

Summary and Securities Note

dated 12 September 2014

of

UBS AG

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

acting through its London branch

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



for the issue of

up to 600,000 apano 3 Anlageklassen-Zertifikate

linked to a portfolio of indices comprising

(1) the S&P Europe 350 Daily Risk Control 10% Excess Return (EUR) Index,

(2) the iBoxx Euro Index Germany Sovereigns 5 to 7 years and

(3) the UBS Bloomberg CMCI Gold T15 ER Index

(each an **"Underlying"** or, as the case may be, an **"Index"**
and together the **"Underlyings"** or, as the case may be, the **"Indices"**)

ISIN: DE000UBS1MS6
WKN: UBS1MS
Valor: 24931243

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

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

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

SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR THE ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

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

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

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

TABLE OF CONTENTS

Page:

I. SUMMARY OF THE PROSPECTUS	5
A. SUMMARY OF THE PROSPECTUS (IN THE ENGLISH LANGUAGE)	5
B. SUMMARY OF THE PROSPECTUS (IN THE GERMAN LANGUAGE)	21
II. SECURITIES NOTE	39
A. RISK FACTORS	39
I. Security specific Risks	39
II. Underlying specific Risks	45
B. GENERAL INFORMATION ON THE PROSPECTUS	51
1. Important Notice	51
2. Responsibility Statement	51
3. Consent to use the Prospectus	52
C. GENERAL INFORMATION ON THE SECURITIES	53
1. Object of the Prospectus / Type of Securities	53
2. Law governing the Securities	53
3. Status of the Securities	53
4. Form of the Securities	53
5. Clearing and Settlement of the Securities	53
6. Listing or Trading of the Securities	54
7. Maturity of the Securities	54
8. Functioning of the Securities and Dependency on the Underlying	54
9. Limitation of the Rights attached to the Securities	54
D. TERMS AND CONDITIONS OF THE SECURITIES	56
Terms and Conditions of the Securities Part 1: Key Terms and Definitions of the Securities	57
Terms and Conditions of the Securities Part 2: Special Conditions of the Securities	60
Terms and Conditions of the Securities Part 3: General Conditions of the Securities	62
E. INFORMATION ABOUT THE UNDERLYINGS	71
1. Description of the S&P Europe 350 Daily Risk Control 10% Excess Return (EUR) Index	71
2. Description of the iBoxx Euro Index Germany Sovereigns 5 to 7 years	71
3. Description of the UBS Bloomberg CMCI Gold T15 ER Index	72
F. SUBSCRIPTION AND SALE	73
1. Issue and Sale	73
2. Subscription, Purchase and Delivery of the Securities	73
3. Selling Restrictions	73
G. TAXATION	76
1. EU Savings Directive	76
2. The proposed financial transactions tax	76
3. Taxation in the Federal Republic of Germany	77
4. Taxation in the Republic of Austria	78
5. Taxation in Switzerland	82
H. GENERAL INFORMATION	85

1.	Form of Document	85
2.	Publication	85
3.	Authorisation.....	85
4.	Approval of the Prospectus and Notification	85
5.	Use of Proceeds	85
6.	Availability of the Prospectus and other documents.....	86
7.	Any interest, including potential conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities.....	86
I. SIGNATORIES		87

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

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

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

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

Element	Section A – Introduction and warnings	
A.1	Warning.	<p>This Summary should be read as an introduction to the Prospectus. Any decision to invest in the Securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Potential investors should be aware that where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the respective European Economic Area member state, have to bear the costs of translating the document before the legal proceedings are initiated.</p> <p>Those persons who are responsible for the summary including the translation thereof, or who have initiated the preparation of the summary can be held liable, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, all required key information.</p> <p>UBS AG, with registered offices at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, in its capacity as Issuer assumes responsibility for the content of this Summary (including any translation hereof) pursuant to section 5 paragraph 2b No. 4 of the German Securities Prospectus Act (<i>Wertpapierprospektgesetz</i>).</p>
A.2	<p>- Consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries.</p> <p>- Indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for</p>	<p>The Issuer consents to the use of the Prospectus in connection with a public offer of the Securities (a "Public Offer") by UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "Manager") as well as apano GmbH, Lindemannstraße 79, 44137 Dortmund, Federal Republic of Germany, (together with the Manager each an "Authorised Offeror") on the following basis:</p> <p>(a) the Public Offer must occur during the period from 15 September 2014 to 7 November 2014 (15:00 CET) (the "Offer Period");</p>

<p>which consent to use the prospectus is given.</p> <p>- Any other clear and objective conditions attached to the consent which are relevant for the use of the prospectus.</p> <p>- Notice in bold informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</p>	<p>(b) the Public Offer may only be made in the Federal Republic of Germany and the Republic of Austria (each a “Public Offer Jurisdiction”); and</p> <p>(c) any Authorised Offeror other than the Manager must comply with the applicable selling restrictions as if it were the Manager.</p> <p>Authorised Offerors will provide information to investors on the terms and conditions of the Public Offer of the Securities at the time such Public Offer is made by the Authorised Offeror to the investor.</p>
--	--

Element	Section B – Issuer	
B.1	Legal and commercial name of the issuer.	The legal and commercial name of the Issuer is UBS AG (“ Issuer ” or “ UBS AG ”; together with its subsidiaries, “ UBS ”, “ UBS Group ” or the “ Group ”).
B.2	Domicile, legal form, legislation and country of incorporation of the issuer.	UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland. UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City under the registration number CHE-101.329.561. UBS AG is incorporated in Switzerland and operates under the Swiss Code of Obligations and Swiss Federal Banking Law as an <i>Aktiengesellschaft</i> .
B.4b	A description of any known trends affecting the issuer or the industries in which it operates.	<p>Trend Information</p> <p>As stated in the outlook statement presented in UBS AG's second quarter 2014 report, including unaudited consolidated financial statements of UBS Group and issued on 29 July 2014, at the start of the third quarter of 2014, many of the underlying challenges and geopolitical issues that UBS has previously highlighted remain. The mixed outlook for global growth, the absence of sustained and credible improvements to unresolved issues in Europe, continuing US fiscal and monetary policy issues, increasing geopolitical instability and the seasonal decline in activity levels traditionally associated with the summer holiday season would make improvements in prevailing market conditions unlikely. Despite these ongoing challenges, UBS will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders.</p>
B.5	Description of the group and the issuer's position within the group.	<p>UBS AG is the parent company of the Group. Neither the business divisions of UBS nor the Corporate Center are separate legal entities. Currently, they primarily operate out of UBS AG, through its branches worldwide. Businesses also operate through local subsidiaries where necessary or desirable.</p> <p>UBS has announced that it intends to establish a group holding company</p>

		<p>through a share for share exchange offer, which will commence later in t 2014, subject to regulatory approvals. UBS has also announced that it intends to establish a banking subsidiary in Switzerland in mid-2015. The scope of this future subsidiary's business will include the Retail & Corporate business division and the Swiss-booked business within the Wealth Management business division.</p> <p>In the UK, and in consultation with the UK and Swiss regulators, in May 2014 UBS Limited, UBS's UK bank subsidiary, implemented a modified business operating model under which UBS Limited bears and retains a greater degree of risk and reward in its business activities. This principally involves: UBS Limited retaining and managing credit risk as well as some market and other risks, UBS Limited taking a more independent role in managing its funding and liquidity requirements and an increase in UBS Limited's total regulatory capital.</p> <p>In the US, UBS will comply with new rules for banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act that will require an intermediate holding company to own all of its operations other than US branches of UBS AG by 1 July 2016. As a result, UBS will designate an intermediate holding company to hold all US subsidiaries of UBS.</p>
B.9	Profit forecast or estimate.	Not applicable; no profit forecast or estimate is included in this Prospectus.
B.10	Qualifications in the audit report.	Not applicable. The auditor's reports on the audited historical financial information are unqualified.
B.12	Selected historical key financial information.	UBS AG derived the following selected consolidated financial data from (i) its annual report 2013 containing the audited consolidated financial statements of UBS Group, as well as additional unaudited consolidated financial data, as of or for the fiscal year ended 31 December 2013 (including comparative figures for the fiscal years ended 31 December 2012 and 2011), (ii) its report for the second quarter 2014, containing unaudited consolidated financial statements, as well as additional unaudited consolidated financial data, as of or for the six months ended 30 June 2014 (from which comparative figures as of or for the six months ended 30 June 2013 have been derived). UBS's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and stated in Swiss francs (CHF).

CHF million, except where indicated	As of or for the six months ended		As of or for the year ended		
	30.6.14	30.6.13	31.12.13	31.12.12	31.12.11
	unaudited		audited, except where indicated		
Group results					
Operating income	14,405	15,164	27,732	25,423	27,788
Operating expenses	11,794	12,697	24,461	27,216	22,482
Operating profit / (loss) before tax	2,611	2,467	3,272	(1,794)	5,307
Net profit / (loss) attributable to UBS shareholders	1,846	1,678	3,172	(2,480)	4,138
Diluted earnings per share (CHF)	0.48	0.44	0.83	(0.66)	1.08
Key performance indicators					
Profitability					
Return on equity (RoE) (%) ¹	7.6	7.2	6.7*	(5.1)*	9.1*
Return on assets, gross (%) ²	2.9	2.5	2.5*	1.9*	2.1*
Cost / income ratio (%) ³	82.0	83.6	88.0*	106.6*	80.7*
Growth					
Net profit growth (%) ⁴	10.0	7.7	-	-	(44.5)*
Net new money growth for combined wealth management businesses (%) ⁵	2.4	4.6	3.4*	3.2*	2.4*
Resources					
Common equity tier 1 capital ratio (fully applied, %) ^{6,7}	13.5	11.2	12.8*	9.8*	-
Swiss SRB leverage ratio (phase-in, %) ⁸	5.3	3.9	4.7*	3.6*	-
Additional information					
Profitability					
Return on tangible equity (%) ⁹	8.8	8.5	8.0*	1.6*	11.9*
Return on risk-weighted assets, gross (%) ¹⁰	12.5	11.8	11.4*	12.0*	13.7*
Resources					
Total assets	982,605	1,129,071	1,018,374* ¹¹	1,259,797	1,416,962
Equity attributable to UBS shareholders	49,532	47,073	48,002	45,949	48,530
Common equity tier 1 capital (fully applied) ⁷	30,590	26,817	28,908	25,182*	-
Common equity tier 1 capital (phase-in) ⁷	41,858	39,398	42,179	40,032*	-
Risk-weighted assets (fully applied) ⁷	226,736	239,182	225,153*	258,113*	-
Risk-weighted assets (phase-in) ⁷	229,908	242,626	228,557*	261,800*	-
Common equity tier 1 capital ratio (phase-in, %) ^{6,7}	18.2	16.2	18.5*	15.3*	-
Total capital ratio (fully applied, %) ⁷	18.1	13.5	15.4*	11.4*	-
Total capital ratio (phase-in, %) ⁷	23.9	20.6	22.2*	18.9*	-
Swiss SRB leverage ratio (fully applied, %) ⁸	4.2	2.9	3.4*	2.4*	-
Swiss SRB leverage ratio denominator (fully applied) ¹²	980,552	1,131,370	1,020,247*	1,206,214*	-
Swiss SRB leverage ratio denominator (phase-in) ¹²	986,577	1,140,765	1,027,864*	1,216,561*	-
Other					
Invested assets (CHF billion) ¹³	2,507	2,348	2,390	2,230	2,088
Personnel (full-time equivalents)	60,087	60,754	60,205*	62,628*	64,820*
Market capitalization	62,542	61,737	65,007*	54,729*	42,843*
Total book value per share (CHF)	13.20	12.49	12.74*	12.26*	12.95*
Tangible book value per share (CHF)	11.54	10.73	11.07*	10.54*	10.36*

* unaudited

¹ Net profit / loss attributable to UBS shareholders (annualized as applicable) / average equity attributable to UBS shareholders. ² Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. ³ Operating expenses / operating income before credit loss (expense) or recovery. ⁴ Change in net profit attributable to UBS shareholders from continuing operations between current and comparison periods / net profit attributable to UBS shareholders from continuing operations of comparison period. Not meaningful and not included if either the reporting period or the comparison period is a loss

	<p>Material adverse change statement.</p> <p>Significant changes statement.</p>	<p>period. ⁵ Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. ⁶ Common equity tier 1 capital / risk-weighted assets. ⁷ Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are on a pro-forma basis. Information for 31 December 2011 is not available. ⁸ Swiss SRB Basel III common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis. Information for 31 December 2011 is not available. ⁹ Net profit / loss attributable to UBS shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS shareholders less average goodwill and intangible assets. ¹⁰ Operating income before credit loss (expense) or recovery (annualized as applicable) / average risk-weighted assets. Based on Basel III risk-weighted assets (phase-in) for 2014 and 2013, on Basel 2.5 risk-weighted assets for 2012 and on Basel II risk-weighted assets for 2011. ¹¹ On 1 January 2014, UBS adopted <i>Offsetting Financial Assets and Financial Liabilities</i> (Amendments to IAS 32, <i>Financial Instruments: Presentation</i>). The prior period balance sheet as of 31 December 2013 was restated to reflect the effects of adopting these amendments to IAS 32. ¹² The leverage ratio denominator is also referred to as "total adjusted exposure" and is calculated in accordance with Swiss SRB leverage ratio requirements. Data represent the average of the total adjusted exposure at the end of the three months preceding the end of the reporting period. Numbers for 31 December 2012 are on a pro-forma basis. Information for 31 December 2011 is not available. ¹³ Group invested assets includes invested assets for Retail & Corporate.</p> <p>There has been no material adverse change in the prospects of UBS AG or UBS Group since 31 December 2013.</p> <p>There has been no significant change in the financial or trading position of UBS Group or of UBS AG since 30 June 2014.</p>
B.13	Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	Not applicable, no recent events particular to UBS AG have occurred, which are to a material extent relevant to the evaluation of the UBS AG's solvency.
B.14	<p>Description of the group and the issuer's position within the group.</p> <p>Dependence upon other entities within the group.</p>	<p>Please see element B.5.</p> <p>UBS AG is the parent company of the UBS Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.</p>
B.15	Issuer's principal activities.	<p>UBS AG with its subsidiaries draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS' business strategy is centered on its (in UBS' opinion) pre-eminent global wealth management businesses and its (in UBS' opinion) leading universal bank in Switzerland, completed by its Global Asset Management business complemented and its Investment Bank, with a focus on capital efficiency and businesses that offer (in UBS' opinion) a superior structural growth and profitability outlook. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.</p> <p>According to Article 2 of the Articles of Association of UBS AG, dated 7 May 2014 ("Articles of Association"), the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland</p>

		and abroad.
B.16	Direct or indirect shareholdings or control agreements of the issuer.	<p>The following are the most recent notifications of holdings in UBS AG's share capital filed in accordance with the Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, as amended, based on UBS AG's registered share capital at the time of the disclosure: (i) 18 September 2013, Government of Singapore Investment Corp disclosed a change of its corporate name to GIC Private Limited and a holding of 6.40%; (ii) 30 September 2011, Norges Bank (the Central Bank of Norway), 3.04%; (iii) 17 December 2009, BlackRock Inc., New York, USA, 3.45%.</p> <p>As of 30 June 2014, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.39%); GIC Private Limited, Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (6.39%); and Nortrust Nominees Ltd., London (3.65%).</p>

Element	Section C – Securities	
C.1	Type and the class of the securities, security identification number.	<p>Type and Form of Securities The Securities are capital protected certificates.</p> <p>The Securities will be issued in bearer form as securities within the meaning of § 793 German Civil Code and will be represented on issue by one or more permanent global bearer security/ies (each a "Global Security"). No bearer Securities will be issued in or exchangeable into bearer definitive form, whether pursuant to the request of any Securityholder or otherwise.</p> <p>The Global Security is deposited with Clearstream Banking AG (the "Clearing System").</p> <p>Security identification number(s) of the Securities ISIN: DE000UBS1MS6 WKN: UBS1MS Valor: 24931243</p>
C.2	Currency of the securities.	Euro (the "Redemption Currency")
C.5	Restrictions on the free transferability of the securities.	Not applicable; no restrictions on the free transferability of the Securities apply.
C.8	Rights attached to the securities, including ranking and limitations to those rights.	<p>Governing law of the Securities The Securities are governed by German law.</p> <p>Rights attached to the Securities The Securities provide, subject to the Terms and Conditions of the Securities, Securityholders, upon exercise, with a claim for payment of the Redemption Amount in the Redemption Currency. During their term, the Securities do not generate any regular income (e.g. dividends or interest).</p> <p>Limitation of the rights attached to the Securities Under the conditions set out in the Terms and Conditions, the Issuer is entitled to terminate the Securities and to make certain adjustments to the Terms and Conditions.</p> <p>Status of the Securities The Securities will constitute direct, unsecured and unsubordinated</p>

		obligations of the Issuer, ranking <i>pari passu</i> among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.
C.11	Admission to trading on a regulated market or other equivalent markets.	It is not intended to apply for admission of the Securities to trading on a regulated market. However, the Issuer intends to apply for inclusion of the Securities on the unofficial regulated market of the Frankfurt Stock Exchange (<i>Freiverkehr</i>) and the Stuttgart Stock Exchange (<i>Freiverkehr</i>).
C.15	Influence of the underlying on the value of the securities.	<p>The value of the Securities during their term depends on the performance of the Underlyings. In case the Price of the Underlyings increases, also the value of the Securities is likely to increase. In case the Price of the Underlyings decreases, also the value of the Securities is likely to decrease. Therefore, the Securities allow investors to participate in the positive development of the Underlyings. Conversely, investors in the Securities also participate in the negative development of the Underlyings.</p> <p>In particular, the Redemption Amount (as defined below), if any, to be received by the Securityholder upon exercise of the Securities depends on the performance of the Underlyings.</p> <p>The Settlement Amount in the Redemption Currency, commercially rounded to two decimal points (the "Redemption Amount"), is equal to the Capital Protected Minimum Amount plus an additional amount reflecting the performance of the Final Portfolio (<i>i.e.</i> Final Portfolio – 100%) and is, hence, in any case least equal to EUR 90.00 per Security.</p> <p>The additional amount is calculated by multiplying the Nominal Amount with the performance of the Final Portfolio (<i>i.e.</i> Final Portfolio – 100%), considering the Participation Factor. If the performance of the Final Portfolio is negative, such additional amount is zero and the Redemption Amount is equal to the Capital Protected Minimum Amount.</p> <p>The "Nominal Amount" per Security equals EUR 100.</p> <p>The "Participation Factor" equals 100% (indicative) and will be fixed by the Issuer on the Fixing Date.</p> <p>During their term, the Securities do not generate any regular income (e.g. dividends or interest).</p>
C.16	Expiration or maturity date, the exercise date or final reference date.	The Maturity Date means 23 November 2021.
C.17	Settlement procedure of the derivative securities.	<p>Payments shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer agree to be subject, be made in accordance with the relevant regulation and operating procedure applicable to and/or issued by the Clearing System (the "CA Rules") to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.</p> <p>The Issuer shall be discharged from its redemption obligations or any other payment obligations under the Securities by delivery to the Clearing System in the manner described above.</p>
C.18	A description of how the return on derivative	Securityholders will, subject to a Market Disruption, receive on the Maturity Date the Redemption Amount.

