

# Final Terms

dated 15 November 2010

in connection with the Base Prospectus dated 26 April 2010

of

**UBS AG, London Branch**

*(the London branch of UBS AG)*



for the issue of

**UBS Certificates with Barrier**

**based on a portfolio of three indices and a fund (ETF)**

**ISIN SE0003615889**

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 that are material to the Issuer, the Securities being offered, and the Underlyings (if any), 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. Terminology and expressions defined in the Conditions of the Securities shall have the same meaning when used herein. 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 carry out its business strategies and directly affect its business activities, financial condition, results of operations and prospects. 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 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.

#### **Potentially significant litigation risks**

The Issuer and other UBS Group companies operate in a legal and regulatory environment that exposes them to potentially significant litigation risks. As a result, UBS AG is involved in various disputes and legal proceedings, including litigation, arbitration, and regulatory and criminal investigations. Such cases are subject to many uncertainties, and their outcome often is difficult to predict, particularly in the earlier stages of a case. In certain circumstances, to avoid the expense and distraction of legal proceedings, UBS AG may based on a cost benefit analysis enter a settlement even though UBS AG denies any wrongdoing. UBS Group makes provisions for cases brought against it only when after seeking legal advice, in the opinion of management, it is probable that a liability exists, and the amount can be reasonably estimated. No provision is made for claims asserted against UBS Group that in the opinion of management are without merit and where it is not likely that UBS AG will be found liable.

#### **Negative 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 Moody's, Fitch and Standard & Poor's.

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

UBS' reputation has been severely damaged by its very large losses during the financial crisis and by the US cross-border matter. This has resulted in client attrition in different parts of UBS' business and has negatively affected UBS' financial performance. Restoring UBS' reputation is essential to maintaining UBS' relationships with clients, investors, regulators and the general public, as well as with UBS' employees. Accordingly, it is

critical to the success of UBS' strategic plans. Reputational damage is difficult to reverse. The process is slow and success can be difficult to measure. UBS has taken what it believes are very important steps to restore its reputation, but it is possible that it will take longer to repair than UBS expects, particularly if further events were to occur that cause additional damage to its reputation. Any failure to restore or further damage to UBS' reputation could have a material adverse effect on its operational results and financial condition. Even if UBS' reputation is restored, UBS may not progress quickly enough to achieve its medium-term goals.

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

In the wake of the recent financial crisis, regulators and legislators are actively considering a wide range of measures designed to address the perceived causes of the crisis and to limit the systemic risks posed by major financial institutions.

Potential changes include:

- significantly higher regulatory capital requirements,
- changes in the capital treatment of certain capital instruments issued by UBS and other banks,
- changes in the calculation of risk-weighted assets,
- new or significantly enhanced liquidity requirements,
- requirements to maintain liquidity and capital in multiple jurisdictions where activities are conducted,
- Limitations on principal trading activities,
- taxes and government fees that would effectively limit balance sheet growth,
- a variety of measures constraining, taxing or imposing additional requirements relating to compensation,
- requirements to adopt structural and other changes designed to make major financial institutions easier to wind down or disassemble,
- outright size limitations.

Notwithstanding attempts by regulators to coordinate their efforts, the proposals differ by jurisdiction, and enhanced regulation may be imposed in a manner that makes it more difficult to manage global institutions. Swiss authorities have expressed concern about the systemic risks posed by its two largest banks, particularly in relation to the size of the Swiss economy and governmental resources. This may lead to more stringent regulations applicable to major banks headquartered in Switzerland in comparison with those based elsewhere. The potential regulatory and legislative developments in Switzerland and in other jurisdictions in which UBS has operations may have a material adverse effect on UBS' ability to execute its strategic plans, on the profitability or viability of certain business lines globally or in particular locations, and on UBS' ability to compete with other financial institutions. They could also have an impact on UBS' legal structure or UBS' business model.

### **UBS is exposed to possible further reduction in client assets in its wealth management and asset management businesses**

In 2008 and 2009, UBS experienced substantial net outflows of client assets in its wealth management and asset management businesses. This resulted from a number of different factors, including UBS' substantial losses, the damage to its reputation, the loss of client advisors and developments concerning UBS' cross-border private banking business. As some of these factors can only be addressed over an extended period of time, UBS may continue to experience net outflows of client assets. This may adversely affect the results of UBS' wealth management and asset management businesses.

### **UBS holds proprietary risk positions that may be adversely affected by conditions in the financial markets**

UBS AG, like many 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 to a lesser extent in 2009. UBS has drastically reduced its risk exposures, in part due to transfers to a fund controlled

by the SNB. UBS does, however, continue to hold sizeable legacy risk positions that are exposed to the general systemic and counterparty risks that were exacerbated by the financial crisis. The illiquidity of most of these legacy risk positions is likely to make it increasingly difficult to reduce UBS' exposures to them.

During the market crisis, UBS incurred large losses (realized and mark to market) on its holdings of securities related to the US residential mortgage market. Although UBS' exposure to that market was reduced dramatically in 2008 and 2009, UBS remains exposed to a smaller degree to such losses, most notably through monoline-insured positions. Monoline insurers have been adversely affected by their exposure to US residential mortgage-linked products, and UBS has recorded large credit valuation adjustments on its claims against them. If the financial condition of monoline insurers or their perceived creditworthiness deteriorates further, UBS would have to record further material credit valuation adjustments on the CDSs bought from them.

The market dislocation also affected other asset classes. In 2008 and 2009, UBS recorded markdowns on other assets carried at fair value, including auction rate securities ("**ARS**"), leveraged finance commitments, commercial mortgages in the US and non-US mortgage-backed and asset-backed securities ("**ABS**"). UBS has a very large inventory of ARS, which is likely to increase as a result of its partially satisfied commitment to repurchase client-owned ARS. UBS holds positions related to real estate in countries other than the US, including a very substantial Swiss mortgage portfolio, and UBS could suffer losses on these positions. In addition, further market dislocation or continued weak financial conditions could result in further writedowns on UBS' assets carried at fair value or in the impairment of assets classified as or reclassified to loans or receivables. UBS is also 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.

### **Performance in the financial services industry depends on the economic climate**

The financial services industry prospers in conditions of economic growth, stable geopolitical conditions, capital markets that are transparent, liquid and buoyant and positive investor sentiment. An economic downturn, inflation or a severe financial crisis (as seen in 2008 and to a lesser extent in 2009) can negatively affect UBS' revenues and ultimately UBS' capital base.

A market downturn can be precipitated by a number of factors, including geopolitical events, changes in monetary or fiscal policy, trade imbalances, natural disasters, pandemics, civil unrest, war or terrorism. Because financial markets are global and highly interconnected, even local and regional events can have widespread impact well beyond the countries in which they occur. A crisis could develop, regionally or globally, as a result of disruptions in emerging markets which are susceptible to macroeconomic and geopolitical developments, or as a result of the failure of a major market participant. As UBS' presence and business in emerging markets increases, UBS becomes more exposed to these risks. Adverse developments of this kind have affected UBS' businesses in a number of ways, and may continue to have further adverse effects on UBS' businesses as follows:

- a general reduction in business activity and market volumes would affect fees, commissions and margins from market-making and customer-driven transactions and activities;
- a market downturn is likely to reduce the volume and valuations of assets UBS manages on behalf of clients, reducing UBS' asset- and performance-based fees;
- reduced market liquidity limits trading and arbitrage opportunities and impedes UBS' ability to manage risks, impacting both trading income and performance-based fees;
- assets UBS owns and accounts for as investments or trading positions could continue to 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, UBS could suffer losses from enforced default by counterparties, be unable to access its own assets, or be impeded in – or prevented from – managing its risks.

The developments mentioned above can affect the performance of both UBS' business units and of UBS as a whole. There is also a risk that the carrying value of goodwill of a business unit might suffer impairments and deferred tax assets levels may need to be adjusted.

In addition, interest rate increases triggered by central banks may adversely affect the economy and UBS' business and funding costs.

**UBS is dependent upon its risk management and control processes to avoid or limit potential losses in its 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' retail, wealth management and Investment Bank activities. This includes lending, underwriting and derivatives businesses and positions. Changes in interest rates, equity prices, foreign exchange levels and other market fluctuations can adversely affect UBS' earnings. Some losses from risk-taking Strategy, performance and responsibility activities are inevitable, but to be successful over time, UBS must balance the risks UBS takes against the returns it generates. UBS must therefore diligently identify, assess, manage and control its risks, not only in normal market conditions but also as they might develop under more extreme ("stressed") conditions, when concentrations of exposures can lead to severe losses.

As seen during the recent market crisis, UBS is not always able to prevent serious losses arising from extreme or sudden market events that are not anticipated by its risk measures and systems. Value-at-Risk ("VaR"), a statistical measure for market risk, is derived from historical market data, and thus by definition could not have predicted the losses seen in the stressed conditions in the past few years. 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 its risk management and control framework, UBS could suffer further losses in the future if, for example:

- UBS does not fully identify the risks in its portfolio, in particular risk concentrations and correlated risks;
- UBS' assessment of the risks identified or UBS' response to negative trends proves to be inadequate or incorrect;
- markets move in ways that are unexpected – in terms of their speed, direction, severity or correlation – and UBS' 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' models, and UBS accordingly suffers defaults and impairments beyond the level implied by its risk assessment; or
- collateral or other security provided by UBS' counterparties proves inadequate to cover their obligations at the time of their default.

UBS also manages risk on behalf of its clients in UBS' asset and wealth management businesses. UBS' 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 UBS sponsors in UBS' asset or wealth management business (such as the property fund to which Wealth Management & Swiss Bank 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 UBS manages, may also be affected by market risk factors. These investments are often not liquid and are generally 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' earnings.

**Valuations of certain assets rely on models. For some of the inputs to these models there is no observable source**

Where possible, UBS marks its trading book assets at their quoted market price in an active market. In the current environment, such price information is not available for certain instruments and UBS applies valuation techniques to measure such instruments. Valuation techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions of which some or all of the reference data are not observable or have limited observability, UBS uses valuation models with nonmarket observable inputs. There is no single market standard for valuation models in this area. Such models have inherent limitations; different assumptions and inputs would generate different results, and these differences could have a significant impact on UBS' 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 could have a material adverse effect on UBS' financial results.

### **Credit ratings and liquidity and funding management are critical to UBS' ongoing performance**

Moody's Investors Service, Fitch Ratings and Standard & Poor's lowered UBS' long-term credit rating several times in 2008 and 2009. Further reductions in UBS' credit rating could increase its funding costs, in particular with regard to funding from wholesale unsecured sources. Some of these downgrades have required UBS to make additional cash payments or post additional collateral, and additional reductions in the credit ratings could have similar effects. UBS' credit ratings also have an impact on the performance of its businesses. Along with UBS' capital strength and reputation, UBS' credit ratings contribute to maintaining client and counterparty confidence in UBS.

A substantial part of UBS' 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 these funding sources has generally been stable, but may change in the future due, among other things, to general market strategy, performance and responsibility disruptions. Any such change could occur quickly and without notice. UBS may be required to maintain substantially higher levels of liquidity than has been UBS' usual practice due to possible changes in regulatory requirements. This could have an adverse impact on the attractiveness of certain lines of business, particularly in the Investment Bank, and may reduce UBS' overall ability to generate profits.

