap dealers for clearing, trade execution, transaction reporting, recordkeeping, risk management and business conduct. The CFTC has granted time-limited relief to initially limit the scope of new requirements to transactions with US persons. Certain of the CFTC’s regulations, including those relating to swap data reporting, recordkeeping, compliance and supervision, are expected to apply to UBS AG globally once this time-limited relief expires. Application of these requirements to UBS’s swaps business with non-US persons will present a substantial implementation burden, will likely duplicate or conflict with legal requirements applicable to UBS outside of the United States and may place UBS at a competitive disadvantage to firms that are not CFTC-registered swap dealers. The Securities and Exchange Commission (“**SEC**”) is expected to propose rules for the extraterritorial application of its regulation of securities-based swaps in the first half of 2013, and to require registration of securities-based swap dealers in the US following adoption of such rules. SEC regulation of securities-based swaps may present similar risks to CFTC rules.

The effect on business booked or conducted by UBS in whole or in part outside the US cannot yet be determined fully because many of the regulations that must be adopted to implement the Dodd-Frank Act have not yet been finalized.

In many instances, UBS provides services on a cross-border basis. 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 UBS’s ability to conduct business in these jurisdictions from Switzerland. For instance, the proposed harmonization of third-country access provisions under the revised European MiFID II/MiFIR framework would make it materially more difficult for UBS to service wealth management clients in Europe. As these requirements are still being developed and revised, the effect on UBS’s business with clients domiciled or booked in the EU is difficult to predict.

#### **Resolution and recovery; bail-in**

UBS is currently required to produce recovery and resolution plans in the US, UK, Switzerland and Germany and is likely to face similar requirements for UBS’s operations in other jurisdictions, including UBS’s operations in the EU as a whole as part of the proposed EU Recovery and Resolution Directive. Resolution plans may increase the pressure for structural change if UBS’s analysis identifies impediments that are not acceptable to regulators. Such structural changes may negatively impact UBS’s ability to benefit from synergies between business units, and if they include the creation of separate legal entities may have the other negative consequences mentioned above with respect to “subsidiarization”.

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 convert debt into equity in a so-called “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. Depending upon the outcome, bail-in authority may have a significant effect on UBS’s funding costs.

The planned and potential regulatory and legislative developments in Switzerland and in other jurisdictions in which UBS has operations may have a material adverse effect on UBS’s ability to execute UBS’s strategic plans, on the profitability or viability of certain business lines globally or in particular locations, and in some cases on UBS’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’s legal structure or business model. Finally, the uncertainty related to or the implementation of legislative and regulatory changes may have a negative impact on UBS’s relationships with clients and UBS’s success in attracting client business.

#### **UBS’s capital strength is important in supporting UBS’s strategy, client franchise and competitive position**

UBS’s capital position, as measured by the BIS tier 1, core and total capital ratios and the common equity tier 1 ratio 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 are subject to change. Eligible capital would be reduced if UBS experiences net losses or losses through the other comprehensive income account, as determined for the purpose of the regulatory capital calculation, which may also render it more difficult or more costly for UBS to raise new capital. Eligible capital can also be reduced for a number of other reasons, including certain reductions in the ratings of securitization exposures, 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 recognized in other comprehensive income. RWA, on the other hand, are driven by UBS’s business activities and by changes in the risk profile of UBS’s exposures. For

instance, substantial market volatility, a widening of credit spreads (the major driver of UBS'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. Any such reduction in eligible capital or increase in RWA could materially reduce UBS's capital ratios.

The required levels and calculation of UBS's regulatory capital and the calculation of UBS's RWA are also subject to changes in regulatory requirements or their interpretation. UBS is subject to regulatory capital requirements imposed by FINMA, under which UBS has higher RWA than would be the case under the Basel III guidelines as adopted by the Bank for International Settlements. The changes in the calculation of RWA under Basel III and FINMA requirements (such as the revised treatment of certain securitization exposures under the Basel III framework) have significantly increased the level of UBS's RWA and, therefore, have adversely affected UBS's capital ratios. UBS has announced plans to reduce RWA very substantially and to mitigate the effects of the changes in the RWA calculation. However, there is a risk that UBS will not be successful in pursuing its plans, either because UBS is unable to carry out fully the actions it has planned or because other business or regulatory developments to some degree counteract the benefit of UBS's actions.

In addition to the risk-based capital requirements, UBS is subject to a minimum leverage ratio requirement for systemically important banks introduced by FINMA. The leverage ratio operates separately from the risk-based capital requirements, and, accordingly, under certain circumstances could constrain UBS's business activities even if UBS is able to satisfy the risk-based capital requirements.

Changes in the Swiss requirements for risk-based capital or leverage ratios, whether pertaining to the minimum levels required for large Swiss banks or to the calculation thereof (including changes of the banking law under the "too-big-to-fail" measures), could have a material adverse effect on UBS's business and could affect UBS's competitive position internationally compared with institutions that are regulated under different regimes.

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

In October 2012, UBS announced a significant acceleration in the implementation of UBS's strategy. The strategy includes transforming UBS's Investment Bank to focus it on its traditional strengths, very significantly reducing Basel III RWA and further strengthening UBS's capital position, and significantly reducing costs and improving efficiency across the Group. There is a risk that UBS will not be successful in pursuing UBS's plans, including because UBS is unable to carry out fully the actions it has planned, or that even if it is able to implement its strategy as planned its effects may differ from those intended.

As part of UBS's strategy, UBS is exiting certain business lines, predominantly those formerly in the fixed income area of UBS's Investment Bank that have been rendered less attractive by changes in regulation and market developments. UBS's Corporate Center is tasked with managing down the non-core assets previously in the Investment Bank in the most value-accretive way for shareholders. As UBS winds down these positions and those in the Legacy Portfolio previously transferred to Corporate Center, UBS will incur losses if exit values are lower than the carrying values of these positions. This could be the result of market price declines or illiquid or volatile market conditions, or the result of other institutions seeking to dispose of similar assets contemporaneously. These same factors may make it impossible or inadvisable for UBS to effect the winddowns and the corresponding reduction in RWA and balance sheet size as quickly as UBS has planned.

UBS also announced that it intends to achieve incremental cost savings of CHF 3.4 billion above the CHF 2 billion cost savings program announced in August 2011 as a result of the actions UBS is taking in the Investment Bank and through further group wide efficiency measures. The success of UBS's strategy and UBS's ability to reach certain of the targets UBS has announced depends heavily on the effectiveness of the cost-saving and efficiency measures UBS is able to carry out. As is often the case with major cost-reduction and efficiency programs, UBS's plans involve significant risks. Included among these are the risks that restructuring costs may be higher and may be recognized sooner than UBS has projected and that UBS may not be able to identify feasible cost-saving opportunities at the level of UBS's savings objective that are also consistent with UBS's business goals. In addition, when UBS implements its cost-saving and efficiency programs it may experience unintended consequences such as the loss or degradation of capabilities that UBS needs in order to maintain UBS's competitive position and achieve UBS's targeted returns.

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

UBS's reputation is critical to the success of UBS's strategic plans. Damage to UBS's reputation can have fundamental negative effects on UBS'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 UBS's very large losses during the financial crisis, the US cross-border matter and other events seriously damaged UBS's reputation. Reputational damage was an important factor in UBS's loss of clients and client assets across UBS's

asset-gathering businesses, and contributed to UBS's loss of and difficulty in attracting staff, in 2008 and 2009. These developments had short-term and also more lasting adverse effects on UBS's financial performance, and UBS recognized that restoring its reputation would be essential to maintaining UBS's relationships with clients, investors, regulators and the general public, as well as with UBS's employees. More recently, the unauthorized trading incident announced in September 2011, and UBS's involvement in the LIBOR scandal also adversely affected UBS's reputation. Any further reputational damage could have a material adverse effect on UBS's operational results and financial condition and on UBS's ability to achieve UBS's strategic goals and financial targets.

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

The nature of UBS's business subjects UBS to significant regulatory oversight and liability risk. As a global financial services firm operating in more than 50 countries, UBS is subject to many different legal, tax and regulatory regimes. UBS is involved in a variety of claims, disputes, legal proceedings and government investigations in jurisdictions where UBS is active. These proceedings expose UBS to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil penalties, in addition to potential regulatory restrictions on UBS's businesses. The outcome of most of these matters, and their potential effect on UBS's future business or financial results, is extremely difficult to predict.

UBS continues to be subject to government inquiries and investigations, and are involved in a number of litigations and disputes, which arose out of the financial crisis of 2007–2009. UBS is also subject to a large number of claims, disputes, legal proceedings and government investigations unrelated to the financial crisis, and expect that UBS's ongoing business activities will continue to give rise to such matters in the future. Potentially material matters to which UBS is currently subject include claims relating to US RMBS and mortgage loan sales, Swiss retrocessions, LIBOR-related matters and the Banco UBS Pactual tax indemnity.

In December 2012, UBS announced settlements totaling approximately CHF 1.4 billion in fines by and disgorgements to US, UK and Swiss authorities to resolve LIBOR-related investigations with those authorities. 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 for LIBOR or other benchmark interest rates. The extent of UBS's financial exposure to these remaining matters is extremely difficult to estimate and could be material.

The LIBOR-related settlements starkly illustrate the much-increased level of financial risk now associated with regulatory matters and regulatory enforcement in major jurisdictions, particularly in the US and UK. These very large amounts were assessed, and the guilty plea of a UBS subsidiary was required, in spite of UBS's full cooperation with the authorities in their investigations, as a result of which UBS was granted conditional leniency or conditional immunity with respect to certain benchmark interest rates by antitrust authorities in a number of jurisdictions including the US and Switzerland. UBS understands that, in determining the consequences to UBS, the US authorities took into account the fact that UBS has in the recent past been determined to have engaged in serious misconduct in a number of other matters. As a result of this history and regulatory perception, UBS's level of risk with respect to regulatory enforcement may be greater than that of peer institutions.

Considering UBS's overall exposures and the current regulatory and political climate affecting financial institutions, UBS expects charges associated with legal, regulatory and similar matters to remain at elevated levels at least through 2013.

UBS is determined to address the issues that have arisen in the above and other matters in a thorough and constructive manner. UBS is in active dialogue with its regulators concerning the actions that UBS is taking to improve its operational risk management and control framework. Ever since UBS's losses in 2007 and 2008, UBS has been subject to a very high level of regulatory scrutiny and to certain regulatory measures that constrain UBS's strategic flexibility. While UBS 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 and the LIBOR-related settlements, the effects of these matters on UBS's reputation and relationships with regulatory authorities have proven to be more difficult to overcome. For example, following the unauthorized trading incident FINMA informed UBS that UBS would not be permitted to undertake acquisitions in UBS's Investment Bank unit (unless FINMA granted an exception), and that material new business initiatives in that unit would be subject to FINMA oversight. Although UBS has significantly enhanced its operational risk management and control framework in general and specifically addressed the deficiencies highlighted by the unauthorized trading incident in particular, these special restrictions have not been withdrawn by FINMA to date, pending independent confirmation of the effectiveness of these enhancements



to FINMA's satisfaction. As this example illustrates, difficulties associated with UBS's relationships with regulatory authorities have the potential to adversely affect the execution of UBS's business strategy.

**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 a severe financial crisis can negatively affect UBS's revenues and ultimately UBS's 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 impacts 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. UBS has material exposures to a number of these markets, both as a wealth manager and as an investment bank. Moreover, UBS's strategic plans depend more heavily upon UBS's ability to generate growth and revenue in the emerging markets, causing UBS to be more exposed to the risks associated with them. The ongoing eurozone crisis and the unresolved US fiscal issues demonstrate that macroeconomic and political developments can have unpredictable and destabilizing effects. Adverse developments of these kinds have affected UBS's businesses in a number of ways, and may continue to have further adverse effects on UBS's businesses as follows:

- a general reduction in business activity and market volumes, as UBS has experienced in the last two years, affects fees, commissions and margins from market-making and client-driven transactions and activities; local or regional economic factors, such as the ongoing eurozone sovereign debt and banking industry concerns, could also have an effect on UBS;
- a market downturn is likely to reduce the volume and valuations of assets UBS manages on behalf of clients, reducing UBS's asset- and performance-based fees;
- a further extended period of low interest rates will continue to erode interest margins in several of UBS's businesses;
- reduced market liquidity limits trading and arbitrage opportunities and impedes UBS's ability to manage risks, impacting both trading income and performance-based fees;
- assets UBS owns and account for as investments or trading positions could fall in value;
- impairments and defaults on credit exposures and on trading and investment positions could increase, and losses may be exacerbated by falling collateral values; 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), UBS could suffer losses from enforced default by counterparties, be unable to access UBS's own assets, or be impeded in – or prevented from – managing UBS's risks.

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

The developments mentioned above can materially affect the performance of UBS's business units and of UBS as a whole, and ultimately UBS's financial condition. As discussed below, there is also a somewhat related risk that the carrying value of goodwill of a business unit might suffer impairments and deferred tax assets levels may need to be adjusted.

**UBS holds legacy and other risk positions that may be adversely affected by conditions in the financial markets; legacy risk positions may be difficult to liquidate**

UBS, 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 UBS recorded substantial losses on fixed income trading positions, particularly in 2008 and 2009. Although UBS has very significantly reduced its risk exposures starting in 2008, and more recently as UBS

implements its strategy and focus on complying with Basel III capital standards, UBS continues to hold substantial legacy risk positions. In many cases these risk positions continue to be illiquid, and UBS remains 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.

UBS has announced and is carrying out plans to reduce drastically the RWA associated with UBS's non-core and legacy risk positions. There can be no assurance that UBS will be able to liquidate them as quickly as UBS's plans suggest, or that UBS 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 liquidate these positions. At the same time, UBS's strategy rests heavily on UBS's ability to reduce sharply the RWA associated with these exposures in order to meet UBS's future capital targets and requirements without incurring unacceptable losses. In addition, if in the future UBS exercises its option to acquire the equity of the SNB StabFund from subsidiaries of the Swiss National Bank, any positions remaining in that fund could augment UBS's risk exposure and RWA until they can be liquidated.

UBS holds positions related to real estate in various countries, and UBS could suffer losses on these positions. These positions include a very substantial Swiss mortgage portfolio. Although management believes that this portfolio has been very prudently managed, UBS could nevertheless be exposed to losses if the concerns expressed by the Swiss National Bank and others about unsustainable price escalation in the Swiss real estate market come to fruition.

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

#### **UBS's global presence subjects it to risk from currency fluctuations**

UBS prepares its consolidated financial statements in Swiss francs. However, a substantial portion of UBS's 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 UBS's non-Swiss franc revenues) have an effect on UBS's reported income and expenses, and on other reported figures such as invested assets, balance sheet assets, RWA and tier 1 capital. For example, in 2011 the strengthening of the Swiss franc, especially against the US dollar and euro, had an adverse effect on UBS's revenues and invested assets. Because exchange rates are subject to constant change, sometimes for completely unpredictable reasons, UBS's results are subject to risks associated with changes in the relative values of currencies.

#### **UBS is dependent upon UBS's risk management and control processes to avoid or limit potential losses in UBS's trading and counterparty credit businesses**

Controlled risk-taking is a major part of the business of a financial services firm. Credit is an integral part of many of UBS's retail, corporate, wealth management and Investment Bank activities. This includes lending, underwriting and derivatives activities. Changes in interest rates, credit spreads, equity prices, market volatility and liquidity, foreign exchange levels and other market fluctuations can adversely affect UBS's earnings. Some losses from risk-taking activities are inevitable, but to be successful over time, UBS must balance the risks it takes against the returns it generates. UBS must, therefore, diligently identify, assess, manage and control UBS's risks, not only in normal market conditions but also as they might develop under more extreme (stressed) conditions, when concentrations of exposures can lead to severe losses.

As seen during the financial crisis of 2007–2009, UBS is not always able to prevent serious losses arising from extreme or sudden market events that are not anticipated by UBS'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 UBS aggregates risk to identify potentially highly correlated exposures proved to be inadequate. Notwithstanding the steps UBS has taken to strengthen UBS's risk management and control framework, UBS could suffer further losses in the future if, for example:

- UBS does not fully identify the risks in UBS's portfolio, in particular risk concentrations and correlated risks;
- UBS's assessment of the risks identified or UBS's response to negative trends proves to be inadequate, insufficient or incorrect;

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

UBS also manages risk on behalf of UBS's clients in UBS's asset and wealth management businesses. UBS's performance in these activities could be harmed by the same factors. If clients suffer losses or the performance of their assets held with UBS is not in line with relevant benchmarks against which clients assess investment performance, UBS may suffer reduced fee income and a decline in assets under management, or withdrawal of mandates.

If UBS decides to support a fund or another investment that it sponsors in its asset or wealth management businesses (such as the property fund to which Wealth Management has exposure), UBS might, depending on the facts and circumstances, incur charges that could increase to material levels.

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

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

Where possible, UBS marks its trading book assets and other positions at their quoted market price in an active market. Such price information may not be available for certain instruments and, therefore, UBS applies valuation techniques to measure such instruments. Valuation techniques use "market observable inputs" where available, derived from similar instruments in similar and active markets, from recent transaction prices for comparable items or from other observable market data. In the case of positions for which some or all of the inputs required for the valuation techniques are not observable or have limited observability, UBS uses valuation models with non-market observable inputs. There is no single market standard for valuation models of this type. Such models have inherent limitations; different assumptions and inputs would generate different results, and these differences could have a significant impact on UBS'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. Changes in model inputs or in the models themselves, or failure to make the changes necessary to reflect evolving market conditions, could have a material adverse effect on UBS's financial results.

**UBS is exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of its Wealth Management business division**

UBS experienced substantial net outflows of client assets in UBS's wealth management and asset management businesses in 2008 and 2009. The net outflows resulted from a number of different factors, including UBS's substantial losses, the damage to UBS's reputation, the loss of client advisors, difficulty in recruiting qualified client advisors and developments concerning UBS's cross-border private banking business. Many of these factors have been successfully addressed. UBS's Wealth Management and Wealth Management Americas business divisions recorded substantial net new money inflows in 2012. Long-term changes affecting the cross-border private banking business model will, however, continue to affect client flows in UBS's 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, is the heightened focus of fiscal authorities on cross-border investments. Changes in local tax laws or regulations and their enforcement may affect the ability or the willingness of UBS's clients to do business with UBS or the viability of UBS's strategies and business model. In 2012, UBS experienced net withdrawals in UBS's Swiss booking center from clients domiciled elsewhere in Europe, in many cases related to the negotiation of tax treaties between Switzerland and other countries, including the treaty with Germany that was ultimately not ratified by Germany.