	securities takes place.	
C.19	Exercise price or final reference price of the underlying.	The “ Final Portfolio ” means the arithmetical average of the Enhanced Portfolio _(j) on each of the Observation Dates _(j) as determined by the Calculation Agent in accordance with the Terms and Conditions.
C.20	Type of the underlying and where the information on the underlying can be found.	<p>Type of Underlying:</p> <p>The Underlying is a portfolio of indices comprising the following equally weighted three indices, the performance of which is observed and compared to each other on each Observation Date_(j):</p> <p>The Underlying_(i=1) equals the S&P Europe 350 Daily Risk Control 10% Excess Return (EUR) Index (the “Index_(i=1)”), as maintained, calculated and published by S&P Dow Jones Indices LLC (the “Index Sponsor_(i=1)”). Information about the past and the further performance of Underlying_(i=1) and its volatility can be obtained under http://us.spindices.com/indices/strategy/sp-europe-350-daily-risk-control-10-eur-net-total-return-index.</p> <p>The Underlying_(i=2) equals the iBoxx Euro Index Germany Sovereigns 5 to 7 years (the “Index_(i=2)”), as maintained, calculated and published by Markit Group (the “Index Sponsor_(i=2)”). Information about the past and the further performance of Underlying_(i=2) and its volatility can be obtained under http://www.markit.com/Product/IBoxx.</p> <p>The Underlying_(i=3) equals the UBS Bloomberg CMCI Gold T15 ER Index (the “Index_(i=3)”), as maintained, calculated and published by Bloomberg Finance L.P. together with the Issuer (the “Index Sponsor_(i=3)”). Information about the past and the further performance of Underlying_(i=3) and its volatility can be obtained under http://www.ubs.com/global/en/investment-bank/bloomberg-cmci/bloomberg-cmci-home.html.</p>

Element		Section D – Risks
		The purchase of Securities is associated with certain risks. The Issuer expressly points out that the description of the risks associated with an investment in the Securities describes only the key risks which were known to the Issuer at the date of the Prospectus.
D.2	Key information on the key risks that are specific and individual to the issuer.	<p>The Securities entails an issuer risk, also referred to as debtor risk or credit risk for prospective investors. An issuer risk is the risk that UBS AG becomes temporarily or permanently unable to meet its obligations under the Securities.</p> <p>General insolvency risk</p> <p>Each investor bears the general risk that the financial situation of the Issuer could deteriorate. The debt or derivative securities of the Issuer will constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, in particular in the case of insolvency of the Issuer, rank <i>pari passu</i> with each other and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.</p> <p>UBS as Issuer is subject to various risks within its business activities. Such risks comprise in particular the following types of risks, where all of these risks might have adverse effects on the value of the Securities:</p>

		<ul style="list-style-type: none"> • Effect of downgrading of the Issuer's rating • Regulatory and legislative changes may adversely affect UBS's business and ability to execute its strategic plans • A decreased capital strength could have an adverse affect on the implementation of UBS's strategy, its client franchise and competitive position • UBS may not be successful in executing its announced strategic plans • A deterioration of UBS's reputation could have an adverse affect to the success of its business • Material legal and regulatory risks arise in the conduct of UBS's business • Performance in the financial services industry is affected by market conditions and the macroeconomic climate • UBS holds legacy and other risk positions that may be adversely affected by conditions in the financial markets; legacy risk positions may be difficult to liquidate • UBS's global presence subjects it to risk from currency fluctuations • UBS is dependent upon UBS's risk management and control processes to avoid or limit potential losses in UBS's trading and counterparty credit businesses • Valuations of certain positions rely on models; models have inherent limitations and may use inputs which have no observable source • UBS is exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of its Wealth Management business division • Liquidity and funding management are critical to UBS's ongoing performance • Operational risks may affect UBS's business • UBS might be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees • UBS's financial results may be negatively affected by changes to accounting standards • UBS's financial results may be negatively affected by changes to assumptions supporting the value of UBS's goodwill • The effects of taxes on UBS's financial results are significantly influenced by changes in UBS's deferred tax assets and final determinations on audits by tax authorities
D.6	Key information on the risks that are specific and individual to the securities.	Potential investors of the Securities should recognise that the Securities constitute a risk investment which can lead to a total loss of their investment in the Securities. Securityholders will incur a loss, if the amounts received in accordance with the Terms and Conditions of the Securities is below the purchase price of the Securities (including the transaction costs). Even when

the Securities are capital protected at maturity to the extent of the Capital Protected Minimum Amount and, hence, the risk of a loss is initially limited to the Capital Protected Minimum Amount, the investor in the Securities bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a **total loss** of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the **risks of loss** connected with the Securities.

Security specific Risks

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

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

Currency exchange rate risk

The value of the Underlyings may be determined in currencies other than the Redemption Currency. Potential investors should, therefore, be aware that investments in these Securities could entail risks due to fluctuating exchange rates, and that the risk of loss does not depend solely on the performance of the Underlyings, but also on unfavourable developments in the value of the foreign currency or currency unit.

Such developments can additionally increase the Securityholders' exposure to losses, because an unfavourable performance of the relevant currency exchange rate may correspondingly decrease the value of the purchased Securities during their term or, as the case may be, the level of the Redemption Amount or, as the case may be, the Termination Amount.

Risks related to the Participation Factor

Potential investors should consider that 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 do not participate in the relevant performance of the by a 1:1 ratio, but by the proportion of the Participation Factor.

Risks related to the Capital Protection

Potential investors should consider that the Securities are as at the end of their term capital protected to the extent of a Capital Protected Minimum Amount (without consideration of the offering premium), i.e. the investor receives at the end of the term even disregarding the actual performance of the Underlyings in any case the Capital Protected Minimum Amount. If an investor acquires the Securities at a price, which is higher than the Capital Protected Minimum Amount, the prospective investor should be aware that the (proportional) capital protection only refers to the lower Capital Protected Minimum Amount. In this context, it has to be considered that the capital protection only applies at the end of the term, i.e. provided that the Securities have not been terminated. The cash amount to be paid, if any, in the case of an early redemption of the Securities can be considerably below the amount, which would be payable as a minimum at the end of the term of the Securities,

		<p>where the capital protection applies to the extent of the Capital Protected Minimum Amount. Potential investors of the Securities should furthermore recognise that despite the capital protection to the extent of the Capital Protected Minimum Amount, the investor bears the risk of the Issuer's financial ability worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the capital invested. Purchasers of the Securities should in any case assess their financial situation, to ensure that they are in a position to bear the risks of loss connected with the Securities.</p> <p>2. <u>Termination and Early Redemption at the option of the Issuer</u> Potential investors in the Securities should furthermore be aware that the Issuer is under certain circumstances pursuant to the Terms and Conditions of the Securities entitled to terminate and redeem the Securities in total prior to the Maturity Date. In case the Issuer terminates and redeems the Securities prior to the Maturity Date, the Securityholder is entitled to demand the payment of an amount in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the Termination Date.</p> <p>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, may receive less than its capital invested.</p> <p>In the case of a termination of the Securities by the Issuer, the Securityholder bears the risk of a reinvestment, <i>i.e.</i> the investor bears the risk that it will have to re-invest the Termination Amount if any, paid by the Issuer in the case of termination at market conditions, which may be less favourable than those existing prevailing at the time of the acquisition of the Securities.</p> <p>3. <u>Possible fluctuations in the Price of the Underlyings after termination of the Securities</u> In the event that the term of the Securities is terminated early by the Issuer pursuant to the Terms and Conditions of the Securities, potential investors of the Securities should note that any adverse fluctuations in the Price of the Underlyings between the announcement of the termination by the Issuer and the determination of the price of the Underlyings relevant for the calculation of the then payable Termination Amount are borne by the Securityholders.</p> <p>4. <u>Adverse impact of adjustments of the Security Right</u> It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlyings, which potentially lead to changes to the Underlyings or result in the underlying concept of the Underlyings being changed. In such case, the Issuer shall be entitled to effect adjustments according to the Terms and Conditions of the Securities to account for these events or measures. The adjustments to the Underlyings might have a negative impact on the value of the Securities.</p> <p>5. <u>Determinations by the Calculation Agent</u> The Calculation Agent has certain discretion under the Terms and Conditions of the Securities (i) to determine whether certain events have occurred (in particular, the occurrence of a Market Disruption in accordance with the Terms and Conditions of the Securities), (ii) to determine any resulting adjustments and calculations, (iii) also to</p>
--	--	--

		<p>make adjustments to the Underlyings and (iv) to postpone valuations or payments under the Securities. The Calculation Agent will make any such determination at its reasonable discretion (in accordance with § 317 of the BGB) and in a commercially reasonable manner. Potential investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any determination made by, the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.</p> <p>6. <u>Trading in the Securities / Illiquidity</u></p> <p>It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid.</p> <p>Applications will be made for inclusion of the Securities on the unofficial regulated market of the Frankfurt Stock Exchange (<i>Freiverkehr</i>) and the Stuttgart Stock Exchange (<i>Freiverkehr</i>). If the Securities are admitted or listed, no assurance is given that any such admission or listing will be maintained. The fact that the Securities are admitted to trading or listed does not necessarily denote greater liquidity than if this were not the case. If the Securities are not listed or traded on any exchange, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities, if any, may be adversely affected. The liquidity of the Securities, if any, may also be affected by restrictions on the purchase and sale of the Securities in some jurisdictions. Additionally, the Issuer has the right (but no obligation) to purchase Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.</p> <p>In addition, it cannot be excluded that the number of Securities actually issued and purchased by investors is less than the intended Issue Size of the Securities. Consequently, there is the risk that due to the low volume of Securities actually issued the liquidity of the Securities is lower than if all Securities were issued and purchased by investors.</p> <p>The Manager intends, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager makes no firm commitment to the Issuer to provide liquidity by means of bid and offer prices for the Securities, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.</p> <p>7. <u>Taxation in relation to the Securities</u></p> <p>Potential investors should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.</p>
--	--	--

		<p>8. <u>Changes in Taxation in relation to the Securities</u> The considerations concerning the taxation of the Securities set forth in the Securities Note reflect the opinion of the Issuer on the basis of the legal situation identifiable as of the date of the Securities Note. However, a different tax treatment by the fiscal authorities and tax courts cannot be excluded. Each investor should seek the advice of his or her personal tax consultant before deciding whether to purchase the Securities. Potential investors should be aware that the legal situation identifiable as of the date of the Securities Note may change, possibly with retroactive effect. Neither the Issuer nor the Manager assumes any responsibility vis-à-vis the Securityholders for the tax consequences of an investment in the Securities.</p> <p>9. <u>Potential conflicts of interest</u> 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.</p> <p>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.</p> <p>Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.</p> <p><u>Underlying specific Risks</u> The Securities issued under the Prospectus are linked to indices. The amounts payable on redemption under the Securities will be determined by reference to the price or value of the Underlyings. Accordingly, investing in the Securities also involves certain risks that are related to the Underlyings and investors should review carefully the Prospectus to understand the effect on the Securities of such linkage to the Underlyings.</p> <p>The purchase of, or investment in, the Securities involves substantial risks. These Securities are not conventional securities and carry various unique investment risks which potential investors should understand clearly before investing in the Securities. Potential investors in such Securities should be familiar with this type of securities and should fully review all</p>
--	--	--

		<p>documentation, read and understand the Prospectus and be aware of the nature and extent of the exposure to risk of loss.</p> <p>Investing in the Securities, hence, also involves certain risks that are related to the Underlyings:</p> <p>1. General risks related to the Underlyings Investors should be aware that some risks are related to the Underlyings in general:</p> <p>Risk of fluctuations in value The performance of the Underlyings is subject to fluctuations. Therefore, Securityholders cannot foresee what consideration they can expect to receive for the Securities they hold on a certain day in the future. When the Securities are redeemed, exercised or otherwise disposed of on a certain day, they may be worth a lot less than if they were disposed of at a later or earlier point in time.</p> <p>Uncertainty about future performance It is not possible to reliably predict the future performance of the Underlyings. Likewise, the historical data of the Underlyings does also not allow for any conclusions to be drawn about the future performance of the Underlyings and the Securities.</p> <p>No warranties or representations regarding the future performance of the Underlyings The Issuer does not give any explicit or tacit warranty or representation regarding the future performance of the Underlyings. In addition, the issuer or the sponsor of the Underlyings does not assume any obligation to consider the interests of the Issuer of the Securities or the Securityholders for any reason whatsoever.</p> <p>No rights of ownership in the Underlyings Potential investors should be aware that the Underlyings will not be held by the Issuer for the benefit of the Securityholders, and that Securityholders will not obtain any rights of ownership (including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights) with respect to any Underlying to which the Securities are related. Neither the Issuer nor any of its affiliates is under any obligation whatsoever to acquire or hold any Underlying.</p> <p>Consequence of the linkage to portfolio of Underlyings The level of the Redemption Amount depends on the performance of the portfolio comprising the Underlyings. As a result, fluctuations in the value of one Underlying may be offset or intensified by fluctuations in the value of other Underlyings comprised in the portfolio. Even in the case of a positive performance of one or Underlyings comprised in the portfolio, the performance of the portfolio as a whole may be negative if the performance of the other Underlyings is negative to a greater extent.</p> <p>Furthermore, also the degree of the Underlyings' dependency from each other, so-called correlation, is of importance when calculating the level of the Redemption Amount. If all of the Underlyings derive from the same economy sector or, as the case may be, the same country the development of the Underlyings therefore depends on the development of a single economy sector or a single country. That implies that in the case of an unfavourable development of a single economy sector or a single country, which is represented by the portfolio comprising the Underlyings, the portfolio may be affected over proportionally by this unfavourable development.</p>
--	--	--

		<p>2. <u>Specific risks related to the Underlyings</u> In addition, the following risks are specifically related to the Underlying:</p> <p>Investors should be aware that some risks are related to the Underlyings. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in the Indices.</p> <p>These risks include risks related to a direct investment in the index components, the dependence on the value of the index components, the influence of the Issuer or the index sponsor on the Index, the adverse effect of fees on the index and currency exchange risk contained in the index. Potential investors should seek respective advice and familiarise themselves with the specific risk profile of the Indices and seek the advice of a professional, if necessary.</p>
	<p>Risk warning to the effect that investors may lose the value of their entire investment or part of it.</p>	<p>Even when the Securities are capital protected at maturity to the extent of the Capital Protected Minimum Amount and, hence, the risk of a loss is initially limited, each investor in the Securities bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the risks of loss connected with the Securities.</p>

Element	Section E – Offer	
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.	Not applicable. Reasons for the offer and use of proceeds is not different from making profit and/or hedging certain risks.
E.3	Terms and conditions of the offer.	<p>It has been agreed that, on 15 December 2014 (the “Issue Date”), UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the “Manager”) may purchase the Securities and shall place them for sale under terms subject to change in the Public Offer Jurisdictions during the Subscription Period (as defined below).</p> <p>The Securities may be purchased in the Public Offer Jurisdictions from the Manager during normal banking hours during the period from 15 September 2014 to 7 November 2014 (15:00 CET) (the “Subscription Period”) at an amount equal to EUR 100.00 plus an offering premium of up to EUR 3.00 per Security (the “Issue Price”).</p> <p>The Issuer reserves the right to earlier close or to extend the Subscription Period if market conditions so require. If the Subscription Period is shortened or extended, the Fixing Date, the Issue Date and the Initial Payment Date may also be brought forward or postponed. In case of an extension, the Subscription Period can be extended until 21 November 2014.</p> <p>The Securities may only be subscribed in the minimum investment amount of 100 Securities (the “Minimum Investment Amount”). The Issuer may waive or decrease such Minimum Investment Amount.</p> <p>The Issue Price per Security is due and payable on 15 December 2014, (the “Initial Payment Date”). After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor’s account in accordance with the rules of the corresponding Clearing System.</p>
E.4	Interest that is material to the issue/offer including conflicting interests.	Save for the Authorised Offerors regarding their relevant fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue / the offer of the Securities and no conflicts of interests exist.
E.7	Estimated expenses charged to the investor by the issuer or the offeror.	Not applicable; no expenses are charged to the investor by the Issuer or the Manager.

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

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

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

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

Punkt	Abschnitt A – Einleitung und Warnhinweise	
A.1	Warnung.	<p>Diese Zusammenfassung ist als Einführung in den Prospekt zu verstehen. Anleger sollten jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Prospekts stützen.</p> <p>Potenzielle Anleger sollten sich darüber im Klaren sein, dass für den Fall, dass vor einem Gericht Ansprüche auf Grund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben könnte.</p> <p>Diejenigen Personen, die die Verantwortung für die Zusammenfassung, einschließlich deren Übersetzung, übernommen haben, oder von denen der Erlass der Zusammenfassung ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Basisprospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.</p> <p>Die UBS AG, mit registriertem Sitz in Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz, in ihrer Funktion als Emittentin übernimmt für den Inhalt dieser Zusammenfassung (einschließlich einer Übersetzung hiervon) gemäß § 5 Abs. 2b Nr. 4 WpPG (Wertpapierprospektgesetz) die Verantwortung.</p>
A.2	<p>- Zustimmung des Emittenten oder der für die Erstellung des Prospekts verantwortlichen Person zur Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre</p> <p>– Angabe der Angebotsfrist, innerhalb deren die spätere Weiterveräußerung</p>	<p>Die Emittentin stimmt einer Verwendung des Prospekts im Zusammenhang mit einem öffentlichen Angebot der Wertpapiere (das "Öffentliches Angebot") durch UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich (der "Manager") und apano GmbH, Lindemannstraße 79, 44137 Dortmund, Bundesrepublik Deutschland, (gemeinsam mit dem Manager jeweils ein "Berechtigter Anbieter"), auf folgender Grundlage zu:</p> <p>(a) das Öffentliche Angebot findet während des Zeitraums vom 15. September 2014 bis zum 7. November 2014 (15:00 Uhr MEZ) (die "Angebotsfrist") statt;</p>

<p>oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre erfolgen kann und für die die Zustimmung zur Verwendung des Prospekts erteilt wird</p> <p>– Alle sonstigen klaren und objektiven Bedingungen, an die die Zustimmung gebunden ist und die für die Verwendung des Prospekts relevant sind</p> <p>– Deutlich hervorgehobener Hinweis für die Anleger, dass Informationen über die Bedingungen des Angebots eines Finanzintermediärs von diesem zum Zeitpunkt der Vorlage des Angebots zur Verfügung zu stellen sind</p>	<p>(b) das Öffentliche Angebot wird ausschließlich in der Bundesrepublik Deutschland und der Republik Österreich (jeweils eine "Jurisdiktion des Öffentlichen Angebots") gemacht; und</p> <p>(c) jeder Berechtigte Anbieter, der kein Manager ist, erfüllt die anwendbaren Verkaufsbeschränkungen als wäre er der Manager.</p> <p>Informationen über die Bedingungen des Angebots eines Berechtigten Anbieters sind von diesem zum Zeitpunkt der Vorlage des Angebots zur Verfügung zu stellen.</p>
---	--

Punkt		Abschnitt B – Emittentin
B.1	Juristische und kommerzielle Bezeichnung der Emittentin.	Die juristische und kommerzielle Bezeichnung der Emittentin ist UBS AG ("Emittentin" oder "UBS AG"; gemeinsam mit ihren Tochtergesellschaften, "UBS", "UBS Gruppe" oder die "Gruppe").
B.2	Sitz, Rechtsform, geltendes Recht und Land der Gründung der Emittentin.	Die registrierten Sitze und wesentlichen Geschäftsstellen der UBS AG in der Schweiz sind: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz. Die UBS AG ist im Handelsregister des Kantons Zürich und des Kantons Basel-Stadt unter der Nummer CHE-101.329.561 eingetragen. Die UBS AG wurde in der Schweiz gegründet und unterliegt als Aktiengesellschaft dem schweizerischem Obligationenrecht und den schweizerischen bankenrechtlichen Bestimmungen.
B.4b	Alle bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.	Trendinformation Wie im am 29. Juli 2014 publizierten zweiten Quartalsbericht 2014 von UBS (einschließlich ungeprüften konsolidierten Finanzangaben) dargestellt, bleiben zu Beginn des dritten Quartals 2014 viele der bereits früher erwähnten Herausforderungen grundsätzlicher und geopolitischer Natur unverändert bestehen. Die durchwachsenen Perspektiven für das globale Wachstum, das Fehlen nachhaltiger und glaubwürdiger Fortschritte bei den ungelösten Problemen in Europa, offene Fragen im Zusammenhang mit der