### **UBS' capital strength is important in supporting its client franchise**

UBS' capital position, as measured by the BIS tier 1 and total capital ratios, is determined by (i) risk-weighted assets ("**RWAs**") (balance sheet, off-balance sheet and other market and operational risk positions, measured and risk-weighted according to regulatory criteria) and (ii) eligible capital. Both RWAs and eligible capital are subject to change. Eligible capital, for example, could experience a reduction resulting from financial losses, acquired goodwill or as a result of foreign exchange movements. RWAs, on the other hand, will be driven by UBS' business activities and by changes in the risk profile of these assets. They could furthermore be subject to a change in regulatory requirements or the interpretation thereof. For instance, substantial market volatility, a widening of credit spreads (the major driver of UBS' VaR), a change in regulatory treatment of certain positions, stronger foreign currencies, increased counterparty risk or a deterioration in the economic environment could result in a rise in RWAs or a change in capital requirements, thereby potentially reducing UBS' capital ratios. UBS is subject to regulatory capital requirements imposed by the Swiss Financial Market Supervisory Authority ("**FINMA**"), under which UBS has higher RWA than would be the case under BIS guidelines. Forthcoming changes in the calculation of RWAs under FINMA requirements are expected to increase the level of UBS' RWAs and therefore have an adverse effect on UBS' capital ratios. In addition, FINMA has introduced a minimum leverage ratio which is being progressively implemented and will be fully applicable in 2013. Changes by FINMA in the tier 1 and total capital requirements or in the leverage ratio requirement, whether pertaining to the minimum levels required for large Swiss banks or to the calculation thereof (including changes made to implement the proposed Basel III standards), could have a material adverse effect on UBS' business and ability to execute its strategic plans or pay dividends in the future.

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

All of UBS' businesses are dependent on its ability to process a large number of complex transactions across multiple and diverse markets in different currencies, and to comply with the requirements of the many different legal and regulatory regimes. UBS' operational risk management and control systems and processes are designed to help ensure that the risks associated with its activities, including those arising from process error, failed execution, unauthorized trading, fraud, systems failure and failure of security and physical protection, are appropriately controlled. If UBS' internal controls fail or prove ineffective in identifying and remedying such risks, UBS could suffer operational failures that might result in material losses.

### **Legal claims and regulatory risks and restrictions arise in the conduct of UBS' business**

In the ordinary course of UBS' business, UBS are subject to regulatory oversight and liability risk. UBS is involved in a variety of claims, disputes, legal proceedings and government investigations in jurisdictions where UBS is active. These types of 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' businesses. The outcome of these matters cannot be predicted and they could adversely affect UBS' future business. UBS continues to be subject to government inquiries and investigations, and is involved in a number of litigations and disputes related to the financial crisis. These matters concern, among other things, UBS' valuations, accounting classifications, disclosures, investment suitability, writedowns, underwriting and contractual obligations, as well as UBS' role as an underwriter in securities offerings for other issuers.

UBS has been in active dialogue with its regulators concerning remedial actions that UBS is taking to address deficiencies in its risk management and control, funding and certain other processes and systems. UBS will for some time be subject to increased scrutiny by FINMA and UBS' other major regulators, and accordingly will be subject to regulatory measures that might affect the implementation of its strategic plans.

In February 2009, UBS entered into a Deferred Prosecution Agreement ("DPA") with the US Department of Justice ("DOJ") and a Consent Order with the US Securities and Exchange Commission in connection with UBS' cross-border private banking services provided to US private clients. In addition, a petition for enforcement of a civil summons issued by the US Internal Revenue Service ("IRS"), seeking information concerning UBS' cross-border business, including records located in Switzerland, was filed by the civil division of the DOJ. In August 2009, UBS entered into a settlement agreement with the IRS and the DOJ. Pursuant to this agreement and a related agreement between the US and Switzerland, the summons enforcement proceeding will be dismissed if certain requirements are satisfied. It is not yet clear what effect, if any, the recent Swiss court decision prohibiting the provision of certain UBS client data to the IRS may have on UBS' 2009 settlements with US authorities and UBS' businesses.

Tax and regulatory authorities in a number of other jurisdictions have also requested information relating to the cross-border wealth management services provided by UBS and other financial institutions. These governmental actions, and UBS' responses to them, could adversely affect the future profitability of UBS' international wealth management businesses.

### **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 in their size and breadth. Barriers to entry in individual markets are being eroded by new technology. UBS expects these trends to continue and competition to increase in the future.

UBS' competitive strength and market position could be eroded if UBS is unable to identify market trends and developments, does not respond to them by devising and implementing adequate business strategies or is unable to attract or retain the qualified people needed to carry them out. The changes recently introduced in UBS' balance sheet management, funding framework and risk management and control, as well as possible new or enhanced regulatory requirements, may constrain the revenue contribution of certain lines of business. For example, parts of the Investment Bank's fixed income, currencies and commodities (FICC) business may be affected as they require substantial funding and are capital-intensive.

Following the losses incurred in 2008, UBS significantly reduced the variable compensation granted to its employees for that year. This and other factors adversely affected UBS' ability to retain and attract key employees, which in turn negatively affected UBS' revenues in a number of business lines in 2009. The amount of variable compensation granted for 2009 was higher than in 2008, but the portion of variable compensation granted in the form of deferred shares was much higher than in the past, and the percentage of compensation deferred was higher than that of most of UBS' competitors. UBS continues to be subject to the risk that key employees will be attracted by competitors and decide to leave UBS, or that UBS may be less successful than UBS' competitors in attracting qualified employees. This risk also arises in connection with the increasing legislation, regulation and regulatory pressure relating to remuneration in general and variable compensation in particular. Although this affects many if not all of the major banks, the constraints are likely to differ by jurisdiction and therefore less regulated competitors may tend to have an advantage.

### **UBS' global presence exposes UBS to risks arising from being subject to different regulatory, legal and tax regimes, as well as from currency fluctuation**

UBS operates in more than 50 countries, earn income and hold assets and liabilities in many different currencies and are subject to many different legal, tax and regulatory regimes.

UBS' ability to execute its global strategy depends on obtaining and maintaining local regulatory approvals. This includes the approval of acquisitions or other transactions and the ability to obtain and maintain the necessary licenses to operate in local markets. Changes in local tax laws or regulations and their enforcement may affect the ability or the willingness of UBS' clients to do business with the bank, or the viability of UBS' strategies and business model. In UBS' financial accounts UBS accrues taxes, but the final effect of taxes on earnings is only determined after the completion of tax audits (which generally takes a number of years) or the expiration of statutes of limitations. In addition, changes in tax laws, judicial interpretation of tax laws or policies and practices of tax authorities could cause the amount of taxes ultimately paid by UBS to differ materially from the amount accrued.

Because UBS prepares its accounts in Swiss francs and a substantial portion of its assets, liabilities, assets under management, revenues and expenses are denominated in other currencies, changes in foreign exchange rates, particularly between the Swiss franc and the US dollar and to a much lesser extent between the Swiss franc and the Euro and UK sterling (US dollar income represents the major part of UBS' non-Swiss-franc income), have an effect on UBS' reported income and shareholders' equity.

### **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 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 important risks are presented briefly 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 return of any such investment 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. 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 Redemption Amount in the Settlement Currency depending on the performance of the Underlyings (the "**Settlement Amount**") (the "**Security Right**").

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.

## **2. Further 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 an 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:

### **Extent of participation in the performance of the Underlyings**

The application of the Participation Factor within the determination of the Security Right results in the Securities being in economic terms similar to a direct investment in the Underlyings, but being nonetheless not fully comparable with such a direct investment, in particular because the Securityholders may not participate in the relevant performance by a 1:1 ratio, but by the proportion of the Participation Factor.

Accordingly the Securityholder participates in a **possible increase in the value** of the Underlyings under proportionally only due to the lower proportion of the Participation Factor or, as the case may be, in a **possible decrease in the value** of the Underlyings over proportionally due to the higher proportion of the Participation Factor.

### **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, with the **lowest** performance with respect to the relevant Settlement Price in relation to the relevant Strike Price.

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.

### **Effect of the application of certain thresholds or limits**

Prospective investors should furthermore consider that the level of the Settlement Amount, if any, under the Securities depends on whether the relevant Settlement Price of the Underlyings equals and/or falls below respectively exceeds the Barrier at a given time or within a given period as determined by the Terms and Conditions.

### **Currency exchange rate risk**

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

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

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

Potential investors in the Securities should furthermore be aware that the Issuer is at any time, *i.e.* even without the occurrence of a certain termination event, pursuant to the Conditions of the Securities, entitled to terminate and redeem the Securities in total prior to the Expiration Date. In case the Issuer terminates and redeems the Securities prior to the Expiration 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.

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 case of a termination the Issuer shall pay to each Securityholder an amount in the Settlement 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 Issuer 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 that 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 Issuer at its reasonable discretion as the fair market price of the Security at the occurrence of the termination - and, hence, the Termination Amount - can differ from the market price of comparable Securities relating to the Underlyings as determined by a third party.

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

#### **4. 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.

#### **5. Possible decline 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 negative performance of 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 are borne by the Securityholders.

#### **6. Adverse impact of adjustments of the Security Right**

In case of the occurrence of a potential adjustment event, the Issuer shall be entitled to effect adjustments according to the Conditions of the Securities. These adjustments might have a negative impact on the value of the Securities.

#### **7. 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.

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. If the Underlying comprises a basket of various assets, fluctuations in the value of any one asset may be offset or intensified by fluctuations in the value of other basket components. 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.

#### **8. Effect of ancillary costs**

Commissions and other transaction costs incurred in connection with the purchase or sale of Securities may result in charges, particularly in combination with a low order value, **which can substantially reduce any settlement 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.

## 9. **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.

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

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

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.**

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

The Securities are issued in uncertificated and dematerialised book-entry form, and registered at the Clearing Agent for clearance and settlement. 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 and may be transferred in the Minimum Trading Size, or an integral multiple thereof, only. Such transfer becoming effective upon registration of the transfer in the records of the Clearing Agent. Securityholders will have to rely on the procedures of the Clearing Agent 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 Agent information based on the Clearing Agent's register regarding the Securities for the purpose of performing its obligations pursuant to the Securities.

**The Issuer shall not be held liable under any circumstances for any acts and omissions of any Clearing Agent 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.**

## 12. **Pricing of Securities**

Unlike most other securities the pricing of these Securities is regularly not based on the principle of offer and demand in relation to Securities, since the secondary market traders might quote independent bid and offer prices. This price calculation is based on price calculation models prevailing in the market, whereas the theoretical value of the Securities is, in principle, determined on the basis of

the value of the 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.

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

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

**14. Borrowed funds**

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

**15. 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.

**16. 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.

## **RESPONSIBILITY STATEMENT**

UBS AG, having its registered offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basle, 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.

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 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 object of this Prospectus are the UBS Certificates with Barrier with the International Security Identification Number (as defined in the section entitled "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 entitled "Key Terms and Definitions of the Securities").

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

The Securities are each based on a portfolio of three indices and a fund (ETF) (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 entitled "Key Terms and Definitions of the Securities").

## 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<sub>Average</sub> / Settlement Price<sub>Average</sub>:**

Der Abrechnungskurs<sub>Average</sub> des Basiswerts<sub>(i)</sub> entspricht dem von der Berechnungsstelle ermittelten arithmetischen Durchschnitt der an jedem der Beobachtungstage<sub>(i)</sub> jeweils festgestellten Kurse des Basiswerts<sub>(i)</sub> zur Bewertungszeit multipliziert jeweils mit dem entsprechenden FX-Faktor<sub>End(i)(i)</sub> in Bezug auf den jeweiligen Beobachtungstag<sub>(i)</sub>. /

*The Settlement Price<sub>Average</sub> of the Underlying<sub>(i)</sub> equals the arithmetical average of the Prices of the Underlying<sub>(i)</sub> on each of the Observation Dates<sub>(i)</sub> at the Valuation Time, multiplied each with the relevant FX Factor<sub>End(i)(i)</sub> in relation to each Observation Date<sub>(i)</sub> as determined by the Calculation Agent.*

#### **Abrechnungskurs<sub>Maturity</sub> / Settlement Price<sub>Maturity</sub>:**

Der Abrechnungskurs<sub>Maturity</sub> des Basiswerts<sub>(i)</sub> entspricht dem Kurs des Basiswerts<sub>(i)</sub> am Beobachtungstag<sub>(j=13)</sub> zur Bewertungszeit, multipliziert mit dem FX-Faktor<sub>End(i)(j=13)</sub> in Bezug auf den Beobachtungstag<sub>(j=13)</sub>. /

*The Settlement Price<sub>Maturity</sub> of the Underlying<sub>(i)</sub> equals the Price of the Underlying<sub>(i)</sub> on the Observation Date<sub>(j=13)</sub> at the Valuation Time multiplied by the FX Factor<sub>End(i)(j=13)</sub> in relation to the Observation Date<sub>(j=13)</sub>.*

#### **Anwendbares Recht / Governing Law:**

Deutsches Recht /  
German Law

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

Der Ausgabepreis entspricht 110 % des Nennbetrags. /  
*The Issue Price equals 110 % of the Nominal Amount.*

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

Der Ausgabetag bezeichnet den 4. Februar 2011.