The net new money inflows in recent years in UBS's Wealth Management business division have come predominantly from clients in Asia-Pacific and in the emerging markets and in the 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 lowmargin products account for a larger share of UBS's revenues than in the past, put downward pressure on UBS's return on invested assets. There can be no assurance that efforts by the business to overcome the effects of the changes in the business mix on gross margin, such as through service improvements and product offerings, will be sufficiently successful to counteract those effects. UBS is also making changes to its business offerings and pricing practices in line with emerging industry trends favoring price transparency and recent legal and regulatory developments, including the Swiss Supreme CUBS'st case concerning "retrocessions". There can be no assurance that UBS will be successful in UBS's efforts to offset the adverse impact of these trends and developments.

In 2012, Global Asset Management experienced a net outflow of client assets. Further net outflows of client assets are likely over time to adversely affect the results of the business division.

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

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

Reductions in UBS's credit ratings can increase UBS'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 recently in connection with Moody's downgrading of UBS's long-term rating in June 2012, ratings downgrades can require UBS to post additional collateral or make additional cash payments under master trading agreements relating to UBS's derivatives businesses. UBS's credit ratings, together with UBS's 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 UBS's businesses.

The more stringent Basel III 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.

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

All of UBS's businesses are dependent on UBS'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 UBS is subject and to prevent, or promptly detect and stop, unauthorized, fictitious or fraudulent transactions. UBS's operational risk management and control systems and processes are designed to help ensure that the risks associated with UBS's activities, including those arising from process error, failed execution, unauthorized trading, fraud, system failures, 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 its business, like UBS. 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 and its subsidiaries 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 in legal terms and in terms of UBS's reputation.

Although UBS is continuously adapting UBS's capability to detect and respond to the risks described above, if UBS's internal controls fail or prove ineffective in identifying and remedying them UBS 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 UBS to operational risks. UBS's loss in the second quarter of 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.

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

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

**UBS 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. 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.

UBS's competitive strength and market position could be eroded if UBS is unable to identify market trends and developments, do not respond to them by devising and implementing adequate business strategies, adequately developing or updating UBS's technology, particularly in trading businesses, or are unable to attract or retain the qualified people needed to carry them out.

The amount and structure of UBS's employee compensation are affected not only by UBS'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 UBS's ability to retain and attract key employees, and may in turn negatively affect UBS's business performance. Reductions in the amount of variable compensation awarded for performance year 2012 have caused UBS's total compensation for certain categories of employees, mainly in the Investment Bank and the Corporate Center, to be lower than is the case for peer institutions. In addition, changes that UBS has made to the terms of compensation awards may place UBS ahead of peers in adjusting compensation terms to the demands of various stakeholders, including regulatory authorities and shareholders. These terms include the introduction of a deferred contingent capital plan with many of the features of the loss-absorbing capital that UBS has issued in the market but with a higher capital ratio writedown 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 UBS's staff with those of other stakeholders, increase the risk that key employees will be attracted by competitors and decide to leave UBS, and that UBS may be less successful than its competitors in attracting qualified employees. The loss of key staff and inability to attract qualified replacements, depending upon which and how many roles are affected, could seriously compromise UBS's ability to execute UBS's strategy and to successfully improve UBS's operating and control environment.

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

UBS reports its results and financial position in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Changes to IFRS or interpretations thereof may cause UBS's future reported results and financial position to differ from current expectations. Such changes also may affect UBS's regulatory capital and ratios. For example, in 2012 UBS adopted the revised international accounting standard IAS 19 Employee Benefits, which affected both UBS's financial position and UBS's regulatory capital. UBS monitors potential accounting changes and when these are finalized by the IASB, UBS 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, that are expected to impact UBS's reported results, financial position and regulatory capital in the future.

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

The goodwill UBS has recognized on the respective balance sheets of UBS's operating segments is tested for impairment at least annually. UBS's impairment test in respect of the assets recognized as of 31 December 2012 indicated that the value of UBS'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 UBS's goodwill may become impaired in the future, giving rise to losses in the income statement. In the third quarter of 2012, for example, the recognition by the Investment Bank of a full impairment of goodwill and of an impairment of other non-financial assets resulted in a charge of almost CHF 3.1 billion against UBS's operating profit before tax.

**The effects of taxes on UBS's financial results are significantly influenced by changes in UBS's deferred tax assets and final determinations on audits by tax authorities**

The deferred tax assets UBS has recognized on its balance sheet as of 31 December 2012 in respect of prior years' tax losses are based on future profitability as indicated by the 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. This could include writeoffs of deferred tax assets through the income statement.

In the coming years, UBS's effective tax rate will be highly sensitive both to UBS's performance and to the accuracy of new business plan forecasts. UBS's results in recent periods have demonstrated that changes in the recognition of deferred tax assets can have a very significant effect on UBS's reported results. If the Group's performance is strong, particularly in the US, UK and Switzerland, UBS could be expected to recognize additional deferred tax assets in the coming years. 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 UBS's performance in those countries is weaker than expected, UBS may be required to write off all or a portion of 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 offs are taken.

In the first half of 2013, UBS expects the tax rate to be in the region of 25–30%. The expected tax rate is higher than the normal expected effective tax rate of 20–25% because the net profit for the group in 2013 may reflect losses for some legal entities or parent bank branches for which UBS may not obtain a tax benefit. In addition, the actual tax rate may fall outside the aforementioned tax rate range to the extent that there are significant book tax adjustments that affect taxable profits. Also, the full year tax rate may depend on the extent to which deferred tax assets are revalued during 2013 and the level of profitability for the year.

UBS's effective tax rate is also sensitive to any future reductions in statutory tax rates, particularly in the US and Switzerland. Reductions in the statutory tax rate would cause the expected future tax benefit from items such as tax loss carry-forwards in the affected locations to diminish in value. This in turn would cause a writedown 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 UBS to materially differ from the amount accrued.

Separately, in 2011 the UK government introduced a balance sheet based levy payable by banks operating and / or resident in the UK. An expense for the year of CHF 124 million has been recognized in operating expenses (within pre-tax profit) in the fourth quarter of 2012. The Group's bank levy expense for future years will depend on both the rate and the Group's taxable UK liabilities at each year end; changes to either factor could increase the cost. This expense will likely increase if, for example, UBS changes its booking practices to reduce or eliminate UBS's utilization of UBS AG London branch as a global booking center for the ongoing business of the Investment Bank and consequently book more liabilities into UBS's UK bank subsidiary, UBS Limited. UBS expects that the annual bank levy expense will continue to be recognized for IFRS purposes as a cost 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.

**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 Underlyings 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 Underlyings; 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 Underlyings, 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 Underlyings. 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 Manager, upon request, will provide information on the amount of these fees.

## II. Security specific Risks

Investing in the Securities involves certain risks. Among others, these risks may take the form of equity market, commodity market, bond market, foreign exchange, interest rate, market volatility and economic and political risks and any combination of these and other risks. The material risks are presented below. Prospective investors should be experienced with regard to transactions in instruments such as the Securities and in the Underlyings. **Prospective investors should understand the risks associated with an investment in the Securities and shall only reach an investment decision, after careful considerations with their legal, tax, financial and other advisors of (i) the suitability of an investment in the Securities in the light of their own particular financial, fiscal and other circumstances; (ii) the information set out in this document and (iii) the Underlyings.** 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 Underlyings, as the value of the Securities and, hence, any amount, if any, payable according to the Conditions of the Securities will be dependent, *inter alia*, upon such changes. More than one risk factor may have simultaneous effects with regard to the Securities, so that the effect of a particular risk factor is not predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

Prospective 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. Potential investors must therefore be prepared and able to sustain a partial or even a **total loss** of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the **risks of loss** connected with the Securities.

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

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

### 1. Special risks related to specific features of the security structure

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

**Effect of the express structure**

Prospective 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 statement 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 an amount in relation to the early expiration. However, the Securityholder is not entitled to request any further payments on the Securities after such early expiration of the Securities.

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

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.

**Effect of the application of certain thresholds, barriers or levels**

Prospective investors should furthermore consider that the Redemption Amount, if any, under the Securities depends on whether the Price of the Underlyings equals and/or falls below respectively exceeds certain thresholds, barriers or levels at a given time or within a given period as determined by the Conditions of the Securities.

**Consequence of the linkage to the Relevant Underlying**

The calculation of the level of the Redemption Amount solely refers to the performance of the Relevant Underlying and, thereby, to the Underlying, showing the **lowest** performance with respect to the Settlement Price in relation to the Reference Level.

Prospective 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 performance of the remaining Underlyings, because the remaining Underlyings are not taken into account when calculating the level of the Redemption Amount.

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

Potential investors in the Securities should furthermore be aware that the Issuer is in the case of the occurrence of a Termination Event pursuant to the Conditions of the Securities, entitled to terminate and redeem the Securities in total prior to the Maturity Date. In case the Issuer terminates and redeems the Securities prior to the Maturity Date, the Securityholder is entitled to demand the payment of an amount in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the Termination Date or the Tax Termination Date, as the case may be.

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

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 pursuant to § 317 of the BGB and, if applicable, considering the then prevailing Price of the Underlyings 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 Underlyings, 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 the Calculation Agent may take into consideration the market factors it considers to be relevant at its reasonable discretion pursuant to § 317 of the BGB 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 pursuant to § 317 of the BGB as the fair market price of the Security at the occurrence of the termination – and, hence, the Termination Amount or, as the case may be, the Tax Termination Amount - can differ from the market price of comparable Securities relating to the Underlyings, 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 or, as the case may be, the Tax Termination Amount, if any, paid by the Issuer in the case of termination at market conditions, which are less favourable than those existing prevailing at the time of the acquisition of the Securities.

**3. No termination right of the Securityholders**

The 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), if any, is, consequently and except for the Issuer's termination and early redemption of the Securities, only possible by way of selling the Securities.

The selling of 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 Issuer is not obligated under the issuance of these Securities towards the Securityholders to compensate for or to repurchase the Securities.

**4. Possible fluctuations in the Price of the Underlyings 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 Underlyings between the announcement of the termination by the Issuer and the determination of the Price of the Underlyings relevant for the calculation of the then payable Termination Amount or the Tax 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 Underlyings, which potentially lead to changes to the Underlyings or result in the underlying concept of the Underlyings 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. Other factors affecting the value**

The value of a Security is determined not only by changes in the Price of the Underlyings, 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 Underlyings remains constant.

In addition, the Price of the Underlyings 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 Underlyings 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.

Prospective investors of the Securities should be aware that an investment in the Securities involves a valuation risk with regard to the Underlyings. They should have experience with transactions in securities with a value derived from the Underlyings. The value of the Underlyings 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 Underlyings is not an indication of their future performance. Changes in the market price of the Underlyings will affect the trading price of the Securities, and it is impossible to predict whether the market price of the Underlyings will rise or fall.

**7. 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, prospective 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.

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

Prospective 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.

**9. 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 this Prospectus, applications will be or have been made to the Security Exchange 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 may be adversely affected. The liquidity of the Securities 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 subscribed Securities is less than the Aggregate Nominal Amount of the Securities. There is the risk that due to the low volume of subscriptions in the Securities the liquidity of the Securities is lower than if all Securities were subscribed by investors.

The Manager intends, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager makes no firm commitment to the Issuer to provide liquidity by means of bid and offer prices for the Securities, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. **Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.**

**10. Form and governing law of the Securities**

The Securities are cleared through Euroclear Sweden AB as the Clearing System and issued in uncertificated and dematerialised book-entry form, and registered at Euroclear Sweden AB in accordance with the relevant CA Rules. No physical notes, such as global temporary or permanent notes or definitive securities will be issued in respect of the Securities. The Securities are transferable in accordance with the relevant CA Rules. Such transfer becoming effective upon registration of the transfer in the records of the Clearing System. Securityholders will have to rely on the procedures of the Clearing System for transfer, payment and communication with the Issuer. Securityholders are not entitled to request the delivery of definitive securities. The Issuer shall be entitled to obtain from the Clearing System information based on the Clearing System's register regarding the Securities for the purpose of performing its obligations pursuant to the Securities.

The Securities are governed by German law, except for § 4 (1), (3) and (4) of the Conditions of the Securities which shall be governed by the laws of the Kingdom of Sweden.

**The Issuer shall not be held liable under any circumstances for any acts and omissions of any Clearing System or any other relevant clearing system as well as for any losses which might occur to a Securityholder out of such acts and omissions and for the records relating to, or payments made in respect of, beneficial interests in the Securities in book-entry form in particular.**

**11. 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 Underlyings 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.

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

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

**13. 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.

**14. The effect on the Securities of hedging transactions by the Issuer**

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

**15. 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 and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.

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

The Issuer and other financial institutions through which payments on the Securities are made may be required to withhold at a rate of up to 30 % on all, or a portion of, payments made after 31 December 2016 in respect of any Securities which are issued (or materially modified) after 1 January 2013 or that are treated as equity for U.S. federal tax purposes whenever issued, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**", the Foreign Account Tax Compliance Act).

The Issuer is a foreign financial institution ("**FFI**") for the purposes of FATCA. If the Issuer becomes obliged to provide certain information on its account holders pursuant to a FATCA agreement with the U.S. Internal Revenue Service ("**IRS**") (i.e. the Issuer is a "**Participating FFI**") then withholding may be triggered if: (i) the Issuer has a positive "passthru payment percentage" (as determined under FATCA),

and (ii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer, (b) an investor does not consent, where necessary, to have its information disclosed to the IRS or (c) any FFI that is an investor, or through which payment on the Securities is made, is not a Participating FFI. An investor that is withheld upon generally will be able to obtain a refund only to the extent an applicable income tax treaty with the United States entitles such institution to a reduced rate of tax on the payment that was subject to withholding under these rules, provided the required information is furnished in a timely manner to the IRS.

The application of FATCA to interest, principal or other amounts paid with respect to the Securities is not clear. If an amount in respect of FATCA or as required under an intergovernmental approach to FATCA were to be deducted or withheld from interest, principal or other payments on the Securities, the Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction by the Issuer, a Paying Agent or any other party, to any person where such person (other than where such person is acting as an agent of the Issuer) is not entitled to receive payments free of such withholding. As a result, investors may, if FATCA is implemented as currently proposed by the IRS or in consequence of the implementation of an intergovernmental approach, receive less interest or principal than expected. If the Issuer becomes a Participating FFI, the determination of whether FATCA withholding may be imposed will depend on the status of each recipient of payments between the Issuer and investors. The Issuer does not expect in practice that payments made either by it or by its Paying Agents in relation to the Securities held in clearing systems will be subject to FATCA withholding as it is expected that the Paying Agents and the relevant clearing systems will be Participating FFIs to the extent necessary to avoid being subject to FATCA withholding. However, it is possible that other parties may be required to withhold on payments on account of FATCA as set out above.

In addition, under proposed regulations, U.S. withholding tax at a rate of 30 % (or lower treaty rate) would be imposed on payments, accruals, or adjustments that are determined by reference to dividends from sources within the United States. Since the payments made under the Securities are linked to the Index and the Fund Units used as Underlyings, it is possible that these rules could apply to these Securities. 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 Terms and Conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax.

The discussion in relation to the FATCA rules above is based on proposed regulations and preliminary guidance. **Holders of Securities should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding under FATCA.**

#### **17. Changes in Taxation in relation to the Securities**

The considerations concerning the taxation of the Securities set forth in this 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 precluded. In addition, the tax considerations set forth in this 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 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 Manager assumes any responsibility vis-à-vis the Securityholders for the tax consequences of an investment in the Securities.

### **III. Underlying specific Risks**

Investing in the Securities also involves certain risks that are related to the Underlyings:

#### **1. General risks related to the Underlyings**

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

**Risk of fluctuations in value**

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

**Uncertainty about the future performance**

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

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

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

**a) Specific Risks related to an Index used as an Underlying****No influence of the Issuer**

The composition of the index used as an Underlying is determined by the index sponsor alone or in cooperation with other entities. The Issuer cannot influence the composition of the index.

In principle, the index sponsor is free 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 an Underlying without issuing a successor index.

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 an Underlying is permanently discontinued, pursuant to the Conditions of the Securities, entitled to terminate and redeem the Securities in total prior to the Maturity Date.

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

The index used as an Underlying is calculated as a so-called price index, *i.e.* 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.

As a result, Securityholders do generally not participate in any dividends or other distributions paid on the shares contained in the index used as an Underlying.

**b) Specific risks related to exchange traded funds used as an Underlying**

The level of the Redemption Amount, if any, is determined by reference to the price of a so-called exchange traded fund used as Underlying. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in the Fund Units. **It is expressly recommended that potential investors 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, a fund in 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; Use of Estimates**

The price of an ETF 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”) 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 of the fund unit.

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 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 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 their positions, this may result in losses which are significantly higher than any losses of the Benchmark (leverage effect).

#### **Concentration risks**

ETFs may concentrate their assets with a focus on certain countries, regions or sectors while replicating the Benchmark according to their rules. This can result in the ETFs being subject to a higher volatility as compared to funds with a broader diversification as regards sectors, countries or regions. 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 ETF's investments 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 for determining fees and costs, currency exchange rate fluctuations may have a negative impact on the value of the Fund Units in the ETF.

**Conflicts of interest**

In the operation of the ETF certain conflicts of interest may arise that can have a negative impact on the ETF's performance. For persons involved in the fund management or advisory activities in relation to the ETF conflicts of interest can arise from retrocessions or other inducements. In addition, persons involved in the fund management or advisory activities to the ETF 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 assets first to a portfolio involving the highest fees. Persons providing management, trading or advisory services to the ETF may make recommendations or enter into transactions which are different to those of the ETF or may even compete with 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 the ETF can be incurred on different levels. Usually 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**

ETFs might 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 ETFs.

## **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 this Prospectus and declares that the information contained in this Prospectus is, to the best of its knowledge, accurate and that no material facts have been omitted.

Where this 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 contained in this Prospectus, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

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

## **DESCRIPTION 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 Terms and Conditions of the Securities, and terms and expressions defined in other parts of the Prospectus and not otherwise defined in this "Description of the Securities" shall have the same meanings in this part of the Prospectus.