		<p>amerikanischen Fiskal- und Geldpolitik, die zunehmende geopolitische Instabilität und die saisonal bedingte Abnahme der Kundenaktivität aufgrund der Sommerferien würden Ergebnisverbesserungen unter den herrschenden Marktbedingungen unwahrscheinlich machen. Ungeachtet dieser Herausforderungen wird UBS die Umsetzung ihrer Strategie weiterführen, um so den langfristigen Erfolg des Unternehmens sicherzustellen und für ihre Aktionäre nachhaltige Renditen zu erwirtschaften.</p>
B.5	Beschreibung der Gruppe und Stellung der Emittentin innerhalb dieser Gruppe.	<p>Die UBS AG ist die Muttergesellschaft von UBS. Weder die Unternehmensbereiche von UBS noch das Corporate Center sind rechtlich selbstständige Einheiten; derzeit führen sie in erster Linie vielmehr ihre Geschäftsaktivitäten durch die weltweiten Niederlassungen des Stammhauses aus. Die Geschäfte werden wo nötig oder wünschenswert auch durch lokale Tochtergesellschaften geführt.</p> <p>UBS hat angekündigt, dass sie beabsichtigt eine Konzernholdinggesellschaft durch einen Aktientausch im Verhältnis 1:1 zu etablieren. Es ist geplant, vorbehaltlich der regulatorischen Genehmigungen, damit später im Jahr 2014 zu beginnen. UBS hat ebenfalls angekündigt, dass sie beabsichtigt bis Mitte 2015 eine neue Tochterbank in der Schweiz zu gründen. Der Umfang des Geschäfts dieser künftigen Tochtergesellschaft wird den Geschäftsbereich Retail & Corporate sowie das in der Schweiz gebuchte Geschäft innerhalb des Wealth Management-Geschäftsbereichs umfassen.</p> <p>In Großbritannien und in Absprache mit den britischen und Schweizer Regulierungsbehörden hat die UBS Limited, UBS' britische Tochterbank, ein überarbeitetes Geschäftsmodell implementiert, nach welchem UBS Limited bei ihrer Geschäftstätigkeit ein höheres Risiko trägt und eine höhere Vergütung erhält. Dies führt für UBS Limited grundsätzlich dazu, dass es das Kreditrisiko, gewisse Marktrisiken und andere Risiken beibehält und verwaltet, die UBS Limited eine unabhängigere Rolle bei der Verwaltung ihrer Finanzausstattung und Liquiditätsanforderungen einnimmt und UBS Limited ihr aufsichtsrechtliches Eigenkapital erhöht.</p> <p>In den USA wird UBS den neuen Regeln für ausländische Banken gemäß dem Dodd-Frank Wall Street Reform and Consumer Protection Act entsprechen. Zu diesem Zweck wird eine Zwischenholdinggesellschaft erforderlich sein, unter der alle Geschäfte der UBS AG mit Ausnahme ihrer US-Zweigniederlassungen bis zum 1. Juli 2016 zusammengefasst werden. Sämtliche US-Tochtergesellschaften von UBS werden folglich unter einer eigenen Zwischenholdinggesellschaft zusammengefasst.</p>
B.9	Gewinnprognosen oder -schätzungen.	Entfällt; es sind in dem Prospekt keine Gewinnprognosen oder -schätzungen enthalten.
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk.	Entfällt. Die Bestätigungsvermerke der geprüften historischen Finanzinformationen sind uneingeschränkt.
B.12	Ausgewählte wesentliche historische Finanzinformationen.	<p>UBS AG hat die nachstehenden ausgewählten konsolidierten Finanzdaten (i) aus dem Geschäftsbericht für das Geschäftsjahr 2013, der die geprüften konsolidierten Finanzangaben des UBS Konzerns sowie zusätzliche ungeprüfte konsolidierte Finanzdaten für das am 31. Dezember 2013 endende Geschäftsjahr enthält (einschließlich Vergleichszahlen für die Geschäftsjahre endend am 31. Dezember 2012 und 2011) und (ii) aus dem zweiten Quartalsbericht 2014, der die ungeprüften konsolidierten Finanzangaben des UBS Konzerns sowie zusätzliche ungeprüfte konsolidierte Finanzdaten für die sechs Monaten endend am oder per 30.</p>

Juni 2014 enthält (einschließlich Vergleichszahlen für die sechs Monaten endend am oder per 30. Juni 2013), entnommen bzw. abgeleitet. Die konsolidierten Finanzangaben wurden in Einklang mit den vom International Accounting Standards Board („IASB“) herausgegebenen International Financial Reporting Standards („IFRS“) erstellt und sind in Schweizer Franken (CHF) aufgeführt.					
	Per oder seit Jahresbeginn		Für das Geschäftsjahr endend am oder per		
<i>Mio. CHF (Ausnahmen sind angegeben)</i>	30.6.14	30.6.13	31.12.13	31.12.12	31.12.11
	<i>ungeprüft</i>		<i>geprüft (Ausnahmen sind angegeben)</i>		
UBS-Konzern					
Geschäftsertrag	14.405	15.164	27.732	25.423	27.788
Geschäftsaufwand	11.794	12.697	24.461	27.216	22.482
Ergebnis vor Steuern	2.611	2.467	3.272	(1.794)	5.307
Den UBS-Aktionären zurechenbares Konzernergebnis	1.846	1.678	3.172	(2.480)	4.138
Verwässertes Ergebnis pro Aktie (CHF)	0,48	0,44	0,83	(0,66)	1,08
Kennzahlen zur Leistungsmessung					
Profitabilität					
Eigenkapitalrendite (RoE) (%) ¹	7,6	7,2	6,7*	(5,1)*	9,1*
Rendite auf Aktiven, brutto (%) ²	2,9	2,5	2,5*	1,9*	2,1*
Verhältnis von Geschäftsaufwand / Geschäftsertrag (%) ³	82,0	83,6	88,0*	106,6*	80,7*
Wachstum					
Wachstum des Ergebnisses (%) ⁴	10,0	7,7	-	-	(44,5)*
Wachstum der Nettoneugelder für die kombinierten Wealth-Management-Einheiten (%) ⁵	2,4	4,6	3,4*	3,2*	2,4*
Ressourcen					
Harte Kernkapitalquote (CET1) (vollständig umgesetzt, %) ^{6,7}	13,5	11,2	12,8*	9,8*	-
Leverage Ratio für Schweizer SRB (stufenweise umgesetzt, %) ⁸	5,3	3,9	4,7*	3,6*	-
Zusätzliche Informationen					
Profitabilität					
Rendite auf Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte (%) ⁹	8,8	8,5	8,0*	1,6*	11,9*
Rendite auf risikogewichteten Aktiven, brutto (%) ¹⁰	12,5	11,8	11,4*	12,0*	13,7*
Ressourcen					
Total Aktiven	982.605	1.129.071	1.018.374* ¹¹	1.259.797	1.416.962
Den UBS-Aktionären zurechenbares Eigenkapital	49.532	47.073	48.002	45.949	48.530
Hartes Kernkapital (CET1) (vollständig umgesetzt) ⁷	30.590	26.817	28.908	25.182*	-
Hartes Kernkapital (CET1) (stufenweise umgesetzt) ⁷	41.858	39.398	42.179	40.032*	-
Risikogewichtete Aktiven (vollständig umgesetzt) ⁷	226.736	239.182	225.153*	258.113*	-
Risikogewichtete Aktiven (stufenweise umgesetzt) ⁷	229.908	242.626	228.557*	261.800*	-
Harte Kernkapitalquote (CET1) (stufenweise umgesetzt, %) ^{6,7}	18,2	16,2	18,5*	15,3*	-
Gesamtkapitalquote (vollständig umgesetzt, %) ⁷	18,1	13,5	15,4*	11,4*	-
Gesamtkapitalquote (stufenweise umgesetzt, %) ⁷	23,9	20,6	22,2*	18,9*	-
Leverage Ratio für Schweizer SRB (vollständig umgesetzt, %) ⁸	4,2	2,9	3,4*	2,4*	-
Leverage Ratio Denominator für Schweizer SRB (vollständig umgesetzt) ¹²	980.552	1.131.370	1.020.247*	1.206.214*	-
Leverage Ratio Denominator für Schweizer SRB (stufenweise umgesetzt) ¹²	986.577	1.140.765	1.027.864*	1.216.561*	-
Übrige					
Verwaltete Vermögen (Mrd. CHF) ¹³	2.507	2.348	2.390	2.230	2.088
Personalbestand (auf Vollzeitbasis)	60.087	60.754	60.205*	62.628*	64.820*
Börsenkapitalisierung	62.542	61.737	65.007*	54.729*	42.843*
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals pro Aktie (CHF)	13,20	12,49	12,74*	12,26*	12,95*
					* ungeprüft

	<p>Erklärung hinsichtlich wesentlicher Verschlechterung.</p> <p>Beschreibung wesentlicher Veränderungen der Finanzlage oder Handelsposition.</p>	<p>1 Das den UBS-Aktionären zurechenbare Konzernergebnis (gegebenenfalls annualisiert) / Das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital. ² Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Total durchschnittliche Aktiven. ³ Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken. ⁴ Veränderung des aktuellen den UBS-Aktionären zurechenbaren Konzernergebnisses aus fortzuführenden Geschäftsbereichen gegenüber einer Vergleichsperiode / Das den UBS-Aktionären zurechenbare Konzernergebnis aus fortzuführenden Geschäftsbereichen in einer Vergleichsperiode. Besitzt keine Aussagekraft und wird nicht ausgewiesen, falls für die laufende Periode oder die Vergleichsperiode ein Verlust verzeichnet wird. ⁵ Nettoneugelder für die kombinierten Wealth-Management-Einheiten seit Periodenbeginn (gegebenenfalls annualisiert) / Verwaltete Vermögen zu Beginn der Periode. ⁶ Hartes Kernkapital (CET1) / Risikogewichtete Aktiven. ⁷ Basiert auf den Basel-III-Richtlinien, soweit auf systemrelevante Banken (SRB) anwendbar, die am ersten Januar 2013 in der Schweiz in Kraft traten. Die auf einer vollständigen Umsetzung basierenden Informationen berücksichtigen die Auswirkungen der neuen Kapitalabzüge wie auch den Wegfall der nicht anrechenbaren Kapitalinstrumente in vollem Umfang. Die auf einer stufenweisen Umsetzung basierenden Informationen reflektieren diese Auswirkungen schrittweise während der Übergangsperiode. Die Zahlen per 31. Dezember 2012 sind Pro-forma-basiert. Zahlen per 31. Dezember 2011 sind nicht verfügbar. ⁸ Hartes Kernkapital (CET1) gemäß Basel III für Schweizer SRB und verlustabsorbierendes Kapital / Adjustiertes Gesamtengagement (Leverage Ratio Denominator). Die Schweizer Leverage Ratio für SRB trat am ersten Januar 2013 in Kraft. Die Zahlen per 31. Dezember 2012 sind Pro-forma-basiert. Zahlen per 31. Dezember 2011 sind nicht verfügbar. ⁹ Das den UBS-Aktionären zurechenbare Konzernergebnis vor Abschreibungen und Wertminderung auf Goodwill und andere immaterielle Vermögenswerte (gegebenenfalls annualisiert) / das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte. ¹⁰ Total Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Durchschnittliche risikogewichtete Aktiven. Für 2014 und 2013 basieren die risikogewichteten Aktiven (stufenweise umgesetzt) auf den Basel-III-Richtlinien. Für 2012 basieren die risikogewichteten Aktiven auf den Basel-2.5-Richtlinien. Für 2011 basieren die risikogewichteten Aktiven auf den Basel-II-Richtlinien.¹¹ Per 1. Januar 2014 führte UBS <i>Saldierung finanzieller Vermögenswerte und finanzieller Verbindlichkeiten</i> (Änderungen von IAS 32, <i>Finanzinstrumente: Darstellung</i>) ein. Die Vergleichsbilanz per 31. Dezember 2013 wurde angepasst, um den Auswirkungen der Übernahme der Änderungen von IAS 32 Rechnung zu tragen. ¹² Der Leverage Ratio Denominator, auch bezeichnet als «adjustiertes Gesamtengagement», wird in Übereinstimmung mit den Anforderungen für die Leverage Ratio für Schweizer SRB berechnet. Die Zahlen widerspiegeln den Durchschnitt des adjustierten Gesamtengagements am Ende der drei Monate, die dem Ende der Berichtsperiode vorangehen. Die Zahlen per 31. Dezember 2012 sind Pro-forma-basiert. Zahlen per 31. Dezember 2011 sind nicht verfügbar. ¹³ Verwaltete Vermögen des Konzerns beinhalten Vermögen unter der Verwaltung von Retail & Corporate.</p> <p>Seit dem 31. Dezember 2013 sind keine wesentlichen Verschlechterungen in den Aussichten der UBS AG oder der UBS Gruppe eingetreten</p> <p>Seit dem 30. Juni 2014 hat sich keine wesentliche Veränderung der Finanzlage oder der Handelsposition der UBS Gruppe oder der UBS AG ergeben.</p>
B.13	Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der Emittentin, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.	Entfällt; es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der UBS AG, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.
B.14	Beschreibung der Gruppe und Stellung der Emittentin innerhalb dieser Gruppe. Abhängigkeit von	Siehe Punkt B.5. Die UBS AG ist die Muttergesellschaft (sog. Stammhaus) der UBS Gruppe.

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

Punkt	Abschnitt C – Wertpapiere	
C.1	Art und Gattung der Wertpapiere, einschließlich jeder Wertpapierkennung.	<p>Art und Gattung der Wertpapiere Die Wertpapiere sind kapitalgeschützte Zertifikate.</p> <p>Die Wertpapiere werden als Inhaberpapiere im Sinne von § 793 BGB ausgegeben und bei Ausgabe durch eine oder mehrere Dauer-Inhaber-Sammelkunde(n) (jeweils eine "Globalurkunde") verbrieft. Es werden weder auf Verlangen der Wertpapiergläubiger noch sonst Inhaberpapiere als bzw. austauschbar in effektive Stücke bzw. Einzelkunden ausgegeben.</p> <p>Die Globalurkunde ist bei Clearstream Banking AG (das "Clearingsystem") hinterlegt.</p> <p>Wertpapier-Kennnummer(n) der Wertpapiere ISIN: DE000UBS1MS6 WKN: UBS1MS Valor: 24931243</p>
C.2	Währung der Wertpapieremission.	Euro (die " Auszahlungswährung ")

C.5	Beschränkungen der freien Übertragbarkeit der Wertpapiere.	Entfällt; die freie Übertragbarkeit der Wertpapiere ist nicht beschränkt.
C.8	Mit den Wertpapieren verbundene Rechte, einschließlich der Rangordnung und Beschränkungen dieser Rechte.	<p>Maßgebliches Recht der Wertpapiere Die Wertpapiere unterliegen Deutschem Recht.</p> <p>Mit den Wertpapieren verbundene Rechte Die Wertpapiere berechtigen die Wertpapiergläubiger vorbehaltlich der Bedingungen der Wertpapiere bei Ausübung, zu einem Anspruch auf Zahlung des Auszahlungsbetrags in der Auszahlungswährung. Während der Laufzeit der Wertpapiere erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).</p> <p>Beschränkungen der mit den Wertpapieren verbundenen Rechten. Die Emittentin ist unter den in den Bedingungen festgelegten Voraussetzungen zur Kündigung der Wertpapiere und zu Anpassungen der Bedingungen berechtigt.</p> <p>Status der Wertpapiere 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.</p>
C.11	Antrag auf Zulassung zum Handel an einem geregelten Markt oder anderen gleichwertigen Märkten.	Es ist nicht beabsichtigt, die Zulassung der Wertpapiere zum Handel an einem regulierten Markt zu beantragen. Jedoch beabsichtigt die Emittentin, die Einbeziehung der Wertpapiere in den Freiverkehr an der Frankfurter Wertpapierbörse (<i>Freiverkehr</i>) und an der Stuttgarter Wertpapierbörse (<i>Freiverkehr</i>) zu beantragen.
C.15	Einfluss des Basiswerts auf den Wert der Wertpapiere	<p>Der Wert der Wertpapiere während ihrer Laufzeit hängt von der Entwicklung der Basiswerte ab. Im Fall, dass der Kurs der Basiswerte steigt, wird auch der Wert der Wertpapiere wahrscheinlich steigen. Im Fall, dass der Kurs der Basiswerte fällt, wird auch der Wert der Wertpapiere wahrscheinlich fallen. Mit den Wertpapieren können Anleger an der positiven Kursentwicklung der Basiswerte partizipieren. Im Gegenzug nehmen Anleger mit den Wertpapieren aber auch an der negativen Kursentwicklung der Basiswerte teil.</p> <p>Insbesondere hängt der bei Ausübung der Wertpapiere gegebenenfalls an die Wertpapiergläubiger zu zahlende Auszahlungsbetrag (wie nachfolgend definiert) von der Entwicklung der Basiswerte ab.</p> <p>Der Abrechnungsbetrag in der Auszahlungswährung, kaufmännisch auf zwei Dezimalstellen gerundet, (der "Auszahlungsbetrag") entspricht mindestens dem Kapitalgeschützten Mindestbetrag zuzüglich eines zusätzlichen Betrags, der die Entwicklung des Finalen Portfolio (also Final Portfolio – 100%) abbildet, und damit in jedem Fall mindestens EUR 90,00 je Wertpapier.</p> <p>Der zusätzlichen Betrag wird berechnet, indem der Nennbetrag, unter Berücksichtigung des Partizipationsfaktors, mit der Entwicklung des Finalen Portfolio (also Final Portfolio – 100%) multipliziert wird. Falls die Entwicklung des Finalen Portfolio negativ ist, beträgt der zusätzliche Betrag null und der Auszahlungsbetrag entspricht dem Kapitalgeschützten Mindestbetrag .</p>

		<p>Der “Nennbetrag” je Wertpapier entspricht EUR 100.</p> <p>Der “Partizipationsfaktor” entspricht 100% (indikativ) und wird von der Emittentin am Festlegungstag festgelegt.</p> <p>Während der Laufzeit der Wertpapiere erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).</p>
C.16	Verfalltag oder Fälligkeitstermin — Ausübungstermin oder letzter Referenztermin.	Der Fälligkeitstag entspricht dem 23. November 2021.
C.17	Abrechnungsverfahren für die derivativen Wertpapiere.	<p>Zahlungen werden in jedem Fall vorbehaltlich sämtlicher anwendbarer steuerlicher oder sonstiger Gesetze und Vorschriften im Zusammenhang mit der Zahlung oder sonstiger Gesetze und Vorschriften, denen sich die Emittentin unterwirft, in Übereinstimmung mit den Vorschriften und Verfahren, die auf das Clearingsystem Anwendung finden und/oder von diesem herausgegeben werden (die “CS-Regeln”) dem Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der betreffenden Kontoinhaber bei dem Clearingsystem bereitgestellt</p> <p>Die Emittentin wird mit der vorstehend beschriebenen Leistung an das Clearingsystem von den ihr unter diesen Bedingungen der Wertpapiere obliegenden Tilgungsverpflichtungen bzw. sonstigen Zahlungsverpflichtungen befreit.</p>
C.18	Tilgung der derivativen Wertpapiere.	Die Wertpapiergläubiger erhalten, vorbehaltlich einer Marktstörung, an dem Fälligkeitstag den Auszahlungsbetrag.
C.19	Ausübungspreis oder endgültiger Referenzpreis des Basiswerts.	Das “Finale Portfolio” entspricht dem arithmetischen Mittel des an jedem der Beobachtungstage _(j) von der Berechnungsstelle gemäß den Wertpapierbedingungen bestimmten Enhanced Portfolios _(j) .
C.20	Art des Basiswerts und Angabe des Ortes, an dem Informationen über den Basiswert erhältlich sind.	<p>Art des Basiswerts:</p> <p>Der Basiswert ist ein Portfolio von gleichgewichteten Indizes, bestehend aus den folgenden drei Indizes, deren Wertentwicklung an jedem Beobachtungstag_(j) beobachtet und miteinander verglichen wird:</p> <p>Der Basiswert_(i=1) entspricht dem S&P Europe 350 Daily Risk Control 10% Excess Return (EUR) Index (auch der „Index_(i=1)“), wie er von der S&P Dow Jones Indices LLC (der „Index Sponsor_(i=1)“) verwaltet, berechnet und veröffentlicht wird. Informationen zur historischen und zukünftigen Wertentwicklung des Basiswerts_(i=1) und seiner Volatilität sind unter http://us.spindices.com/indices/strategy/sp-europe-350-daily-risk-control-10-eur-net-total-return-index erhältlich.</p> <p>Der Basiswert_(i=2) entspricht dem iBoxx Euro Index Germany Sovereigns 5 to 7 years (auch der „Index_(i=2)“), wie er von der Markit Group (der „Index Sponsor_(i=2)“) verwaltet, berechnet und veröffentlicht wird. Informationen zur historischen und zukünftigen Wertentwicklung des Basiswerts_(i=2) und seiner Volatilität sind unter http://www.markit.com/Product/IBoxx erhältlich.</p> <p>Der Basiswert_(i=3) entspricht dem UBS Bloomberg CMCI Gold T15 ER Index (auch der „Index_(i=3)“), wie er von Bloomberg Finance L.P. gemeinsam mit der Emittentin (der „Index Sponsor_(i=3)“) verwaltet, berechnet und veröffentlicht wird. Informationen zur historischen und zukünftigen Wertentwicklung des Basiswerts_(i=3) und seiner Volatilität sind unter http://www.ubs.com/global/en/investment-bank/bloomberg-cmci/bloomberg-cmci-home.html erhältlich.</p>