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

*The Issue Date means 4 February 2011.*

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

**Ausgabevolumen / Issue Size:**

Das Ausgabevolumen beträgt SEK 50.000.000,00 (indikativ).

Das Ausgabevolumen wird am Ende der Zeichnungsfrist in Abhängigkeit von der konkreten Nachfrage nach den Wertpapieren während der Zeichnungsfrist festgelegt.\* /

*The Issue Size means SEK 50,000,000.00 (indicative).*

*The Issue Size will be fixed at the end of the Subscription Period depending on the demand for the Securities during the Subscription Period.\*\**

**Auszahlungswährung / Settlement Currency:**

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

*The Settlement 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 die Clearingstelle 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 Agent settles securities dealings.*

**Barriere / Barrier:**

Die Barriere<sub>(i)</sub> beträgt 60 % des Basiskurses<sub>Start</sub> des Basiswerts<sub>(i)</sub>. /

*The Barrier<sub>(i)</sub> equals 60 % of the Strike Price<sub>Start</sub> of the Underlying<sub>(i)</sub>.*

**Basiskurs / Strike Price:**

Der Basiskurs des Basiswerts<sub>(i)</sub> entspricht dem Kurs des jeweiligen Basiswerts<sub>(i)</sub> am Festlegungstag zur Festlegungszeit.

Der Basiskurs des Basiswerts<sub>(i)</sub> wird am Festlegungstag zur Festlegungszeit festgelegt.\* /

*The Strike Price of the Underlying<sub>(i)</sub> equals the Price of the relevant Underlying<sub>(i)</sub> at the Fixing Time on the Fixing Date.*

*The Strike Price of the Underlying<sub>(i)</sub> will be fixed at the Fixing Time on the Fixing Date.\*\**

**Basiskurs<sub>Start</sub> / Strike Price<sub>Start</sub>:**

Der Basiskurs<sub>Start</sub> des Basiswerts<sub>(i)</sub> entspricht dem Basiskurs des jeweiligen

Basiswerts<sub>(i)</sub> multipliziert mit dem jeweiligen FX-Faktor<sub>Start(i)</sub>. /

*The Strike Price<sub>Start</sub> of the Underlying<sub>(i)</sub> equals the Strike Price of the relevant Underlying<sub>(i)</sub> multiplied with the relevant FX Factor<sub>Start(i)</sub>.*

### **Basiswerte / Underlyings:**

Der Basiswert<sub>(i=1)</sub> entspricht dem iShares MSCI Brazil Index Fund ETF (Bloomberg: EWZ UP) (der „**Fondsanteil**“) an dem iShares MSCI Brazil Index Fund (der „**Investmentfonds**“),

der Basiswert<sub>(i=2)</sub> entspricht dem RDX<sup>®</sup> – Russian Depositary Index (USD) (Bloomberg: RDXUSD) (der „**Index<sub>(i=1)</sub>**“), wie er von der Wiener Börse AG (der „**Index Sponsor<sub>(i=1)</sub>**“) verwaltet, berechnet und veröffentlicht wird,

der Basiswert<sub>(i=3)</sub> entspricht dem Hang Seng China Enterprises Index (Bloomberg: HSCEI) (der „**Index<sub>(i=2)</sub>**“), wie er von Hang Seng Indexes Company Limited (der „**Index Sponsor<sub>(i=2)</sub>**“) verwaltet, berechnet und veröffentlicht wird, und

der Basiswert<sub>(i=4)</sub> entspricht dem MSCI India Index<sup>SM</sup> (Bloomberg: MXIN) (der „**Index<sub>(i=3)</sub>**“), wie er von Morgan Stanley Capital International Inc. (der „**Index Sponsor<sub>(i=3)</sub>**“) verwaltet, berechnet und veröffentlicht wird.

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

Der Begriff „Basiswert“ bzw. „Index“ und „Index Sponsor“ umfasst sämtliche Basiswerte<sub>(i=1)</sub> bis <sub>(i=4)</sub> bzw. sämtliche Indizes<sub>(i=1)</sub> bis <sub>(i=3)</sub> und sämtliche Index Sponsoren<sub>(i=1)</sub> bis <sub>(i=3)</sub>. /

*The Underlying<sub>(i=1)</sub> equals the iShares MSCI Brazil Index Fund ETF (Bloomberg: EWZ UP) (the “**Fund Unit**“) in the iShares MSCI Brazil Index Fund (the “**Investment Fund**“),*

*the Underlying<sub>(i=2)</sub> equals the RDX<sup>®</sup> – Russian Depositary Index (USD) (Bloomberg: RDXUSD) (the “**Index<sub>(i=1)</sub>**“), as maintained, calculated and published by Wiener Boerse AG (the “**Index Sponsor<sub>(i=1)</sub>**“),*

*the Underlying<sub>(i=3)</sub> equals the Hang Seng China Enterprises Index (Bloomberg: HSCEI) (the “**Index<sub>(i=2)</sub>**“), as maintained, calculated and published by Hang Seng Indexes Company Limited (the “**Index Sponsor<sub>(i=2)</sub>**“), and*

*the Underlying<sub>(i=4)</sub> equals the MSCI India Index<sup>SM</sup> (Bloomberg: MXIN) (the “**Index<sub>(i=3)</sub>**“), as maintained, calculated and published by Morgan Stanley Capital International Inc. (the “**Index Sponsor<sub>(i=3)</sub>**“).*

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

*The term “Underlying“ or “Index“ and “Index Sponsor“, 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=3)</sub> and to all Index Sponsors<sub>(i=1)</sub> to <sub>(i=3)</sub>, as the case may be.*

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

Der Basiswert-Berechnungstag steht

- in Bezug auf den Basiswert<sub>(i=1)</sub> für jeden Tag, an dem die Maßgebliche Börse für den Handel geöffnet ist bzw. für jeden Tag, an dem der Administrator des Investmentfonds in Übereinstimmung mit den Gründungsdokumenten und dem Verkaufsprospekt des Investmentfonds den Nettoinventarwert für den Investmentfonds veröffentlicht, und
- in Bezug auf die Basiswerte<sub>(i=2)</sub> bis <sub>(i=4)</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. /

*The Underlying Calculation Date means*

- *in relation to Underlying<sub>(i=1)</sub> each day, on which the Relevant Exchange is open for trading or, as the case may be, each day on which the administrator of the Investment Fund publishes the Net Asset Value for such Investment Fund in accordance with the relevant Investment Fund's prospectus and constitutional documents, and*
- *in relation to Underlyings<sub>(i=2)</sub> to <sub>(i=4)</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.*

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

15. November 2010 in Schweden /

15 November 2010 in Sweden

**Beobachtungstag / Observation  
Date:**

Der Beobachtungstag steht für den jeweils 21. Kalendertag eines Kalendermonats, beginnend mit dem 21. Januar 2014 (einschließlich) (Beobachtungstag<sub>(j=1)</sub>) bis zum Verfalltag (einschließlich) (Beobachtungstag<sub>(j=13)</sub>).

Der Begriff „Beobachtungstag“ umfasst sämtliche Beobachtungstage<sub>(j=1)</sub> bis <sub>(j=13)</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 den betroffenen Basiswert<sub>(i)</sub>. /

*The Observation Date means each 21<sup>st</sup> day of a calendar month, beginning on 21 January 2014 (including) (Observation Date<sub>(j=1)</sub>) and ending on the Expiration Date (including) (Observation Date<sub>(j=13)</sub>).*

*The term "Observation Date" shall also refer to all Observation Dates<sub>(j=1)</sub> to <sub>(j=13)</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 the affected Underlying<sub>(i)</sub>.*

**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 maßgeblichen Beobachtungstag<sub>(i)</sub>. /

*The Valuation Date means the relevant Observation Date<sub>(i)</sub>.*

**Bewertungszeit / Valuation Time:**

Die Bewertungszeit entspricht

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

*The Valuation Time equals*

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

**C.**

**Clearingstelle / Clearing Agent:**

Clearingstelle steht für Euroclear Sweden AB, Regeringsgatan 65, S-103 97 Stockholm, Schweden, in ihrer 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 Agent means Euroclear Sweden AB, Regeringsgatan 65, S-103 97 Stockholm, Sweden, in its capacity as central securities depository under the Swedish Financial Instruments Accounts Act (Sw. lag (1998:1479) om kontoföring av finansiella instrument), or any successor in this capacity.*

**CS-Regeln / CA Rules:**

CS-Regeln steht für den schwedischen Financial Instruments Accounts Act (Schwed. lag (1998:1479) om kontoföring av finansiella instrument) sowie Vorschriften und Verfahren, die auf die Clearingstelle Anwendung finden und/oder von dieser herausgegeben werden. /

*CA Rules means the Swedish Financial Instruments Accounts Act (Sw. lag (1998:1479) om kontoföring av finansiella instrument), regulations and operating procedures applicable to and/or issued by the Clearing Agent.*

**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 in Schweden begebenes Wertpapier ausstehend ist, wird es zu jeder Zeit einen Emissionsbegleiter geben, der unter schwedischen CS-Regeln als solcher 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 there is any Swedish Security outstanding, there will at all times be an Issuing Agent duly authorised as such under the Swedish CA Rules, in respect of the relevant Swedish 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 Basle, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.*

**F.****Festlegungstag / Fixing Date:**

Der Festlegungstag bezeichnet den 21. Januar 2011.

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

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

*The Fixing Date means 21 January 2011.*

*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 the affected Underlying<sub>(i)</sub>.*

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

**Festlegungszeit / Fixing Time:**

Die Festlegungszeit entspricht

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

*The Fixing Time equals*

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

**FX-Faktor<sub>End(i)(j)</sub> / FX Factor<sub>End(i)(j)</sub>:**

Der FX-Faktor<sub>End(i)(j)</sub> wird in Bezug auf die Beobachtungstage<sub>(j=1)</sub> bis <sub>(j=12)</sub> an jedem der Beobachtungstage<sub>(j=1)</sub> bis <sub>(j=12)</sub> und in Bezug auf den Beobachtungstag<sub>(j=13)</sub> an dem dem Beobachtungstag<sub>(j=13)</sub> unmittelbar vorausgehenden Basiswert-Berechnungstag wie folgt bestimmt:

Der FX-Faktor<sub>End(i=1)(j)</sub> und der FX-Faktor<sub>End(i=2)(j)</sub> werden von der Berechnungsstelle nach Ausübung billigen Ermessens gemäß § 317 des deutschen Bürgerlichen Gesetzbuchs („**BGB**“), abzielend auf den US-Dollar/Schwedische Krone („**USD/SEK**“) Währungswechselkurs, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt, bestimmt.