### **I. Object of the Prospectus**

The object of this Prospectus are UBS Express Certificates with the International Security Identification Number (as defined in the section "Key Terms and Definitions of the Securities"), issued by UBS AG, acting through its London Branch, in accordance with German law, and issued in the Aggregate Nominal Amount (as defined in the section "Key Terms and Definitions of the Securities").

The Securities are each based on indices and fund units (ETFs) (each an "**Underlying**" or, collectively, the "**Underlyings**", where the term "Underlying" shall also refer to all Underlyings<sub>(i=1)</sub> to <sub>(i=4)</sub>), as described in the sections "Key Terms and Definitions of the Securities" and "Information about the Underlyings".

The Securities expire – provided that the Securities are not terminated or expired early in accordance with the Conditions of the Securities – on the Expiration Date (as defined in the section "Key Terms and Definitions of the Securities").

### **II. Entitlement under the Securities**

With the purchase of each (1) Security, the investor acquires the right, under certain conditions and as provided for in the Conditions of the Securities, to demand from the Issuer the payment of a settlement amount in the Redemption Currency depending on the performance of the Underlyings (the "**Redemption Amount**") (the "**Security Right**") all as defined in the section "Key Terms and Definitions of the Securities".

The Securityholders shall not be entitled to any interim payments. 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.

All payments relating to the Securities are made in the Redemption Currency (as defined in the section "Key Terms and Definitions of the Securities").



### III. Dependency on the Underlyings

The following features describe the dependency of the value of the Securities or, as the case may be, of any amount, if any, payable according to the Conditions of the Securities from the Underlyings:

#### **Effect of the express structure**

Prospective 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 statement 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 an amount in relation to the early expiration. However, the Securityholder is not entitled to request any further payments on the Securities after such early expiration of the Securities.

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

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.

#### **Effect of the application of certain thresholds, barriers or levels**

Prospective investors should consider that the Redemption Amount, if any, under the Securities depends on whether the Price of the Underlyings equals and/or falls below respectively exceeds certain thresholds, barriers or levels at a given time or within a given period as determined by the Conditions of the Securities.

#### **Consequence of the linkage to the Relevant Underlying**

The calculation of the level of the Redemption Amount, solely refers to the performance of the Relevant Underlying and, thereby, to the Underlying, showing the **lowest** performance with respect to the Settlement Price in relation to the Reference Level.

**TERMS AND CONDITIONS OF THE SECURITIES**

**Wertpapierbedingungen**

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

*Die Bedingungen der Wertpapiere sind gegliedert in*

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

**Terms and Conditions of the Securities**

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

*The Conditions of the Securities are composed of*

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

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

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

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

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

#### **A.**

##### **Abrechnungskurs / Settlement**

###### **Price:**

Der Abrechnungskurs des Basiswerts<sub>(0)</sub> entspricht dem Kurs des Basiswerts<sub>(0)</sub> an dem Bewertungstag zur Bewertungszeit (eine (1) Einheit der Basiswährung entspricht einer (1) Einheit SEK, „**Quanto SEK**“). /

*The Settlement Price of the Underlying<sub>(0)</sub> equals the Price of the Underlying<sub>(0)</sub> on the Valuation Date at the Valuation Time (one (1) unit of the Underlying Currency equals one (1) unit SEK, "**Quanto SEK**").*

##### **Ausgabepreis / Issue Price:**

Der Ausgabepreis entspricht 100 % des Nennbetrags. /

*The Issue Price equals 100 % of the Nominal Amount.*

##### **Ausgabetag / Issue Date:**

Der Ausgabetag bezeichnet den 9. Juli 2013.

Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Ausgabetag entsprechend verschieben. /

*The Issue Date means 9 July 2013.*

*In the case of abbreviation or extension of the Subscription Period the Issue Date may be changed accordingly.*

##### **Auszahlungswährung / Redemption Currency:**

Die Auszahlungswährung entspricht der Schwedischen Krone („**SEK**“). /

*The Redemption Currency means Swedish Krona ("**SEK**").*

#### **B.**

##### **Bankgeschäftstag / Banking Day:**

Der Bankgeschäftstag steht für jeden Tag, an dem die Banken in Frankfurt am Main, Bundesrepublik Deutschland, in London, Vereinigtes Königreich, und in Stockholm, Schweden, für den Geschäftsverkehr geöffnet sind und das Clearingsystem Wertpapiergeschäfte abwickelt. /

*The Banking Day means each day on which the banks in Frankfurt am Main, Federal Republic of Germany, in London, United Kingdom, and in Stockholm, Sweden, are open for business and the Clearing System settles securities dealings.*

**Basispreis / Strike:**

Der Basispreis<sub>(i), (k)</sub> des Basiswerts<sub>(i)</sub> in Bezug auf den Beobachtungstag<sub>(k)</sub> wird gemäß folgender Formel berechnet:

$$(100\% - 10\% \times (k-1)) \times \text{Referenz-Level}_{(i)}$$

Wobei gilt:

„**k**“ entspricht der Nummer des entsprechenden Beobachtungstages<sub>(k)</sub>, und

„**Referenz-Level**<sub>(i)</sub>“ entspricht dem Referenz-Level des Basiswerts<sub>(i)</sub>.

Eine (1) Einheit der Basiswährung entspricht einer (1) Einheit SEK, „**Quanto SEK**“.

Der Begriff „Basispreis“ umfasst sämtliche Basispreise<sub>(i=1), (k=1)</sub> bis <sub>(i=4), (k=5)</sub>.

Der Basispreis wird am Festlegungstag zur Festlegungszeit festgelegt.\* /

*The Strike<sub>(i), (k)</sub> of the Underlying<sub>(i)</sub> in relation to the Observation Date<sub>(k)</sub> will be calculated according to the following formula:*

$$(100\% - 10\% \times (k-1)) \times \text{Reference Level}_{(i)}$$

Where:

“**k**” equals the number of the relevant Observation Date<sub>(k)</sub>, and

“**Reference Level**<sub>(i)</sub>” equals the Reference Level of the Underlying<sub>(i)</sub>.

One (1) unit of the Underlying Currency equals one (1) unit SEK, “**Quanto SEK**”.

The term “Strike” shall also refer to all Strikes<sub>(i=1), (k=1)</sub> to <sub>(i=4), (k=5)</sub>.

The Strike will be fixed at the Fixing Time on the Fixing Date.\*\*

**Basiswährung / Underlying Currency:**

Die Basiswährung<sub>(i=1)</sub> in Bezug auf den Basiswert<sub>(i=1)</sub> entspricht dem Hongkong Dollar („**HKD**“), und die Basiswährungen<sub>(i=2)</sub> bis <sub>(i=4)</sub> in Bezug auf die Basiswerte<sub>(i=2)</sub> bis <sub>(i=4)</sub> entsprechen dem US-Dollar („**USD**“).

Der Begriff „Basiswährung“ umfasst sämtliche Basiswährungen<sub>(i=1)</sub> bis <sub>(i=4)</sub>.

Eine (1) Einheit der Basiswährung entspricht einer (1) Einheit SEK, „**Quanto SEK**“ . /

*The Underlying Currency<sub>(i=1)</sub> in relation to the Underlying<sub>(i=1)</sub> means Hong Kong Dollar (“**HKD**”), and the Underlying Currencies<sub>(i=2)</sub> to <sub>(i=4)</sub> in relation to the Underlyings<sub>(i=2)</sub> to <sub>(i=4)</sub> mean US Dollar (“**USD**”).*

The term “Underlying Currency” shall also refer to all Underlying Currencies<sub>(i=1)</sub> to <sub>(i=4)</sub>.

One (1) unit of the Underlying Currency equals one (1) unit SEK,

**“Quanto SEK”.****Basiswerte / Underlyings:**

Der Basiswert<sub>(i=1)</sub> entspricht dem Hang Seng China Enterprises Index (Bloomberg: HSCEI) (der „**Index<sub>(i=1)</sub>**“), wie er von Hang Seng Indexes Company Limited (der „**Index Sponsor<sub>(i=1)</sub>**“) verwaltet, berechnet und veröffentlicht wird,

der Basiswert<sub>(i=2)</sub> entspricht dem RDX® – Russian Depository Index (USD) (Bloomberg: RDXUSD) (der „**Index<sub>(i=2)</sub>**“), wie er von der Wiener Börse AG (der „**Index Sponsor<sub>(i=2)</sub>**“) verwaltet, berechnet und veröffentlicht wird,

der Basiswert<sub>(i=3)</sub> entspricht dem WisdomTree India Earnings Fund ETF (Bloomberg: EPI UP) (der „**Fondsanteil<sub>(i=1)</sub>**“) an dem Wisdom Tree India Earnings Fund (der „**Investmentfonds<sub>(i=1)</sub>**“), und

der Basiswert<sub>(i=4)</sub> entspricht dem iShares MSCI Brazil Index Fund ETF (Bloomberg: EWZ UP) (der „**Fondsanteil<sub>(i=2)</sub>**“) an dem iShares MSCI Brazil Index Fund (der „**Investmentfonds<sub>(i=2)</sub>**“).

Der Begriff „Basiswert“ bzw. „Index“ und „Index Sponsor“ bzw. „Fondsanteil“ und „Investmentfonds“ umfasst sämtliche Basiswerte<sub>(i=1)</sub> bis <sub>(i=4)</sub> bzw. sämtliche Indizes<sub>(i=1)</sub> bis <sub>(i=2)</sub> und sämtliche Index Sponsoren<sub>(i=1)</sub> bis <sub>(i=2)</sub> bzw. sämtliche Fondsanteile<sub>(i=1)</sub> bis <sub>(i=2)</sub> und sämtliche Investmentfonds<sub>(i=1)</sub> bis <sub>(i=2)</sub>.

In diesem Zusammenhang werden die dem Basiswert<sub>(i=1)</sub> bis <sub>(i=2)</sub> zugrunde liegenden Werte bzw. Komponenten jeweils als „**Einzelwert**“ bzw. die „**Einzelwerte**“ bezeichnet.

Zur Vermeidung des Einflusses von Währungsschwankungen in Bezug auf den jeweiligen Basiswert<sub>(i)</sub>, der in einer anderen Währung als der Auszahlungswährung notiert, wird der Kurs des Basiswerts auf einer quanto SEK Basis ausgedrückt, d.h. die Basiswährung für den Basiswert wird betragsmäßig als SEK-Kurs ohne Umrechnung in Bezug auf den Kurs des Basiswerts bzw. den Abrechnungskurs betrachtet (eine (1) Einheit der Basiswährung entspricht einer (1) Einheit SEK, „**Quanto SEK**“). /

*The Underlying<sub>(i=1)</sub> equals the Hang Seng China Enterprises Index (Bloomberg: HSCEI) (the “**Index<sub>(i=1)</sub>**“), as maintained, calculated and published by Hang Seng Indexes Company Limited (the “**Index Sponsor<sub>(i=1)</sub>**“),*

*the Underlying<sub>(i=2)</sub> equals the RDX® – Russian Depository Index (USD) (Bloomberg: RDXUSD) (the “**Index<sub>(i=2)</sub>**“), as maintained, calculated and published by Wiener Boerse AG (the “**Index Sponsor<sub>(i=2)</sub>**“),*

*the Underlying<sub>(i=3)</sub> equals the WisdomTree India Earnings Fund ETF (Bloomberg: EPI UP) (the “**Fund Unit<sub>(i=1)</sub>**“) in the Wisdom Tree India Earnings Fund (the “**Investment Fund<sub>(i=1)</sub>**“), and*

*the Underlying<sub>(i=4)</sub> equals the iShares MSCI Brazil Index Fund ETF (Bloomberg: EWZ UP) (the “**Fund Unit<sub>(i=2)</sub>**“) in the iShares MSCI Brazil Index Fund (the “**Investment Fund<sub>(i=2)</sub>**“).*

*The term “Underlying” or “Index” and “Index Sponsor” or “Fund Unit” and “Investment Fund”, as the case may be, shall also refer to all Underlyings<sub>(i=1)</sub> to <sub>(i=4)</sub> and to all Indices<sub>(i=1)</sub> to <sub>(i=2)</sub> and to all Index*

Sponsors<sub>(i=1)</sub> to <sub>(i=2)</sub>, and to all Fund Units<sub>(i=1)</sub> to <sub>(i=2)</sub> and to all Investment Funds<sub>(i=1)</sub> to <sub>(i=2)</sub>, as the case may be.

In this context, the individual underlying values or components of the Underlying<sub>(i=1)</sub> to <sub>(i=2)</sub> are referred to as a "**Component**" or, as the case may be, the "**Components**".

To avoid currency fluctuations in relation to the respective Underlying<sub>(i)</sub> that is denominated in a currency other than the Redemption Currency, the Price of the Underlying is expressed on a quanto SEK basis, i.e. the currency relating to the Underlying is considered according to amount as a SEK price without conversion in relation to the Price of the Underlying or the Settlement Price (one (1) unit of the Underlying Currency equals one (1) unit SEK, "**Quanto SEK**").

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

Der Basiswert-Berechnungstag steht

- in Bezug auf die Basiswerte<sub>(i=1)</sub> bis <sub>(i=2)</sub> für jeden Tag, an dem (i) der Index Sponsor den offiziellen Kurs für den Index bestimmt, berechnet und veröffentlicht und (ii) ein Handel bzw. eine Notierung in den dem Index zugrunde liegenden Einzelwerten, die mindestens 80 % der Marktkapitalisierung aller Einzelwerte des Index bzw. des Gesamtwerts des Index darstellen, an der Maßgeblichen Börse stattfindet, und
- in Bezug auf die Basiswerte<sub>(i=3)</sub> bis <sub>(i=4)</sub> für jeden Tag, an dem die Maßgebliche Börse für den Handel geöffnet ist. /

*The Underlying Calculation Date means*

- in relation to the Underlyings<sub>(i=1)</sub> to <sub>(i=2)</sub> each day, on which (i) the Index Sponsor determines, calculates and publishes the official price of the Index, and (ii) the Components, which are comprised in the Index are, to the extent of at least 80 % 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 on the Relevant Exchange, and
- in relation to the Underlyings<sub>(i=3)</sub> to <sub>(i=4)</sub> each day, on which the Relevant Exchange is open for trading.

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

13. Mai 2013 in Schweden /

13 May 2013 in Sweden

**Beobachtungstag / Observation  
Date:**

Der Beobachtungstag<sub>(k=1)</sub> steht für den 25. Juni 2014, der Beobachtungstag<sub>(k=2)</sub> steht für den 25. Juni 2015, der Beobachtungstag<sub>(k=3)</sub> steht für den 27. Juni 2016, der Beobachtungstag<sub>(k=4)</sub> steht für den 26. Juni 2017, und der Beobachtungstag<sub>(k=5)</sub> steht für den Verfalltag.

Der Begriff „Beobachtungstag“ umfasst sämtliche Beobachtungstage<sub>(k=1)</sub> bis <sub>(k=5)</sub>.

Falls einer dieser Tage kein Basiswert-Berechnungstag für einen Basiswert<sub>(i)</sub> ist, dann gilt der unmittelbar darauf folgende Basiswert-Berechnungstag als maßgeblicher Beobachtungstag für sämtliche Basiswerte. /

*The Observation Date<sub>(k=1)</sub> means 25 June 2014,  
the Observation Date<sub>(k=2)</sub> means 25 June 2015,*

the Observation Date<sub>(k=3)</sub> means 27 June 2016 ,  
the Observation Date<sub>(k=4)</sub> means 26 June 2017 ,and  
the Observation Date<sub>(k=5)</sub> means the Expiration Date.

The term "Observation Date" shall also refer to all Observation Dates<sub>(k=1)</sub> to <sub>(k=5)</sub>.

If one of these days is not an Underlying Calculation Date in relation to an Underlying<sub>(i)</sub>, the immediately succeeding Underlying Calculation Date is deemed to be the relevant Observation Date in relation to all Underlyings.

**Berechnungsstelle / Calculation Agent:**

Die Berechnungsstelle bezeichnet UBS Deutschland AG, Bockenheimer Landstraße 2–4, 60306 Frankfurt am Main, Bundesrepublik Deutschland. /

*The Calculation Agent means UBS Deutschland AG, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Federal Republic of Germany.*

**Bewertungstag / Valuation Date:**

Der Bewertungstag entspricht dem Verfalltag.

Falls dieser Tag kein Basiswert-Berechnungstag für einen Basiswert<sub>(i)</sub> ist, dann gilt der unmittelbar darauf folgende Basiswert-Berechnungstag als maßgeblicher Bewertungstag für sämtliche Basiswerte. /

*The Valuation Date means the Expiration Date.*

*If this day is not an Underlying Calculation Date in relation to an Underlying<sub>(i)</sub>, the immediately succeeding Underlying Calculation Date is deemed to be the relevant Valuation Date in relation to all Underlyings.*

**Bewertungszeit / Valuation Time:**

Die Bewertungszeit entspricht

- für die Basiswerte<sub>(i=1)</sub> bis <sub>(i=2)</sub> dem Zeitpunkt der offiziellen Bestimmung des Schlusskurses des jeweiligen Basiswerts<sub>(i)</sub> durch den Index Sponsor, und
- für die Basiswerte<sub>(i=3)</sub> bis <sub>(i=4)</sub> dem Zeitpunkt der offiziellen Bestimmung des Schlusskurses des jeweiligen Basiswerts<sub>(i)</sub>. /

*The Valuation Time equals*

- *in relation to the Underlyings<sub>(i=1)</sub> to <sub>(i=2)</sub> the time of official determination of the closing price of the respective Underlying<sub>(i)</sub> by the Index Sponsor, and*
- *in relation to the Underlyings<sub>(i=3)</sub> to <sub>(i=4)</sub> the time of official determination of the closing price of the respective Underlying<sub>(i)</sub>.*

**C. Clearingsystem / Clearing System:**

Clearingsystem steht für Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm, Schweden, in seiner Funktion als Zentralverwahrer gemäß dem schwedischen Financial Instruments Accounts Act (Schwed. lag (1998:1479) om kontoföring av finansiella instrument) oder jeden Nachfolger in dieser Funktion. /

*Clearing System means Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm, Sweden, in its capacity as central securities depositary under the Swedish Financial Instruments Accounts Act (Sw. lag (1998:1479) om kontoföring av finansiella instrument) or any*

*successor in this capacity.*

**CS-Regeln / CA Rules:**

CS-Regeln steht für das schwedische Gesetz für Finanzinstrumente (*lag (1998:1479) om kontoföring av finansiella instrument*) sowie für die Vorschriften und Verfahren, die auf das Clearingsystem Anwendung finden und/oder von diesem herausgegeben werden. /

*CA Rules means the Swedish Financial Instruments Accounts Act (lag (1998:1479) om kontoföring av finansiella instrument) as well as any regulation and operating procedure applicable to and/or issued by the Clearing System.*

**E.**

**Emissionsbegleiter / Issuing Agent:**

Der Emissionsbegleiter bezeichnet SEB Merchant Banking, Securities Services, S-106 40 Stockholm, Schweden, oder jeden Nachfolger in dieser Funktion. Solange ein Wertpapier ausstehend ist, wird es zu jeder Zeit einen Emissionsbegleiter geben, der unter den CS-Regeln in Bezug auf die Wertpapiere autorisiert ist. /

*The Issuing Agent means SEB Merchant Banking, Securities Services, S-106 40 Stockholm, Sweden, 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.*

**Emittentin / Issuer:**

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

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

**F.**

**Fälligkeitstag / Maturity Date:**

Der Fälligkeitstag entspricht dem zwölften Bankgeschäftstag (i) nach dem maßgeblichen Bewertungstag, (ii) im Fall eines vorzeitigen Verfalls nach dem Vorzeitigen Verfalltag und (iii) im Fall einer Kündigung bzw. einer Steuer-Kündigung durch die Emittentin nach § 7 a bzw. b der Bedingungen der Wertpapiere nach dem Kündigungstag bzw. nach dem Steuer-Kündigungstag. /

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

**Festlegungstag / Fixing Date:**

Der Festlegungstag bezeichnet den 25. Juni 2013.