Punkt	Abschnitt D – Risiken	
		<p>Der Erwerb von Wertpapieren ist mit bestimmten Risiken verbunden. Die Emittentin weist ausdrücklich darauf hin, dass die Beschreibung der mit einer Anlage in die Wertpapiere verbundenen Risiken nur die wesentlichen Risiken beschreibt, die der Emittentin zum Datum des Prospekts bekannt waren.</p>
D.2	<p>Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind.</p>	<p>Die Wertpapiere beinhalten ein sog. Emittentenrisiko, das auch als Schuldnerisiko oder Kreditrisiko der Investoren bezeichnet wird. Das Emittentenrisiko ist das Risiko, dass die UBS AG zeitweise oder andauernd nicht in der Lage ist, ihren Verpflichtungen unter den Wertpapieren nachzukommen.</p> <p>Allgemeines Insolvenzrisiko Jeder Investor trägt allgemein das Risiko, dass sich die finanzielle Situation der Emittentin verschlechtern könnte. Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die - auch im Fall der Insolvenz der Emittentin - untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt. Die durch die Wertpapiere begründeten Verbindlichkeiten der Emittentin sind nicht durch ein System von Einlagensicherungen oder eine Entschädigungseinrichtung geschützt. Im Falle der Insolvenz der Emittentin könnte es folglich sein, dass Anleger einen Totalverlust ihrer Investition in die Wertpapiere erleiden.</p> <p>UBS als Emittentin unterliegt in ihrer Geschäftsaktivitäten verschiedenen Risiken. Diese Risiken umfassen insbesondere Risiken der folgenden Arten, wobei sämtliche dieser Risiken nachteilige Auswirkungen auf den Wert der Wertpapiere haben können:</p> <ul style="list-style-type: none"> • Auswirkung einer Herabstufung des Ratings der Emittentin • Aufsichtsrechtliche und gesetzliche Veränderungen können die Geschäfte von UBS sowie die Fähigkeit von UBS, die strategischen Pläne umzusetzen, nachteilig beeinflussen • Eine verringerte Kapitalstärke der UBS könnte nachteilige Auswirkungen auf die Umsetzung ihrer Strategie und den Erhalt ihrer Kundenbasis und Wettbewerbsfähigkeit haben • UBS kann ihre angekündigten strategischen Pläne möglicherweise nicht erfolgreich umsetzen • Eine Verschlechterung ihres guten Rufs könnte sich nachteilig auf den Erfolg der Geschäfte der UBS auswirken • Aus der Geschäftstätigkeit der UBS können wesentliche rechtliche und regulatorische Risiken erwachsen • Die Ergebnisse der Finanzdienstleistungsbranche hängen von den Marktbedingungen und vom makroökonomischen Umfeld ab • UBS hält Legacy- und andere Risikopositionen, die von den Bedingungen an den Finanzmärkten beeinträchtigt werden könnten; Legacy-Risikopositionen könnten schwierig zu liquidieren sein • Aufgrund ihrer globalen Präsenz unterliegt UBS Risiken, die sich aus Währungsschwankungen ergeben

		<ul style="list-style-type: none"> • UBS ist auf ihre Risikomanagement- und -kontrollprozesse angewiesen, um mögliche Verluste bei Handelsgeschäften der UBS sowie Kreditgeschäften mit Gegenparteien zu verhindern oder zu begrenzen • Bewertungen bestimmter Positionen hängen von Modellen ab, die naturgemäß ihre Grenzen haben und die unter Umständen Daten aus nicht beobachtbaren Quellen anwenden • UBS ist möglichen Abflüssen von Kundenvermögen in ihrem Vermögensverwaltungsgeschäft und Veränderungen ausgesetzt, welche die Profitabilität des Unternehmensbereichs Wealth Management der UBS beeinträchtigen können • Liquiditätsbewirtschaftung und Finanzierung sind für die laufende Performance der UBS von größter Bedeutung • Operationelle Risiken können das Geschäft der UBS beeinträchtigen • UBS könnte außerstande sein, Ertrags- oder Wettbewerbschancen zu identifizieren und zu nutzen, oder bei der Gewinnung und Bindung qualifizierter Mitarbeiter scheitern • Die Finanzergebnisse der UBS könnten durch geänderte Rechnungslegungsstandards beeinträchtigt werden • Die Finanzergebnisse der UBS könnten durch geänderte Annahmen bezüglich des Werts des Goodwills der UBS beeinträchtigt werden • Die Steuerauswirkungen auf das Finanzergebnis der UBS werden erheblich durch Änderungen in den latenten Steueransprüchen der UBS und die endgültige Festsetzung in Steuerprüfungen beeinflusst
<p>D.6</p>	<p>Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind.</p>	<p>Potenzielle Erwerber sollten sich darüber im Klaren sein, dass es sich bei Wertpapieren um eine Risikoanlage handelt, die mit der Möglichkeit von Totalverlusten hinsichtlich des eingesetzten Kapitals verbunden ist. Wertpapiergläubiger erleiden einen Verlust, wenn die gemäß den Bedingungen der Wertpapieren erhaltenen Beträge unter dem Kaufpreis der Wertpapiere (einschließlich etwaiger Transaktionskosten) liegt. Auch wenn die Wertpapiere zum Ende der Laufzeit im Umfang des Kapitalgeschützten Mindestbetrags kapitalgeschützt sind und das Verlustrisiko zunächst auf den Kapitalgeschützten Mindestbetrag begrenzt ist, tragen Investoren in die Wertpapiere das Risiko der Verschlechterung der finanziellen Situation der Emittentin und der daraus folgenden möglichen Unfähigkeit der Emittentin, ihren Verpflichtungen unter den Wertpapieren nachzukommen. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, Verluste des eingesetzten Kapitals bis hin zum Totalverlust hinzunehmen. Alle an einem Erwerber der Wertpapiere interessierten Anleger sollten ihre jeweiligen wirtschaftlichen Verhältnisse überprüfen, um sicherzustellen, dass sie in der Lage sind, die mit dem Wertpapier verbundenen Verlustrisiken zu tragen.</p> <p>Wertpapierspezifische Risikohinweise</p> <p>1. <u>Spezielle Risiken im Zusammenhang mit besonderen Merkmalen der Wertpapierstruktur</u> Potenzielle Erwerber der Wertpapiere müssen vor einer Investition in die Wertpapiere beachten, dass die folgenden Besonderheiten der Wertpapiere nachteilige Auswirkungen auf den Wert der Wertpapiere bzw. die Höhe des nach den</p>

		<p>Wertpapierbedingungen gegebenenfalls zu zahlenden Geldbetrags haben können und dementsprechend besondere Risikoprofile aufweisen:</p> <p>Währungswechselkursrisiko Der Wert der Basiswerte kann in einer von der Auszahlungswährung abweichenden Währung bestimmt werden, weshalb sich potenzielle Erwerber der Wertpapiere darüber im Klaren sein sollten, dass mit der Anlage in die Wertpapiere Risiken aufgrund von schwankenden Währungswechselkursen verbunden sein können und dass das Verlustrisiko nicht allein von der Entwicklung des Werts der Basiswerte, sondern auch von ungünstigen Entwicklungen des Werts der fremden Währung oder von Währungseinheiten, abhängt.</p> <p>Derartige Entwicklungen können das Verlustrisiko der Wertpapiergläubiger zusätzlich dadurch erhöhen, dass sich durch eine ungünstige Entwicklung des betreffenden Währungswechselkurses der Wert der erworbenen Wertpapiere während ihrer Laufzeit entsprechend vermindert oder sich die Höhe des möglicherweise unter den Wertpapieren zu zahlenden Auszahlungsbetrags bzw. Kündigungsbetrags entsprechend vermindert.</p> <p>Risiken im Zusammenhang mit dem Partizipationsfaktor Potenzielle Erwerber sollte beachten, dass die Verwendung des Partizipationsfaktors innerhalb der Bestimmung des Wertpapierrechts dazu führt, dass die Wertpapiere zwar wirtschaftlich einer Direktinvestition in die Basiswerte ähnlich sind, mit einer solchen jedoch insbesondere deshalb nicht vollständig vergleichbar sind, weil die Wertpapiergläubiger an der entsprechenden Wertentwicklung der Basiswerte nicht im Verhältnis 1:1 partizipieren, sondern in dem Verhältnis des Partizipationsfaktors teilnehmen.</p> <p>Risiken im Zusammenhang mit dem Kapitalschutz Potenzielle Erwerber sollten beachten, dass die Wertpapiere zum Ende der Laufzeit im Umfang des Kapitalgeschützten Mindestbetrags (ohne Berücksichtigung des Ausgabeaufschlags) kapitalgeschützt sind, das heißt der Anleger erhält zum Ende der Laufzeit unabhängig von der Entwicklung der Basiswerte jedenfalls den Kapitalgeschützten Mindestbetrag. Erwirbt ein Investor die Wertpapiere zu einem Preis, der über dem Kapitalgeschützten Mindestbetrag liegt, so sollte dem potenziellen Erwerber bewusst sein, dass sich der (anteilige) Kapitalschutz nur auf den kleineren Kapitalgeschützten Mindestbetrag bezieht. Dabei ist zudem zu beachten, dass der Kapitalschutz nur zum Ende der Laufzeit, das heißt soweit die Wertpapiere nicht gekündigt worden sind, greift. Der Geldbetrag, der bei vorzeitiger Fälligkeit der Wertpapiere geleistet wird, kann erheblich geringer sein als der Betrag, der bei Greifen des Kapitalschutzes im Umfang des Mindestbetrags zum Ende der Laufzeit der Wertpapiere mindestens zu zahlen wäre.</p> <p>Potenziellen Erwerbern der Wertpapiere sollte zudem bewusst sein, dass sie trotz des Kapitalschutzes im Umfang des Kapitalgeschützten Mindestbetrags das Risiko der Verschlechterung der finanziellen Leistungsfähigkeit der Emittentin und der daraus folgenden möglichen Unfähigkeit der Emittentin ihren Verpflichtungen unter den Wertpapieren nachzukommen, tragen. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, Verluste des eingesetzten Kapitals bis</p>
--	--	--

		<p>hin zum Totalverlust hinzunehmen. In jedem Falle sollten Erwerber der Wertpapiere ihre jeweiligen wirtschaftlichen Verhältnisse daraufhin überprüfen, ob sie in der Lage sind, die mit dem Wertpapier verbundenen Verlustrisiken zu tragen.</p> <p>2. <u>Kündigung und vorzeitige Tilgung der Wertpapiere durch die Emittentin</u> Potenziellen Erwerbern der Wertpapiere sollte bewusst sein, dass die Emittentin gemäß den Bedingungen der Wertpapiere die Möglichkeit hat, die Wertpapiere insgesamt vor dem Fälligkeitstag zu kündigen und vorzeitig zu tilgen. Wenn die Emittentin die Wertpapiere vor dem Fälligkeitstag kündigt und vorzeitig tilgt, hat der Wertpapiergläubiger das Recht, die Zahlung eines Geldbetrags in Bezug auf die vorzeitige Tilgung zu verlangen. Der Wertpapiergläubiger hat jedoch keinen Anspruch auf irgendwelche weiteren Zahlungen auf die Wertpapiere nach dem maßgeblichen Kündigungstag der Emittentin.</p> <p>Der Wertpapiergläubiger trägt damit das Risiko, dass er an der Wertentwicklung der Basiswerte nicht in dem erwarteten Umfang und über den erwarteten Zeitraum partizipieren und damit auch weniger als sein eingesetztes Kapital zurückerhalten kann.</p> <p>Im Falle einer Kündigung der Wertpapiere durch die Emittentin trägt der Wertpapiergläubiger zudem das Wiederanlagerisiko. Dies bedeutet, dass er den durch die Emittentin im Falle einer Kündigung gegebenenfalls ausgezahlten Kündigungsbetrag möglicherweise nur zu ungünstigeren Marktkonditionen als denen, die beim Erwerb der Wertpapiere vorlagen, wiederanlegen kann.</p> <p>3. <u>Mögliche Kursschwankungen des Kurses der Basiswerte nach Beendigung der Laufzeit der Wertpapiere</u> Soweit die Laufzeit der Wertpapiere durch die Emittentin vorzeitig durch Kündigung gemäß den Bedingungen der Wertpapiere beendet wird, müssen potenzielle Erwerber der Wertpapiere beachten, dass ungünstige Schwankungen des Kurses der Basiswerte nach dem Zeitpunkt der Kündigungserklärung bis zur Ermittlung des für die Berechnung des dann zahlbaren Kündigungsbetrags verwendeten Kurses der Basiswerte zu Lasten der Wertpapiergläubiger gehen.</p> <p>4. <u>Nachteilige Auswirkungen von Anpassungen des Wertpapierrechts</u> Es kann nicht ausgeschlossen werden, dass gewisse Ereignisse eintreten oder (von Dritten, mit Ausnahme der Emittentin) in Bezug auf die Basiswerte Maßnahmen ergriffen werden, die möglicherweise zu Änderungen an den Basiswerten führen oder darin resultieren, dass das einem Basiswert zu Grunde liegende Konzept geändert wird. Die Emittentin ist gemäß den Bedingungen der Wertpapiere berechtigt, Anpassungen der Bedingungen der Wertpapiere vorzunehmen, um diese Ereignisse oder Maßnahmen zu berücksichtigen. Diese Anpassungen der Basiswerte können sich negativ auf den Wert der Wertpapiere auswirken.</p> <p>5. <u>Festlegungen durch die Berechnungsstelle</u> Die Berechnungsstelle hat nach Maßgabe der Bedingungen der Wertpapiere bestimmte Ermessensfreiheiten (i) bei der Feststellung, ob bestimmte Ereignisse (insbesondere in Übereinstimmung mit den Bedingungen der Wertpapiere eine Marktstörung) eingetreten sind, (ii) bei der Feststellung der sich</p>
--	--	---

		<p>daraus ergebenden Anpassungen und Berechnungen, (iii) hinsichtlich der Anpassungen der Basiswerte, (iv) hinsichtlich des Verschiebens von Bewertungen oder Zahlungen in Bezug auf die Wertpapiere. Die Berechnungsstelle nimmt solche Feststellungen (gemäß § 317 BGB) nach ihrem billigen Ermessen und in wirtschaftlich angemessener Weise vor. Potenziellen Anlegern sollte bewusst sein, dass eine von der Berechnungsstelle vorgenommene Feststellung sich auf den Wert der Wertpapiere und die Erträge daraus auswirken kann. Die Ausübung eines solchen Ermessens oder die Vornahme einer Berechnung durch die Berechnungsstelle ist, außer in Fällen offensichtlichen Irrtums, für die Emittentin und die Wertpapiergläubiger endgültig, abschließend und bindend.</p> <p>6. Handel in den Wertpapieren / Mangelnde Liquidität</p> <p>Es lässt sich nicht voraussagen, ob und inwieweit sich ein Sekundärmarkt für die Wertpapiere entwickelt, zu welchem Preis die Wertpapiere in diesem Sekundärmarkt gehandelt werden und ob dieser Sekundärmarkt liquide sein wird oder nicht.</p> <p>Es werden Anträge auf Einbeziehung der Wertpapiere in den Freiverkehr an der Frankfurter Wertpapierbörse (<i>Freiverkehr</i>) und an der Stuttgarter Wertpapierbörse (<i>Freiverkehr</i>) gestellt werden. Sofern die Wertpapiere zugelassen oder gelistet werden, besteht keine Gewähr dafür, dass eine solche Zulassung oder ein solches Listing aufrecht erhalten wird. Der Umstand, dass die Wertpapiere zum Handel zugelassen oder gelistet werden, bedeutet nicht zwangsläufig eine größere Liquidität, als wenn dies nicht der Fall wäre. Sofern die Wertpapiere an keiner Börse gelistet oder gehandelt werden, können Preisinformationen im Hinblick auf die Wertpapiere schwieriger zu erhalten sein und die Liquidität der Wertpapieren (sofern vorhanden) kann ungünstig beeinflusst werden. Die gegebenenfalls bestehende Liquidität der Wertpapiere kann ebenfalls durch Beschränkung des Kaufs und Verkaufs der Wertpapiere in bestimmten Ländern beeinflusst werden. Die Emittentin ist zudem berechtigt, jedoch nicht verpflichtet, jederzeit Wertpapiere zu einem beliebigen Kurs im offenen Markt oder im Bietungsverfahren oder durch Privatvereinbarung zu erwerben. Alle derart erworbenen Wertpapiere können gehalten, wiederverkauft oder zur Entwertung eingereicht werden.</p> <p>Darüber hinaus kann nicht ausgeschlossen werden, dass die Anzahl der tatsächlich emittierten und von Anlegern erworbenen Wertpapieren geringer ist als das Ausgabevolumen der Wertpapiere. Es besteht deshalb das Risiko, dass aufgrund einer geringen Anzahl tatsächlich emittierter Wertpapiere die Liquidität der Wertpapiere geringer ist, als sie bei einer Ausgabe und des Erwerbs sämtlicher Wertpapiere durch Anleger wäre.</p> <p>Der Manager beabsichtigt, unter gewöhnlichen Marktbedingungen regelmäßig Ankaufs- und Verkaufskurse für die Wertpapiere einer Emission zu stellen. Der Manager hat sich jedoch nicht aufgrund einer festen Zusage gegenüber der Emittentin zur Stellung von Liquidität mittels Geld- und Briefkursen hinsichtlich der Wertpapiere verpflichtet und übernimmt bzw. Übernehmen keinerlei Rechtspflicht zur Stellung derartiger Kurse oder hinsichtlich der Höhe oder des Zustandekommens derartiger Kurse. Potenzielle Erwerber sollten deshalb nicht darauf vertrauen, das jeweilige Wertpapier zu einer bestimmten Zeit oder einem bestimmten Kurs veräußern zu können.</p>
--	--	---