Der FX-Faktor<sub>End(i=3)(j)</sub> wird von der Berechnungsstelle nach Ausübung billigen Ermessens gemäß § 317 BGB, abzielend auf den Hongkong Dollar/Schwedische Krone („**HKD/SEK**“) Währungswechselkurs, auf 4 Dezimalstellen kaufmännisch gerundet, wie folgt bestimmt:

- Division des USD/SEK Währungswechselkurses, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt, durch den US Dollar/Hongkong Dollar („**USD/HKD**“) Währungswechselkurs, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt.

Der FX-Faktor<sub>End(i=4)(j)</sub> wird von der Berechnungsstelle nach Ausübung billigen Ermessens gemäß § 317 BGB, abzielend auf den Indische Rupie/Schwedische Krone („**INR/SEK**“) Währungswechselkurs, auf 4 Dezimalstellen kaufmännisch gerundet, wie folgt bestimmt:

- Division des USD/SEK Währungswechselkurses, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt, durch den US-Dollar/Indische Rupie („**USD/INR**“) Währungswechselkurs, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt.

Der jeweilige FX-Faktor<sub>End(i)(j)</sub> wird ausgedrückt in Einheiten SEK je Einheit US-Dollar („**USD**“) bzw. Hongkong Dollar („**HKD**“) bzw. Indische Rupie („**INR**“).

Sollte ein Währungswechselkurs nicht in der vorgesehenen Art und Weise festgestellt oder angezeigt werden bzw. sollte eine Marktstörung (§ 8 (3) (b) (iv) der Wertpapierbedingungen) vorliegen, ist die Berechnungsstelle berechtigt, als maßgeblichen Währungswechselkurs einen auf der Basis der dann geltenden Marktusancen ermittelten Währungswechselkurs festzulegen. /

*The FX Factor<sub>End(i)(j)</sub> will be determined with respect to the Observation Dates<sub>(j=1)</sub> to <sub>(j=12)</sub> on each of the Observation Dates<sub>(j=1)</sub> to <sub>(j=12)</sub> and with respect to the Observation Date<sub>(j=13)</sub> on the Underlying Calculation Date immediately preceding the Observation Date<sub>(j=13)</sub> as follows:*

*The FX Factor<sub>End(i=1)(j)</sub> and the FX Factor<sub>End(i=2)(j)</sub> will be determined by the Calculation Agent at its reasonable discretion pursuant to § 317 of the German Civil Code (“**BGB**“) targeting the US Dollar/Swedish Krona (“**USD/SEK**“) currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page “WMCO 01” (or a substitute page thereof).*

The FX Factor<sub>End(i=3)(j)</sub> will be determined by the Calculation Agent at its reasonable discretion pursuant to § 317 of the BGB, targeting the Hong Kong Dollar/Swedish Krona ("**HKD/SEK**") currency exchange rate, commercially rounded to 4 decimal places, as follows:

- Division of the USD/SEK currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page "WMCO 01" (or a substitute page thereof) by the US Dollar/Hong Kong Dollar ("**USD/HKD**") currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page "WMCO 01" (or a substitute page thereof).

The FX Factor<sub>End(i=4)(j)</sub> will be determined by the Calculation Agent at its reasonable discretion pursuant to § 317 of the BGB, targeting the Indian Rupee/Swedish Krona ("**INR/SEK**") currency exchange rate, commercially rounded to 4 decimal places, as follows:

- Division of the USD/SEK currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page "WMCO 01" (or a substitute page thereof) by the US Dollar/Indian Rupee ("**USD/INR**") currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page "WMCO 01" (or a substitute page thereof).

The respective FX Factor<sub>End(i)(j)</sub> is expressed in units SEK per 1 unit US Dollar ("**USD**") or Hong Kong Dollar ("**HKD**") or Indian Rupee ("**INR**"), as the case may be.

If a currency exchange rate is not determined or quoted in the manner described above or in case of a Market Disruption (§ 8 (3) (b) (iv) of the Terms and Conditions of the Securities), the Calculation Agent shall be entitled to identify a currency exchange rate, determined on the basis of the then prevailing market customs.

#### **FX-Faktor<sub>Start(i)</sub> / FX Factor<sub>Start(i)</sub>:**

Der FX-Faktor<sub>Start(i)</sub> wird am Festlegungstag wie folgt bestimmt:

Der FX-Faktor<sub>Start(i=1)</sub> und der FX-Faktor<sub>Start(i=2)</sub> werden von der Berechnungsstelle nach Ausübung billigen Ermessens gemäß § 317 BGB, abzielend auf den US-Dollar/Schwedische Krone ("**USD/SEK**") Währungswechselkurs, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt, bestimmt.

Der FX-Faktor<sub>Start(i=3)</sub> wird von der Berechnungsstelle nach Ausübung billigen Ermessens gemäß § 317 BGB, abzielend auf den Hongkong Dollar/Schwedische Krone ("**HKD/SEK**") Währungswechselkurs, auf 4 Dezimalstellen kaufmännisch gerundet, wie folgt bestimmt:

- Division des USD/SEK Währungswechselkurses, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt, durch den US Dollar/Hongkong Dollar ("**USD/HKD**") Währungswechselkurs, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt.

Der FX-Faktor<sub>Start(i=4)</sub> wird von der Berechnungsstelle nach Ausübung billigen Ermessens gemäß § 317 BGB, abzielend auf den Indische Rupie/Schwedische Krone ("**INR/SEK**") Währungswechselkurs, auf 4 Dezimalstellen kaufmännisch gerundet, wie folgt bestimmt:

- Division des USD/SEK Währungswechselkurses, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt, durch den US-Dollar/Indische Rupie („**USD/INR**“) Währungswechselkurs, wie er sich aus dem Fixing (Mid) um 16:00 Uhr GMT auf der Bloomberg-Seite „WMCO 01“ (oder eine diese Seite ersetzende Seite) ergibt.

Der jeweilige FX-Faktor<sub>Start(i)</sub> wird ausgedrückt in Einheiten SEK je Einheit US-Dollar („**USD**“) bzw. Hongkong Dollar („**HKD**“) bzw. Indische Rupie („**INR**“).

Sollte ein Währungswechselkurs nicht in der vorgesehenen Art und Weise festgestellt oder angezeigt werden bzw. sollte eine Marktstörung (§ 8 (3) (b) (iv) der Wertpapierbedingungen) vorliegen, ist die Berechnungsstelle berechtigt, als maßgeblichen Währungswechselkurs einen auf der Basis der dann geltenden Marktusancen ermittelten Währungswechselkurs festzulegen. /

*The FX-Faktor<sub>Start(i)</sub> will be determined on the Fixing Date as follows:*

*The FX Factor<sub>Start(i=1)</sub> and the FX Factor<sub>Start(i=2)</sub> will be determined by the Calculation Agent at its reasonable discretion pursuant to § 317 of the BGB targeting the US Dollar/Swedish Krona (“**USD/SEK**“) currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page “WMCO 01” (or a substitute page thereof).*

*The FX Factor<sub>Start(i=3)</sub> will be determined by the Calculation Agent at its reasonable discretion pursuant to § 317 of the BGB, targeting the Hong Kong Dollar/Swedish Krona (“**HKD/SEK**“) currency exchange rate, commercially rounded to 4 decimal places, as follows:*

- *Division of the USD/SEK currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page “WMCO 01” (or a substitute page thereof) by the US Dollar/Hong Kong Dollar (“**USD/HKD**“) currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page “WMCO 01” (or a substitute page thereof).*

*The FX Factor<sub>Start(i=4)</sub> will be determined by the Calculation Agent at its reasonable discretion pursuant to § 317 of the BGB, targeting the Indian Rupee/Swedish Krona (“**INR/SEK**“) currency exchange rate, commercially rounded to 4 decimal places, as follows:*

- *Division of the USD/SEK currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page “WMCO 01” (or a substitute page thereof) by the US Dollar/Indian Rupee (“**USD/INR**“) currency exchange rate as derived from the fixing (Mid) at 16:00 hrs GMT on Bloomberg page “WMCO 01” (or a substitute page thereof).*

*The respective FX Factor<sub>Start(i)</sub> is expressed in units SEK per 1 unit US Dollar (“**USD**“) or Hong Kong Dollar (“**HKD**“) or Indian Rupee (“**INR**“), as the case may be.*

*If a currency exchange rate is not determined or quoted in the manner described above or in case of a Market Disruption (§ 8 (3) (b) (iv) of the Terms and Conditions of the Securities), the Calculation Agent shall be entitled to identify a currency exchange rate, determined on the basis of the then prevailing market customs.*

- G.**  
**Gesamtnennbetrag / Aggregate Nominal Amount:**
- Der Gesamtnennbetrag entspricht dem Ausgabevolumen. /  
*The Aggregate Nominal Amount equals the Issue Size.*
- 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 den Basiswert<sub>(i=1)</sub> dem von der Maßgeblichen Börse berechneten und veröffentlichten Schlusskurs des Basiswerts<sub>(i=1)</sub> und
  - in Bezug auf die Basiswerte<sub>(i=2)</sub> bis <sub>(i=4)</sub> dem von dem Index Sponsor berechneten, festgestellten und veröffentlichten Schlusskurs des jeweiligen Basiswerts<sub>(i)</sub>. /
- The Price of the Underlying means*
- *in relation to Underlying<sub>(i=1)</sub> the closing price of the Underlying<sub>(i=1)</sub> as calculated and published by the Relevant Exchange, and*
  - *in relation to Underlyings<sub>(i=2)</sub> to <sub>(i=4)</sub> the closing price of the relevant Underlying<sub>(i)</sub> as calculated, determined and published by the Index Sponsor.*
- L.**  
**Laufzeit der Wertpapiere / Term of the Securities:**
- Die Laufzeit der Wertpapiere steht für den Zeitraum beginnend am Ausgabebetrag 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:**
- Der Manager bezeichnet UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich. /  
*The Manager means UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.*
- Maßgebliche Börse / Relevant Exchange:**
- Die Maßgebliche Börse bezeichnet
- in Bezug auf den Basiswert<sub>(i=1)</sub> die NYSE Arca, und
  - in Bezug auf die Basiswerte<sub>(i=2)</sub> bis <sub>(i=4)</sub> die Börse(n), an (der) (denen) aufgrund der Bestimmung des Index Sponsors die im Index enthaltenen Einzelwerte gehandelt werden. /

*The Relevant Exchange means*

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

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

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

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

**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, wie von der Berechnungsstelle bestimmt. /

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

**N.**

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

Der Nennbetrag je Wertpapier entspricht SEK 10.000,00. /

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

**Nettoinventarwert / *Net Asset Value:***

Der Nettoinventarwert („**NAV**“) entspricht dem Nettoinventarwert des Investmentfonds je Fondsanteil, wie er von dem maßgeblichen Administrator des Investmentfonds in Übereinstimmung mit dem Verkaufsprospekt und den Gründungsdokumenten des Investmentfonds berechnet und veröffentlicht wird. Der Nettoinventarwert wird ermittelt, indem sämtliche Vermögenswerte addiert und anschließend davon sämtliche Verbindlichkeiten des Investmentfonds (insbesondere einschließlich Gebühren (einschließlich Beratungs- und leistungsabhängigen Gebühren), die an den Berater des Investmentfonds, den Administrator, die Bank oder die Verwahrstelle des Investmentfonds gezahlt werden, von Darlehensaufnahmen, Vermittlungsgebühren, Steuerzahlungen (soweit geleistet), Wertberichtigungen für bedingte Verbindlichkeiten und sämtlichen anderen Kosten und Auslagen, die der Bank oder Verwahrstelle des Basiswerts bei ordnungsgemäßer Durchführung von Wertpapieran- und verkäufen oder der Verwaltung des Investmentfonds entstehen) abgezogen werden. /

*The Net Asset Value ("**NAV**") means the Investment Fund's net asset value as calculated and published by the Investment Fund's administrator in accordance with the relevant Investment Fund's prospectus and constitutional documents by adding the value of all the assets of the Investment Fund and deducting the total liabilities (including, in particular but not limited to, any fees (including an advisory fee and an incentive fee) payable to the Investment Fund's advisor, the administrator, the bank and the custodian of the*

*Investment Fund, all borrowings, brokerage fees, provisions for taxes (if any), allowances for contingent liabilities and any other costs and expenses reasonably and properly incurred to the bank or the custodian of the Investment Fund in effecting the acquisition or disposal of securities or in administering the Investment Fund) of the Investment Fund.*

**P.**  
**Partizipationsfaktor / Participation**  
**Factor:**

Der Partizipationsfaktor entspricht 160 % (indikativ).