Falls dieser Tag kein Basiswert-Berechnungstag für einen Basiswert<sup>(i)</sup> ist, dann gilt der unmittelbar darauf folgende Basiswert-Berechnungstag als Festlegungstag für sämtliche Basiswerte.



Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Festlegungstag entsprechend verschieben. /

*The Fixing Date means 25 June 2013.*

*If this day is not an Underlying Calculation Date in relation to an Underlying<sub>(i)</sub> the immediately succeeding Underlying Calculation Date is deemed to be the Fixing Date in relation to all Underlyings.*

*In the case of abbreviation or extension of the Subscription Period the Fixing Date may be changed accordingly.*

**Festlegungszeit / Fixing Time:**

Die Festlegungszeit entspricht

- für die Basiswerte<sub>(i=1)</sub> bis <sub>(i=2)</sub> dem Zeitpunkt der offiziellen Bestimmung des Schlusskurses des jeweiligen Basiswerts<sub>(i)</sub> durch den Index Sponsor, und
- für die Basiswerte<sub>(i=3)</sub> bis <sub>(i=4)</sub> dem Zeitpunkt der offiziellen Bestimmung des Schlusskurses des jeweiligen Basiswerts<sub>(i)</sub>. /

*The Fixing Time equals*

- *in relation to the Underlyings<sub>(i=1)</sub> to <sub>(i=2)</sub> the time of official determination of the closing price of the respective Underlying<sub>(i)</sub> by the Index Sponsor, and*
- *in relation to the Underlyings<sub>(i=3)</sub> to <sub>(i=4)</sub> the time of official determination of the closing price of the respective Underlying<sub>(i)</sub>.*

**G.  
Gesamtnennbetrag / Aggregate  
Nominal Amount:**

Der Gesamtnennbetrag entspricht SEK 50.000.000,00 (indikativ).

Der Gesamtnennbetrag wird am Festlegungstag festgelegt.\* /

*The Aggregate Nominal Amount equals SEK 50,000,000.00 (indicative).*

*The Aggregate Nominal Amount will be fixed on the Fixing Date.\*\**

**H.  
Hauptzahlstelle / Fiscal Agent:**

Die Hauptzahlstelle bezeichnet UBS Limited c/o UBS Deutschland AG, Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Bundesrepublik Deutschland. /

*The Fiscal Agent means UBS Limited c/o UBS Deutschland AG, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Federal Republic of Germany.*

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

Die Kleinste handelbare Einheit entspricht nominal SEK 10.000,00. /

*The Minimum Trading Size equals nominal SEK 10,000.00.*

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

Der Kurs des Basiswerts entspricht

- in Bezug auf die Basiswerte<sub>(i=1)</sub> bis <sub>(i=2)</sub> dem von dem Index Sponsor berechneten, festgestellten und veröffentlichten Schlusskurs des jeweiligen Basiswerts<sub>(i)</sub> und
- in Bezug auf die Basiswerte<sub>(i=3)</sub> bis <sub>(i=4)</sub> dem von der Maßgeblichen Börse berechneten und veröffentlichten Schlusskurs des jeweiligen

Basiswerts<sub>(i)</sub>. /

*The Price of the Underlying means*

- in relation to the Underlyings<sub>(i=1)</sub> to <sub>(i=2)</sub> the closing price of the respective Underlying<sub>(i)</sub> as calculated, determined and published by the Index Sponsor, and
- in relation to the Underlyings<sub>(i=3)</sub> to <sub>(i=4)</sub> the closing price of the respective Underlying<sub>(i)</sub> as calculated and published by the Relevant Exchange.

**L.**

**Laufzeit der Wertpapiere / *Term of the Securities:***

Die Laufzeit der Wertpapiere steht für den Zeitraum beginnend am Ausgabetag und endend am Verfalltag zur Bewertungszeit. /

*The Term of the Securities means the period, commencing on the Issue Date and ending on the Expiration Date at the Valuation Time.*

**M.**

**Manager / *Manager:***

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

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

**Maßgebliche Börse / *Relevant Exchange:***

Die Maßgebliche Börse bezeichnet

- in Bezug auf die Basiswerte<sub>(i=1)</sub> bis <sub>(i=2)</sub> die Börse(n), an (der) (denen) aufgrund der Bestimmung des Index Sponsors die im Index enthaltenen Einzelwerte gehandelt werden und
- in Bezug auf die Basiswerte<sub>(i=3)</sub> bis <sub>(i=4)</sub> die NYSE Arca. /

*The Relevant Exchange means*

- in relation to the Underlyings<sub>(i=1)</sub> to <sub>(i=2)</sub> the stock exchange(s) on which the Components comprised in the Index are traded, as determined by the Index Sponsor and
- in relation to the Underlyings<sub>(i=3)</sub> to <sub>(i=4)</sub> NYSE Arca.

**Maßgeblicher Basiswert / *Relevant Underlying:***

Der Maßgebliche Basiswert entspricht demjenigen Basiswert<sub>(i)</sub> mit der **geringsten** Wertentwicklung, bezogen auf den Abrechnungskurs im Verhältnis zum Referenz-Level. /

*The Relevant Underlying means the Underlying<sub>(i)</sub> with the **lowest** performance with respect to the Settlement Price in relation to the Reference Level.*

**Maßgebliche Terminbörse / *Relevant Futures and Options Exchange:***

Die Maßgebliche Terminbörse bezeichnet diejenige(n) Terminbörse(n), an (der) (denen) der umsatzstärkste Handel in Bezug auf Termin- oder Optionskontrakte auf den Basiswert stattfindet. /

*The Relevant Futures and Options Exchange means the futures and options exchange(s), on which futures and option contracts on the Underlying are primarily traded.*

**N.****Nennbetrag (Stückelung) /  
Nominal Amount (Denomination):**

Der Nennbetrag (Stückelung) je Wertpapier entspricht SEK 10.000,00. /

*The Nominal Amount (Denomination) per Security equals SEK 10,000.00.*

**R.****Referenz-Level / Reference Level:**

Der Referenz-Level<sub>(i)</sub> des Basiswerts<sub>(i)</sub> entspricht dem Kurs des Basiswerts<sub>(i)</sub> am Festlegungstag zur Festlegungszeit (eine (1) Einheit der Basiswährung entspricht einer (1) Einheit SEK, „**Quanto SEK**“).

Der Begriff „Referenz-Level“ umfasst sämtliche Referenz-Level<sub>(i=1)</sub> bis <sub>(i=4)</sub>.

Der Referenz-Level wird am Festlegungstag zur Festlegungszeit festgelegt.\* /

*The Reference Level<sub>(i)</sub> of the Underlying<sub>(i)</sub> equals the Price of the Underlying<sub>(i)</sub> at the Fixing Time on the Fixing Date (one (1) unit of the Underlying Currency equals one (1) unit SEK, “**Quanto SEK**”).*

*The term “Reference Level” shall also refer to all Reference Levels<sub>(i=1)</sub> to <sub>(i=4)</sub>.*

*The Reference Level will be fixed at the Fixing Time on the Fixing Date.\*\**

**V.****Verfalltag / Expiration Date:**

Der Verfalltag entspricht dem 25. Juni 2018. /

*The Expiration Date means 25 June 2018.*

**Verlustschwelle / Loss Threshold:**

Die Verlustschwelle<sub>(i)</sub> des Basiswerts<sub>(i)</sub> entspricht 60 % des Referenz-Level<sub>(i)</sub> des Basiswerts<sub>(i)</sub> (eine (1) Einheit der Basiswährung entspricht einer (1) Einheit SEK, „**Quanto SEK**“).

Der Begriff „Verlustschwelle“ umfasst sämtliche Verlustschwellen<sub>(i=1)</sub> bis <sub>(i=4)</sub>.

Die Verlustschwelle wird am Festlegungstag zur Festlegungszeit festgelegt.\* /

*The Loss Threshold<sub>(i)</sub> of the Underlying<sub>(i)</sub> equals 60 % of the Reference Level of the Underlying<sub>(i)</sub> (one (1) unit of the Underlying Currency equals one (1) unit SEK, “**Quanto SEK**”).*

*The term “Loss Threshold” shall also refer to all Loss Thresholds<sub>(i=1)</sub> to <sub>(i=4)</sub>.*

*The Loss Threshold will be fixed at the Fixing Time on the Fixing Date.\**

**W.****Wertpapiere / Securities:**

Wertpapiere bezeichnet die von der Emittentin im Umfang des Gesamtnennbetrags und in der Stückelung des Nennbetrags begebenen UBS Express Zertifikate.

Die Wertpapiere werden als nicht verkündete und dematerialisierte, zur Registrierung in Form von Bucheinträgen bei dem Clearingsystem vorgesehene Rechte ausgegeben; die Ausstellung effektiver

Wertpapiere ist ausgeschlossen. /

*Securities means the UBS Express Certificates issued by the Issuer in the Aggregate Nominal Amount and with the denomination of the Nominal Amount.*

*The Securities are being issued in uncertificated and dematerialised form to be registered in book-entry form at the Clearing System and will not be represented by definitive securities.*

**Wertpapier-Börse / Security Exchange:**

Wertpapier-Börse bezeichnet die NASDAQ OMX Stockholm AB. /

*Security Exchange means NASDAQ OMX Stockholm AB.*

**Wertpapier-Kenn-Nummern / Security Identification Codes:**

ISIN: SE0005188414, WKN: UA3CF6, Valor: 21246090 /

*ISIN: SE0005188414, WKN: UA3CF6, Valor: 21246090*

**Z.**

**Zahlstelle / Paying Agent:**

Die Zahlstelle bezeichnet die UBS Limited c/o UBS Deutschland AG, Bockenheimer Landstraße 2–4, 60306 Frankfurt am Main, Bundesrepublik Deutschland, und Skandinaviska Enskilda Banken, Stockholm (SEB), Rissneleden 110, S-106 40 Stockholm, Schweden. Der Begriff „Zahlstelle“ umfasst sämtliche Zahlstellen, einschließlich der Hauptzahlstelle. /

*The Paying Agent means UBS Limited c/o UBS Deutschland AG, Bockenheimer Landstrasse 2–4, 60306 Frankfurt am Main, Federal Republic of Germany, and Skandinaviska Enskilda Banken, Stockholm (SEB), Rissneleden 100, S-106 40 Stockholm, Sweden. The term “Paying Agent” shall also refer to all Paying Agents including the Fiscal Agent.*

**Zahltag bei Ausgabe / Initial Payment Date:**

Der Zahltag bei Ausgabe bezeichnet den 9. Juli 2013.

Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Zahltag bei Ausgabe entsprechend verschieben. /

*The Initial Payment Date means 9 July 2013.*

*In the case of abbreviation or extension of the Subscription Period the Initial Payment Date may be changed accordingly.*

**Zeichnungsfrist / Subscription Period:**

13. Mai bis 18. Juni 2013 (17:30 Uhr Ortszeit Stockholm).

Die Emittentin behält sich vor, die Zeichnungsfrist bei entsprechender Marktlage zu verkürzen oder zu verlängern. /

*13 May until 18 June 2013 (17:30 hrs local time Stockholm).*

*The Issuer reserves the right to earlier close or to extend the Subscription Period if market conditions so require.*

**Zusatzbetrag / Additional Amount:**

Der Zusatzbetrag<sub>(k=1)</sub> in Bezug auf den Beobachtungstag<sub>(k=1)</sub> entspricht 0,10 (indikativ),

der Zusatzbetrag<sub>(k=2)</sub> in Bezug auf den Beobachtungstag<sub>(k=2)</sub> entspricht 0,10 (indikativ),  
 der Zusatzbetrag<sub>(k=3)</sub> in Bezug auf den Beobachtungstag<sub>(k=3)</sub> entspricht 0,10 (indikativ),  
 der Zusatzbetrag<sub>(k=4)</sub> in Bezug auf den Beobachtungstag<sub>(k=4)</sub> entspricht 0,10 (indikativ), und  
 der Zusatzbetrag<sub>(k=5)</sub> in Bezug auf den Beobachtungstag<sub>(k=5)</sub> entspricht 0,50 (indikativ).

Der Begriff „Zusatzbetrag“ bezeichnet einen Faktor und umfasst sämtliche Zusatzbeträge<sub>(k=1)</sub> bis <sub>(k=5)</sub>.

Der Zusatzbetrag wird am Festlegungstag festgelegt. \* /

*The Additional Amount<sub>(k=1)</sub> in relation to the Observation Date<sub>(k=1)</sub> equals 0.10 (indicative),  
 the Additional Amount<sub>(k=2)</sub> in relation to the Observation Date<sub>(k=2)</sub> equals 0.10 (indicative),  
 the Additional Amount<sub>(k=3)</sub> in relation to the Observation Date<sub>(k=3)</sub> equals 0.10 (indicative),  
 the Additional Amount<sub>(k=4)</sub> in relation to the Observation Date<sub>(k=4)</sub> equals 0.10 (indicative), and  
 the Additional Amount<sub>(k=5)</sub> in relation to the Observation Date<sub>(k=5)</sub> equals 0.50 (indicative).*

*The term “Additional Amount” denotes a factor and shall also refer to all Additional Amounts<sub>(k=1)</sub> to <sub>(k=5)</sub>.*

*The Additional Amount will be fixed on the Fixing Date. \*\**

**Wertpapierbedingungen Teil 2: Besondere  
Wertpapierbedingungen**

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

**§ 1  
Wertpapierrecht**

- (1) Die Emittentin gewährt hiermit dem Wertpapiergläubiger (§ 4 (3)) von je einem (1) Wertpapier bezogen auf den Kurs der Basiswerte nach Maßgabe dieser Bedingungen das folgende Recht (das „**Wertpapierrecht**“):
- (a) Wenn der Kurs **sämtlicher** Basiswerte<sub>(i)</sub> an einem der Beobachtungstage<sub>(k)</sub>, der nicht zugleich dem Verfalltag entspricht, **gleich dem oder höher als der jeweilige Basispreis<sub>(i), (k)</sub>** ist, so verfallen die Wertpapiere vorzeitig an diesem Beobachtungstag<sub>(k)</sub> (der „**Vorzeitige Verfalltag**“) und der Wertpapiergläubiger hat das Recht, den Abrechnungsbetrag (wie nachfolgend definiert), gegebenenfalls kaufmännisch auf zwei Dezimalstellen gerundet, zu erhalten (der „**Auszahlungsbetrag**“). Der „**Abrechnungsbetrag**“ wird in Übereinstimmung mit folgender Formel berechnet:

$$N + (N \times k \times AP)$$

wobei gilt:

„**N**“ entspricht dem Nennbetrag,  
„**k**“ entspricht der Nummer des entsprechenden Beobachtungstags<sub>(k)</sub>, und  
„**AP**“ entspricht dem Zusatzbetrag<sub>(k)</sub> in Bezug auf den Beobachtungstag<sub>(k)</sub>.

- (b) Sind die Wertpapiere nicht vorzeitig an einem der vorhergehenden Beobachtungstage gemäß Absatz (a) verfallen und ist der Abrechnungskurs **sämtlicher** Basiswerte<sub>(i)</sub> **gleich dem bzw. höher als der jeweilige Basispreis<sub>(i), (k=5)</sub>**, hat der Wertpapiergläubiger das Recht, den Abrechnungsbetrag (wie nachfolgend definiert), gegebenenfalls kaufmännisch auf zwei Dezimalstellen gerundet, zu erhalten (ebenfalls der „**Auszahlungsbetrag**“). Der „**Abrechnungsbetrag**“ wird in Übereinstimmung mit folgender Formel berechnet:

$$N + (N \times AP)$$

wobei gilt:

„**N**“ entspricht dem Nennbetrag, und  
„**AP**“ entspricht dem Zusatzbetrag<sub>(k=5)</sub> in Bezug auf den Beobachtungstag<sub>(k=5)</sub>.

- (c) Sind die Wertpapiere nicht vorzeitig an einem der vorhergehenden Beobachtungstage gemäß Absatz (a) verfallen und ist der

**§ 1  
Security Right**

- (1) The Issuer hereby warrants to the Securityholder (§ 4 (3)) of each (1) Security relating to the Price of the Underlyings in accordance with these Conditions that such Securityholder shall have the following right (the „**Security Right**“):
- (a) If the Price of **all** Underlyings<sub>(i)</sub> on any of the Observation Dates<sub>(k)</sub>, which is not also the Expiration Date, is **equal to or higher than the respective Strike<sub>(i), (k)</sub>**, the Securities will expire on such Observation Date<sub>(k)</sub> (the „**Early Expiration Date**“) and the Securityholder is entitled to receive the Settlement Amount (as defined below) commercially rounded to two decimal places (the „**Redemption Amount**“).