		<p>7. <u>Besteuerung der Wertpapiere</u> Potentielle Investoren sollten sich vergegenwärtigen, dass sie gegebenenfalls verpflichtet sind, Steuern oder andere Gebühren oder Abgaben nach Maßgabe der Rechtsordnung und Praktiken desjenigen Landes zu zahlen, in das die Wertpapiere übertragen werden oder möglicherweise auch nach Maßgabe anderer Rechtsordnungen. In einigen Rechtsordnungen kann es zudem an offiziellen Stellungnahmen der Finanzbehörden oder Gerichtsentscheidungen in Bezug auf innovative Finanzinstrumente wie den hiermit angebotenen Wertpapieren fehlen. Potentiellen Investoren wird daher geraten, sich nicht auf die in dem Basisprospekt enthaltene summarische Darstellung der Steuersituation zu verlassen, sondern sich in Bezug auf ihre individuelle Steuersituation hinsichtlich des Kaufs, des Verkaufs und der Rückzahlung der Wertpapiere von ihrem eigenen Steuerberater beraten zu lassen. Nur diese Berater sind in der Lage, die individuelle Situation des potentiellen Investors angemessen einzuschätzen.</p> <p>8. <u>Änderung der Grundlage der Besteuerung der Wertpapiere</u> Die in der Wertpapierbeschreibung ausgeführten Überlegungen hinsichtlich der Besteuerung der Wertpapiere geben die Ansicht der Emittentin auf Basis der zum Datum der Wertpapierbeschreibung geltenden steuerrechtlichen Situation wieder. Folglich sollten Anleger vor der Entscheidung über einen Kauf der Wertpapiere ihre persönlichen Steuerberater konsultieren. Potentielle Investoren sollten sich vergegenwärtigen, dass sich die zum Datum der Wertpapierbeschreibung geltende steuerrechtliche Situation, möglicherweise auch rückwirkend, ändern kann. Weder die Emittentin noch der Manager übernehmen gegenüber den Wertpapiergläubigern die Verantwortung für die steuerlichen Konsequenzen einer Anlage in die Wertpapiere.</p> <p>9. <u>Potenzielle Interessenkonflikte</u> Die Emittentin und mit ihr verbundene Unternehmen können sich von Zeit zu Zeit für eigene Rechnung oder für Rechnung eines Kunden an Transaktionen beteiligen, die mit den Wertpapieren in Verbindung stehen. Diese Transaktionen sind möglicherweise nicht zum Nutzen der Wertpapiergläubiger und können positive oder negative Auswirkungen auf den Wert der Basiswerte und damit auf den Wert der Wertpapiere haben. Mit der Emittentin verbundene Unternehmen können außerdem Gegenparteien bei Deckungsgeschäften bezüglich der Verpflichtungen der Emittentin aus den Wertpapieren werden. Daher können hinsichtlich der Pflichten bei der Ermittlung der Kurse der Wertpapiere und anderen damit verbundenen Feststellungen sowohl unter den mit der Emittentin verbundenen Unternehmen als auch zwischen diesen Unternehmen und den Anlegern Interessenkonflikte auftreten. Zudem können die Emittentin und mit ihr verbundene Unternehmen gegebenenfalls in Bezug auf die Wertpapiere zusätzlich eine andere Funktion ausüben, zum Beispiel als Berechnungsstelle, Zahl- und Verwaltungsstelle und/oder als Index Sponsor.</p> <p>Die Emittentin und mit ihr verbundene Unternehmen können darüber hinaus weitere derivative Instrumente in Verbindung mit den Basiswerten ausgeben; die Einführung solcher miteinander im Wettbewerb stehenden Produkte kann sich auf den Wert der Wertpapiere auswirken. Die Emittentin und mit ihr verbundene Unternehmen können nicht-öffentliche Informationen in Bezug</p>
--	--	---

		<p>auf die Basiswerte erhalten, und weder die Emittentin noch eines der mit ihr verbundenen Unternehmen verpflichtet sich, solche Informationen an einen Wertpapiergläubiger zu veröffentlichen.</p> <p>Im Zusammenhang mit dem Angebot und Verkauf der Wertpapiere kann die Emittentin oder ein mit ihr verbundenes Unternehmen, direkt oder indirekt, Gebühren in unterschiedlicher Höhe an Dritte, zum Beispiel Vertriebspartner oder Anlageberater, zahlen oder Gebühren in unterschiedlichen Höhen einschließlich solcher im Zusammenhang mit dem Vertrieb der Wertpapiere von Dritten erhalten. Potenzielle Erwerber sollten sich bewusst sein, dass die Emittentin die Gebühren teilweise oder vollständig einbehalten kann. Über die Höhe dieser Gebühren erteilt bzw. erteilen die Emittentin bzw. der Manager auf Anfrage Auskunft.</p> <p>Basiswertspezifische Risikohinweise Die unter dem Basisprospekt begebenen Wertpapiere können an Indizes gebunden. Die im Rahmen der Wertpapiere bei Tilgung zu zahlenden Beträge werden unter Bezugnahme auf den Preis oder Wert der Basiswerte bestimmt. Dementsprechend ist eine Anlage in die Wertpapiere auch mit bestimmten Risiken verbunden, die sich auf die Basiswerte beziehen, und sollten Anleger den Prospekt sorgfältig prüfen, um sich die Auswirkungen einer solchen Kopplung an die Basiswerte auf die Wertpapiere bewusst zu machen.</p> <p>Der Kauf von oder die Anlage in an einen Basiswert gekoppelte Wertpapiere beinhaltet wesentliche Risiken. Diese Wertpapiere sind keine herkömmlichen Wertpapiere und mit verschiedenen besonderen Anlagerisiken verbunden, über die sich potenzielle Anleger vor einer Anlage vollständig im Klaren sein sollten. Potenzielle Anleger in diese Wertpapiere sollten mit dieser Art von Wertpapieren vertraut sein, und alle Unterlagen vollständig überprüfen, den Prospekt lesen und verstehen sowie sich über die Art und den Umfang des Exposure in Bezug auf das Verlustrisiko im Klaren sein.</p> <p>Eine Investition in die Wertpapiere ist daher mit Risiken verbunden, die mit den Basiswerten zusammenhängen:</p> <ol style="list-style-type: none"> 1. <u>Allgemeine Risiken im Zusammenhang mit den Basiswerten</u> Anleger sollten sich bewusst machen, dass mit den Basiswerten allgemeine Risiken verbunden sind: <ul style="list-style-type: none"> Risiko von Wertschwankungen Die Wertentwicklung der Basiswerte ist Schwankungen unterworfen. Daher können die Wertpapiergläubiger nicht vorhersehen, welche Gegenleistung sie zu einem bestimmten in der Zukunft liegenden Tag für die Wertpapiere erwarten können. Es können bei Tilgung, Ausübung oder sonstiger Veräußerung an einem bestimmten Tag erhebliche Wertverluste gegenüber der Veräußerung zu einem späteren oder früheren Zeitpunkt eintreten. Unsicherheit über die zukünftige Wertentwicklung Es ist nicht möglich, zuverlässige Aussagen über die künftige Wertentwicklung der Basiswerte zu treffen. Auch auf Grund historischer Daten der Basiswerte können keine Rückschlüsse auf die zukünftige Wertentwicklung der Basiswerte und der Wertpapiere gezogen werden. Keine Gewährleistungen oder Zusicherungen hinsichtlich der künftigen Entwicklung der Basiswerte Die Emittentin gibt keinerlei ausdrückliche oder stillschweigende
--	--	---

		<p>Gewährleistung oder Zusicherung hinsichtlich der künftigen Entwicklung der Basiswerte ab. Darüber hinaus übernimmt der Emittent bzw. Index Sponsor der Basiswerte keine Verpflichtung, die Interessen des Emittenten des Wertpapiers oder der Wertpapiergläubiger aus irgendeinem Grund zu berücksichtigen.</p> <p>Kein (Eigentums-)Recht an den Basiswerten Potenziellen Anlegern sollte bewusst sein, dass die Basiswerte von der Emittentin nicht zugunsten der Wertpapiergläubiger gehalten werden und dass Wertpapiergläubiger keine Eigentumsrechte (einschließlich, ohne jedoch hierauf beschränkt zu sein Stimmrechte, Rechte auf Erhalt von Dividenden oder andere Ausschüttungen oder sonstige Rechte) an den Basiswerten erwerben, auf den sich diese Wertpapiere beziehen. Weder die Emittentin noch eines ihrer verbundenen Unternehmen ist in irgendeiner Weise verpflichtet, einen Basiswert zu erwerben oder zu halten.</p> <p>Auswirkung des Abstellens auf ein Portfolio von Basiswerten Bei den Wertpapieren besteht die Besonderheit, dass sich die Höhe des Zahlungsbetrags nach der Wertentwicklung eines Portfolios bestehend aus den Basiswerten bestimmt. Dementsprechend können Schwankungen im Wert eines Basiswerts durch Schwankungen im Wert der anderen in dem Portfolio enthaltenen Basiswerte ausgeglichen oder verstärkt werden. Trotz der positiven Wertentwicklung eines oder mehrerer in dem Portfolio enthaltenen Basiswerte kann die Wertentwicklung des Portfolios in seiner Gesamtheit negativ ausfallen, wenn sich der Wert der übrigen in dem Portfolio enthaltenen Basiswerte in stärkerem Maße negativ entwickelt.</p> <p>Darüber hinaus ist auch der Grad der Abhängigkeit der Basiswerte voneinander, die so genannte Korrelation, für die Höhe des Zahlungsbetrags von Bedeutung. Falls sämtliche Basiswerte aus demselben Wirtschaftszweig oder demselben Land stammen, ist die Entwicklung der Basiswerte folglich von der Entwicklung eines einzelnen Wirtschaftszweigs oder eines einzelnen Landes abhängig. Dies bedeutet, dass im Fall einer ungünstigen Entwicklung eines einzelnen Wirtschaftszweigs oder eines einzelnen Landes, der bzw. das in dem Portfolio aus Basiswerten abgebildet ist, das Portfolio überproportional von dieser ungünstigen Entwicklung betroffen sein kann.</p> <p>2. <u>Spezifische Risiken im Zusammenhang mit den Basiswerten</u> Darüber hinaus sind die folgenden Risiken spezifisch mit den Basiswerten verbunden:</p> <p>Anleger sollten beachten, dass mit den Indizes, die in dem Portfolio enthalten sein werden, Risiken verbunden sind. Daher unterliegt eine Investition in die Wertpapiere in gewissem Umfang Marktrisiken, die mit einer Direktanlage in die Indizes verbunden sind.</p> <p>Diese Risiken beinhalten Risiken, die mit einer Direktanlage in die Indexkomponenten verbunden sind, die Abhängigkeit von dem Wert der Indexkomponenten, den Einfluss der Emittentin oder des Indexsponsors auf den Index, die negativen Auswirkungen von Gebühren auf den Index und im Index enthaltene Wechselkursrisiken. Potenzielle Anleger sollten sich entsprechend beraten lassen und sich mit dem spezifischen Risikoprofil der Indizes vertraut machen sowie professionellen Rat in Anspruch nehmen, wenn nötig.</p>
--	--	---

	Risikohinweis darauf, dass der Anleger seinen Kapitaleinsatz ganz oder teilweise verlieren könnte.	Auch wenn die Wertpapiere zum Ende der Laufzeit im Umfang des Kapitalgeschützten Mindestbetrags kapitalgeschützt sind und das Verlustrisiko zunächst auf den Kapitalgeschützten Mindestbetrag begrenzt ist, tragen Investoren in die Wertpapiere das Risiko der Verschlechterung der finanziellen Situation der Emittentin und der daraus folgenden möglichen Unfähigkeit der Emittentin, ihren Verpflichtungen unter den Wertpapieren nachzukommen. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, Verluste des eingesetzten Kapitals bis hin zum Totalverlust hinzunehmen. Alle an einem Erwerber der Wertpapiere interessierten Anleger sollten ihre jeweiligen wirtschaftlichen Verhältnisse überprüfen, um sicherzustellen, dass sie in der Lage sind, die mit dem Wertpapier verbundenen Verlustrisiken zu tragen.
--	--	--

Abschnitt E – Angebot		
E.2b	Gründe für das Angebot und Verwendung der Erlöse sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegt.	Entfällt. Die Gründe für das Angebot und Verwendung der Erlöse weichen nicht ab von einer Gewinnerzielung und/oder der Absicherung bestimmter Risiken.
E.3	Angebotskonditionen.	<p>Es ist vereinbart worden, dass die Wertpapiere am 15. Dezember 2014 (der "Ausgabetag") durch UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich (der "Manager") erworben werden können und in den Jurisdiktionen des Öffentlichen Angebots zum freibleibenden Verkauf während der Zeichnungsfrist gestellt werden sollen.</p> <p>Die Wertpapiere können in den Jurisdiktionen des Öffentlichen Angebots während des Zeitraums vom 15. September 2014 bis zum 7. November 2014 (15:00 Uhr MEZ) (die "Zeichnungsfrist") zu banküblichen Geschäftszeiten beim Manager zu einem Betrag von EUR 100,00 zuzüglich eines Ausgabeaufschlags in Höhe von EUR 3,00 je Wertpapier (der "Ausgabepreis") gezeichnet werden.</p> <p>Die Emittentin behält sich vor, die Zeichnungsfrist bei entsprechender Marktlage zu verkürzen oder zu verlängern. Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Festlegungstag, der Ausgabetag und der Zahltag bei Ausgabe entsprechend verschieben. Im Fall einer Verlängerung kann die Zeichnungsfrist bis zum 21. November 2014 verlängert werden.</p> <p>Zeichnungen können nur zu einem Mindestanlagebetrag in Höhe von 100 Wertpapieren (der "Mindestanlagebetrag") erfolgen. Die Emittentin kann auf den Mindestanlagebetrag verzichten oder diesen herabsetzen.</p> <p>Der Ausgabepreis pro Wertpapier ist am 15. Dezember 2014 (der "Zahltag bei Ausgabe") zur Zahlung fällig. Die Wertpapiere werden nach dem Zahltag bei Ausgabe in entsprechender Anzahl und entsprechend den Regeln des Clearingsystems dem Konto des Erwerbers gutgeschrieben.</p>
E.4	Für die Emission/das Angebot wesentliche Interessen, einschließlich Interessenkonflikten.	Der Emittentin sind, mit Ausnahme der Berechtigten Anbieter im Hinblick auf ihre jeweiligen Gebühren, keine an der Emission der Wertpapiere beteiligten Personen, die ein wesentliches Interesse an der Emission / dem Angebot der Wertpapiere haben, und keine Interessenkonflikte bekannt.

<p>E.7</p>	<p>Schätzung der Ausgaben, die dem Anleger von der Emittentin oder dem Anbieter in Rechnung gestellt werden.</p>	<p>Entfällt; dem Anleger werden von der Emittentin oder dem Manager keine Ausgaben in Rechnung gestellt.</p>
-------------------	--	--

II. SECURITIES NOTE

A. RISK FACTORS

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

I. Security specific Risks

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

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

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

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

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

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

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

Currency exchange rate risk

The value of the Underlyings may be determined in currencies other than the Redemption Currency. Potential investors should, therefore, be aware that investments in these Securities entail risks due to fluctuating 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 or currency unit.

Such developments can additionally increase the Securityholders' exposure to losses, because an unfavourable performance of the relevant currency exchange rate may correspondingly decrease the value of the purchased Securities during their term or, as the case may be, the level of the Redemption Amount or, as the case may be, the Termination 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).

Risks related to the Participation Factor

Potential investors should consider that 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 do not participate in the relevant performance of the by a 1:1 ratio, but by the proportion of the Participation Factor.

Risks related to the Capital Protection

Potential investors should consider that the Securities are as at the end of their term capital protected to the extent of a Capital Protected Minimum Amount (without consideration of the offering premium), i.e. the investor receives at the end of the term even disregarding the actual performance of the Underlyings in any case the Capital Protected Minimum Amount. If an investor acquires the Securities at a price, which is higher than the Capital Protected Minimum Amount, the prospective investor should be aware that the (proportional) capital protection only refers to the lower Capital Protected Minimum Amount. In this context, it has to be considered that the capital protection only applies at the end of the term, i.e. provided that the Securities have not been terminated. The cash amount to be paid, if any, in the case of an early redemption of the Securities can be considerably below the amount, which would be payable as a minimum at the end of the term of the Securities, where the capital protection applies to the extent of the Capital Protected Minimum Amount. Potential investors of the Securities should furthermore recognise that despite the capital protection to the extent of the Capital Protected Minimum Amount, the investor bears the risk of the Issuer's financial ability worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the capital invested. Purchasers of the Securities should in any case assess their financial situation, to ensure that they are in a position to bear the risks of loss connected with the Securities.

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

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

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

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

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

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

4. **Possible fluctuations in the 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 Terms and Conditions of the Securities, potential investors of the Securities should note that any adverse fluctuations in the Price of the Underlyings between the announcement of the termination by the Issuer and the determination of the price of the Underlyings relevant for the calculation of the then payable Termination Amount are borne by the Securityholders.

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

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

6. **Determinations by the Calculation Agent**

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

7. **Other factors affecting the value**

The value of a Security is determined not only by changes in the 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 macro economic factors and speculation. In addition, the historical performance of the Underlyings is not an indication of its future performance. Changes in the prices in relation to the Underlyings will affect the trading price of the Securities, and it is impossible to predict whether the prices in relation to 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 Redemption Amount, if any, to be paid under the Securities.** Before acquiring a Security, potential investors should therefore inform themselves of all costs incurred through the purchase or

sale of the Security, including any costs charged by their custodian banks upon purchase and maturity of the Securities.

9. Transactions to offset or limit risk

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

10. Trading in the Securities / Illiquidity

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

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

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

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

11. Representation and Custody of the Securities

Securities under this Securities Note are issued physically in bearer form to be kept with the relevant Clearing System or on its behalf.

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

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

12. Pricing of Securities

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

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

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

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

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

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

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

If adopted in their current form, the proposed regulations may impose a withholding tax on payments or deemed payments made on the Securities on or after 1 January 2016 that are treated as dividend equivalents for Securities acquired on or after 5 March 2014. However, under a recent notice of the U.S. Internal Revenue Service ("**IRS**") the U.S. Internal Revenue Service ("**IRS**") announced that it and the Treasury Department intend that final Treasury regulations will provide that "**specified ELIs**" will exclude equity-linked instruments issued prior to 90 days after the date such final Treasury regulations are published. Accordingly, the Issuer generally expects that Securityholders (other than US Securityholders) should not be subject to tax under Section 871(m). However, it is possible that such withholding tax could apply to the Securities under these proposed rules if, for example, a

Securityholder (other than a U.S. securityholder) enters into certain subsequent transactions in respect of the Underlyings. If an amount in respect of such U.S. withholding tax were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax.

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

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

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

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

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

18. Changes in Taxation in relation to the Securities

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

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

19. Potential conflicts of interest

The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the

Securityholders and may have a positive or negative effect on the value of the 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.

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.

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

II. Underlying specific Risks

The Securities issued under the Prospectus are linked to indices. The amounts payable on redemption under the Securities will be determined by reference to the price or value of the Underlyings. Accordingly, investing in the Securities also involves certain risks that are related to the Underlyings and investors should review carefully the Prospectus to understand the effect on the Securities of such linkage to the Underlyings.

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

1. General risks related to the Underlyings

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

Risk of fluctuations in value

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

Uncertainty about future performance

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

No warranties or representations regarding the future performance of the Underlyings

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

No rights of ownership in the Underlyings

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

Consequence of the linkage to a portfolio of Underlyings

The level of the Redemption Amount depends on the performance of the portfolio comprising the Underlyings. As a result, fluctuations in the value of one Underlying may be offset or intensified by fluctuations in the value of other Underlyings comprised in the portfolio. Even in the case of a positive performance of one or Underlyings comprised in the portfolio, the performance of the portfolio as a whole may be negative if the performance of the other Underlyings is negative to a greater extent.

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

2. Specific risks related to the Underlyings

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

Similar risks to a direct investment in the index components

The level of the Redemption Amount depends, *inter alia*, on the performance of the Indices. The performance of the Indices is subject to the performance of the components of the respective Index. Accordingly, an investment in the Securities may bear similar risks to a direct investment in the index components.

Dependence on the value of the index components

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

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

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

Influence of the Issuer or the index sponsor on the Index

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

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

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

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

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

Adverse effect of fees on the index

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

The basis of calculating the price of the Index may change during the term of the Security

The basis of calculating the price of the index or of the index components may vary during the term of the Securities and may negatively affect the market value of the Securities.