Der Partizipationsfaktor wird am Festlegungstag festgelegt.\* /

*The Participation Factor equals 160 % (indicative).*

*The Participation Factor will be fixed on the Fixing Date.\*\**

**R.**  
**Rating der Emittentin / Rating of the**  
**Issuer:**

Die Rating-Agenturen Standard & Poor's Inc. („Standard & Poor's“), Fitch Ratings („Fitch“) und Moody's Investors Service Inc. („Moody's“) haben die Bonität von UBS AG und damit ihre Fähigkeit, Zahlungsverpflichtungen, beispielsweise Tilgungs- und Zinszahlungen (Kapitaldienst) bei langfristigen Krediten, pünktlich nachzukommen, beurteilt und bewertet. Bei Fitch und Standard & Poor's kann die Beurteilung mit Plus- oder Minus-Zeichen, bei Moody's mit Ziffern versehen sein. Diese Zusätze geben Aufschluss über die Beurteilung innerhalb einer Bewertungsstufe.

Der Emittentin wurde im Zeitpunkt dieser Endgültigen Bedingungen das folgende Rating für langfristige nicht nachrangige Verbindlichkeiten (*long-term senior debt*) zugewiesen:

Standard & Poor's: A+

Moody's: Aa3

Fitch: A+

**Zur Klarstellung:** Dieses Rating bezieht sich nicht auf die Wertpapiere. /

*The rating agencies Standard & Poor's Inc. ("Standard & Poor's"), Fitch Ratings ("Fitch") and Moody's Investors Service Inc. ("Moody's") have assessed the creditworthiness of UBS AG, i.e. the ability of UBS AG to fulfill payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing, in a timely manner. The ratings from Fitch and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. The following rating for long-term senior debt has been attributed to the Issuer as of the date of these Final Terms:*

*Standard & Poor's: A+*

*Moody's: Aa3*

*Fitch: A+*

***For the avoidance of doubt***, this rating does not refer to the Securities.

**Rückzahlungstag / *Settlement Date*:** Der Rückzahlungstag entspricht (i) hinsichtlich des Auszahlungsbetrags dem zehnten Bankgeschäftstag nach dem maßgeblichen Bewertungstag, und (ii) im Fall einer Kündigung durch die Emittentin nach § 7 der Wertpapierbedingungen dem zehnten Bankgeschäftstag nach dem Kündigungstag. /

*The Settlement Date means (i) in relation to the Settlement Amount the tenth Banking Day after the relevant Valuation Date, and (ii) in case of a Termination by the Issuer in accordance with § 7 of the Terms and Conditions of the Securities, the tenth Banking Day after the Termination Date.*

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

Der Verfalltag entspricht dem 21. Januar 2015. /

*The Expiration Date means 21 January 2015.*

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

Wertpapiere (jeweils auch ein „**Zertifikat**“ oder die „**Zertifikate**“), bezeichnet die von der Emittentin im Umfang des Gesamtnennbetrags begebenen UBS Zertifikate mit Barriere.

Die Wertpapiere werden als nicht verurkundete und dematerialisierte, zur Registrierung in Form von Bucheinträgen bei der Clearingstelle vorgesehene Rechte ausgegeben; die Ausstellung effektiver Wertpapiere ist ausgeschlossen. /

*Securities (also a “Certificate” or the “Certificates”) means the UBS Certificates with Barrier issued by the Issuer in the Aggregate Nominal Amount.*

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

**Wertpapier-Börse / *Security Exchange*:**

Wertpapier-Börse bezeichnet die Nordic Derivatives Exchange (NDX). /

*Security Exchange means Nordic Derivatives Exchange (NDX).*

**Wertpapiergläubiger / *Securityholder*:**

Wertpapiergläubiger steht für die Person, auf deren Namen ein Wertpapier bei der Clearingstelle 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 seitens (i) der Emittentin, (ii) der Berechnungsstelle, (iii) der Zahlstelle, (iv) des Emissionsbegleiters und (v) aller sonstigen Personen als Berechtigter und Begünstigter

bezüglich der in den Wertpapieren repräsentierten Rechte behandelt. /

*Securityholder means the person in whose name a Security is registered with the Clearing Agent (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 (i) the Issuer, (ii) the Calculation Agent, (iii) the Paying Agent, (iv) the Issuing Agent and (v) all other persons as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.*

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

ISIN: SE0003615889, WKN: UB8WHM, Valor: 11979819 /

*ISIN: SE0003615889, WKN: UB8WHM, Valor: 11979819*

**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 4. Februar 2011.

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

*The Initial Payment Date means 4 February 2011.*

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

**Zeichnungsfrist / Subscription  
Period:**

15. November 2010 bis 7. Januar 2011 (17:30 Uhr Ortszeit Stockholm).

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

*15 November 2010 until 7 January 2011 (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.*

## Wertpapierbedingungen Teil 2: Besondere Wertpapierbedingungen

### § 1 Wertpapierrecht

- (1) Die Emittentin gewährt hiermit dem Wertpapiergläubiger von je einem (1) Wertpapier bezogen auf den Kurs der Basiswerte nach Maßgabe dieser Bedingungen das Recht (das „**Wertpapierrecht**“), den Abrechnungsbetrag (§ 1 (2)), auf zwei Dezimalstellen kaufmännisch gerundet, zu beziehen (der „**Auszahlungsbetrag**“).
- (2) Der „**Abrechnungsbetrag**“ wird wie folgt ermittelt:
- (a) Wenn der Abrechnungskurs<sub>Maturity</sub> sämtlicher Basiswerte<sub>(i)</sub> **gleich der bzw. größer als** die jeweilige Barriere<sub>(i)</sub> ist, dann wird der Abrechnungsbetrag in Übereinstimmung mit folgender Formel berechnet:

$$N + (N \times P \times (\text{MAX } \{0; \text{Portfolio Performance}\})) - (N \times (\text{MIN } \{0; \text{Worst Index Performance}\}))$$

Wobei

„**N**“ dem Nennbetrag und  
„**P**“ dem Partizipationsfaktor entspricht.

Wobei

die „**Portfolio Performance**“ in Übereinstimmung mit folgender Formel berechnet wird:

$$\left( \frac{1}{4} \sum_{i=1}^4 \frac{\text{Abrechnungskurs}_{\text{Average}(i)} - \text{Basiskurs}_{\text{Start}(i)}}{\text{Basiskurs}_{\text{Start}(i)}} \right)$$

Wobei

„**Abrechnungskurs<sub>Average(i)</sub>**“ dem Abrechnungskurs<sub>Average</sub> des Basiswerts<sub>(i)</sub> und „**Basiskurs<sub>Start(i)</sub>**“ dem Basiskurs<sub>Start</sub> des Basiswerts<sub>(i)</sub> entspricht.

Wobei

die „**Worst Index Performance**“ in Übereinstimmung mit folgender Formel berechnet wird:

$$\frac{\text{Abrechnungskurs}_{\text{Maturity}}^{\text{Worst}} - \text{Basiskurs}_{\text{Start}}^{\text{Worst}}}{\text{Basiskurs}_{\text{Start}}^{\text{Worst}}}$$

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

### § 1 Security Right

- (1) The Issuer hereby warrants the Securityholder of each (1) Security relating to the Price of the Underlyings under these Conditions the right (the „**Security Right**“) to receive the Redemption Amount (§ 1 (2)) commercially rounded to two decimal places (the „**Settlement Amount**“).
- (2) The „**Redemption Amount**“ will be determined as follows:
- (a) If the Settlement Price<sub>Maturity</sub> of all Underlyings<sub>(i)</sub> **is equal to or exceeds** the relevant Barrier<sub>(i)</sub>, the Redemption Amount is calculated in accordance with the following formula:

$$N + (N \times P \times (\text{MAX } \{0; \text{Portfolio Performance}\})) - (N \times (\text{MIN } \{0; \text{Worst Index Performance}\}))$$

Where

„**N**“ equals the Nominal Amount, and  
„**P**“ equals the Participation Factor.

Where

the „**Portfolio Performance**“ is calculated in accordance with the following formula:

$$\left( \frac{1}{4} \sum_{i=1}^4 \frac{\text{Settlement Price}_{\text{Average}(i)} - \text{Strike Price}_{\text{Start}(i)}}{\text{Strike Price}_{\text{Start}(i)}} \right)$$

Where

„**Settlement Price<sub>Average(i)</sub>**“ equals the Settlement Price<sub>Average</sub> of the Underlying<sub>(i)</sub> and „**Strike Price<sub>Start(i)</sub>**“ equals the Strike Price<sub>Start</sub> of the Underlying<sub>(i)</sub>.

Where

the „**Worst Index Performance**“ is calculated in accordance with the following formula:

$$\frac{\text{Settlement Price}_{\text{Maturity}}^{\text{Worst}} - \text{Strike Price}_{\text{Start}}^{\text{Worst}}}{\text{Strike Price}_{\text{Start}}^{\text{Worst}}}$$

Wobei

„**Abrechnungskurs**<sub>Maturity</sub><sup>Worst</sup>“ dem Abrechnungskurs<sub>Maturity</sub> des Maßgeblichen Basiswerts und „**Basiskurs**<sub>Start</sub><sup>Worst</sup>“ dem Basiskurs<sub>Start</sub> des Maßgeblichen Basiswerts entspricht.

- (b) Wenn der Abrechnungskurs<sub>Maturity</sub> mindestens eines Basiswerts<sub>(i)</sub> **kleiner als** die jeweilige Barriere<sub>(i)</sub> ist, dann wird der Abrechnungsbetrag in Übereinstimmung mit folgender Formel berechnet:

$$N + (N \times \text{Worst Index Performance})$$

wobei

„**N**“ dem Nennbetrag entspricht und die „**Worst Index Performance**“ wie oben in § 1 (2) (a) definiert berechnet wird.

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

## § 2

*Absichtlich freigelassen*

## § 3

*Absichtlich freigelassen*

Where

„**Settlement Price**<sub>Maturity</sub><sup>Worst</sup>“ equals the Settlement Price<sub>Maturity</sub> of the Relevant Underlying and „**Strike Price**<sub>Start</sub><sup>Worst</sup>“ equals the Strike Price<sub>Start</sub> of the Relevant Underlying.

- (b) If the Settlement Price<sub>Maturity</sub> of at least one Underlying<sub>(i)</sub> **falls short** of the relevant Barrier<sub>(i)</sub>, the Redemption Amount is calculated in accordance with the following formula:

$$N + (N \times \text{Worst Index Performance})$$

Where

„**N**“ equals the Nominal Amount, and the „**Worst Index Performance**“ is calculated as defined in § 1 (2) (a) above.