The „**Settlement Amount**“ will be calculated in accordance with the following formula:

$$N + (N \times k \times AP)$$

Where:

„**N**“ equals the Nominal Amount,  
„**k**“ equals the number of the relevant Observation Date<sub>(k)</sub> and  
„**AP**“ equals the Additional Amount<sub>(k)</sub> in relation to the Observation Date<sub>(k)</sub>.

- (b) If the Securities did not expire early on any of the previous Observation Dates in accordance with paragraph (a) and if the Settlement Price of **all** Underlyings<sub>(i)</sub> is **equal to or higher than the respective Strike<sub>(i), (k=5)</sub>**, the Securityholder is entitled to receive the Settlement Amount (as defined below) commercially rounded to two decimal places (also the „**Redemption Amount**“).

The „**Settlement Amount**“ will be calculated in accordance with the following formula:

$$N + (N \times AP)$$

Where:

„**N**“ equals the Nominal Amount, and  
„**AP**“ equals the Additional Amount<sub>(k=5)</sub> in relation to the Observation Date<sub>(k=5)</sub>.

- (c) If the Securities did not expire early on any of the previous Observation Dates in accordance with paragraph (a) and if the

Abrechnungskurs **mindestens eines** Basiswerts<sup>(i)</sup> **kleiner als die jeweilige Verlustschwelle<sup>(i)</sup>**, hat der Wertpapiergläubiger das Recht, den Abrechnungsbetrag (wie nachfolgend definiert), gegebenenfalls auf zwei Dezimalstellen kaufmännisch gerundet, zu erhalten (der „**Auszahlungsbetrag**“).

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

$$\text{Nennbetrag} \times \frac{\text{Abrechnungskurs des Maßgeblichen Basiswerts}}{\text{Referenz - Level des Maßgeblichen Basiswerts}}$$

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

## § 2

*(Absichtlich freigelassen)*

## § 3

*(Absichtlich freigelassen)*

Settlement Price of **at least one** Underlying<sup>(i)</sup> is **lower than the respective Loss Threshold<sup>(i)</sup>**, the Securityholder is entitled to receive the Settlement Amount (as defined below) commercially rounded to two decimal places (the “**Redemption Amount**”).

The “**Settlement Amount**” is calculated in accordance with the following formula:

$$\text{Nominal Amount} \times \frac{\text{Settlement Price of the Relevant Underlying}}{\text{Reference Level of the Relevant Underlying}}$$

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

## § 2

*(Intentionally left blank)*

## § 3

*(Intentionally left blank)*

**Wertpapierbedingungen  
Wertpapierbedingungen**

**Teil 3: Allgemeine**

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

**§ 4**

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

- (1) Die Wertpapiere werden unverbrieft und dematerialisiert in Form von Bucheinträgen und registriert bei dem Clearingsystem gemäß den maßgeblichen CS-Regeln begeben. In Bezug auf die Wertpapiere werden keine effektiven Stücke wie vorläufige Globalurkunden, Dauerglobalurkunden oder Einzelurkunden ausgegeben. Die Emittentin ist berechtigt, von dem Clearingsystem auf Basis des Registers des Clearingsystems Informationen in Bezug auf die Wertpapiere zu erhalten, um ihren Verpflichtungen gemäß den Bedingungen nachzukommen.
- (2) Auf die Wertpapiere werden weder Zinsen noch Dividenden gezahlt.
- (3) **„Wertpapiergläubiger“** bezeichnet die Person, auf deren Namen ein Wertpapier bei dem Clearingsystem eingetragen ist (einschließlich eines ordnungsgemäß bevollmächtigten Stellvertreters, der als solcher für das jeweilige Wertpapier eingetragen ist), oder eine andere Person, die gemäß den CS-Regeln als Wertpapiergläubiger anerkannt ist; werden die jeweiligen Wertpapiere von einem ordnungsgemäß bevollmächtigten Stellvertreter gehalten, gilt der Stellvertreter als Wertpapiergläubiger. Der Wertpapiergläubiger wird in jeder Hinsicht von der Emittentin, dem Emissionsbegleiter und den Wertpapierstellen (§ 9 (1)) als Berechtigter und Begünstigter bezüglich der in den Wertpapieren repräsentierten Rechte behandelt.
- (4) Das Recht an den Wertpapieren wird durch eine gemäß den maßgeblichen CS-Regeln ausgeführte Übertragung zwischen den Kontoinhabern bei dem Clearingsystem übertragen.
- (5) Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt.

**§ 5**

**Tilgung; Vorlegungsfrist; Verjährung**

- (1) Die Emittentin wird, vorbehaltlich einer Marktstörung (§ 8 (3)), die Zahlung des Auszahlungs-

**§ 4**

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

- (1) 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 notes, such as global temporary or permanent notes or definitive notes will be issued in respect of the Securities. The Issuer shall be entitled to obtain from the Clearing System information based on the Clearing System's register regarding the Securities for the purpose of performing its obligations pursuant to the Conditions.
- (2) No interest and no dividends are payable on the Securities.
- (3) **“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, the Issuing Agent and the Security Agents (§ 9 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.
- (4) Title to the Securities will pass by transfer between accountholders at the Clearing System perfected in accordance with the relevant CA Rules.
- (5) The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

**§ 5**

**Settlement; Period of Presentation; Prescription**

- (1) The Issuer will, subject to a Market Disruption (§ 8 (3)), procure that the payment of the



betrags bzw. des Kündigungsbetrags oder des Steuer-Kündigungsbetrags (§ 7 a bzw. b) in der Auszahlungswährung am Fälligkeitstag gemäß den maßgeblichen CS-Regeln veranlassen. Zahlungen des Auszahlungsbetrags, des Kündigungsbetrags bzw. des Steuer-Kündigungsbetrags und/oder sonstige Zahlungen gemäß den Bedingungen erfolgen in Übereinstimmung mit den zu diesem Zeitpunkt geltenden maßgeblichen CS-Regeln.

- (2) Die Emittentin wird mit der vorstehend beschriebenen Leistung an das Clearingsystem von den ihr unter diesen Bedingungen der Wertpapiere obliegenden Tilgungsverpflichtungen bzw. sonstigen Zahlungs- oder Lieferverpflichtungen befreit.
- (3) Alle im Zusammenhang mit der Tilgung der Wertpapiere bzw. sonstigen Zahlungs- oder Lieferverpflichtungen unter diesen Bedingungen der Wertpapiere gegebenenfalls anfallenden Steuern, Abgaben und/oder Kosten sind von dem jeweiligen Wertpapiergläubiger zu tragen und zu zahlen. Die Emittentin und die Zahlstelle sind berechtigt, jedoch nicht verpflichtet, von den erforderlichen Leistungen unter diesen Bedingungen etwaige Steuern, Abgaben und/oder Kosten einzubehalten, die von dem Wertpapiergläubiger gemäß vorstehendem Satz zu zahlen sind.
- (4) Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 des deutschen Bürgerlichen Gesetzbuchs („**BGB**“) wird auf zehn Jahre verkürzt.
- (5) Die Emittentin kann zur Deckung ihrer Verpflichtungen aus den Wertpapieren einen Deckungsbestand unterhalten. Der Deckungsbestand kann dabei nach der Wahl und dem freien Ermessen der Emittentin insbesondere aus dem Basiswert bzw. aus den darin enthaltenen Einzelwerten bzw. aus Optionen auf die vorgenannten Werte bestehen. Den Wertpapiergläubigern stehen jedoch keine Rechte oder Ansprüche in Bezug auf einen etwaigen Deckungsbestand zu.

#### § 6 a

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

- (1) Sollte der Index als Basiswert endgültig nicht mehr vom Index Sponsor verwaltet, berechnet und veröffentlicht werden, ist die Emittentin berechtigt, den Index Sponsor durch eine Person, Gesellschaft oder Institution, die für die Berechnungsstelle und die Emittentin nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB) akzeptabel ist (der „**Nachfolge-Index Sponsor**“), zu ersetzen. In diesem Fall gilt dieser Nachfolge-Index Sponsor als Index Sponsor und jede in diesen Bedingungen enthaltene Bezugnahme auf den Index Sponsor als Bezugnahme auf den Nachfolge-Index Sponsor.

Redemption Amount or of the Termination Amount or of the Tax Termination Amount (§ 7 a or b), as the case may be, in the Redemption Currency occurs on the Maturity Date in accordance with the relevant CA Rules. Payments of the Redemption Amount, the Termination Amount or the Tax Termination Amount and/or any other amount payable under the Conditions, as the case may be, shall be made in accordance with the then applicable relevant CA Rules.

- (2) The Issuer shall be discharged from its redemption obligations or any other payment or delivery obligations under these Conditions of the Securities by delivery to the Clearing System in the manner described above.
- (3) All taxes, charges and/or expenses, if any, incurred in connection with the redemption of the Securities or any other payment or delivery obligations under these Conditions of the Securities shall be borne and paid by the relevant Securityholder. The Issuer and the Paying Agent, as the case may be, are entitled, but not obliged, to withhold from any required performance under these Conditions such taxes, charges and/or expenses as be paid by the Securityholder in accordance with the preceding sentence.
- (4) The period of presentation as established in § 801 section 1 sentence 1 of the German Civil Code (“**BGB**“) is reduced to ten years.
- (5) The Issuer may hold a coverage portfolio to cover its obligations under the Securities. The coverage portfolio may comprise the Underlying or the Components comprised therein, as the case may be, or options on these aforementioned assets, at the Issuer’s option and unrestricted discretion. However, the Securityholders are not entitled to any rights or claims with respect to any coverage portfolio.

#### § 6 a

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

- (1) If the Index used as the Underlying is ultimately not maintained, calculated and published by the Index Sponsor any longer, the Issuer shall be entitled to replace the Index Sponsor by a person, company or institution, which is acceptable to the Calculation Agent and the Issuer at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB) (the “**Successor Index Sponsor**“). In such case, the Successor Index Sponsor will be deemed to be the Index Sponsor and each reference in these Conditions to the Index Sponsor shall be deemed to refer to the Successor Index Sponsor.

- (2) Veränderungen in der Berechnung (einschließlich Bereinigungen) des Index oder der Zusammensetzung oder Gewichtung der Indexbestandteile, auf deren Grundlage der Basiswert berechnet wird, führen nicht zu einer Anpassung, es sei denn, dass das maßgebende Konzept und die Berechnung des Basiswerts infolge einer Veränderung (einschließlich einer Bereinigung) nach Auffassung der Emittentin und der Berechnungsstelle nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB) nicht mehr vergleichbar sind mit dem bisher maßgebenden Konzept oder der maßgebenden Berechnung des Index. Dies gilt insbesondere, wenn sich aufgrund irgendeiner Änderung trotz gleich bleibender Kurse der in dem Index enthaltenen Einzelwerte und ihrer Gewichtung eine wesentliche Änderung des Werts des Index ergibt. Eine Anpassung kann auch bei Aufhebung des Index und/oder seiner Ersetzung durch einen anderen Basiswert erfolgen. Zum Zweck einer Anpassung ermitteln die Emittentin und die Berechnungsstelle nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB) einen angepassten Wert je Einheit des Index, der bei der Bestimmung des Kurses des Basiswerts zugrunde gelegt wird und in seinem wirtschaftlichen Ergebnis der bisherigen Regelung entspricht, und bestimmen unter Berücksichtigung des Zeitpunkts der Veränderung den Tag, zu dem der angepasste Wert je Einheit des Index erstmals zugrunde zu legen ist. Der angepasste Wert je Einheit des Basiswerts sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.
- (2) Any changes in the calculation (including corrections) of the Index or of the composition or of the weighting of the Index components, on which the calculation of the Underlying is based, shall not lead to an adjustment unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), determine that the underlying concept and the calculation (including corrections) of the Underlying are no longer comparable to the underlying concept or calculation of the Index applicable prior to such change. This applies especially, if due to any change the Index value changes considerably, although the prices and weightings of the components included in the Index remain unchanged. Adjustments may also be made as a result of the termination of the Index and/or its substitution by another underlying.
- For the purpose of making any adjustments, the Issuer and the Calculation Agent shall at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB) determine an adjusted value per unit of the Index as the basis of the determination of the Price of the Underlying, which in its result corresponds with the economic result prior to this change, and shall, taking into account the time the change occurred, determine the day, on which the adjusted value per unit of the Index shall apply for the first time. The adjusted value per unit of the Underlying as well as the date of its first application shall be published without undue delay pursuant to § 11 of these Conditions.
- (3) Erlischt die Erlaubnis der Emittentin, den Index als Basiswert für die Zwecke der Wertpapiere zu verwenden oder wird der Index aufgehoben und/oder durch einen anderen Index ersetzt, legen die Emittentin und die Berechnungsstelle nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB), gegebenenfalls unter entsprechender Anpassung nach dem vorstehenden Absatz, fest, welcher Index künftig zugrunde zu legen ist (der „**Nachfolge-Basiswert**“). Der Nachfolge-Basiswert sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.
- (3) In the event that the authorisation of the Issuer to use the Index used as the Underlying for the purposes of the Securities is terminated or that the Index is terminated and/or replaced by another index, the Issuer and the Calculation Agent shall determine at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), after having made appropriate adjustments according to the paragraph above, which index shall be applicable in the future (the “**Successor Underlying**”). The Successor Underlying and the date it is applied for the first time shall be published without undue delay in accordance with § 11 of these Conditions.
- Any reference in these Conditions to the Underlying shall, to the extent appropriate, be deemed to refer to the Successor Underlying.
- Jede in diesen Bedingungen enthaltene Bezugnahme auf den Basiswert gilt dann, sofern es der Zusammenhang erlaubt, als Bezugnahme auf den Nachfolge-Basiswert.
- (4) Wenn der durch den Index Sponsor festgelegte und veröffentlichte Kurs des Index als Basiswerts im Nachhinein berichtigt wird, und die Berichtigung (der „**Berichtigte Kurs**“) von dem jeweiligen Index Sponsor nach der ursprünglichen Veröffentlichung, jedoch bis
- (4) In the event that the price of the Index used as the Underlying as determined and published by the Index Sponsor is subsequently corrected and the correction (the “**Corrected Price**”) is published by the Index Sponsor after the original publication, but until the Maturity Date

zum Fälligkeitstag (ausschließlich) bekanntgegeben und veröffentlicht wird, sind die Emittentin und die Berechnungsstelle berechtigt, nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB), unter Berücksichtigung des Berichtigten Kurses Anpassungen dieser Bedingungen vorzunehmen, um der Berichtigung Rechnung zu tragen. Die Anpassung sowie der Zeitpunkt ihrer erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

- (5) Anpassungen und Festlegungen nach den vorstehenden Absätzen werden durch die Emittentin nach billigem Ermessen (gemäß § 315 BGB) bzw. von der Berechnungsstelle nach billigem Ermessen (gemäß § 317 BGB), vorgenommen und von der Emittentin nach § 11 dieser Bedingungen bekannt gemacht. Anpassungen und Festlegungen sind (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten endgültig und bindend.
- (6) Das Recht der Emittentin zur Kündigung gemäß § 7 a bzw. b dieser Bedingungen bleibt hiervon unberührt.

#### § 6 b

##### Anpassungen; Nachfolge-Basiswert

- (1) Die Emittentin ist bei Vorliegen eines Potenziellen Anpassungsereignisses (§ 6 b (2)) in Bezug auf den Fondsanteil als Basiswert berechtigt, Anpassungen an Berechnungsmethoden, Werten oder Regelungen in Bezug auf die Wertpapiere vornehmen, die (nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) erforderlich werden, um dem Potenziellen Anpassungsereignis Rechnung zu tragen.
- (2) Ein „**Potenzielles Anpassungsereignis**“ bezeichnet folgende Maßnahmen in Bezug auf den Fondsanteil:
- (i) Umwandlung, Teilung bzw. Konsolidierung oder Reklassifizierung der Fondsanteile,
  - (ii) Vornahme von Ausschüttungen, die der üblichen Ausschüttungspolitik des Investmentfonds in Bezug auf die Fondsanteile widersprechen, oder
  - (iii) jedes sonstige ähnliche Ereignis, das sich nach Auffassung der Emittentin und der Berechnungsstelle nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB) mindernd oder konzentrierend auf den theoretischen Wert der Fondsanteile auswirken kann.
- (3) Die Emittentin ist dabei berechtigt, Anpassungen dieser Bedingungen insbesondere in der Weise und in dem Verhältnis vorzunehmen, wie entsprechende Anpassungen im Hinblick auf die an der Maßgeblichen Terminbörse gehandelten Options- und Termin-

(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 (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), to account for the correction. The adjustment and the date it is applied for the first time shall be published without undue delay in accordance with § 11 of these Conditions.

- (5) The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer at its reasonable discretion (pursuant to § 315 of the BGB) or, as the case may be, by the Calculation Agent (pursuant to § 317 of the BGB) and shall be published by the Issuer in accordance with § 11 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.
- (6) The Issuer's right of termination in accordance with § 7 a bzw. b of these Conditions remains unaffected.

#### § 6 b

##### Adjustments; Successor Underlying

- (1) In the case of the occurrence of a Potential Adjustment Event (§ 6 b (2)) in respect to the Fund Unit used as Underlying, 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 (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB) to be necessary to account for the Potential Adjustment Event.
- (2) A "**Potential Adjustment Event**" means any following measure in relation to the Fund Unit:
- (i) Conversion, subdivision, consolidation or reclassification of the Fund Units;
  - (ii) Payment of distributions, which contradict the standard distribution policy of the Investment Fund in relation to the Fund Units, or
  - (iii) any other event that may, in the Issuer's and the Calculation Agent's reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), have a diluting or concentrative effect on the Fund Units.
- (3) 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 traded on the Relevant Futures and

kontrakte auf den Fondsanteil als Basiswert (die „**Optionskontrakte**“,) vorgenommen werden, sofern der nachstehend bezeichnete Stichtag vor oder auf den Bewertungstag fällt.

Werden an der Maßgeblichen Terminbörse keine Optionskontrakte gehandelt, so wird die Emittentin die Anpassung in der Weise vornehmen, wie die Maßgebliche Terminbörse sie vornehmen würde, wenn entsprechende Optionskontrakte dort gehandelt werden würden.