Risk of country or sector related indices

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

Currency exchange risk contained in the index

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

Adverse effect of fees on the index level

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

Publication of the index composition not constantly updated

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

Specific risks related to the UBS Bloomberg CMCI Gold T15 ER Index

The UBS Bloomberg CMCI Gold T15 ER Index is part of the CMCI index family. The UBS Bloomberg CMCI (Constant Maturity Commodity Index) is designed as a family of tradable indices for global investment in the commodities market. The UBS Bloomberg CMCI has been developed and is provided by the Issuer and Bloomberg Finance L.P. acting in association with the Issuer. The CMCI family covers 28 commodity futures contracts representing the energy, precious metals, industrial metals, agricultural and livestock sectors.

The following risks, as indicated below, are related to each index comprised in the CMCI Index Family and, hence, also to the UBS Bloomberg CMCI Gold T15 ER Index:

Factors impacting the price of commodities generally will affect the level of the relevant Index and the value of the Securities

Each index of the CMCI Index Family is composed of futures contracts on one or more physical commodities (the “**Component Contracts**”). Trading in commodities generally and trading in the Component Contracts associated with such commodities is speculative and can be extremely volatile. Market prices of the physical commodities represented in an index (“**Index Commodities**”) and Component Contracts may fluctuate rapidly based on numerous factors, including:

- changes in supply and demand relationships;
- weather;
- agriculture;
- trade;
- fiscal, monetary and exchange control programs;
- domestic and foreign political, military and economic events and policies;
- disease;
- technological developments;
- changes in currency exchange rates;
- changes in interest rates; and
- general market conditions.

These factors may affect the level of an index and the value of the Securities in varying ways, and different factors may cause the value of the Component Contracts and Index Commodities, and the volatilities of their prices, to move in inconsistent directions at inconsistent rates. For example, because certain of the commodities underlying the Component Contracts may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply related events in such countries could have a disproportionate impact on the level of an index.

These factors interrelate in complex ways, and the effect of one factor on the market value of the Securities may offset or enhance the effect of another factor.

Higher future prices of the Component Contracts relative to their current prices may decrease the Redemption Amount

Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the Component Contracts approach expiration, they are replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in November. This process is referred to as “rolling”. If the market for these contracts is (putting aside other considerations) in “backwardation”, where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a “roll yield”. While many of the contracts which may be included in an index have historically exhibited consistent periods of backwardation, backwardation will most likely not exist at all times. Moreover, certain of the commodities which may be included in an index, such as gold, have historically traded in “contango” markets. Contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. The absence of backwardation in the commodity markets could result in negative “roll yields” which could adversely affect the value of the index and, accordingly, adversely affect the value of the Securities.

Changes in the composition and calculation of an index will affect the value of the Securities

Each index is overseen and managed by the CMCI Governance Committee, in consultation with the CMCI Advisory Committee (the CMCI Governance Committee and the CMCI Advisory Committee together, the “**Index Committees**”). The Index Committees, with the agreement of the sponsors, may amend the composition of and methodology for calculating any index, including additions, deletions and the weightings of the Index Commodities, all of which could affect the index ending level and, therefore the Redemption Amount and the market value of the Securities. When considering changes to an index the Index Committees do not have any obligation to take the needs of any parties to transactions involving an index, including the holders of the Securities, into consideration when re-weighting or making any other changes to an index.

The bi-annual composition of an index is calculated in reliance upon historic price, liquidity and production data that are subject to potential errors in data sources or errors that may affect the weighting of components of an index. Any revisions to correct discrepancies are not applied retroactively but will be reflected in prospective weighting calculations of an index for the following year. However, there can be no guarantee that every discrepancy will be discovered.

Limited performance history

The CMCI Index Family was launched on 29 January 2007. Certain indices are intended to represent a benchmark for commodities investments; however, the methodology used to achieve this benchmarking has a limited history of application. It cannot therefore be determined at this point whether, or the extent to which, any index will serve as an adequate benchmark for the performance of the relevant commodities market or markets. Moreover, while each composite index is subject to bi-annual review and rebalancing in order to maintain the intended commodity weightings, it is uncertain how successful the Index Committees will be in achieving their goal of maintaining an appropriate benchmark.

Historical levels of any index should not be taken as an indication of future performance

The actual performance of an index over the term of the Securities, as well as the Redemption Amount, may bear little relation to the historical performance of an index. The trading prices of the Component Contracts will determine the level of an index on any given Valuation Date. As a result, it is impossible to predict whether the level of an index will rise or fall.

Suspension or disruptions of market trading in Component Contracts and related futures markets may adversely affect the value of the Securities

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. In addition, some futures exchanges have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a “limit price”. Once the limit price has been reached in a particular contract, no trades may be made at a different price. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could adversely affect the level of an index referable to any such Component Contracts and, therefore, the value of the Securities.

The LME’s use of or omission to use price controls

Certain of the Component Contracts are traded on the London Metal Exchange (“**LME**”). The LME has no daily price fluctuation limits to restrict the extent of daily fluctuations in the prices of contracts traded on it, including the Component Contracts. In a declining market, therefore, it is possible that prices for one or more contracts, including any Component Contracts, that are traded on the LME, would continue to decline without limitation within a trading day or over a period of trading days. A steep decline in the price of a Component Contract could have a significant adverse impact on the level of an index and, therefore, the value of the Securities.

Moreover, the LME has discretion to impose “backwardation limits” by permitting short sellers who are unable to effect delivery of an underlying commodity and/or borrow such commodity at a price per day that is no greater than the backwardation limit to defer their delivery obligations by paying a penalty in the amount of the backwardation limit to buyers for whom delivery was deferred. Backwardation limits tend to either constrain appreciation or cause depreciation of the prices of futures contracts expiring in near delivery months. For example, in response to a drop in nickel stocks to historically low levels in August 2006, the LME imposed a backwardation limit on nickel of \$300 per tonne per day, which limit

was subsequently lifted on 11 November 2006. Similar impositions of backwardation limits in the future could adversely affect the level of an index which includes Component Contracts tracked on the LME and, therefore, the value of the corresponding Securities.

Concentration of particular Component Contracts in an index

An index may be comprised fully or to a significant extent of Component Contracts representing either a particular commodity sector (such as agriculture) or commodity. Investment in the Securities linked to any such index will result in increased exposure to fluctuations in the commodity sectors or commodities underlying that index. Any such fluctuations may adversely affect the level of the index and, hence, the value of the Securities.

Changes in the notional rate of interest may affect the value of a total return index and the corresponding Securities

Because the value of each total return index is linked, in part, to the notional rate of return that could be earned on securities theoretically deposited as margin for hypothetical positions in the futures contracts comprising the index, changes in that rate of interest may affect the amount payable on any Securities priced by reference to that index upon redemption and, therefore, the market value of such Securities. Assuming the trading prices of the Component Contracts remain constant, an increase in the relevant rate of interest will increase the value of each total return index and, therefore, the value of any Securities priced by reference to that total return index. Correspondingly, a decrease in the relevant rate of interest will adversely impact the value of a total return index and, therefore, the value of any Securities valued by reference to that total return index.

No adjustments for exchange rates

Although Component Contracts are traded in various currencies which may not correspond with the currency in which particular Securities are denominated, the Redemption Amount will not, unless otherwise specified in the relevant Final Terms, be adjusted to compensate for exchange rate fluctuations between the currency of denomination and any of the other currencies in which the Component Contracts are quoted. Therefore, if the applicable currencies appreciate or depreciate relative to the currency of denomination over the term of the Securities, Securityholders will not receive any additional payment and may incur a reduction in the Redemption Amount. Changes in exchange rates may reflect changes in various economies that in turn may affect the return on the Securities.

In addition, to the extent that a Securityholder values its Securities in another currency, that value will be affected by changes in the exchange rate between the currency of denomination and that other currency.

B. GENERAL INFORMATION ON THE PROSPECTUS

1. Important Notice

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

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

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

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

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

2. Responsibility Statement

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

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

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

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

3. Consent to use the Prospectus

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

The Issuer consents to the use of the Prospectus in connection with any Public Offer of the Securities by the Manager as well as apano GmbH, Lindemannstraße 79, 44137 Dortmund, Federal Republic of Germany, (together with the Manager each an "**Authorised Offeror**") on the following basis:

- (a) the Public Offer must occur during the period from 15 September 2014 to 7 November 2014 (15:00 CET) (the "**Offer Period**"),
- (b) the Public Offer may only be made in the Public Offer Jurisdictions, and
- (c) any Authorised Offeror other than the Manager must comply with the restrictions set out in "Subscription and Sale" as if it were the Manager.

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

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

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

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

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

Authorised Offerors will provide information to investors on the Terms and Conditions of the Public Offer of the Securities at the time such Public Offer is made by the relevant Authorised Offeror to the investor.

C. GENERAL INFORMATION ON THE SECURITIES

1. Object of the Prospectus / Type of Securities

The object of this Prospectus are the apano 3 Anlageklassen-Zertifikate linked to a portfolio of indices (ISIN: DE000UBS1MS6; WKN: UBS1MS; Valor: 24931243), issued by UBS AG in accordance with German law in the issue size of up to 600,000 Securities (the "**Issue Size**") and to be publicly offered in the Public Offer Jurisdictions.

The Securities are capital protected at an amount of EUR 90.00 at maturity.

The Securities are each based on a portfolio of indices (each an "**Underlying**" or, collectively, the "**Underlyings**", where the term "Underlying" shall also refer to all Underlyings_(i=1) to _(i=3)), as described in the sections "Key Terms and Definitions of the Securities" and "Information about the Underlyings".

2. Law governing the Securities

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

3. Status of the Securities

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

4. Form of the Securities

The Securities are issued as bearer securities represented on issue by either one or more permanent global bearer security/ies (each a "**Global Security**"). No bearer Securities will be issued in or exchangeable into bearer definitive form, whether pursuant to the request of any Securityholder or otherwise. Global Securities are deposited with Clearstream Banking AG (the "**Clearing System**").

5. Clearing and Settlement of the Securities

General

The Securities will be cleared through the Clearing System.

Clearstream Banking AG

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

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

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

6. Listing or Trading of the Securities

The Issuer intends to apply for inclusion of the Securities on the unofficial regulated market of the Frankfurt Stock Exchange (*Freiverkehr*) and the Stuttgart Stock Exchange (*Freiverkehr*).

7. Maturity of the Securities

The Securities expire – provided that the Securities are not terminated or expired early in accordance with the Terms and Conditions of the Securities – on 16 November 2021 (the “**Expiration Date**”).

8. Functioning of the Securities and Dependency on the Underlying

The value of the Securities during their term depends on the performance of the Underlyings. In case the Price of the Underlyings increases, also the value of the Securities is likely to increase. In case the Price of the Underlyings decreases, also the value of the Securities is likely to decrease. Therefore, the Securities allow investors to participate in the positive development of the Underlyings comprised in the portfolio of indices. Conversely, investors in the Securities also participate in the negative development of the Underlyings.

In particular, the Redemption Amount (as defined below), if any, to be received by the Securityholder upon exercise of the Securities depends on the performance of the Underlyings.

The Settlement Amount in the Redemption Currency, commercially rounded to two decimal points (the “**Redemption Amount**”), is equal to the Capital Protected Minimum Amount plus an additional amount reflecting the performance of the Final Portfolio (*i.e.* Final Portfolio – 100%) and is, hence, in any case least equal to EUR 90.00 per Security.

The additional amount is calculated by multiplying the Nominal Amount with the performance of the Final Portfolio (*i.e.* Final Portfolio – 100%), considering the Participation Factor. If the performance of the Final Portfolio is negative, such additional amount is zero and the Redemption Amount is equal to the Capital Protected Minimum Amount.

The “**Nominal Amount**” per Security equals EUR 100.

The “**Participation Factor**” equals 100% (indicative) and will be fixed by the Issuer on the Fixing Date.

During their term, the Securities do not generate any regular income (e.g. dividends or interest).

9. Limitation of the Rights attached to the Securities

Adjustments by the Issuer

It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlyings, which potentially lead to changes to the Underlyings or result in the underlying concept of the Underlyings being changed.

In such case, the Issuer is in accordance with § 7 of the Terms and Conditions of the Securities entitled to effect adjustments to the Terms and Conditions to account for these events or measures, e.g. to appoint a Successor Index Sponsor to determine a Successor Index

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB), under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion (in accordance with § 315 of the BGB) in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 13 of the Terms and Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

Extraordinary Termination by the Issuer

The Issuer is in accordance with § 9 of the Terms and Conditions of the Securities entitled to terminate and redeem the Securities in total prior to the Maturity Date in case of the occurrence of a Termination Event.

For these purposes, a “**Termination Event**” means any of the following events:

- (a) The determination and/or publication of the the Price of the Underlying_(i) is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (b) Adjustments pursuant to § 7 of the Terms and Conditions of the Securities are not possible or not justifiable with regard to the Issuer and/or the Securityholders.
- (c) In the opinion of the Calculation Agent at its reasonable discretion (in accordance with § 317 of the BGB), another material change in the market conditions occurred in relation to the Relevant Exchange_(i) used for the purposes of an Index_(i).
- (d) In the opinion of the Issuer and the Calculation Agent at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging occurred.

D. TERMS AND CONDITIONS OF THE SECURITIES

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

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

The Securities use the following definitions and have, subject to an adjustment according to the Conditions of the Securities, the following key terms, both as described below in alphabetical order.

- B. Business Day:** The Business Day means any calendar day on which the Trans-European Automated Real-time Gross settlement Express Transfer System (“TARGET2”) is open.
- C. Calculation Agent:** The Calculation Agent means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.
- CA Rules:** CA Rules means any regulation and operating procedure applicable to and/or issued by the Clearing System.
- Clearing System:** Clearing System means Clearstream Banking AG, Frankfurt am Main, (Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany) or any successor in this capacity.
- Commissions:**
- | | |
|--------------------------------------|--|
| (i) Underwriting and/or placing fee: | 0.50% p.a. |
| (ii) Selling commission: | 1.00% |
| (iii) Listing commission: | None |
| (iv) Other: | Offering premium of up to 3.00% per Security |
- E. Expiration Date:** The Expiration Date means 16 November 2021.
- F. Fixing Date:** The Fixing Date means 11 December 2014. If this day is not a Index Business Day in relation an Index_(i), the immediately succeeding Index Business Day shall be the Fixing Date in relation to such affected Index_(i).
- I. Index Business Day:** Index Business Day means in relation to each Index_(i) any day on which the Index Sponsor_(i) of the Index_(i) determines, calculates and publishes the official price of this Index_(i).
- The term “Index Business Day” shall also refer to all Index Business Days.
- Issue Date:** The Issue Date of the Securities means 15 December 2014.
- Issue Price:** The Issue Price means an amount in the Redemption Currency equal to EUR 100.00 plus an offering premium of up to EUR 3.00 per Security.
- Issue Size:** The Issue Size equals up to 600,000 Securities.
- Issuer:** The Issuer means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.

- M.**
Maturity Date: The Maturity Date means 23 November 2021.
- Minimum Trading Size:** The Minimum Trading Size equals one (1) Security or an integral multiple thereof.
- N.**
Nominal Amount: The Nominal Amount per Security equals EUR 100.
- O.**
Observation Date: The Observation Date_(j) means
 11 December 2015 (Observation Date_(j=1));
 12 December 2016 (Observation Date_(j=2));
 11 December 2017 (Observation Date_(j=3));
 11 December 2018 (Observation Date_(j=4));
 11 December 2019 (Observation Date_(j=5));
 11 December 2020 (Observation Date_(j=6)); and
 16 November 2021 (Observation Date_(j=7))
 The term “Observation Date” shall also refer to all Observation Dates_(j=1) to _(j=7).
 If one of these days is not a Index Business Day in relation an Index_(i), the immediately succeeding Index Business Day shall be the Observation Date in relation to such affected Index_(i).
- P.**
Paying Agent: The Paying Agent means UBS Limited c/o UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany.
- Price of the Underlying_(i):** The Price of the Underlying in relation to the relevant Underlying_(i) means the official closing price of the Index_(i) as calculated and published by the relevant Index Sponsor_(i).
- R.**
Redemption Currency: The Redemption Currency means Euro (“EUR”).
- Relevant Exchange:** The Relevant Exchange means in relation to each Index_(i) the exchange(s) on which the components comprised in the Index_(i) are traded, as determined by the Index Sponsor_(i). The term “Relevant Exchange” shall also refer to all Relevant Exchanges.
- Relevant Futures and Options Exchange:** The Relevant Futures and Options Exchange means in relation to each Index_(i) the exchange(s) on which futures and option contracts on the Index_(i) are primarily traded, as determined by the Calculation Agent. The term “Relevant Futures and Options Exchange” shall also refer to all Relevant Futures and Options Exchanges.

S.**Securities:**

Securities means the apano 3 Anlageklassen-Zertifikate on Indices denominated in EUR and issued by the Issuer in the Issue Size with the security identification codes: ISIN: DE000UBS1MS6; WKN: UBS1MS; Valor: 24931243.

The Securities are being issued in bearer form as securities within the meaning of § 793 German Civil Code and will be represented on issue by one or more permanent global bearer security/ies (each a “**Global Security**”) and will not be represented by definitive securities.

Strike:

The Strike in relation to the relevant $\text{Index}_{(i)}$ equals the Price of the respective $\text{Index}_{(i)}$ on the Fixing Date.

U.**Underlyings:**

The Underlying $_{(i=1)}$ equals the S&P Europe 350 Daily Risk Control 10% Excess Return (EUR) Index (also the “**Index $_{(i=1)}$** ”), as maintained, calculated and published by S&P Dow Jones Indices LLC (the “**Index Sponsor $_{(i=1)}$** ”).

The Underlying $_{(i=2)}$ equals the iBoxx Euro Index Germany Sovereigns 5 to 7 years (also the “**Index $_{(i=2)}$** ”), as maintained, calculated and published by Markit Group (the “**Index Sponsor $_{(i=2)}$** ”).

The Underlying $_{(i=3)}$ equals the UBS Bloomberg CMCI Gold T15 ER Index (also the “**Index $_{(i=3)}$** ”), as maintained, calculated and published by Bloomberg Finance L.P. together with the Issuer (the “**Index Sponsor $_{(i=3)}$** ”).

The term “Underlying” or “Index” and “Index Sponsor”, as the case may be, shall also refer to all Underlyings $_{(i=1)}$ to $_{(i=3)}$ and to all Indices $_{(i=1)}$ to $_{(i=3)}$ and to all Index Sponsors $_{(i=1)}$ to $_{(i=3)}$, as the case may be.

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

V.**Valuation Date(s):**

The Valuation Date means each Observation Date. If one of these days is not a Index Business Day in relation an $\text{Index}_{(i)}$, the immediately succeeding Index Business Day shall be the Valuation Date in relation to such affected $\text{Index}_{(i)}$.

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

§ 1 Security Right

(1) Security Right of the Securityholders

The Issuer hereby warrants to the Securityholder (§ 4 (2)) of each (1) Security relating to the Underlyings in accordance with these Conditions that such Securityholder shall have the right (the “**Security Right**”) to receive the Settlement Amount (§ 1 (2)) in the Redemption Currency, commercially rounded to two decimal points (the “**Redemption Amount**”).

(2) Settlement Amount

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

$$\text{Capital Protected Minimum Amount} + [\text{Nominal Amount} \times \text{Participation Factor} \times \text{MAX}(0\%; \text{Final Portfolio} - 100\%)]$$

where

The “**Capital Protected Minimum Amount**” means EUR 90.00.

The “**Participation Factor**” equals 100% (indicative). The Participation Factor will be fixed by the Issuer on the Fixing Date and will then be published without undue delay thereafter in accordance with the applicable legal requirements of the relevant jurisdiction.