- (3) Any determination and calculation in connection with the Security Right, in particular the calculation of the Settlement 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 Teil 3: Allgemeine Wertpapierbedingungen**

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

**§ 4**

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

- (1) Die Wertpapiere werden unverbrieft und dematerialisiert in Form von Bucheinträgen und registriert bei der Clearingstelle 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 der Clearingstelle auf Basis des Registers der Clearingstelle Informationen in Bezug auf die Wertpapiere zu erhalten, um ihren Verpflichtungen gemäß den Bedingungen nachzukommen.  
Auf die Wertpapiere werden weder Zinsen noch Dividenden gezahlt.
- (2) Das Recht an den Wertpapieren wird durch eine gemäß den maßgeblichen CS-Regeln ausgeführte Übertragung zwischen den Kontoinhabern bei der Clearingstelle übertragen.
- (3) 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 Auszahlungsbetrags bzw. des Kündigungsbetrags (§ 7 (3)) in der Auszahlungswährung zum Rückzahlungstag gemäß den maßgeblichen CS-Regeln veranlassen. Zahlungen des Auszahlungsbetrags, des Kündigungsbetrags und/oder sonstige Zahlungen gemäß den Bedingungen erfolgen in Übereinstimmung mit den zu diesem Zeitpunkt geltenden maßgeblichen CS-Regeln.
- (2) Die Emittentin wird von ihrer Verpflichtung unter diesen Wertpapieren durch Zahlung des Auszahlungsbetrags, des Kündigungsbetrags oder der sonstigen Zahlungsbeträge unter diesen Bedingungen in der vorstehend beschriebenen Weise befreit.
- (3) Alle im Zusammenhang mit der Zahlung des Auszahlungsbetrags, des Kündigungsbetrags

**§ 4**

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

- (1) The Securities are issued in uncertificated and dematerialised book-entry form, and registered at the Clearing Agent 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 Agent information based on the Clearing Agent's register regarding the Securities for the purpose of performing its obligations pursuant to the Conditions.  
  
No interest and no dividends are payable on the Securities.
- (2) Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the relevant CA Rules.
- (3) 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 Settlement Amount or of the Termination Amount (§ 7 (3)) in the Settlement Currency occurs on the Settlement Date in accordance with the relevant CA Rules. Payments of the Settlement Amount, the 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 will be discharged from its obligations under these Securities by payment of the Settlement Amount, the Termination Amount or of any other amount payable under these Conditions, as the case may be, in the manner described above.
- (3) All taxes, charges and/or expenses incurred in connection with the payment of the Settlement

oder der sonstigen Zahlungsbeträge unter diesen Bedingungen 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 an den Wertpapiergläubiger zahlbaren Beträgen zur Begleichung von Steuern, Abgaben, Gebühren, Abzügen oder sonstigen Zahlungen den erforderlichen Betrag einzubehalten oder abzuziehen. Jeder Wertpapiergläubiger hat die Emittentin bzw. die Zahlstelle von Verlusten, Kosten oder sonstigen Verbindlichkeiten, die ihr in Verbindung mit derartigen Steuern, Abgaben, Gebühren, Abzügen oder sonstigen Zahlungen im Hinblick auf die Wertpapiere des jeweiligen Wertpapiergläubigers entstehen, freizustellen.

- (4) Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 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 Emittentin und die Berechnungsstelle 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.
- (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

Amount, the Termination Amount or of any other amount payable under these Conditions, as the case may be, 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 or deduct, as the case may be, from any amount payable to the Securityholder such amount required for the purpose of settlement of taxes, charges, expenses, deductions or other payments. Each Securityholder shall reimburse the Issuer or the Paying Agent, as the case may be, from any losses, costs or other debts incurred in connection with these taxes, charges, expenses, deductions or other payments related to the Securities of the relevant Securityholder.

- (4) The period of presentation as established in § 801 section 1 sentence 1 of the 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 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) (the "**Successor Index Sponsor**"). In such case, the Successor Index Sponsor will be deemed to be the Index Sponsor and each reference in these Conditions to the Index Sponsor shall be deemed to refer to the Successor Index Sponsor.
- (2) Any changes in the calculation (including corrections) of the Index or of the composition or of the weighting of the Index components, on which the calculation of the Underlying is based, shall not lead to an adjustment unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), determine that the underlying concept and the

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.

- (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.

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

- (4) Wenn der durch den Index Sponsor festgelegte und veröffentlichte Kurs des Index als Basiswert im Nachhinein berichtigt wird, und die Berichtigung (der „**Berichtigte Kurs**“) von dem Index Sponsor nach der ursprünglichen Veröffentlichung, jedoch bis zum Rückzahlungstag (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

(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) 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.

- (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 Settlement 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

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 dieser Bedingungen bleibt hiervon unberührt.

### § 6 b

#### Anpassungen; Nachfolge-Basiswert

- (1) Bei Eintritt oder dem wahrscheinlichen Eintritt eines Ersetzungsgrunds (§ 6 b (2)) 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 Basiswert oder die Berechnung des NAV des Fondsanteils 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 (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.
- (2) „**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, 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) Die Frequenz, mit welcher ein Fondsanteil

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 of these Conditions remains unaffected.

### § 6 b

#### Adjustments; Successor Underlying

- (1) If a Replacement Event (§ 6 b (2)) 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 Underlying or the calculation of the NAV of 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 (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.
- (2) „**Replacement Event**“ means any of the following:
- (a) The investment strategy or investment objective of an Investment Fund (the „**Strategy**“) differs substantially from the Strategy at the Issue Date or the date on which the Underlying was adjusted in accordance with these Conditions, as the case may be, or from the Strategy outlined in the prospectus or other documents prepared in connection with the marketing of the Investment Fund (together the „**Documents**“) or from the rules in relation to the Investment Fund.
- (b) The frequency at which the Fund Unit can

- gehandelt werden kann, (die „**Handelsfrequenz**“) wird geändert und weicht nun von der Handelsfrequenz am Ausgabetag bzw. an dem Tag, zu dem der Basiswert nach diesen Bestimmungen angepasst wurde, oder von der Handelsfrequenz, die in den Unterlagen beschrieben wird, oder von den Regeln in Bezug auf den Investmentfonds ab.
- (c) Die Währung, in der der NAV eines Investmentfonds veröffentlicht wird, (die „**Währungseinheit**“) wird geändert und weicht nun von der Währung am Ausgabetag bzw. an dem Tag, zu dem der Basiswert nach diesen Bestimmungen angepasst wurde, oder von der Währungseinheit, die in den Unterlagen beschrieben wird, oder von den Regeln in Bezug auf den Investmentfonds ab.
- (d) Die Frequenz der Veröffentlichung oder der Zeitraum zwischen Berechnung und Veröffentlichung oder die Berechnungsmethode, jeweils in Bezug auf den NAV (oder einen vorläufigen oder geschätzten NAV) (die „**NAV-Frequenz**“) wird geändert und weicht nun von der NAV-Frequenz am Ausgabetag bzw. an dem Tag, zu dem der Basiswert nach diesen Bestimmungen angepasst wurde, oder von der NAV-Frequenz, die in den Unterlagen beschrieben wird, oder von den Regeln in Bezug auf den Investmentfonds ab.
- (e) 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.
- (f) Der Betrieb oder die Organisation des Investmentfonds (insbesondere Struktur, Verfahren oder Richtlinien) oder die Anwendung solcher Verfahren oder Richtlinien hat sich gegenüber dem Ausgabetag bzw. an dem Tag, zu dem der Basiswert nach diesen Bestimmungen angepasst wurde, geändert.
- (g) Die aufsichtsrechtliche oder steuerliche Behandlung in Bezug auf den Investmentfonds ändert sich.
- (h) Die Anzahl von Anteilen oder Aktien des Investmentfonds, seiner Teilfonds oder Anteilsklassen, die ein Investor halten darf, wird aufgrund Gesetzes oder behördlicher Maßnahmen beschränkt.
- (i) Jede Aussetzung oder Beschränkung des Handels in dem Fondsanteil, (wegen Liquiditätsbeschränkungen oder aus
- be traded (the „**Trading Frequency**“) is changed and now differs from the Trading Frequency at the Issue Date or the date on which the Underlying was adjusted in accordance with these Conditions, as the case may be, or from the Trading Frequency outlined in the Documents or from the rules in relation to the Investment Fund.
- (c) The currency denomination in which the NAV of the Investment Fund is published (the „**Currency Denomination**“) is changed and now differs from the Currency Denomination at the Issue Date or the date on which the Underlying was adjusted in accordance with these Conditions, as the case may be, or from the Currency Denomination outlined in the Documents or from the rules in relation to the Investment Fund.
- (d) In respect of the NAV (or any preliminary or estimated NAV) the frequency of publication or the time delay between calculation and publication or the calculation method (the „**NAV Frequency**“) is changed and now differs from the NAV Frequency at the Issue Date or the date on which the Underlying was adjusted in accordance with these Conditions, as the case may be, or from the NAV Frequency outlined in the Documents or from the rules in relation to the Investment Fund.
- (e) 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.
- (f) 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.
- (g) The regulatory or tax treatment applicable with respect to the Investment Fund is changed.
- (h) The introduction of any restriction by law or regulatory measures of the holding of units or shares of the Investment Fund, its sub-funds and/or its share classes, if any, that may be held by an investor in the Investment Fund.
- (i) Any suspension of or limitation imposed on trading in the Fund Unit (by reason of liquidity restrictions or otherwise) other than

- anderen Gründen), soweit diese nicht bereits zuvor an dem Ausgabetag bzw. zu dem Tag, zu dem der Basiswert nach diesen Bestimmungen angepasst wurde, bestanden, wie in den Regeln in Bezug auf den Investmentfonds beschrieben.
- (j) Der Investmentfonds verlangt, dass ein (beliebiger) Investor seine Anteile ganz oder teilweise zurückgibt.
  - (k) Es wird erwartet, dass ein beliebiger Investor bei einer Rückgabe der Anteile an dem Investmentfonds nicht den vollen Erlös (Rückkaufwert) innerhalb der üblichen, unter den in den Dokumenten dargelegten normalen Marktbedingungen anwendbaren, Zahlungsfrist für Rücknahmen erhalten würde.
  - (l) 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.
  - (m) 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.
  - (n) Der Investmentfonds oder sein Investment Manager wird Partei einer gerichtlichen oder außergerichtlichen Auseinandersetzung.
  - (o) Der Administrator des Investmentfonds versäumt es, den NAV wie vorgesehen zu berechnen oder zu veröffentlichen oder versäumt es, andere Informationen bezüglich des Investmentfonds zu veröffentlichen, die nach den Regeln oder den Unterlagen zu veröffentlichen wären.
  - (p) Ein von einem Wirtschaftsprüfer geprüfter NAV weicht von dem veröffentlichten NAV ab, oder die Wirtschaftsprüfer des Investmentfonds versehen ihren Bericht in Bezug auf den Investmentfonds oder einen NAV mit Einschränkungen oder weigern sich, einen uneingeschränkten Bericht abzugeben.
  - (q) Versäumnis des Investment Managers des Investmentfonds, in einer angemessenen und zeitnahen Weise auf einen Verstoß gegen Verpflichtungen, Zusicherungen oder Vereinbarungen aus dem Anlage-Managementvertrag für den Investmentfonds zu reagieren.
  - (r) Rücktritt, Kündigung, Aufhebung der Registrierung oder eine sonstige
- those existing on the Issue Date or the date on which the Underlying was adjusted in accordance with these Conditions, as the case may be, as laid out in the rules in relation to the Investment Fund.
- (j) The Investment Fund requires a partial or whole redemption of units or shares from any of the investors in the Investment Fund.
  - (k) It is expected that upon redemption of units or shares any investor in the Investment Fund does not receive the full proceeds (redemption value) within the regular period for redemption payments applicable under normal market conditions set out in the Documents.
  - (l) 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.
  - (m) 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.
  - (n) The Investment Fund or its investment manager becomes party to any litigation or dispute.
  - (o) The Investment Fund's administrator fails to calculate or publish the NAV as scheduled or fails to publish any other information relating to the Investment Fund to be published in accordance with its rules or the Documents.
  - (p) The audited NAV differs from the published NAV, or the auditors of the Investment Fund qualify any audit report or refuse to provide an unqualified audit report in respect of the Investment Fund or the NAV.
  - (q) The investment manager of the Investment Fund fails to react in an appropriate and timely manner to any breach of representations, covenants and agreements under the investment management agreement relating to the Investment Fund.
  - (r) Resignation, termination, loss of registration or any other change in respect of the

Veränderung in Bezug auf den Investment Manager des Investmentfonds oder eine Veränderung im Personal des Investment Managers oder der Dienstleistungsunternehmen des Investmentfonds.