Der „**Stichtag**“ ist der erste Handelstag an der Maßgeblichen Terminbörse, an dem die Optionskontrakte unter Berücksichtigung der erfolgten Anpassung gehandelt werden oder gehandelt werden würden, wenn entsprechende Optionskontrakte dort gehandelt werden würden.

- (4) Die Emittentin ist berechtigt, gegebenenfalls von den durch die Maßgebliche Terminbörse vorgenommenen Anpassungen abzuweichen, sofern die Emittentin dies für erforderlich hält, um Unterschiede zwischen diesen Wertpapieren und den an der Maßgeblichen Terminbörse gehandelten Optionskontrakten zu berücksichtigen. Unabhängig davon, ob und welche Anpassungen zu welchem Zeitpunkt tatsächlich an der Maßgeblichen Terminbörse erfolgen, kann die Emittentin Anpassungen mit dem Ziel vornehmen, die Wertpapiergläubiger wirtschaftlich soweit wie möglich so zu stellen, wie sie vor den Maßnahmen nach § 6 b (2) standen.
- (5) Bei Eintritt oder dem wahrscheinlichen Eintritt eines Ersetzungsgrunds (§ 6 b (6)) in Bezug auf den Fondsanteil als Basiswert können die Emittentin und die Berechnungsstelle, wenn sie nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB) der Ansicht sind, dass dieser Grund wesentlich ist und sich nachteilig auf den Fondsanteil auswirkt,
- (i) einen anderen Investmentfonds, der nach Ansicht der Emittentin und der Berechnungsstelle bei Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) eine ähnliche Strategie und Liquidität aufweist (ebenfalls der „**Nachfolge-Basiswert**“), auswählen und/oder
  - (ii) Anpassungen an Berechnungsmethoden, Werten oder Regelungen in Bezug auf die Wertpapiere vornehmen, die (nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) durch den Ersetzungsgrund erforderlich werden.
- (6) „**Ersetzungsgrund**“ bezeichnet einen der folgenden Umstände:
- (a) Die Anlagestrategie oder das Anlageziel des Investmentfonds (die „**Strategie**“) weicht wesentlich von der Strategie am Ausgabetag bzw. an dem Tag, zu dem der Basiswert nach diesen Bestimmungen angepasst wurde, oder von der Strategie,

Options Exchange (the „**Option Contracts**“) provided that the Record Date (as defined below) is prior to or on the Valuation Date.

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) 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).
- (5) If a Replacement Event (§ 6 b (6)) in respect of the Fund Unit used as the Underlying occurs or is likely to occur, the Issuer and the Calculation Agent may, if they determine at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), 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 (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB) 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 (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB) to be necessary to account for such Replacement Event.
- (6) „**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

die in dem Verkaufsprospekt oder anderen im Zusammenhang mit der Vermarktung des Investmentfonds erstellten Unterlagen (zusammen die „**Unterlagen**“) beschrieben wird, oder von den Regeln in Bezug auf den Investmentfonds ab.

- (b) Der Investmentfonds führt Gebühren oder Kosten, die dem Vermögen des Investmentfonds belastet werden, ein oder erhöht diese bzw. führt einen Ausgabeaufschlag oder eine Rücknahmegebühr ein.
- (c) Der Betrieb oder die Organisation des Investmentfonds (insbesondere Struktur, Verfahren oder Richtlinien) oder die Anwendung solcher Verfahren oder Richtlinien hat sich gegenüber dem Ausgabebetrag bzw. an dem Tag, zu dem der Basiswert nach diesen Bestimmungen angepasst wurde, geändert.
- (d) Der Investmentfonds oder sein Investment Manager unterliegt der Liquidation, Auflösung, Einstellung oder Zwangsvollstreckung, oder der Investment Manager deutet an, dass die Strategie nicht eingehalten werden wird oder beabsichtigt, empfiehlt oder initiiert die Liquidation, Auflösung oder Einstellung des Investmentfonds.
- (e) Der Investmentfonds oder sein Investment Manager oder Angestellte von diesen unterfallen der Überwachung oder Untersuchung einer Aufsichts- oder sonstigen Behörde oder werden unter Anklage oder Strafverfolgung gestellt.
- (f) Der Investmentfonds oder sein Investment Manager wird Partei einer gerichtlichen oder außergerichtlichen Auseinandersetzung.
- (g) Rücktritt, Kündigung, Aufhebung der Registrierung oder eine sonstige Veränderung in Bezug auf den Investment Manager des Investmentfonds oder eine Veränderung im Personal des Investment Managers oder der Dienstleistungsunternehmen des Investmentfonds.

Auf andere als die vorstehend bezeichneten Ereignisse, die nach Auffassung der Emittentin und der Berechnungsstelle nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB) in ihren wirtschaftlichen Auswirkungen diesen Ereignissen vergleichbar sind, und die Einfluss auf den rechnerischen Wert des Fondsanteils haben können, sind die beschriebenen Regeln entsprechend anzuwenden.

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

- (7) Im Fall der endgültigen Einstellung der Notierung oder des Handels des Fondsanteils als Basiswert an der Maßgeblichen Börse und des

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 (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), 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 shall, to the extent appropriate, be deemed to refer to the Successor Underlying.

- (7) If the quotation of or trading in the Fund Unit used as the Underlying on the Relevant Exchange is permanently discontinued while concurrently a

gleichzeitigen Bestehens oder des Beginns der Notierung oder des Handels an einer anderen Börse ist die Emittentin berechtigt, eine solche andere Börse durch Bekanntmachung gemäß § 11 dieser Bedingungen als neue maßgebliche Börse (die „**Ersatz-Börse**“) zu bestimmen, sofern die Emittentin die Wertpapiere nicht gemäß § 7 a dieser Bedingungen gekündigt hat. Im Fall einer solchen Ersetzung gilt jede in diesen Bedingungen enthaltene Bezugnahme auf die Maßgebliche Börse fortan als Bezugnahme auf die Ersatz-Börse. Die vorgenannte Anpassung wird spätestens nach Ablauf eines Monats nach der endgültigen Einstellung der Notierung oder des Handels des Fondsanteils als Basiswerts an der Maßgeblichen Börse gemäß § 11 dieser Bedingungen bekannt gemacht.

- (8) Wenn der durch die Maßgebliche Börse festgelegte und veröffentlichte Kurs des Fondsanteils als Basiswert im Nachhinein berichtigt wird, und die Berichtigung (der „**Berichtigte Kurs**“) von der Maßgeblichen Börse nach der ursprünglichen Veröffentlichung, jedoch bis zum Fälligkeitstag (ausschließlich) bekanntgegeben und veröffentlicht wird, sind die Emittentin und die Berechnungsstelle berechtigt, nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB), unter Berücksichtigung des Berichtigten Kurses Anpassungen dieser Bedingungen vorzunehmen, um der Berichtigung Rechnung zu tragen. Die Anpassung sowie der Zeitpunkt ihrer erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.
- (9) Anpassungen und Festlegungen nach den vorstehenden Absätzen werden durch die Emittentin nach billigem Ermessen (gemäß § 315 BGB) bzw. von der Berechnungsstelle nach billigem Ermessen (gemäß § 317 BGB), vorgenommen und von der Emittentin nach § 11 dieser Bedingungen bekannt gemacht. Anpassungen und Festlegungen sind (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten endgültig und bindend.
- (10) Anpassungen und Festlegungen treten zu dem Zeitpunkt in Kraft, zu dem entsprechende Anpassungen an der Maßgeblichen Terminbörse in Kraft treten oder in Kraft treten würden, wenn entsprechende Optionskontrakte dort gehandelt werden würden.
- (11) Das Recht der Emittentin zur Kündigung gemäß § 7 a bzw. b dieser Bedingungen bleibt hiervon unberührt.

### § 6 c

#### Anpassungen aufgrund der Europäischen Wirtschafts- und Währungsunion

- (1) Nimmt ein Land, unabhängig davon, ob ab

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 Stock Exchange**“) through publication in accordance with § 11 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 7 a 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 Stock Exchange. The adjustment described above shall be published in accordance with § 11 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) In the event that the Price of the Fund Unit used as the Underlying 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 (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), to account for the correction. The adjustment and the date it is applied for the first time shall be published without undue delay in accordance with § 11 of these Conditions.
- (9) The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer at its reasonable discretion (pursuant to § 315 of the BGB) or, as the case may be, by the Calculation Agent (pursuant to § 317 of the BGB) and shall be published by the Issuer in accordance with § 11 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.
- (10) 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.
- (11) The Issuer's right of termination in accordance with § 7 a or b of these Conditions remains unaffected.

### § 6 c

#### Adjustments due to the European Economic and Monetary Union

- (1) Where a country participates in the third stage of

1999 oder später, an der dritten Stufe der Europäischen Wirtschafts- und Währungsunion teil, sind die Emittentin und die Berechnungsstelle berechtigt, nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB) folgende Anpassungen dieser Bedingungen vorzunehmen:

(i) Ist die Auszahlungswährung unter diesen Bedingungen eine von Euro abweichende nationale Währungseinheit eines Landes, das an der dritten Stufe der Europäischen Wirtschafts- und Währungsunion beteiligt ist, unabhängig davon, ob ab 1999 oder später, dann gilt die Auszahlungswährung als ein Betrag in Euro, der aus der ursprünglichen Auszahlungswährung zum rechtlich festgesetzten Wechselkurs und unter Anwendung der rechtlich festgesetzten Rundungsregeln in Euro umgetauscht wurde.

Nach der Anpassung erfolgen sämtliche Zahlungen hinsichtlich der Wertpapiere in Euro, als ob in ihnen der Euro als Auszahlungswährung genannt wäre.

(ii) Ist in diesen Bedingungen ein Währungsumrechnungskurs angegeben oder gibt eine Bedingung eine Währung eines Landes an, das an der dritten Stufe der Europäischen Wirtschafts- und Währungsunion beteiligt ist, unabhängig davon, ob ab 1999 oder später, gelten der angegebene Währungsumrechnungskurs und/oder sonstige Währungsangaben in diesen Bedingungen als Angabe in Euro, oder, soweit ein Währungsumrechnungskurs angegeben ist, als Kurs für den Umtausch in oder aus Euro unter Zugrundelegung des rechtlich festgesetzten Wechselkurses.

(iii) Die Emittentin und die Berechnungsstelle können weitere Änderungen an diesen Bedingungen vornehmen, um diese ihrer Auffassung nach den dann gültigen Gepflogenheiten anzupassen, die für Instrumente mit Währungsangaben in Euro gelten.

(iv) Die Emittentin und die Berechnungsstelle können ferner solche Anpassungen dieser Bedingungen vornehmen, die sie nach billigem Ermessen (gemäß § 315 BGB bzw. § 317 BGB) für angebracht halten, um den Auswirkungen der dritten Stufe der Europäischen Wirtschafts- und Währungsunion gemäß dem Vertrag zur Gründung der Europäischen Gemeinschaft auf diese Bedingungen Rechnung zu tragen.

(2) Die Emittentin und die Wertpapierstellen (§ 9) haften weder gegenüber den Wertpapiergläubigern noch gegenüber sonstigen Personen für Provisionen, Kosten, Verluste oder Ausgaben, die aus oder in Verbindung mit der

the European Economic and Monetary Union, whether as from 1999 or after such date, 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), 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 (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB) 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) The Issuer and the Security Agents (§ 9) 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

Überweisung von Euro oder einer damit zusammenhängenden Währungsumrechnung oder Rundung von Beträgen entstehen.

- (3) Anpassungen und Festlegungen nach den vorstehenden Absätzen werden durch die Emittentin nach billigem Ermessen (gemäß § 315 BGB) bzw. von der Berechnungsstelle nach billigem Ermessen (gemäß § 317 BGB), vorgenommen und von der Emittentin nach § 11 dieser Bedingungen bekannt gemacht. Anpassungen und Festlegungen sind (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten endgültig und bindend.

#### § 7 a

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

- (1) Die Emittentin ist bei Vorliegen eines der nachstehenden Kündigungsereignisse, berechtigt, sämtliche, aber nicht einzelne Wertpapiere durch eine Bekanntmachung gemäß § 11 dieser Bedingungen (i) unter Angabe des Kalendertags, zu dem die Kündigung wirksam wird (der „**Kündigungstag**“), und (ii) unter Wahrung einer Kündigungsfrist von mindestens einem Kalendermonat vor dem jeweiligen Kündigungstag, zu kündigen und vorzeitig zu tilgen (die „**Kündigung**“).
- (2) Ein „**Kündigungsereignis**“ bezeichnet jedes der folgenden Ereignisse:
- (i) Die Ermittlung und/oder Veröffentlichung des Kurses des Index bzw. des Fondsanteils wird endgültig eingestellt, oder der Emittentin oder der Berechnungsstelle wird eine entsprechende Absicht bekannt.
  - (ii) Die Emittentin und die Berechnungsstelle sind nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) der Ansicht, dass eine Anpassung dieser Bedingungen, aus welchen Gründen auch immer, nicht möglich ist, oder dass eine Anpassung dieser Bedingungen kein wirtschaftlich vernünftiges Ergebnis erreichen würde.
  - (iii) Die Emittentin und die Berechnungsstelle sind nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) der Ansicht, dass eine sonstige erhebliche Änderung der Marktbedingungen an der Maßgeblichen Börse eingetreten ist.
  - (iv) Die Emittentin und die Berechnungsstelle sind nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) der Ansicht, dass eine Rechtsänderung und/oder Hedging-Störung und/oder Gestiegenen Hedging-Kosten vorliegen.

Dabei gilt  
„**Rechtsänderung**“ bedeutet, dass

in connection therewith.

- (3) The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer at its reasonable discretion (pursuant to § 315 of the BGB) or, as the case may be, by the Calculation Agent (pursuant to § 317 of the BGB) and shall be published by the Issuer in accordance with § 11 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.

#### § 7 a

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

- (1) The Issuer shall in the case of the occurrence of one of the following Termination Events, be entitled to terminate and redeem all but not some of the Securities by giving notice in accordance with § 11 of these Conditions (i) specifying the calendar day, on which the Termination becomes effective (the „**Termination Date**“), and (ii) subject to a notice period of at least one calendar month prior to the relevant Termination Date (the „**Termination**“).
- (2) A „**Termination Event**“ means any of the following events:
- (i) The determination and/or publication of the price of the Index or the Fund Unit, as the case may be, is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
  - (ii) It is, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), not possible, for whatever reason, to make adjustments to these Conditions or if an adjustment to these Conditions would not achieve a commercially reasonable result.
  - (iii) In the opinion of the Issuer and the Calculation Agent at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), another material change in the market conditions occurred in relation to the Relevant Exchange.
  - (iv) 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 Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging occurred.

In this context:  
„**Change in Law**“ means that, on or after the



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

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

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

- (3) Im Fall der Kündigung zahlt die Emittentin an jeden Wertpapiergläubiger bezüglich jedes von ihm gehaltenen Wertpapiers einen Geldbetrag in der Auszahlungswährung, der von der Berechnungsstelle gemäß § 317 BGB nach

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

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

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

- (3) In the case of Termination the Issuer shall pay to each Securityholder an amount in the Redemption Currency with respect to each Security it holds, which is determined by the Calculation Agent at its reasonable discretion

billigem Ermessen, gegebenenfalls unter Berücksichtigung des dann maßgeblichen Kurses des Basiswerts, als angemessener Marktpreis eines Wertpapiers bei Kündigung festgelegt wird (der „**Kündigungsbetrag**“).

**§ 7 b**  
**Steuern; Steuer-Kündigung**

- (1) Alle von der Emittentin nach diesen Bedingungen zahlbaren Beträge sind ohne Einbehalt oder Abzug an der Quelle von oder aufgrund von gegenwärtigen oder zukünftigen Steuern, Abgaben, Umlagen oder anderen behördlichen Abgaben irgendwelcher Art, die von oder in Jersey, dem Vereinigten Königreich oder von oder in den Ländern, in denen die Wertpapiere öffentlich angeboten werden, oder einer ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit erhoben werden („**Steuern**“) zu zahlen, es sei denn, ein solcher Einbehalt oder Abzug dieser Steuern ist gesetzlich vorgeschrieben. In diesem Fall zahlt die Emittentin, vorbehaltlich der nachfolgenden Regelungen, diejenigen zusätzlichen Beträge, die erforderlich sind, damit die Wertpapiergläubiger die Beträge erhalten, die sie ohne solche Steuern erhalten hätten.
- (2) Die Emittentin ist jedoch nicht verpflichtet, solche zusätzlichen Beträge zu zahlen:
- wenn ein Wertpapiergläubiger solchen Steuern auf die Wertpapiere wegen irgendeiner anderen Verbindung zu der Schweiz, Jersey, dem Vereinigten Königreich oder den Ländern, in denen die Wertpapiere öffentlich angeboten werden, als dem bloßen Eigentum oder dem Besitz der Wertpapiere unterliegt;
  - falls der Einbehalt oder Abzug der Steuern in Beziehung steht zu (i) einer Richtlinie oder Verordnung der Europäischen Union bezüglich der Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Schweiz, Jersey, das Vereinigte Königreich oder die Länder, in denen die Wertpapiere öffentlich angeboten werden, oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die der Umsetzung dieser Richtlinie, Verordnung oder Vereinbarung dient, dieser entspricht oder zur Anpassung an diese Richtlinie, Verordnung oder Vereinbarung eingeführt wurde;
  - wenn der Einbehalt oder Abzug der Steuern von dem Wertpapiergläubiger dadurch hätten vermieden werden können, dass er die Zahlungen auf die Wertpapiere, über eine andere Zahlstelle in einem EU-Mitgliedstaat zur Zahlung abgefordert hätte; oder
  - die aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital, oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge gemäß § 1

pursuant to § 317 of the BGB and, if applicable, considering the then prevailing Price of the Underlying, as the fair market price of a Security at the occurrence of Termination (the „**Termination Amount**“).