The “**Final Portfolio**” means the arithmetical average of the Enhanced Portfolio_(j) on each of the Observation Dates_(j) as determined by the Calculation Agent in accordance with the following formula:

$$\sum_{j=1}^7 \left(\frac{\text{Enhanced Portfolio } (j)}{7} \right)$$

(3) Enhanced Portfolio

The “**Enhanced Portfolio**” in relation to an Observation Date_(j) is determined as follows:

- a) If the Average Basket_(j) (as defined below) is **higher than** 100%, the Enhanced Portfolio on the Observation Date_(j) is equal to:

Average Basket_(j)

- b) If (A) the Average Basket_(j) **equal to or below** 100% and (B) the Middle Basket_(j) (as defined below) is **higher than** 100.0%, the Enhanced Portfolio on the Observation Date_(j) is equal to:

Middle Basket_(j);

- c) Otherwise, the Enhanced Portfolio on Observation Date_(j) is equal to:

Best Basket_(j) (as defined below).

For the purposes of determining the Enhanced Portfolio in relation to an Observation Date_(j),

the “**Average Basket_(j)**” is calculated in accordance with the following formula:

$$(\text{Best Level}_{(j)} + \text{Middle Level}_{(j)} + \text{Lowest Level}_{(j)}) \times 1/3$$

the “**Middle Basket_(j)**” is calculated in accordance with the following formula:

$(\text{Best Level}_{(j)} + \text{Middle Level}_{(j)}) \times (1/2)$

and the "**Best Basket**_(j)" means the $\text{Best Level}_{(j=1 \text{ to } 7)} \times 1/1$.

Where

The "**Best Level**_(j=1 to 7)" means the highest Underlying Level_(i) on the Observation Date_(j) among all Underlying Levels_(i;j).

The "**Middle Level**_(j=1 to 7)" means the second highest Underlying Level_(i) on the Observation Date_(j) among all Underlying Levels_(i;j).

The "**Lowest Level**_(j=1 to 7)" means the lowest Underlying Level_(i) on the Observation Date_(j) among all Underlying Levels_(i;j).

The "**Underlying Level**_(i;j)" is in relation to an Underlying_(i) calculated in accordance with the following formula:

$$\frac{\text{Price of the Underlying}_{(i;j)}}{\text{Strike of the Underlying}_{(i)}}$$

(3) Determinations and Calculations in connection with the Security Right

Any determination and calculation in connection with the Security Right, in particular the calculation of the Redemption Amount, will be made by the Calculation Agent (§ 11). Determinations and calculations made in this respect by the Calculation Agent are final and binding for all participants except in the event of a manifest error.

§ 2

Intentionally left blank

§ 3

Intentionally left blank

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

§ 4 Form of Securities; Title and Transfer; Status

(1) Form of Securities

The bearer Securities issued by the Issuer are represented by one or more permanent global bearer security/securities (the “**Global Security**”) without coupons which shall be signed manually by two authorised signatories of the Issuer. No definitive securities will be issued. The right to request the delivery of definitive securities is excluded.

The Global Security is deposited with the Clearing System in accordance with the applicable rules and regulations.

(2) Securityholder; Title and Transfer

“**Securityholder**” means any holder of a proportionate co-ownership interest or right in the Global Security, acknowledged by German law as legal owner of the Securities. The Securityholder shall, for all purposes, be treated by the Issuer and the Security Agents (§ 11 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

The Securities are transferable as co-ownership interests in the Global Security in accordance with applicable law and the relevant CA Rules and may be transferred within the collective securities settlement procedure in the Minimum Trading Size or an integral multiple thereof only. Such transfer becomes effective upon registration of the transfer in the records of the relevant Clearing System.

(3) Status of the Securities

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

§ 5 Settlement; Period of Presentation

(1) Settlement of the Securities

The Securities will, subject to a Market Disruption (§ 10 (1)), be redeemed on the relevant Maturity Date by payment of the Redemption Amount or of the Termination Amount or of any other amount payable under the Conditions in relation to the relevant Maturity Date in the Redemption Currency.

The Issuer shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer agrees to be subject, provide any performance due under these Conditions to the relevant Clearing System or the relevant intermediary or to its order for credit to the accounts of the relevant account holders of the Clearing System or the relevant intermediary.

The period of presentation as established in § 801 section 1 sentence 1 of the German Civil Code (“**BGB**”) is reduced to ten years.

(2) Discharging effect

The Issuer shall be discharged from its redemption obligations or any other payment obligations under these Conditions of the Securities by delivery to the Clearing System in the manner described above.

(3) Taxes, charges and/or expenses

All taxes, charges and/or expenses, if any, incurred in connection with the redemption of the Securities or any other payment or delivery obligations under these Conditions of the Securities shall be borne and paid by the relevant Securityholder. The Issuer and the Paying Agent, as the case may be, are entitled, but not obliged, to withhold from any required performance under these Conditions such taxes, charges and/or expenses as be paid by the Securityholder in accordance with the preceding sentence.

§ 6
Taxes

Payments in respect of the Securities shall in all cases only be made after deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (the **"Taxes"**) under any applicable system of law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes, to the extent that such deduction or withholding is required by law or administrative practice. The Issuer shall account for the deducted or withheld Taxes with the competent government agencies.

§ 7
**Adjustments in connection with an index;
Successor Index Sponsor; Successor Underlying**

(1) Consequences of the cessation of an Index

If an Index_(i) used as Underlying is ultimately not maintained by the relevant Index Sponsor_(i) and/or not calculated and published by the relevant Index Sponsor_(i) any longer, the Issuer shall be entitled to replace the Index Sponsor_(i) by a person, company or institution, which is acceptable to the Calculation Agent and the Issuer at their reasonable discretion (in accordance with § 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_(i) and each reference in these Conditions to the Index Sponsor_(i) shall be deemed to refer to the Successor Index Sponsor_(i).

(2) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of an Index_(i) or of the composition or of the weighting of the components comprised therein, on which the calculation of the Index_(i) is based, shall not lead to an adjustment unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB), determine that the underlying concept and the calculation (including corrections) of the Index_(i) are no longer comparable to the underlying concept or calculation of the Index_(i) applicable prior to such change. This applies especially, if due to any change the Index_(i) value changes considerably, although the prices and weightings of the components included in the Index_(i) remain unchanged. Adjustments may also be made as a result of the termination of the Index_(i) and/or its substitution by another underlying.

For the purpose of making any adjustments, the Calculation Agent shall at its reasonable discretion (in accordance with § 317 of the BGB) determine an adjusted value per unit of the affected Index_(i) as the basis of the determination of the Price of the Underlying_(i), 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 affected Index_(i) shall apply for the first time. The adjusted value per unit of the Index as well as the date of its first application shall be published without undue delay pursuant to § 13 of these Conditions.

(3) Termination or replacement of an Index

In the event that, the authorisation of the Issuer or of the Calculation Agent to use an Index_(i) for the purposes of the Securities is terminated or that the Index_(i) is terminated and/or replaced by another index, the Issuer and the Calculation Agent shall determine at their reasonable discretion (in accordance with § 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 Index"**). The Successor Index and the date it is applied for the first time shall be published without undue delay in accordance with § 13 of these Conditions.

Any reference in these Conditions to the affected Index_(i) shall, to the extent appropriate, be deemed to refer to the Successor Index.

(4) Corrected Price

In the event that the the Price of the Underlying_(i) as determined and published by the respective Index Sponsor_(i) is subsequently corrected and the correction (the “**Corrected Price**”) is published by the Index Sponsor_(i) after the original publication, but until the Maturity Date (exclusive), the Issuer and the Calculation Agent shall be entitled to effect, under consideration of the Corrected Price, adjustments to these Conditions at their reasonable discretion (in accordance with § 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 § 13 of these Conditions.

(5) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB), under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion (in accordance with § 315 of the BGB) in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 13 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

§ 8

Ordinary Termination Right of the Issuer

The Issuer shall have no right for ordinary termination of the Securities.

§ 9

Extraordinary Termination Right of the Issuer

(1) Extraordinary Termination by the Issuer

The Issuer shall in the case of the occurrence of one of the following Termination Events, be entitled to terminate and redeem all but not some of the Securities by giving notice to the Securityholders in accordance with § 13 of these Conditions. Such termination shall become effective at the time of the notice in accordance with § 13 or at the time indicated in the notice (the “**Termination Date**”).

(2) Occurrence of a Termination Event

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

- (a) The determination and/or publication of the the Price of the Underlying_(i) is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (b) Adjustments pursuant to § 7 of these Conditions are not possible or not justifiable with regard to the Issuer and/or the Securityholders.
- (c) In the opinion of the Calculation Agent at its reasonable discretion (in accordance with § 317 of the BGB), another material change in the market conditions occurred in relation to the Relevant Exchange_(i) used for the purposes of an Index_(i).
- (d) In the opinion of the Issuer and the Calculation Agent at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging occurred.

In this context:

“**Change in Law**” means that, on or after the 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 Index_(i) used as Underlying, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

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

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

(3) Payment of the Termination Amount

In the case of termination by the Issuer, the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount in the Redemption Currency with respect to each Security, which is determined by the Calculation Agent at its reasonable discretion (in accordance with § 317 of the BGB) and, if applicable, considering the then prevailing Price of the Underlying_(i) and the expenses of the Issuer caused by the termination, as the fair market price of a Security at the occurrence of termination (the “**Termination Amount**”).

§ 10 Market Disruptions

(1) Consequences of a Market Disruption

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 (§ 10 (2)) prevails on any Valuation Date in relation to an Index_(i), the Valuation Date in relation to the affected Index_(i) only shall be postponed to the next succeeding Index Business Day, on which no Market Disruption prevails. The Issuer shall endeavour to notify the parties pursuant to § 13 of these Conditions without delay of the occurrence of a Market Disruption. However, there is no notification obligation.

If the Valuation Date has been postponed, due to the provisions of this § 10 (1), by eight Index Business Days, and if the Market Disruption continues to prevail on this day, this day shall be deemed to be the Valuation Date in relation to the affected Index_(i).

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_(i) in relation to the postponed Valuation Date (which for the avoidance of doubt could be zero (0)) on the basis of the last announced Prices of the affected Underlying_(i) and of any estimate given by the relevant Index Sponsor_(i).

If, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), an estimate of the Price of the affected Underlying_(i) 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 Redemption Currency. The provisions of these Conditions relating to the Redemption Amount shall apply *mutatis mutandis* to such payment.

(2) Occurrence of a Market Disruption

A “**Market Disruption**” shall mean in relation to each Index_(i) 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 the Price of the Underlying_(i) on any Index Business Day relevant for determining the Redemption Amount or the Termination Amount, as the case may be, or
- (b) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Issuer and the Calculation Agent consider significant,
 - (i) on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, in general (whether by movements in price exceeding limits permitted by the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded, or otherwise), or
 - (ii) on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, in the Index or, as the case may be, in the Components of the Index on the Relevant Exchange or on the stock exchange(s) or in the market(s) on/in which the Components are quoted or traded, provided that a major number or a major part in terms of market capitalisation is concerned (a number or part in excess of 20 % shall be deemed to be material), (whether by movements in price exceeding limits permitted by the Relevant Exchange or the stock exchange(s) or the market(s) on/in which the Components are quoted or traded, or otherwise), or
 - (iii) on the Relevant Futures and Options Exchange, if option contracts on the Underlying_(i) or, as the case may be, on the Components are traded there, or
 - (iv) due to a directive of an authority or of the Relevant Exchange (whether by movements in price exceeding limits permitted by the Relevant Exchange or otherwise) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Exchange is located, or due to any other reasons whatsoever.
- (c) The relevant price is a “limit price”, which means that the price for the affected Underlying_(i) 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_(i) 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.

§ 11**Calculation Agent; Paying Agent****(1) General**

The Calculation Agent and the Paying Agent (the “**Security Agents**”) shall assume the role as Security Agent in accordance with these Conditions.

(2) Vicarious Agent

Each of the Security Agents acts exclusively as vicarious agent of the Issuer and has no obligations to the Securityholder.

Each of the Security Agents is exempt from the restrictions under § 181 of the BGB.

(3) Replacement, Appointment and Revocation

The Issuer is entitled at any time to replace any or all of the Security Agents by another company, to appoint one or several additional Security Agents, and to revoke their appointments. Such replacement, appointment and revocation shall be notified in accordance with § 13 of these Conditions.

(4) Resignation of Security Agents

Each of the Security Agents is entitled to resign at any time from its function upon prior written notice to the Issuer. Such resignation shall only become effective if another company is appointed by the Issuer as Calculation Agent, the Security Agent or as Paying Agent, as the case may be. Resignation and appointment are notified in accordance with § 13 of these Conditions.

§ 12**Substitution of the Issuer****(1) Substitution of the Issuer**

Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the “**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) (A) the Issuer and the New Issuer have obtained all necessary authorisations as well as consents and (B) may transfer to the Principal Paying Agent in the Redemption Currency and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities;
- (iii) the New Issuer has agreed to indemnify and hold harmless each Securityholder against any tax, duty or other governmental charge imposed on such Securityholder in respect of such substitution;
- (iv) the Issuer unconditionally and irrevocably guarantees the obligations of the New Issuer.

(2) References

In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

(3) Publication

The substitution of the Issuer shall be final, binding and conclusive on the Securityholders and will be published to the Securityholders without undue delay in accordance with § 13 of these Conditions.

§ 13**Publications****(1) General**

To the extent these Conditions provide for a notice pursuant to this § 13 of these Conditions, these will be published on the website of the Issuer at www.ubs.com/keyinvest or a successor website and become effective vis-à-vis the Securityholders through such publication unless the notice provides for a later effective date.

If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.

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

(2) Notification to the Clearing System

The Issuer shall, to the extent legally possible, be entitled to effect publications instead by way of notification to the Clearing System for the purpose of notifying the Securityholders (as set forth in the applicable rules and regulations of the Clearing System), provided that in cases, in which the Securities are listed on a Security Exchange, the regulations of such Security Exchange permit this type of notice. Any such notice shall be deemed as having been effect as of the seventh day after the date of the notification to the Clearing System.

§ 14

Issue of further Securities; Purchase of Securities; Cancellation

(1) Issue of further Securities

The Issuer is entitled at any time to issue, without the consent of the Securityholders, further securities having the same terms and conditions as the Securities so that the same shall be consolidated and form a single series with such Securities, and references to "Security" shall be construed accordingly.

(2) Purchase of Securities

The Issuer and any of its subsidiaries is entitled at any time to purchase, without the consent of the Securityholders, Securities at any price in the open market or otherwise. If purchases are made by tender, tenders must be made available to all Securityholders by way of publication in accordance with § 13.

Such Securities may be held, reissued, resold or cancelled, all at the option of the Issuer.

(3) Cancellation of Securities

All Securities redeemed in full may be reissued or resold.

§ 15

Language

These Conditions are written in the English language only.

§ 16

Governing Law; Jurisdiction

(1) Governing Law

The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall, subject to § 16 (2) of these Conditions, in every respect be governed by, and shall be construed in accordance with, the laws of the Federal Republic of Germany.

(2) Jurisdiction

The District Court (*Landgericht*) of Frankfurt am Main shall have jurisdiction to settle any proceedings that may arise out of or in connection with any Securities and accordingly any proceedings may be brought in such court. The Issuer irrevocably submits to the jurisdiction of the District Court (*Landgericht*) of Frankfurt am Main and waives any objection to proceedings in such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of Securityholder and shall not affect the right of any Securityholders to take proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

The Issuer hereby appoints UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main,

Federal Republic of Germany, as its agent in the Federal Republic of Germany to receive service of process in any proceedings under or in connection with the Securities in the Federal Republic of Germany (the "**Agent of Process**"). If, for any reason, such Agent of Process ceases to act as such or no longer has an address in the Federal Republic of Germany, the issuer agrees to appoint a substitute agent of process in the Federal Republic of Germany. Nothing herein shall affect the right to serve the process in any other manner permitted by law.

§ 17 Corrections; Severability

(1) Issuer's right for a Rescission

Obvious spelling and calculation errors as well as similar obvious inaccuracies in the Conditions, including those where the information provided clearly cannot be reconciled with the Issue Price or value-determining factors of the Security, entitle the Issuer for a rescission. Immediate notice of such rescission shall be given in accordance with § 13 of these Conditions as soon as the Issuer has become aware of the relevant error. The publication shall make reference to § 17 of these Conditions and indicate the information in the Conditions affected by the error. The term of the Securities ends with immediate effect as a result of the rescission.

(2) Corrections; Securityholder's Right for Termination

If the Issuer does not make use of its right of rescission, it may correct obvious spelling and calculation errors as well as similar obvious inaccuracies by correcting the Conditions. A correction of the Conditions is to be notified immediately in accordance with § 13 of these Conditions and with reference to this § 17 of these Conditions as soon as the Issuer becomes aware of the error concerned.

In this case, however, each Securityholder is entitled to terminate the Securities held by it prior to the correction of these Conditions taking effect. Such a termination must be made by notifying the Principal Paying Agent in writing within four weeks of the publication of the correction. The termination shall take effect upon receipt by the Issuer of the notice of redemption.

The Issuer determines the content of the correction on the basis of the information that would have been provided if the error had not occurred. The correction must be reasonable for the Securityholders taking into account the economic purpose of the Securities. This is only the case if, as a result of the correction, the economic value of the Securities is adjusted to their Issue Price at the time of issue. The correction takes effect four weeks after the day of notification and the publication must make reference to this four-week deadline and the Securityholders' redemption right.

(3) Compensation

In the event of a challenge by the Issuer in accordance with § 17 (1) of these Conditions or a termination by Securityholders in accordance with § 17 (2) of these Conditions, the affected Securityholders will receive an amount in the Redemption Currency equal to the market price of the Securities on the day, when the rescission or redemption becomes effective; the resulting payment is due on the fifth Business Day after this date.

If a Securityholder proves that the market price is lower than the amount he/she paid to acquire the Securities, less any payments already made by the Issuer, he/she will be entitled to the corresponding amount.

This does not affect the Securityholder's right to claim damages for any loss incurred as a result of negative interest (*Vertrauensschaden*) in accordance with § 122 (1) BGB.

For Securities listed in the regulated market or for trading over-the-counter at a stock exchange (referred to in the following as "**Listing**") the market price shall be the closing price published by the stock exchange on the relevant date. In the case of multiple stock exchanges this shall be the closing price at the stock exchange where the largest turnover of the Securities took place at last. If a closing price was not published on this date or if a Market Disruption occurred, the provisions of § 10 (2) of these Conditions shall apply *mutatis mutandis*.

In the case of Securities without a Listing, the market price shall be determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 BGB) and in consultation with an independent expert named by the Calculation Agent.

(4) Abuse of Rights

If the obvious spelling and calculation errors as well as similar obvious inaccuracies in the Conditions, and its correct content, are clearly apparent to an expert investor for the relevant Security, and if the difference between the erroneous and correct content gives rise to a market price of the Security, based on the erroneous content, which is more than 30 % higher at the time of the initial issue of the Securities, the correct content shall apply in place of the erroneous content.

The Issuer may also invoke the unlawful application of an erroneous term against individual Securityholders where this is appropriate to the circumstances of individual cases.

(5) Invalidity in whole or in part

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

E. INFORMATION ABOUT THE UNDERLYINGS

The up to 600,000 apano 3 Anlageklassen-Zertifikate are linked to a portfolio of indices comprising

(1) the S&P Europe 350 Daily Risk Control 10% Excess Return (EUR) Index,

(2) the iBoxx Euro Index Germany Sovereigns 5 to 7 years and

(3) the UBS Bloomberg CMCI Gold T15 ER Index

(each an “Underlying” or, as the case may be, an “Index” and together the “Underlyings” or, as the case may be, the “Indices”).

1. Description of the S&P Europe 350 Daily Risk Control 10% Excess Return (EUR) Index

The following information about the S&P Europe 350 Daily Risk Control 10% Excess Return (EUR) Index comprises extracts or summaries of information publicly available on the internet page of the Index Sponsor. The Issuer confirms that such information has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The S&P Europe 350 Risk Control Indices represent portfolios consisting of the S&P Europe 350 index and a cash component accruing interest. The indices are dynamically adjusted to target a level of volatility indicated below. Volatility is calculated as a function of historical returns with short and long-term measures of volatility used to cause the indices to deleverage quickly, but increase exposure more gradually on a relative basis.