- (s) Die Beteiligung eines Investors an Anteilen oder Aktien des Investmentfonds, seiner Teilfonds oder Anteilklassen, überschreitet 20 % der Anteile oder Aktien des Investmentfonds, seiner Teilfonds oder Anteilklassen.

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.

- (3) 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 Rückzahlungstag (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.
- (4) 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.
- (5) Das Recht der Emittentin zur Kündigung gemäß § 7 dieser Bedingungen bleibt hiervon unberührt.

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.

- (s) An investor's holding of units or shares of the Investment Fund, its sub-funds and/or its share classes, if any, exceeds 20 % of the Investment Fund, its sub-funds and/or its share classes.

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.

- (3) 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 Settlement 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.
- (4) 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.
- (5) The Issuer's right of termination in accordance with § 7 of these Conditions remains unaffected.

### § 6 c

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

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

### § 6 c

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

- (1) Where a country participates in the third stage of the European Economic and Monetary Union, whether as from 1999 or after such date, the Issuer and the Calculation Agent at their reasonable discretion (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 Settlement 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 Settlement Currency shall be deemed to be an amount of Euro converted from the original Settlement 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 Settlement 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

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 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

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

- (1) Die Emittentin ist jederzeit, insbesondere bei Vorliegen einer Rechtsänderung und/oder Hedging-Störung und/oder Gestiegenen Hedging-Kosten, 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 Monat vor dem jeweiligen Kündigungstag, zu kündigen und vorzeitig zu tilgen (die „**Kündigung**“).
- (2) Dabei gilt: „**Rechtsänderung**“ bedeutet, dass (A) aufgrund des Inkrafttretens von Änderungen der Gesetze oder Verordnungen (einschließlich aber nicht beschränkt auf Steuergesetze) oder (B) der Änderung der Auslegung von gerichtlichen oder behördlichen Entscheidungen, die für die entsprechenden Gesetze oder Verordnungen relevant sind (einschließlich der Aussagen der Steuerbehörden), die Emittentin nach Treu und Glauben feststellt, dass (X) das Halten, der Erwerb oder die Veräußerung von Transaktionen bzw. Vermögenswerten in Bezug auf den Basiswert rechtswidrig geworden ist oder (Y) die Kosten, die mit den Verpflichtungen unter den Wertpapieren verbunden sind, wesentlich gestiegen sind (einschließlich aber nicht beschränkt auf Erhöhungen der Steuerverpflichtungen, der Senkung von steuerlichen Vorteilen oder anderen negativen Auswirkungen auf die

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 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

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

- (1) The Issuer shall at any time, in particular in case of the occurrence of a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging, 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 month prior to the relevant Termination Date (the „**Termination**“).
- (2) In this context: „**Change in Law**“ means that, on or after the Issue Date of the Securities (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (X) it has become illegal to hold, acquire or dispose of any transaction(s) or asset(s) in relation to the Underlying, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

steuerrechtliche Behandlung), falls solche Änderungen an oder nach dem Ausgabetag 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 Ausgabetag 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 billigem Ermessen, gegebenenfalls unter Berücksichtigung des dann maßgeblichen Kurses des Basiswerts, als angemessener Marktpreis eines Wertpapiers bei Kündigung festgelegt wird (der „**Kündigungsbetrag**“).

## § 8 Marktstörungen

- (1) Sind die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens (gemäß § 315 BGB bzw. § 317 BGB) der Ansicht, dass an einem der Beobachtungstage oder dem Festlegungstag eine Marktstörung (§ 8 (3)) vorliegt, dann wird der jeweilige Beobachtungstag oder der Festlegungstag für den jeweils betroffenen Basiswert<sup>(i)</sup> auf den unmittelbar darauf folgenden Basiswert-Berechnungstag, an dem

„**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 case of Termination the Issuer shall pay to each Securityholder an amount in the Settlement Currency with respect to each Security it holds, 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, as the fair market price of a Security at the occurrence of Termination (the „**Termination Amount**“).

## § 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 one of the Observation Dates or on the Fixing Date, as the case may be, the relevant Observation Date or the Fixing Date, as the case may be, in relation to the affected Underlying<sup>(i)</sup> shall be postponed to the next succeeding

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 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 Beobachtungstag für den jeweils betroffenen Basiswert<sup>(i)</sup>.

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<sup>(i)</sup> und der (sofern anwendbar) von dem Index Sponsor abgegebenen Schätzungen, einen Kurs des betroffenen Basiswerts<sup>(i)</sup> in Bezug auf den verschobenen 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 Basiswerts 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 der durch die Marktstörung bei der Emittentin angefallenen Kosten, bestimmen, ob, und gegebenenfalls in welcher Höhe, die Emittentin einen Geldbetrag in der Auszahlungswährung zahlen wird. Auf diesen Geldbetrag finden die in diesen Bedingungen enthaltenen Bestimmungen über den Auszahlungsbetrag entsprechende Anwendung.

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

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 an Observation Date has been postponed, due to the provisions of § 8 (1), by eight Underlying Calculation Dates, and if the Market Disruption continues to prevail on this day, this day shall be deemed to be the relevant Observation Date in relation to the affected Underlying<sup>(i)</sup>.

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<sup>(i)</sup> in relation to the postponed Observation Date (which for the avoidance of doubt could be zero (0)) on the basis of the last announced Prices of the affected Underlying<sup>(i)</sup> and of any estimate given by the Index Sponsor (if applicable).

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

- (3) A “**Market Disruption**” shall mean in relation to an index or, as the case may be, a fund unit used as the Underlying or, as the case may be, in relation to each of its Components:
- (a) a suspension or a failure of the announcement of the Price of the Underlying on any Underlying Calculation Date relevant for determining the

- 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 bzw. des Fondsanteils an der Maßgeblichen Börse oder an der/den Börse(n) bzw. in dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, sofern eine wesentliche Anzahl oder ein wesentlicher Anteil unter Berücksichtigung der Marktkapitalisierung betroffen ist (als wesentliche Anzahl bzw. wesentlicher Anteil gilt eine solche oder ein solcher von mehr als 20 %, (sei es wegen Kursbewegungen, die die Grenzen des von der Maßgeblichen Börse oder der/den Börse(n) bzw. dem Markt/den Märkten, an/in der/dem/denen die Einzelwerte notiert oder gehandelt werden, Erlaubten überschreiten, oder aus sonstigen Gründen), oder
- (iii) an der Maßgeblichen Terminbörse, falls dort Optionskontrakte auf den Index bzw. auf den Fondsanteil bzw. auf die Einzelwerte gehandelt werden, oder
- (iv) in dem/den Währungsmarkt/-märkten, in dem/denen die Kurse für die Bestimmung des jeweiligen FX-Faktors festgestellt werden, oder
- (v) aufgrund einer Anordnung einer Behörde oder der Maßgeblichen Börse (sei es wegen Kursbewegungen, die die Grenzen des von der Maßgeblichen Börse Erlaubten
- Settlement Amount or the Termination Amount, 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 or, as the case may be, of the Fund Unit on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, provided that a major number or a major part in terms of market capitalisation is concerned (a number or part in excess of 20 % shall be deemed to be material), (whether by movements in price exceeding limits permitted by the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded, or otherwise), or
- (iii) on the Relevant Futures and Options Exchange, if Option Contracts on the 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) on the foreign exchange market(s) in which the rates for the determination of the relevant FX Factor are determined, or
- (v) due to a directive of an authority or of the Relevant Exchange (whether by movements in price exceeding limits permitted by the Relevant Exchange or otherwise) or due to a moratorium,

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 jeweils 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.

## § 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

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.

## § 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

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, Abgaben oder Gebühren an die Zahlstelle transferieren darf,
  - (iii) die Emittentin unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert, und
  - (iv) die Clearingstelle außerdem ihre Zustimmung zu der Ersetzung erteilt hat (wobei diese Zustimmung nicht grundlos verweigert oder verzögert 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.

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

- |   |   |
|---|---|
| <p>(3) Die Ersetzung der Emittentin ist für die Wertpapiergläubiger endgültig und bindend und wird den Wertpapiergläubigern unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.</p> | <p>(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.</p> |
|---|---|

**§ 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 Nachfolgeseite 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 die Clearingstelle zur Weiterleitung an die Wertpapiergläubiger (wie in den anwendbaren Vorschriften der Regelwerke der maßgeblichen Clearingstelle 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 die Clearingstelle gelten am siebten Tag nach dem Tag der Mitteilung an die Clearingstelle 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 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

**§ 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 Agent for the purpose of notifying the Securityholders (as set forth in the applicable rules and regulations of the Clearing Agent), 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 effected as of the seventh day after the date of the notification to the Clearing Agent.

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

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

und können nicht wiederbegeben oder wiederverkauft werden.

### § 13 Sprache

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

### § 14 Anwendbares Recht; Anwendbares Recht in Bezug auf die Clearingstelle; Erfüllungsort; Gerichtsstand; Zustellungsbevollmächtigte; Korrekturen; Teilunwirksamkeit

- (1) Form und Inhalt der Wertpapiere sowie alle Rechte und Pflichten aus den in diesen Bedingungen geregelten Angelegenheiten bestimmen sich in jeder Hinsicht nach dem Recht der Bundesrepublik Deutschland.
- (2) Die Rechtswirkungen, die aus der Registrierung der Wertpapiere bei der Clearingstelle folgen, unterliegen schwedischem Recht gemäß § 4 (1), erster Absatz, und § 4 (2) dieser Bedingungen.
- (3) Erfüllungsort und Gerichtsstand für alle Klagen oder sonstigen Verfahren aus oder im Zusammenhang mit den Wertpapieren ist, soweit rechtlich zulässig, Frankfurt am Main, Bundesrepublik Deutschland.
- (4) Die UBS AG, handelnd durch ihre Niederlassung London, in ihrer Funktion als Emittentin ernennt hiermit die UBS Deutschland AG, Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Bundesrepublik Deutschland, als deutsche 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, in diesen Bedingungen (i) offensichtliche Schreib- oder Rechenfehler oder ähnliche offenbare Unrichtigkeiten sowie (ii) widersprüchliche oder lückenhafte Bestimmungen ohne Zustimmung der Wertpapiergläubiger zu ändern bzw. zu ergänzen, wobei in den unter (ii) genannten

### § 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 Agent; Place of Performance; Place of Jurisdiction; Agent of Process; Corrections; Severability

- (1) The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall in every respect be governed by the laws of the Federal Republic of Germany.
- (2) The legal effects of registration of the Securities with the Clearing Agent will be governed by Swedish law pursuant to § 4 (1), first subparagraph, and § 4 (2) of these Conditions.
- (3) The place of performance and place of jurisdiction for all actions or other procedures under or in connection with the Securities shall, to the extent legally possible, be Frankfurt am Main, Federal Republic of Germany.
- (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 change or amend, as the case may be, in these Conditions (i) any manifest writing or calculation errors or other manifest incorrectness as well as (ii) any conflicting or incomplete provisions without the consent of the Securityholders, provided that in the cases referred to under (ii) only such changes or

Fällen nur solche Änderungen bzw. Ergänzungen zulässig sind, die unter Berücksichtigung der Interessen der Emittentin für die Wertpapiergläubiger zumutbar sind, das heißt die finanzielle Situation der Wertpapiergläubiger nicht wesentlich verschlechtern. Änderungen bzw. Ergänzungen dieser Bedingungen werden gemäß § 11 bekannt gemacht.