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

- (1) All amounts payable by the Issuer under these Conditions are payable without any withholding or deduction at source of any present or future taxes, duties, assessments or other government charges of any nature imposed by or in Jersey, the United Kingdom or by or in those countries, in which the Securities are publicly offered, or by any political subdivision or any authority thereof having power to tax („**Taxes**“), unless such withholding or deduction of such Taxes is required by law. In this latter case, the Issuer will, subject to the following provisions, pay such additional amounts as are necessary in order that the amounts received by the Securityholders equal the amounts they would have received in the absence of any such Taxes.
- (2) However, the Issuer will be not obliged to pay any such additional amounts:
- if a Securityholder is subject to such Taxes on the Securities due to any other relationship with Switzerland, Jersey, the United Kingdom or those countries, in which the Securities are publicly offered, than the mere ownership or possession of the Securities;
  - where such withholding or deduction of any such Taxes relates to (i) any European Union Directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Switzerland, Jersey, the United Kingdom, or those countries, in which the Securities are publicly offered, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding;
  - if the Securityholders may have avoided the withholding or deduction of any such Taxes by claiming payments on the Securities via another paying agent in a EU member state; or
  - that are payable as a result of any change in law that becomes effective more than 30 days after the relevant payment of principal becomes due or is duly provided for pursuant to § 1 of these Conditions, whichever occurs later.

dieser Bedingungen wirksam wird.

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

- (3) Die Emittentin ist jederzeit berechtigt, sämtliche Wertpapiere, jedoch nicht nur teilweise, mit einer Frist von nicht weniger als 30 Tagen und nicht mehr als 45 Tagen durch Mitteilung gemäß § 11 dieser Bedingungen und unter Angabe des Kalendertags, zu dem die Kündigung wirksam wird (der „**Steuer-Kündigungstag**“), zur Rückzahlung zu einem Geldbetrag je Wertpapier in der Auszahlungswährung, der von der Berechnungsstelle, gemäß § 317 BGB nach billigem Ermessen, gegebenenfalls unter Berücksichtigung des dann maßgeblichen Kurses des Basiswerts und der durch die Kündigung bei der Emittentin angefallenen Kosten, als angemessener Marktpreis eines Wertpapiers bei Kündigung festgelegt wird (der „**Steuer-Kündigungsbetrag**“), zu kündigen, falls:
- die Emittentin bei der nächsten Zahlung nach diesen Bedingungen verpflichtet ist oder verpflichtet sein wird, als Ergebnis einer Änderung oder Ergänzung in den Gesetzen oder Vorschriften in der Schweiz, Jersey, dem Vereinigten Königreich, oder in den Ländern, in denen die Wertpapiere öffentlich angeboten werden, oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit oder einer Änderung in der Anwendung oder Auslegung solcher Gesetze oder Vorschriften, die am oder nach dem Ausgabetag dieser Wertpapiere in Kraft tritt bzw. angewendet wird, zusätzliche Beträge nach diesem § 7 b dieser Bedingungen zu zahlen; und
  - die Emittentin das Erfordernis, solche zusätzlichen Beträge zahlen zu müssen, nicht durch nach eigenem Ermessen zumutbare Maßnahmen (nicht aber eine Ersetzung der Emittentin gemäß § 10 dieser Bedingungen) vermeiden kann.
- Eine solche Kündigung darf nicht früher als

None of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction (i) imposed on or in respect of any Securities pursuant to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) and the regulations promulgated thereunder (“**FATCA**”), the laws of Switzerland, Germany, Jersey, the United Kingdom, or those countries, in which the Securities are publicly offered, implementing FATCA, or any agreement between the Issuer and the United States or any authority thereof entered into for FATCA purposes, or (ii) imposed on or with respect to any “dividend equivalent” payment made pursuant to section 871 or 881 of the Code.

- (3) The Issuer is entitled at any time to redeem all, but not only some, of the Securities on giving no less than 30 and no more than 45 days notice pursuant to § 11 of these Conditions, specifying the calendar day, on which the Termination becomes effective (the “**Tax Termination Date**”), at an amount in the Redemption Currency with respect to each Security, which is determined by the Calculation Agent at its reasonable discretion pursuant to § 317 of the BGB and, if applicable, considering the then prevailing Price of the Underlying and the expenses of the Issuer caused by the Termination, as the fair market price of a Security at the occurrence of Termination (the “**Tax Termination Amount**”) if:
- the Issuer, on the occasion of the next payment is or will be required under these Conditions to pay additional amounts under this § 7 b of these Conditions on account of any change or amendment to the laws or regulations of Switzerland, Jersey, the United Kingdom, or those countries, in which the Securities are publicly offered, or any political subdivision or authority thereof with power to tax or any change in application or interpretation of such laws or regulations which change becomes effective or applicable on or after the Issue Date of these Securities; and
  - the Issuer cannot avoid the requirement to pay such additional amounts by any steps reasonably available to the Issuer at its own discretion (but not by any substitution of the Issuer pursuant to § 10 of these Conditions).
- Any such notice of redemption must not be given

90 Tage vor dem Datum erfolgen, an dem die Emittentin erstmals zusätzliche Beträge nach diesem § 7 b zu zahlen hätte.

any earlier than 90 days prior to the date on which the Issuer would initially be required to pay additional amounts pursuant to this § 7 b.

### § 8 Marktstörungen

- (1) Sind die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) der Ansicht, dass an dem Bewertungstag bzw. an einem der Beobachtungstage oder dem Festlegungstag eine Marktstörung (§ 8 (3)) vorliegt, dann wird der Bewertungstag bzw. der jeweilige Beobachtungstag oder der Festlegungstag für den jeweils betroffenen Basiswert<sub>(i)</sub> auf den unmittelbar darauf folgenden Basiswert-Berechnungstag, an dem keine Marktstörung mehr vorliegt, verschoben. Die Emittentin wird sich bemühen, den Beteiligten unverzüglich gemäß § 11 dieser Bedingungen mitzuteilen, dass eine Marktstörung eingetreten ist. Eine Pflicht zur Mitteilung besteht jedoch nicht.
- (2) Wenn der Bewertungstag bzw. ein Beobachtungstag aufgrund der Bestimmungen des § 8(1) um acht Basiswert-Berechnungstage verschoben worden ist und auch an diesem Tag die Marktstörung fortbesteht, dann gilt dieser Tag als der maßgebliche Bewertungstag bzw. Beobachtungstag für den jeweils betroffenen Basiswert<sub>(i)</sub>.  
Eine weitere Verschiebung findet nicht statt. Die Emittentin und die Berechnungsstelle werden dann nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) sowie unter Berücksichtigung (i) der dann herrschenden Marktgegebenheiten und (ii) sämtlicher sonstigen Konditionen bzw. Faktoren, die die Emittentin und die Berechnungsstelle angemessenerweise für bedeutsam halten, auf Grundlage der zuletzt erhältlichen Kurse des betroffenen Basiswerts<sub>(i)</sub> und, sofern anwendbar, der von dem Index Sponsor abgegebenen Schätzungen einen Kurs des betroffenen Basiswerts<sub>(i)</sub> in Bezug auf den verschobenen Bewertungstag bzw. Beobachtungstag schätzen. (Zur Klarstellung: Dieser Kurs kann auch Null (0) betragen.)  
Sind die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) der Ansicht, dass eine Schätzung des Kurses des betroffenen Basiswerts<sub>(i)</sub> aus welchen Gründen auch immer nicht möglich ist, dann werden die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) sowie unter Berücksichtigung (i) der dann herrschenden Marktgegebenheiten, (ii) sämtlicher sonstigen Konditionen bzw. Faktoren, die die Emittentin und die Berechnungsstelle angemessenerweise für bedeutsam halten und (iii) gegebenenfalls unter Berücksichtigung

### § 8 Market Disruptions

- (1) If, 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 Market Disruption (§ 8 (3)) prevails on the Valuation Date or on one of the Observation Dates or on the Fixing Date, as the case may be, the Valuation Date or the relevant Observation Date or the Fixing Date, as the case may be, in relation to the affected Underlying<sub>(i)</sub> shall be postponed to the next succeeding Underlying Calculation Date, on which no Market Disruption prevails. The Issuer shall endeavour to notify the parties pursuant to § 11 of these Conditions without delay of the occurrence of a Market Disruption. However, there is no notification obligation.
- (2) If the Valuation Date or an Observation Date, as the case may be, has been postponed, due to the provisions of § 8(1), by eight Underlying Calculation Dates, and if the Market Disruption continues to prevail on this day, this day shall be deemed to be the relevant Valuation Date or Observation Date, as the case may be, in relation to the affected Underlying<sub>(i)</sub>.  
No further postponement shall take place. The Issuer and the Calculation Agent will then, at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB) and taking into account (i) the market conditions then prevailing and (ii) such other conditions or factors as the Issuer and the Calculation Agent reasonably consider to be relevant, estimate the Price of the affected Underlying<sub>(i)</sub> in relation to the postponed Valuation Date or Observation Date, as the case may be, (which for the avoidance of doubt could be zero (0)) on the basis of the last announced Prices of the affected Underlying<sub>(i)</sub> and, if applicable, of any estimate given by the Index Sponsor.  
If, 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), an estimate of the Price of the affected Underlying<sub>(i)</sub> is, for whatsoever reason, not possible, the Issuer and the Calculation Agent will, at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB) and taking into account (i) the market conditions then prevailing, (ii) such other conditions or factors as the Issuer and the Calculation Agent reasonably consider to be relevant and (iii) the expenses of the Issuer, if any, caused by the Market Disruption, determine

sichtigung der durch die Marktstörung bei der Emittentin angefallenen Kosten, bestimmen, ob, und gegebenenfalls in welcher Höhe, die Emittentin einen Geldbetrag in der Auszahlungswährung zahlen wird. Auf diesen Geldbetrag finden die in diesen Bedingungen enthaltenen Bestimmungen über den Auszahlungsbetrag entsprechende Anwendung.

(3) Eine „**Marktstörung**“ bedeutet in Bezug auf einen Index als Basiswert bzw. auf sämtliche seiner Einzelwerte bzw. einen Fondsanteil als Basiswert:

(a) die Suspendierung oder das Ausbleiben der Bekanntgabe des Kurses des Basiswerts an einem für die Berechnung eines Auszahlungsbetrags, eines Kündigungsbetrags bzw. eines Steuer-Kündigungsbetrags maßgeblichen Basiswert-Berechnungstag, oder

(b) die Begrenzung, Suspendierung bzw. Unterbrechung oder, vorbehaltlich von Absatz (4), eine nach Auffassung der Emittentin und der Berechnungsstelle wesentliche Einschränkung des Handels

(i) an der Maßgeblichen Börse oder an der/den Börse(n) bzw. in dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, allgemein (sei es wegen Kursbewegungen, die die Grenzen des von der Maßgeblichen Börse oder der/den Börse(n) bzw. dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, Erlaubten überschreiten, oder aus sonstigen Gründen), oder

(ii) an der Maßgeblichen Börse oder an der/den Börse(n) bzw. in dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, in dem Index bzw. dem Fondsanteil bzw. in den Einzelwerten des Index an der Maßgeblichen Börse oder an der/den Börse(n) bzw. in dem Markt/den Märkten an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, sofern eine wesentliche Anzahl oder ein wesentlicher Anteil unter Berücksichtigung der Marktkapitalisierung betroffen ist (als wesentliche Anzahl bzw. wesentlicher Anteil gilt eine solche oder ein solcher von mehr als 20 %), (sei es wegen Kursbewegungen, die die Grenzen des von der Maßgeblichen Börse oder der/den Börse(n) bzw. dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, Erlaubten überschreiten, oder

whether and in which amount, if applicable, the Issuer will make payment of an amount in the Redemption Currency. The provisions of these Conditions relating to the Redemption Amount shall apply *mutatis mutandis* to such payment.

(3) A “**Market Disruption**” shall mean in relation to an index used as the Underlying or, as the case may be, in relation to each of its Components, or, as the case may be, a fund unit used as the Underlying:

(a) a suspension or a failure of the announcement of the Price of the Underlying on any Underlying Calculation Date relevant for determining the Redemption Amount, the Termination Amount or the Tax Termination Amount, as the case may be, or

(b) a limitation, suspension or disruption of or, subject to para. (4), a restriction imposed on trading, the latter of which the Issuer and the Calculation Agent consider significant,

(i) on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, in general (whether by movements in price exceeding limits permitted by the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded, or otherwise), or

(ii) on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, in the Index or, as the case may be, in the Fund Unit or, as the case may be, in the Components of the Index on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, provided that a major number or a major part in terms of market capitalisation is concerned (a number or part in excess of 20 % shall be deemed to be material), (whether by movements in price exceeding limits permitted by the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded, or otherwise), or

- aus sonstigen Gründen), oder
- (iii) an der Maßgeblichen Terminbörse, falls dort Optionskontrakte auf den Index bzw. auf den Fondsanteil bzw. auf die Einzelwerte gehandelt werden, oder
  - (iv) aufgrund einer Anordnung einer Behörde oder der Maßgeblichen Börse (sei es wegen Kursbewegungen, die die Grenzen des von der Maßgeblichen Börse Erlaubten überschreiten, oder aus sonstigen Gründen), bzw. aufgrund eines Moratoriums für Bankgeschäfte in dem Land, in dem die Maßgebliche Börse ansässig ist, oder aufgrund sonstiger Umstände.
- (c) Der maßgebliche Kurs ist ein Grenzpreis (*limit price*), was bedeutet, dass der für einen Tag ermittelte Kurs für den betroffenen Basiswert<sup>(i)</sup> den Kurs an dem unmittelbar vorangehenden Tag um den nach den Vorschriften der Maßgeblichen Börse oder der Börse(n) bzw. des Markts/der Märkte, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, zulässigen maximalen Umfang überschritten bzw. unterschritten hat.
- (d) Der Eintritt eines sonstigen Ereignisses, das nach Ansicht der Emittentin und der Berechnungsstelle nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) die allgemeine Möglichkeit von Marktteilnehmern beeinträchtigt oder behindert, Transaktionen in dem betroffenen Basiswert<sup>(i)</sup> bzw. dem jeweils betroffenen Einzelwert durchzuführen oder diesbezügliche Marktbewertungen zu erhalten.
- (4) Eine Verkürzung der regulären Handelszeiten oder eine Beschränkung der Stunden oder Anzahl der Tage, an denen ein Handel stattfindet, gilt nicht als Marktstörung, sofern die Einschränkung auf einer Änderung der regulären Handelszeiten der Maßgeblichen Börse beruht, die mindestens eine (1) Stunde vor (i) entweder dem tatsächlichen regulären Ende der Handelszeiten an der Maßgeblichen Börse oder (ii) dem Termin für die Abgabe von Handelsaufträgen zur Bearbeitung an dem betreffenden Tag an der Maßgeblichen Börse, je nachdem welcher Zeitpunkt früher ist, angekündigt worden ist. Eine im Laufe eines Tages auferlegte Beschränkung im Handel aufgrund von Preisbewegungen, die bestimmte vorgegebene Grenzen überschreiten, gilt nur dann als Marktstörung, wenn diese Beschränkung bis zum Ende der Handelszeit an dem betreffenden Tag fort dauert.
- (5) Das Bestehen einer Marktstörung vor dem Bewertungstag bzw. einem Beobachtungstag bleibt für die Feststellung des Erreichens,
- (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the Index or, as the case may be, on the Fund Unit or, as the case may be, on the Components are traded there, or
  - (iv) due to a directive of an authority or of the Relevant Exchange (whether by movements in price exceeding limits permitted by the Relevant Exchange or otherwise) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Exchange is located, or due to any other reasons whatsoever.
- (c) The relevant price is a "limit price", which means that the price for the affected Underlying<sup>(i)</sup> for a day has increased or decreased from the immediately preceding day's price by the maximum amount permitted under applicable rules of the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded.
- (d) The occurrence of any other event that, 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), disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the affected Underlying<sup>(i)</sup> 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.
- (5) The existence of a Market Disruption prior to the Valuation Date or an Observation Date, as the case may be, shall be disregarded when

Überschreitens oder Unterschreitens einer nach diesen Bedingungen maßgeblichen Schwelle oder Grenze unberücksichtigt.

determining reaching, exceeding or falling short of any threshold or limit, relevant under these Conditions.

### § 9

#### Berechnungsstelle; Zahlstelle

- (1) Die Berechnungsstelle und die Zahlstelle (die „**Wertpapierstellen**“) übernehmen diese Funktion jeweils in Übereinstimmung mit diesen Bedingungen. Jede der Wertpapierstellen haftet dafür, dass sie im Zusammenhang mit den Wertpapieren Handlungen bzw. Berechnungen vornimmt, nicht vornimmt oder nicht richtig vornimmt oder sonstige Maßnahmen trifft oder unterlässt nur, wenn und soweit sie jeweils die Sorgfalt eines ordentlichen Kaufmanns verletzt hat.
- (2) Jede der Wertpapierstellen handelt ausschließlich als Erfüllungsgehilfin der Emittentin und hat keinerlei Pflichten gegenüber dem Wertpapiergläubiger. Die Wertpapierstellen sind jeweils von den Beschränkungen des § 181 BGB befreit.
- (3) Die Emittentin ist berechtigt, jederzeit jede oder alle der Wertpapierstellen durch eine andere Gesellschaft zu ersetzen, eine oder mehrere zusätzliche Wertpapierstellen zu bestellen und deren Bestellung zu widerrufen. Ersetzung, Bestellung und Widerruf werden gemäß § 11 dieser Bedingungen bekannt gemacht.
- (4) Jede der Wertpapierstellen ist berechtigt, durch schriftliche Anzeige gegenüber der Emittentin jederzeit ihr Amt niederzulegen. Die Niederlegung wird nur wirksam mit der Bestellung einer anderen Gesellschaft als Berechnungsstelle bzw. als Zahlstelle durch die Emittentin. Niederlegung und Bestellung werden gemäß § 11 dieser Bedingungen bekannt gemacht.

### § 10

#### Ersetzung der Emittentin

- (1) Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Wertpapiergläubiger eine andere Gesellschaft der UBS Gruppe als Emittentin (die „**Neue Emittentin**“) hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Wertpapieren an die Stelle der Emittentin zu setzen, sofern
  - (i) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Wertpapieren übernimmt,
  - (ii) die Neue Emittentin alle etwa notwendigen Genehmigungen von den zuständigen Behörden erhalten hat, wonach die Neue Emittentin alle sich aus oder in Verbindung mit den Wertpapieren ergebenden Verpflichtungen erfüllen kann und Zahlungen ohne Einbehalt oder Abzug von irgendwelchen Steuern,

### § 9

#### Calculation Agent; Paying Agent

- (1) The Calculation Agent and the Paying Agent (the „**Security Agents**“) shall assume such role in accordance with these Conditions. Each of the Security Agents shall be liable for making, failing to make or incorrectly making any measure or calculations, as the case may be, or for taking or failing to take any other measures only if and insofar as they fail to exercise the due diligence of a prudent businessman.
- (2) Each of the Security Agents acts exclusively as vicarious agent of the Issuer and has no obligations to the Securityholder. Each of the Security Agents is exempt from the restrictions under § 181 of the BGB.
- (3) 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 § 11 of these Conditions.
- (4) Each of the Security Agents is entitled to resign at any time from its function upon prior written notice to the Issuer. Such resignation shall only become effective if another company is appointed by the Issuer as Calculation Agent or as Paying Agent, as the case may be. Resignation and appointment are notified in accordance with § 11 of these Conditions.