The S&P Europe 350[®] is an equity index drawn from 17 major European markets, covering approximately 70% of the region's market capitalization.

S&P Europe 350 Risk Control Indices

| Developed Market Indices

The S&P Europe 350 Risk Control Indices represent portfolios consisting of the S&P Europe 350 index and a cash component accruing interest. The indices are dynamically adjusted to target a level of volatility indicated below. Volatility is calculated as a function of historical returns with short and long-term measures of volatility used to cause the indices to deleverage quickly, but increase exposure more gradually on a relative basis.

Index Name	Underlying Risk Index	Risk Control Level	Maximum Leverage	Interest Rate	Volatility Calculation	Return Frequency for Volatility	Lag to Rebalance Date	Decay Factor Short-Term Volatility	Decay Factor Long-Term Volatility	Rebalance Frequency	Launch Date
Underlying Index: S&P Europe 350 Net Total Return: SPTR350N (EUR)											
S&P Europe 350 Daily Risk Control 5% Index	Net Total Return	5%	150%	EONIA	Exponentially weighted	Weekly	2 days	94%	97%	Daily	10-Sep-09
	BLOOMBERG SM Tickers: Net Total Return: SPEU5EN (EUR)			Excess Return: SPEU5EE (EUR)							
S&P Europe 350 Daily Risk Control 10% Index	Net Total Return	10%	150%	EONIA	Exponentially weighted	Weekly	2 days	94%	97%	Daily	10-Sep-09
	BLOOMBERG SM Tickers: Net Total Return: SPEU10EN (EUR)			Excess Return: SPEU10EE (EUR)							
S&P Europe 350 Daily Risk Control 15% Index	Net Total Return	15%	150%	EONIA	Exponentially weighted	Weekly	2 days	94%	97%	Daily	10-Sep-09
	BLOOMBERG SM Tickers: Net Total Return: SPEU15EN (EUR)			Excess Return: SPEU15EE (EUR)							

Information about the past and the further performance of Underlying_(i=1) and its volatility can be obtained under <http://us.spindices.com/indices/strategy/sp-europe-350-daily-risk-control-10-eur-net-total-return-index>.

2. Description of the iBoxx Euro Index Germany Sovereigns 5 to 7 years

The following information about the iBoxx Euro Index Germany Sovereigns 5 to 7 years comprises extracts or summaries of information publicly available on the internet page of the Index Sponsor. The Issuer confirms that such information has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Markit iBoxx EUR Index family represents the investment grade fixed-income market for Euro and Eurozone-currency denominated bonds. The following selection criteria are used to determine the

index constituents: Bond type, Credit Rating, Time to maturity and Amount outstanding. In particular, bonds with the following characteristics are included: Fixed and zero coupon bonds, step-ups, event-driven bonds, dated and undated callable subordinated corporate bonds (fixed-to-floater bonds that change to floating rate note after first call date), soft bullets. The following bond types are specifically excluded from the indices: Sinking funds and amortising bonds, other callable and undated bonds, floating rate notes and other fixed-to-floater bonds, optionally and mandatory convertible bonds, CDOs, German Kommunalanleihen, - obligationen or Kommunalzuschüssen unless they qualify as Jumbo Pfandbriefe, retail bonds, private placements. The minimum time to maturity is 1 year. All bonds in the Markit iBoxx EUR index family need to have an average rating of investment grade. Ratings from Fitch Ratings, Moody's Investor Service and Standard & Poor's Rating Services are considered. If more than one agency provides a rating, the average rating is attached to the bond. Bid and ask price quotes for bonds in the eligible universe are provided by the contributing price providers on an end-of-day basis. Quotes are sent for all trading days in the respective local currency bond market. Currently, the following market makers submit prices: Barclays Capital, BNP Paribas, Commerzbank, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, Morgan Stanley, RBS, and UBS. Major indices calculated once per minute; others daily. A Rebalancing occurs monthly in accordance with rules available on www.markit.com/indices. The standard maturity bands for the Index family are 1-3, 1-5, 1-10, 3-5, 5+, 5-7, 5-10, 5-15, 7+, 7-10, 10+, 10-15, 15+ and 25+. The index history starts on 31/12/1998. All indices have a base value of 100 on that date.

Information about the past and the further performance of Underlying_(i=2) and its volatility can be obtained under <http://www.markit.com/Product/iBoxx>.

3. Description of the UBS Bloomberg CMCI Gold T15 ER Index

The UBS Bloomberg CMCI (Constant Maturity Commodity Index) is designed as a family of tradable indices for global investment in the commodities market. The UBS Bloomberg CMCI has been developed and is provided by the Issuer and Bloomberg Finance L.P. acting in association with the Issuer. The complete set of rules of the index and information on the performance of the index are freely accessible on the Issuer's website (www.ubs.com/global/en/investment-bank/bloomberg-cmci.html). The governing rules (including methodology of the UBS Bloomberg CMCI for the selection and the re-balancing of the components of the UBS Bloomberg CMCI, description of market disruption events and adjustment rules) are based on predetermined and objective criteria.

The CMCI family covers 28 commodity futures contracts representing the energy, precious metals, industrial metals, agricultural and livestock sectors. A balanced weighting of all available maturities (from 3 months up to 3 years) for each commodity provides time diversification which traditional indexes neglect.

The UBS Bloomberg CMCI Gold T15 USD Excess Return Index tracks the returns of a strategy volatility control mechanism on the UBS Bloomberg CMCI Components USD Excess Return Gold Index (the "**Underlying Index**"). The Underlying Index measures the excess returns of an investment in broadly diversified basket of gold futures contracts. It is designed to provide the maximum available diversity across commodity maturities and as such invests a weighted average of available CMCI Standard Constant Maturities. The volatility control mechanism increases (or decreases) the exposure of the Index to the Underlying Index to maintain the volatility of the Index around a target level.

F. SUBSCRIPTION AND SALE

1. Issue and Sale

It has been agreed that, on 15 December 2014 (the "**Issue Date**") UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "**Manager**") may purchase the Securities by means of an underwriting agreement dated as of the Issue Date and shall place them for sale under terms subject to change in the Public Offer Jurisdictions during the Subscription Period (as defined below).

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

2. Subscription, Purchase and Delivery of the Securities

The Securities may be purchased in the Public Offer Jurisdictions from the Manager during normal banking hours during the period from 15 September 2014 to 7 November 2014 (15:00 CET) (the "**Subscription Period**") at an amount equal to EUR 100.00 plus an offering premium of up to EUR 3.00 per Security (the "**Issue Price**").

The Issuer reserves the right to earlier close or to extend the Subscription Period if market conditions so require. If the Subscription Period is shortened or extended, the Fixing Date, the Issue Date and the Initial Payment Date may also be brought forward or postponed. In case of an extension, the Subscription Period can be extended until 21 November 2014.

The Securities may only be subscribed in the minimum investment amount of 100 Securities (the "**Minimum Investment Amount**"). The Issuer may waive or decrease such Minimum Investment Amount.

The Issue Price per Security is due and payable on 15 December 2014, (the "**Initial Payment Date**"). After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor's account in accordance with the rules of the corresponding Clearing System.

3. Selling Restrictions

General

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

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

United States of America

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

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

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

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

European Economic Area

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

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

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

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

Hong Kong

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

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

Singapore

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

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

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

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

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

Switzerland

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

G. TAXATION

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

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

1. EU Savings Directive

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

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

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

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

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

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

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

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

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

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

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

3. Taxation in the Federal Republic of Germany

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

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

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

German withholding tax

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

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

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

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

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

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

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

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

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

4. Taxation in the Republic of Austria

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

General remarks

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

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

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

Income taxation of the Securities

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

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

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

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

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

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

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

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

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

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

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

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

EU withholding tax

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

Regarding the issue of whether also index certificates are subject to EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest. The exact tax treatment of index certificates furthermore depends on their underlying.

Tax treaties Austria/Switzerland and Austria/Liechtenstein

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

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

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

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

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

5. Taxation in Switzerland

The following is a generic summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of the Securities issued under the Prospectus. Because this summary does not address all tax considerations under Swiss law and as the specific tax situation of an investor cannot be considered in this context, potential investors are recommended to consult their personal tax advisors as to the tax consequences of the purchase, ownership, sale or redemption of and the income derived from the Securities issued under the Prospectus including, in particular, the effect of tax laws of any other jurisdiction.

The Swiss Federal Tax Administration has issued on 7 February 2007 a Circular Letter No. 15 regarding Certificates and Derivative Financial Instruments subject to Direct Federal Tax, Withholding Tax and Stamp Tax. The Securities issued under the Prospectus will be taxed in accordance with this Circular Letter No. 15 and its appendices. Depending on the qualification of the relevant Security by the competent Swiss tax authorities the taxation of each Security may be different.

The taxation depends on the set-up of each single Security for which reason the following remarks are again only of generic nature.

Income Tax

For private investors resident in Switzerland holding the Securities (understood as the right but not the obligation of the holder which it acquired against consideration to buy or sell a specific amount of a certain underlying at or until a fixed date at an agreed price) as private assets any capital gains realized in relation to such Securities are in principle not subject to individual income tax in Switzerland. However, Low Exercise Price Options in the sense of the practice of the Swiss Federal Tax Administration (defined as an option with a tenor of more than 12 months and a strike price of less than half of the market value of the underlying at issuance) are an exception to the before-mentioned principle in that an interest component is taxable at redemption or at exercise.

For individual investors resident in Switzerland holding the Securities as business assets as well as for Swiss corporate investors, capital gains realized upon a sale, re-evaluation or redemption of such Securities are in principle subject to either Swiss individual income tax with respect to an individual investor resident in Switzerland holding the Securities as business assets or subject to Swiss corporate income tax with respect to a corporate investor resident in Switzerland.

If the Securities are combined with other financial instruments ("**Structured Products**"; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature.

For private investors resident in Switzerland holding the Structured Products as private assets capital gains realized are in principle Swiss individual income tax exempt whereas investment income (such as, in particular but not limited to, interest, dividends etc.) deriving from the Structured Products is subject to Swiss personal income tax. For individual or corporate investors resident in Switzerland holding the Structured Products as business assets, capital gains realized upon a sale, exchange, redemption or re-evaluation of the Structured Products or income derived from Structured Products, irrespective of whether such income stems from investment income or capital gains, are in principle subject to either Swiss individual income tax with respect to

an individual investor resident in Switzerland holding the Structured Products as business assets or subject to Swiss corporate income tax with respect to a corporate investor resident in Switzerland.

Withholding Tax

In principle profits derived from transactions in Securities are not subject to Swiss Withholding Tax.

If the Securities are combined with other financial instruments (“**Structured Products**”; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature.

The Swiss Withholding Tax is in principle levied on income (such as, but not limited to, interest, pensions, profit distributions etc.) from, amongst others, bonds and other similar negotiable debt instruments issued by a Swiss tax resident (“*Inländer*”), distributions from Swiss tax resident corporations, interest on deposits with Swiss banks as well as distributions of or in connection with Swiss tax resident collective investment schemes. For Swiss Withholding Tax purposes, an individual or corporation qualifies as a Swiss tax resident (“*Inländer*”) being subject to withholding taxation if it (i) is resident in Switzerland, (ii) has its permanent abode in Switzerland, (iii) is a company incorporated under Swiss law having its statutory seat in Switzerland, (iv) is a company incorporated under foreign law but with a registered office in Switzerland, or (v) is a company incorporated under foreign law but is managed and conducts business activities in Switzerland. Hence, as long as the Structured Products are not issued by an issuer qualifying as a Swiss tax resident for the purposes of the Swiss Withholding Tax, income derived from the *Structured Products* is in principle not subject to Swiss Withholding Tax.

The Swiss Federal Council proposed draft legislation as part of the Swiss TBTF (Too Big To Fail) legislation. For bonds, this draft legislation foresees a shift from the current source withholding tax system to a paying agent tax system with regard to interest payments. According to the current practice of the Swiss Federal Tax Administration certain Structured Products qualify as bonds. Therefore, if this legislation is enacted, Swiss paying agents such as banks in Switzerland would be required to deduct Swiss withholding tax at a rate of 35 per cent on certain payments to certain investors irrespective of the fact whether the Structured Products are issued by UBS AG Switzerland or a foreign branch of UBS AG. According to the draft legislation Swiss paying agents would be required to deduct a Swiss paying agent tax on interest paid on bonds to Swiss-resident individuals as final recipients. For the time being not all relevant details of the proposed regime are published.

Neither the Issuer nor any other person would pursuant to the General Conditions of the Securities or Structured Products be obliged to pay additional amounts with respect to any Security or Structured Product as a result of the deduction or imposition of such Swiss Withholding Tax.

Transfer and Issue Stamp Tax

Swiss Stamp Tax is, amongst other, either levied as securities transfer tax or as issuance tax.

In principle Securities do not qualify as taxable securities for Swiss Stamp Tax purposes. They are in principle neither subject to Swiss Transfer Stamp Tax nor to Issuance Stamp Tax.

If, however, the Securities are combined with other financial instruments (“**Structured Products**”; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature. Further, Low Exercise Price Options in the sense of the practice of the Swiss Federal Tax Administration (defined as an option with a tenor of more than 12 months and a strike price of less than half of the market value of the underlying at issuance) do qualify as taxable securities and are subject to Swiss Transfer Stamp Tax.

Swiss Transfer Stamp Tax is levied on the transfer of ownership against consideration of certain taxable securities if a Swiss securities dealer in the sense of the Swiss Stamp Tax Act is involved in the transaction and no exemption applies. This tax levy applies in particular to Structured Products which include a bond component or which qualify as instruments similar to a collective investment scheme or as shares and share-like instruments as per the practice of the Swiss Federal Tax Administration. If shares or other taxable securities are delivered to the investor at redemption or due to an exercise right, the delivery of the security may be subject to Swiss Transfer Stamp Tax.

Swiss Issuance Stamp Tax is levied on the issuance of Swiss shares and similar participation rights. For Swiss Stamp Tax purposes, an individual or corporation qualifies as a Swiss tax resident (“*Inländer*”) being subject to Swiss Stamp Tax if it (i) is resident in Switzerland, (ii) has its permanent abode in Switzerland, (iii) is incorporated under Swiss law and having its statutory or legal seat in Switzerland or (v) if it is registered as an enterprise with the Swiss register of commerce. Hence, as long as the Securities are not issued by an issuer qualifying as a Swiss tax resident they are not subject to Swiss Issuance Stamp Tax.

Measures equivalent to the EU Savings Directive

Switzerland has introduced a tax retention (withholding tax) of 35% pursuant to the agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments effective as of 1 July 2005 on interest payments or similar income paid by a Swiss paying agent to an individual resident in an EU Member State, unless the interest payments are made as debt-claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments in Switzerland of non-residents.

The beneficial owner may avoid the retention by expressly authorizing the paying agent in Switzerland to report the interest payments. If the paying agent receives such an authorisation, he reports the interest payment to the Swiss Federal Tax Administration which in turn communicates the information to the competent authority of the EU Member State of residence of the beneficial owner.

Bilateral agreements (Quellensteuerabkommen)

Switzerland has signed agreements on a final withholding tax (Quellensteuerabkommen) with the United Kingdom and with Austria. Furthermore, it is possible that Switzerland will sign similar agreements with other countries in the near future. According to these agreements, qualifying Swiss paying agents levy a final withholding tax on any investment income if the Securities or the Structured Products are held in custody account with a qualifying Swiss paying agent and if the custody account is directly or indirectly owned by an individual resident in the other contracting state (e.g. Austria). The applicable final withholding tax rate may vary depending on the applicable tax rate in the other contracting state and the type of realised investment income (dividend, interest, capital gain, etc.). Furthermore, the calculation of the income subject to a final withholding tax may vary depending on the applicable agreement. A person subject to a final withholding tax (“**Relevant Person**”) may avoid such final withholding tax by expressly allowing the qualifying Swiss paying agent to report to the foreign tax authorities in the state of residence of the Relevant Person, amongst others, the identity of the Relevant Person and the amount the realised investment income in a certain period.

H. GENERAL INFORMATION

1. Form of Document

This document comprises a securities note (the “**Securities Note**”) and a summary (the “**Summary**”) and, together with the registration document of UBS AG dated 19 May 2014, as supplemented by Supplement No. 1 dated 8 August 2014 and Supplement No. 2 dated 25 August 2014, (the “**Registration Document**”), constitutes a prospectus (the “**Prospectus**”) according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission, as amended.

2. Publication

The Prospectus will be published on the website of UBS at www.ubs.com/keyinvest (or a successor thereto).

The Prospectus will also be available at the registered offices of the Issuer at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland and Aeschenvorstadt 1, CH-4051 Basel, Switzerland.

3. Authorisation

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

4. Approval of the Prospectus and Notification

Application has been made by the Issuer to the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – “**BaFin**”) as competent authority under and in accordance with the Securities Prospectus Act which implements Directive 2003/71/EC of the European Parliament and the Council of 4th November 2003 into German law to approve this document, comprising the Summary and the Securities Note, as part of a tri-partite prospectus. The BaFin approved the Summary and the Securities Note after completing a review of this document for completeness, including a review of the coherence and comprehensibility of the information provided.

In order to be able to conduct a public offer and/or a listing of the Securities on an organised market (within the meaning of Directive 93/22/EEC) (the “**EEA Passport**”) in Austria, the Issuer has applied for a notification of the Prospectus pursuant to Sections 17, 18 of the WpPG into Austria. The Issuer reserves the right to apply to the BaFin for EEA Passports into further EEA states.

A special permit allowing for the Securities to be offered or the prospectus to be distributed in a jurisdiction outside of those countries for which an EEA Passport is possible and a permit required has not been obtained.

5. Use of Proceeds

The reasons for the offer are making profit and/or hedging certain risks.

The net proceeds from the issuance of the Securities will be used for hedging and general corporate purposes of the Issuer only. The Issuer shall not employ the net proceeds within Switzerland. A separate (“special purpose”) fund will not be established.

In particular, the Issuer is not obliged to invest the net proceeds from the issuance of the Securities in any Underlying at any time. The Securityholders do not have any direct interest in, or beneficial ownership of any Underlying at any time.

6. Availability of the Prospectus and other documents

As long as any of the Securities are outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered offices of the Issuer at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland and Aeschenvorstadt 1, CH-4051 Basel, Switzerland:

- (a) a copy of the Articles of Association of UBS AG;
- (b) a copy of the Registration Document of UBS AG dated 19 May 2014, as supplemented by Supplement No. 1 dated 8 August 2014 and Supplement No. 2 dated 25 August 2014;
- (c) a copy of the Annual Report of UBS AG as of 31 December 2012, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements");
- (d) a copy of the Annual Report of UBS AG as of 31 December 2013, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements");
- (e) a copy of the Securities Note dated 12 September 2014, as supplemented from time to time; and
- (f) a copy of the Summary dated 12 September 2014, as supplemented from time to time.

Copies of the above documents shall, as long as any of the Securities are outstanding, also be maintained in printed format, for free distribution, at the registered offices of the Issuer. In addition, any annual and quarterly reports of UBS AG are published on the UBS website, at www.ubs.com/investors or a successor address.

7. Any interest, including potential conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities

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

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

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

Save for the Authorised Offerors regarding their relevant fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue / the offer of the Securities.

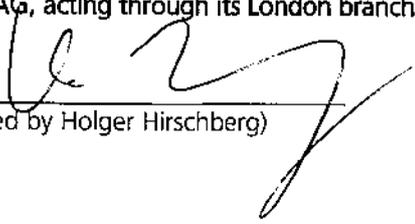
I. SIGNATORIES

Signed on behalf of the Issuer,

12 September 2014:

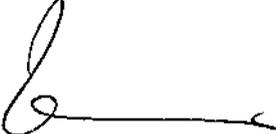
UBS AG, acting through its London branch

By:



(signed by Holger Hirschberg)

By:



(signed by Stefanie Zaromitidis)