- (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 entspricht. Entsprechendes gilt für etwaige Lücken in den Bedingungen.

amendments shall be permissible which are acceptable to the Securityholders taking into account the interests of the Issuer, *i.e.* which do not materially impair the financial situation of the Securityholders. Any changes or amendments of these Conditions shall be notified in accordance with § 11.

- (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 these Conditions.

## **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 carefully prepared and accurately reproduced. As far as the Issuer is aware and is able to ascertain from this publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **I. 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.

#### **Index Description**

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.

Detailed information about the nature, history, composition and prices of the iShares MSCI Brazil Index Fund ETF is available under <http://www.ishares.com>.

#### **Disclaimer**

iShares is a registered mark of BlackRock Institutional Trust Company, N.A. ("**BlackRock**"). The Certificates are not sponsored, endorsed, sold, or promoted by BlackRock. BlackRock makes no representations or warranties to the owners of the Certificates or any member of the public regarding the advisability of investing in the Certificates. BlackRock has no obligation or liability in connection with the operation, marketing, trading or sale of the Certificates.

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

RDX is a capitalization-weighted price index and is made up of ADRs/GDRs of Russian blue chip stocks, which are continuously traded at London SE on IOB. Calculated in EUR and USD and disseminated in real-time by Wiener Börse, RDX is designed as a tradable index and is used as underlying for derivative instruments and structured products. 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 can be obtained from the internet page [www.wienerborse.at](http://www.wienerborse.at).

## Disclaimer

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## **III. Description of the Hang Seng China Enterprises Index**

(Bloomberg: HSCEI)

More information about the Hang Seng China Enterprises Index, nature, history, composition and prices of the Index is available under <http://www.hsi.com.hk>.

The Hang Seng China Enterprises Index ("**H-shares Index**") was launched on 8 August 1994 to track the performance of all the Hong Kong-listed H-shares of China enterprises, one year after the first H-share company was listed on the Stock Exchange of Hong Kong.

### **Selection Criteria**

Since the launch of the 200-stock Hang Seng Composite Index ("**HSCI**") on 3 October 2001, the H-shares Index comprises only those H-share companies that are included in the HSCI. As at 6 March 2006, the H-shares Index had 37 constituents.

The H-shares Index is reviewed half-yearly at the same time as the HSCI. H-share companies joining or leaving the HSCI are automatically included or excluded from the H-shares Index.

Before the launch of the HSCI in 2001, the H-shares Index included all H-shares listed on the Main Board of the Stock Exchange of Hong Kong. Between 1994 and 2001, the number of constituents increased from 10 to 54.

### **Constituent Stocks**

The H-share companies have at least 50 % of their revenues generated from the Mainland and all of them are within the top 200 stocks in terms of market capitalisation in Hong Kong. Since they are listed on the Stock Exchange of Hong Kong Limited (the "**SEHK**"), they have to comply with the listing requirements of the SEHK as well as the required accounting standards. Many of these H-share companies are in the natural resources and infrastructure industries such as oil refineries, power plants, airlines and expressway management.

### **Freefloat Adjustment**

The following shareholdings are viewed as strategic in nature and are excluded for Index calculation:

- (a) Strategic holdings – shares held by strategic shareholding(s) who individually or collectively control more than 30 % of the shareholdings;

- (b) Director's holdings – shares held by director(s) who individually control more than 5 % of the shareholdings;
- (c) Cross-holdings – shares held by a Hong Kong-listed company which controls more than 5 % of the shareholdings as investments; and
- (d) Lock-up shares – shares held by shareholder(s) who individually or collectively represent more than 5 % of the shareholdings in the company and with a publicly disclosed lock-up arrangement.

The data used for the freefloat adjustment are taken from publicly available sources, including annual reports and Securities Notification History Reports from Hong Kong Exchanges and Clearing Limited.

The Freefloat-adjusted Factor (“**FAF**”), representing the proportion of shares that is freefloated as a percentage of the issued H-shares, is rounded up to the nearest multiple of 5 % for Index calculation.

### Cap Adjustment

A Cap Factor (“**CF**”) is calculated in each regular half-yearly constituent change implementation, such that no constituent has a weighting exceeding 15 %.

### Calculation Methodology

Freefloat-adjusted market capitalisation weighting with a cap of 15 % for the H-share portion of each constituent company has been adopted for Index calculation since 6 March 2006.

$$\text{Current Index} = \frac{\sum (P_t \times \text{IS} \times \text{FAF} \times \text{CF})}{\sum (P_{t-1} \times \text{IS} \times \text{FAF} \times \text{CF})} \times \text{Yesterday's Closing Index}$$

$P_t$ : Current Price at Day t

$P_{t-1}$ : Closing Price at Day (t-1)

IS: Issued H-shares

FAF: Freefloat-adjusted Factor, which is between 0 and 1, adjusted every six months

CF: Cap-Faktor, which is between 0 and 1, adjusted every six months

Before 6 March 2006, the H-shares Index was calculated using the full market capitalisation weighted methodology.

### Index Disclaimer

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#### **IV. Description of the MSCI India Index<sup>SM</sup>**

(Bloomberg: MXIN)

The MSCI India Index (the “**Index**”) is a free float-adjusted market capitalization index reflecting the price performance of Indian companies that are available to investors worldwide. The Global Investable Markets Index series, which is sponsored by MSCI Barra, represents companies within this country that are available to investors worldwide, therefore provides the equity universe of eligible securities for the Index.

After identifying the equity universe of eligible securities, the free-float-adjusted market capitalization of each security is calculated. This process involves defining and estimating the free float available to foreign institutional investors for each security, assigning a free float inclusion factor to each security and calculating the free float-adjusted market capitalization of each security.

In addition to the free float-adjustment of market capitalization, all securities in the universe are assigned to the industry that best describes their business activities.

MSCI Barra targets an 85% free float-adjusted market representation level within each industry group, within each country. The security selection process is based on the analysis of (i) each company’s business activities and the diversification that its securities would bring to the Index, (ii) the size (based on the free float-adjusted market capitalization) and liquidity of securities. All other things being equal, the Index targets for inclusion of the most sizable and liquid securities in an industry group. (iii) The estimated free float for the company and its individual share classes. Only securities of companies with an estimated overall and/or security free float greater than or equal to 15% are, in general, considered for inclusion.

The Index maintenance can be described by three broad categories of implementation of changes:

- Two semi-annual full country index reviews that systematically re-asses the various dimensions of the equity universe for all countries and which is conducted on a fixed annual timetable.
- Two quarterly Index reviews, aimed at promptly reflecting other significant market events.
- Ongoing event-related changes, such as mergers and acquisitions, which are generally implemented in the Index promptly as they occur and announced in advance (T-10 days, T-3 days).

The Index has a base date of 31 December 1992.

The Index with the above-mentioned Bloomberg code is the price return version and is calculated in Indian Rupees.

Detailed information about MSCI as well as the nature, history, composition and prices of the MSCI<sup>SM</sup> Indices is available under [www.msclubarra.com](http://www.msclubarra.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 entitled "Key Terms and Definitions of the Securities") the Manager (as defined in the section entitled "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 Programme 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;
- b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000; and (3) an annual net

turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;

- d) at any time to fewer than 100 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
- e) 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 (e) 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 an 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 and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## **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 entitled "Key Terms and Definitions of the Securities"), the Manager(s) (as defined in the section entitled "Key Terms and Definitions of the Securities") may purchase Securities and shall place the Securities for sale at the Issue Price (as defined in the section entitled "Key Terms and Definitions of the Securities") 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(s) 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 entitled "Key Terms and Definitions of the Securities"). The Issue Price per Security is payable on the Initial Payment Date (as defined in the section entitled "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 Agent (as defined in the section entitled "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.

## TAXATION

### General information

The following outline of the tax implications of investing in the Securities is based on the legislation prevailing at the time the Base Prospectus was prepared. Potential investors and sellers of the Securities should be aware that the tax implications may change due to any future amendments to the legislation. Although this outline reflects the Issuer's opinion of the tax implications, it must not be understood as a guarantee in an area that is not conclusively clarified.

Moreover, it must not provide the sole basis for assessing the tax implications of investing in the Securities, since the individual situation of the particular investor must also be taken into account. The outline is thus restricted to a general summary of the possible tax implications.

#### **1. Switzerland**

In Switzerland, where UBS AG, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom, as Issuer of the Securities, has its registered office (main offices: Zurich and Basle), the Securities are not subject to the Swiss withholding tax (Swiss withholding tax).

#### **2. Sweden**

*The following description of certain withholding tax issues that may arise as a result of holding the Securities is based on current Swedish tax legislation and is intended only as general information for Securityholders who are resident in Sweden for tax purposes as of the date of the Prospectus. This description does not deal comprehensively with all tax consequences that may occur for Securityholders, nor does it cover the specific rules regarding certain investors, including partnerships, investment companies, mutual funds and Securityholders with limited tax liability in Sweden. Investors are advised to consult their own tax advisors with regard to their personal tax implications resulting from an investment in the Securities.*

##### *Individuals resident in Sweden for tax purposes*

Preliminary tax at a flat rate of 30 % is withheld by Euroclear Sweden AB, or a nominee in accordance with the Swedish Financial Instruments Act (1998:1479), on dividends paid to individuals (or an estate of a deceased individual) resident in Sweden for tax purposes.

##### *Taxation of Swedish limited liability companies*

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a flat rate of 26.3 %.

##### *Limited tax liability in Sweden*

On dividends paid to Securityholders with limited tax liability in Sweden, Swedish withholding tax is payable at a flat rate of 30 %. The tax rate, however, is generally reduced by bilateral double tax treaties that Sweden has entered into. The deduction for withholding tax is normally carried out by Euroclear Sweden AB or, as the case may be, by the nominee. Most of the double tax treaties stipulate a reduction of the Swedish tax to the tax rate stipulated in the treaty. In case of a reduction, a refund may be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

**Investors are also advised to consult their own tax advisor with regard to their personal tax implications resulting from such an investment.**

## **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 Manager(s) 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 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 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 Manager(s).

### **II. Form and Status**

The Securities are issued in uncertificated and dematerialised book-entry form, and registered at the Clearing Agent (as defined in the section entitled "Key Terms and Definitions of the Securities") for clearance and settlement. No physical notes, such as global temporary or permanent notes or definitive notes will be issued in respect of the Securities.

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

### **III. Admission to Trading**

The Issuer intends to apply for inclusion of the Securities to trading on a Security Exchange.

### **IV. Authorisation/Resolution for the Issue of the Securities**

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 on 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 the underlying components, 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 underlying components or in related options or futures contracts, the Securityholders have no rights to or interests in the Underlyings, in the underlying components 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 2009;
- (d) a copy of the restated Annual Report of UBS AG as at 31 December 2008;
- (e) a copy of the Review 2008 and 2009 and the Compensation Report 2008 and 2009, and
- (f) copies of the quarterly reports of UBS AG as at 31 March 2009, 30 June 2009, 30 September 2009 and 31 December 2009.

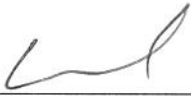
Copies of the documents referred to under (a) through (f) above and information which refers to sources such as Bloomberg shall also be maintained in printed format, for free distribution, at the registered offices of the Issuer as well as UBS Deutschland AG, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Federal Republic of Germany, for a period of twelve months after the publication of the Base Prospectus. 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,  
15 November 2010:

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

By:

  
\_\_\_\_\_

(signed by: Sigrid Kossatz)

By:

  
\_\_\_\_\_

(signed by: Stefanie Zaromitidis)