### § 10

#### Substitution of the Issuer

- (1) The Issuer is entitled at any time, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the „**New Issuer**“) with respect to all obligations under or in connection with the Securities, if
  - (i) the New Issuer assumes all obligations of the Issuer under or in connection with the Securities,
  - (ii) the New Issuer has obtained all necessary authorisations, if any, by the competent authorities, under which the New Issuer may perform all obligations arising under or in connection with the Securities and transfer payments to the Paying Agent without withholding or deduction of any taxes, charges or expenses,

- Abgaben oder Gebühren an die Zahlstelle transferieren darf,
- (iii) die Emittentin unbeding und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert, und
  - (iv) das Clearingsystem der Ersetzung zugestimmt hat, wobei die Zustimmung nicht mit einer unangemessenen Begründung verweigert oder zurückgehalten werden darf.
- (2) Im Falle einer solchen Ersetzung der Emittentin gilt jede in diesen Bedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen.
  - (3) Die Ersetzung der Emittentin ist für die Wertpapiergläubiger endgültig und bindend und wird den Wertpapiergläubigern unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

### **§ 11 Bekanntmachungen**

- (1) Bekanntmachungen, die die Wertpapiere betreffen, werden auf den Internetseiten der Emittentin unter [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) oder einer Nachfolgesseite veröffentlicht. Jede Mitteilung wird am Tag ihrer Veröffentlichung wirksam (oder im Fall von mehreren Veröffentlichungen am Tag der ersten solchen Veröffentlichung).
- (2) Soweit rechtlich zulässig ist die Emittentin berechtigt, Bekanntmachungen ausschließlich durch Mitteilung an das Clearingsystem zur Weiterleitung an die Wertpapiergläubiger (wie in den anwendbaren Vorschriften der Regelwerke des maßgeblichen Clearingsystems vorgesehen) zu bewirken, vorausgesetzt, dass in den Fällen, in denen die Wertpapiere an einer Wertpapier-Börse notiert sind, die anwendbaren Regeln dieser Wertpapier-Börse diese Form der Mitteilung zulassen. Bekanntmachungen durch Mitteilung an das Clearingsystem gelten am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als bewirkt.

### **§ 12 Begebung weiterer Wertpapiere; Ankauf; Einziehung; Entwertung**

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

- (iii) the Issuer unconditionally and irrevocably guarantees the obligations of the New Issuer, and
- (iv) the Clearing System has given its consent to the substitution which consent shall not be unreasonably withheld or delayed.

- (2) In the case of such a substitution of the Issuer, any reference in these Conditions to the Issuer shall forthwith be deemed to refer to the New Issuer.
- (3) The substitution of the Issuer shall be final, binding and conclusive on the Securityholders and will be published to the Securityholders without undue delay in accordance with § 11 of these Conditions.

### **§ 11 Publications**

- (1) Publications concerning the Securities will be published on the internet pages of the Issuer at [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest) or a successor address.

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) 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.

### **§ 12 Issue of further Securities; Purchase; Call; Cancellation**

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



können nach Wahl der Emittentin von ihr gehalten, erneut begeben, weiterverkauft oder entwertet werden.

- (3) Die Emittentin ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit ausstehende Wertpapiere einzuziehen und damit ihre Anzahl zu reduzieren.
- (4) Aufstockung bzw. Reduzierung der Wertpapiere werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.
- (5) Sämtliche vollständig zurückgezahlten Wertpapiere sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

### § 13 Sprache

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

### § 14 Anwendbares Recht; Anwendbares Recht in Bezug auf das Clearingsystem; Erfüllungsort; Gerichtsstand; Zustellungsbevollmächtigte; Korrekturen; Teilunwirksamkeit

- (1) Form und Inhalt der Wertpapiere sowie alle Rechte und Pflichten aus den in diesen Bedingungen geregelten Angelegenheiten bestimmen sich vorbehaltlich von § 14 (2), in jeder Hinsicht nach, und werden in Übereinstimmung ausgelegt mit, dem Recht der Bundesrepublik Deutschland.
- (2) Die Rechtswirkungen, die aus der Registrierung der Wertpapiere bei dem Clearingsystem folgen, unterliegen dem Recht des Schwedischen Königreichs gemäß § 4 (1), (3) und (4) dieser Bedingungen.
- (3) Der Gerichtsstand für alle Gerichtsverfahren, die sich aus oder im Zusammenhang mit den Wertpapieren ergeben, ist das Landgericht Frankfurt am Main; dementsprechend können alle Gerichtsverfahren vor diesem Gericht eingeleitet werden. Die Emittentin erkennt die Zuständigkeit des Landgerichts Frankfurt am Main unwiderruflich an und verzichtet auf die Einrede der mangelnden Zuständigkeit oder des *forum non conveniens* gegen Gerichtsverfahren vor diesem Gericht. Diese Anerkennung erfolgt zugunsten jedes Wertpapiergläubigers und beeinträchtigt nicht das Recht eines solchen Wertpapiergläubigers, ein Gerichtsverfahren vor einem anderen zuständigen Gericht einzuleiten, und die Einleitung eines Gerichtsverfahrens an einem oder mehreren Gerichtsständen schließt die (gleichzeitige oder nicht gleichzeitige) Einleitung eines Gerichtsverfahrens an einem anderen Gerichtsstand nicht aus.

option of the Issuer.

- (3) The Issuer is entitled at any time to call, without the consent of the Securityholders, outstanding Securities and to reduce their number.
- (4) Increase or reduction of Securities shall be notified without undue delay in accordance with § 11 of these Conditions.
- (5) All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

### § 13 Language

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

### § 14 Governing Law; Governing Law with respect to the Clearing System; Place of Performance; Place of Jurisdiction; Agent of Process; Corrections; Severability

- (1) The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall, subject to § 14 (2) in every respect be governed by, and shall be construed in accordance with, the laws of the Federal Republic of Germany.
- (2) The legal effects of registration of the Securities with the Clearing System will be governed by the laws of the Kingdom of Sweden pursuant to § 4 (1), (3) and (4) of these Conditions.
- (3) 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).

- (4) Die UBS AG, handelnd durch ihre Niederlassung London, in ihrer Funktion als Emittentin ernannt hiermit die UBS Deutschland AG, Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Bundesrepublik Deutschland, als Bevollmächtigte, an die innerhalb der Bundesrepublik Deutschland im Rahmen jedes Verfahrens aus oder im Zusammenhang mit den Wertpapieren die Zustellung bewirkt werden kann (die „**Zustellungsbevollmächtigte**“). Falls, aus welchem Grund auch immer, die Zustellungsbevollmächtigte diese Funktion nicht mehr ausübt oder keine Anschrift innerhalb der Bundesrepublik Deutschland mehr hat, verpflichtet sich die UBS AG, handelnd durch ihre Niederlassung London, eine Ersatz-Zustellungsbevollmächtigte in der Bundesrepublik Deutschland zu ernennen. Hiervon unberührt bleibt die Möglichkeit, die Zustellung in jeder anderen gesetzlich zulässigen Weise zu bewirken.
- (5) Die Emittentin ist berechtigt, an diesen Bedingungen, jeweils ohne die Zustimmung der Wertpapiergläubiger, in der Weise, die die Emittentin für notwendig hält, Änderungen oder Ergänzungen vorzunehmen, sofern die Änderungen oder Ergänzungen
- (i) formaler, geringfügiger oder technischer Natur ist; oder
  - (ii) zur Behebung eines offensichtlichen oder erwiesenen Fehlers erfolgt; oder
  - (iii) zur Behebung einer Mehrdeutigkeit oder zur Berichtigung oder Ergänzung fehlerhafter Bestimmungen dieser Bedingungen erfolgt; oder
  - (iv) zur Berichtigung eines Fehlers oder einer Auslassung erfolgt, wenn ohne eine solche Berichtigung die Bedingungen nicht die beabsichtigten Bedingungen, zu denen die Wertpapiere verkauft wurden und zu denen sie seitdem gehandelt werden, darstellen würden; oder
  - (v) keine wesentlichen nachteiligen Auswirkungen auf die Interessen der Wertpapiergläubiger in Bezug auf die Wertpapiere hat.
- Eine solche Änderung bzw. Ergänzung wird gemäß ihren Bestimmungen wirksam, ist für die Wertpapiergläubiger bindend und wird den Wertpapiergläubigern gemäß § 11 dieser Bedingungen bekannt gemacht (wobei jedoch eine versäumte Übermittlung einer solchen Mitteilung oder deren Nichterhalt die Wirksamkeit der betreffenden Änderung bzw. Ergänzung nicht beeinträchtigt).
- (6) Sollte eine Bestimmung dieser Bedingungen ganz oder teilweise unwirksam sein oder werden, so bleiben die übrigen Bestimmungen wirksam. Die unwirksame Bestimmung ist durch eine wirksame Bestimmung zu ersetzen, die den wirtschaftlichen Zwecken der unwirksamen Bestimmung so weit wie rechtlich möglich
- (4) UBS AG, acting through its London Branch, in its role as 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, UBS AG, acting through its London Branch, 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.
- (5) The Issuer is entitled to modify or amend, as the case may be, these Conditions in each case without the consent of the Securityholders in such manner as the Issuer deems necessary, if the modification or amendment
- (i) is of a formal, minor or technical nature; or
  - (ii) is made to cure a manifest or proven error; or
  - (iii) is made to cure any ambiguity; or is made to correct or supplement any defective provisions of these Conditions; or
  - (iv) is made to correct an error or omission such that, in the absence of such correction, the Conditions would not otherwise represent the intended terms of the Securities on which the Securities were sold and have since traded; or
  - (v) will not materially and adversely affect the interests of the Securityholders.
- Any modification or amendment of these Terms and Conditions shall take effect in accordance with its terms and be binding on the Securityholders, and shall be notified to the Securityholders in accordance with § 11 of these Conditions (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).
- (6) 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

entspricht. Entsprechendes gilt für etwaige these Conditions.  
Lücken in den Bedingungen.

## **INFORMATION ABOUT THE UNDERLYINGS**

The following information about the Underlyings comprises extracts or summaries of information publicly available. The Issuer confirms that such information has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **I. Description of the Hang Seng China Enterprises Index (Bloomberg: HSCEI)**

The Hang Seng China Enterprises Index ("**H-shares Index**") was launched on 8 August 1994 to track the performance of China enterprises listed in Hong Kong in the form of H shares.

The universe of the H-shares Index comprises all H-share companies that have their primary listing on the Main Board of the Hong Kong Stock Exchange (SEHK).

The H-shares Index adopts a freefloat-adjusted market capitalization weighted methodology with a 10 % cap on each constituent weighting. The 40 stocks that have the highest combined market capitalization ranking will be selected as constituents for the index.

The H-shares Index is reviewed quarterly.

Further information as well as information about the past performance and the volatility of the index can be obtained from the internet page [www.hsi.com.hk](http://www.hsi.com.hk).

### **Index Disclaimer**

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## **II. Description of the RDX® - Russian Depository Index (USD) (Bloomberg: RDXUSD)**

RDX is a free float weighted price index made up of Russian ADRs/GDRs traded at London Stock Exchange (Main Market, IOB). The index is calculated in EUR and USD and disseminated in real-time. The start level of RDX was set to 1,000 points as of 8 October 1997.

Name	ISIN	Bloomberg	Reuters	Calculation time CET
Russian Depository Index (EUR)	AT0000802079	RDX	.RDXEUR	9:15 - 17:00
Russian Depository Index (USD)	AT0000634076	RDXUSD	.RDXUSD	9:15 - 17:00

Further information as well as information about the past performance and the volatility of the index can be obtained from the internet page [www.wienerborse.at](http://www.wienerborse.at).

### **Disclaimer**

The **RDX® (Russian Depository Index)** was developed and is real-time calculated and published by Wiener Börse AG. The abbreviation of the index is protected by copyright law as trademarks. The RDX index description, rules and composition are available online on [www.indices.cc](http://www.indices.cc) - the index portal of Wiener Börse AG.

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## **III. Description of the WisdomTree India Earnings Fund ETF (Bloomberg: EPI UP)**

### **Fund Investment Objective**

WisdomTree India Earnings Fund seeks investment results that correspond to the price and yield performance, before fees and expenses, of the WisdomTree India Earnings Index.

### **Index Description**

The WisdomTree India Earnings Index is a fundamentally weighted index that measures the performance of profitable companies as of the annual index screening date incorporated and traded in India that are eligible to be purchased by foreign investors.

Companies are weighted in the Index based on their earnings in their fiscal year prior to the Index measurement date adjusted for a factor that takes into account shares available to foreign investors. For these purposes, earnings are determined using a company's net income.

Information about the past performance and the volatility of the WisdomTree India Earnings Fund ETF are available on [www.bloomberg.com](http://www.bloomberg.com).

### **Disclaimer**

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**IV. Description of the iShares MSCI Brazil Index Fund ETF (Bloomberg: EWZ UP)**

The iShares MSCI Brazil Index Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Brazilian market, as measured by the MSCI Brazil Index.

The MSCI Brazil Index seeks to measure the performance of the Brazilian equity market. It is a capitalization-weighted index that aims to capture 85 % of the (publicly available) total market capitalization. Component companies are adjusted for available float and must meet objective criteria for inclusion to the MSCI Brazil Index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. MSCI reviews their indexes quarterly.

Information about the past performance and the volatility of the iShares MSCI Brazil Index Fund ETF are available on [www.bloomberg.com](http://www.bloomberg.com).

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## **ISSUE, SALE AND OFFERING**

### **I. Issue and Sale**

It has been agreed that, on or after the respective Issue Date of the Securities (as defined in the section “Key Terms and Definitions of the Securities”) the Manager (as defined in the section “Key Terms and Definitions of the Securities”) shall underwrite the Securities by means of an underwriting agreement and shall place them for sale. The Securities will be offered on a continuous basis by the Issuer to the relevant Manager(s) and may be resold by the relevant Manager(s).

### **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 therefor. 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 (or any rights thereunder) have not been registered and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”); trading in these Securities has not and will not be approved by the United States Commodity Futures Trading Commission pursuant to the United States Commodity Exchange Act, as amended. 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.

#### 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 this 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) 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) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

## **II. Offering for Sale and Issue Price**

It has been agreed that, on or after the respective Issue Date of the Securities (as defined in the section "Key Terms and Definitions of the Securities"), the Manager(s) (as defined in the section "Key Terms and Definitions of the Securities") may purchase Securities and shall place the Securities for sale under terms subject to change. The Issue Price was fixed at the Start of public offer of the Securities. After closing of the Subscription Period the selling price will then be adjusted on a continual basis to reflect the prevailing market situation.

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

## **III. Subscription and Delivery of the Securities**

The Securities may be subscribed from the Manager(s) during normal banking hours within the Subscription Period (as defined in the section "Key Terms and Definitions of the Securities"). The Issue Price per Security is payable on the Initial Payment Date (as defined in the section "Key Terms and Definitions of the Securities").

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 (as defined in the section "Key Terms and Definitions of the Securities"). If the Subscription Period is shortened or extended, the Initial Payment Date may also be brought forward or postponed.



## **GENERAL INFORMATION**

### **I. General Note on the Base Prospectus**

The Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference and with the relevant Final Terms.

The Manager(s) (excluding the Issuer) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Base Prospectus.

No person has been authorised by the Issuer to issue any statement which is not consistent with or not contained in this document, any other document entered into in relation to the Base Prospectus or any information supplied by the Issuer or any information as in the public domain and, if issued, such statement may not be relied upon as having been authorised by the Issuer or the Managers.

### **II. Form, Governing Law and Status**

The Securities are cleared through Euroclear Sweden AB as the Clearing System and issued in uncertificated and dematerialised book-entry form, and registered at Euroclear Sweden AB in accordance with the relevant CA Rules. No physical notes, such as global temporary or permanent notes or definitive securities will be issued in respect of the Securities. The Securities are governed by German law, except for § 4 (1), (3) and (4) of the Conditions of the Securities which shall be governed by the laws of the Kingdom of Sweden.

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.

### **III. Listing of the Securities**

The Manager intends to apply for listing of the Securities on the Security Exchange.

### **IV. Authorisation**

The Issuer does not need to obtain (individual) authorisation from its Management Board to issue the Securities. There exists a general resolution for the issue of the Securities.

### **V. EEA-Passport**

For certain EEA States, the Issuer reserves the right to apply to the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"*) for a certificate of the approval of the Base Prospectus pursuant to Section 18 WpPG, in order to be able to publicly offer the Securities also in those countries and/or have them admitted to trading at an organised market (within the meaning of Directive 93/22/EEC) (the "**EEA Passport**"). 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.

### **VI. 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.

If, in the normal course of business, the Issuer trades in the Underlyings or in related options and futures contracts, or hedges the financial risks associated with the Securities by means of hedging transactions in the Underlyings or in related options or futures contracts, the Securityholders have no rights to or interests in the Underlyings or in related options or futures contracts.

**VII. 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 office of the Issuer:

- (a) the Articles of Association of UBS AG;
- (b) a copy of the Base Prospectus (together with any supplement including any Final Terms thereto);
- (c) a copy of the Annual Report of UBS AG as at 31 December 2012;
- (d) a copy of the Annual Report of UBS AG as at 31 December 2011; and
- (e) copies of the quarterly reports of UBS AG.

Copies of the documents referred to under (a) through (e) above 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 as well as at UBS Deutschland AG, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Federal Republic of Germany. In addition, any annual and quarterly reports of UBS AG are published on the UBS website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address.

**SIGNATORIES**

Signed on behalf of the Issuer,  
13 May 2013:

**UBS AG, acting through its London Branch**

By:

\_\_\_\_\_  
(signed by Sigrid Kossatz)

By:

\_\_\_\_\_  
(signed by Stefanie Zaromitidis)