



UBS AG, London Branch

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## **Securities Prospectus**

11 July 2006

Base Prospectus pursuant to section 6 of the German Securities Prospectus Act  
(*Wertpapierprospektgesetz*)

**by**

**UBS AG, London Branch**

for the issue of

**UBS [TWIN-WIN] [•] Certificates\***

based on the underlying [shares] [indices] [currencies] [precious metals]  
[commodities] [interest rates] [other securities] [baskets of the above instruments]

ISIN [•]

offered by

**UBS Limited**

\* The designation of the Securities is different for each series of the Securities.

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents relating to the UBS AG, acting via its London Branch, are incorporated by reference in this Prospectus and/or represent an integral part of this Prospectus:

<b>Incorporated document</b>	<b>Referred to in</b>	<b>Information</b>
- UBS Handbook 2005/2006, in English; pages 27 – 50 (inclusive)	- Business Overview (page 16 of the Prospectus)	- Description of the Issuer's business groups
- UBS Financial Report 2005, in English; pages 157 –160 (inclusive)	- Organisational Structure of the Issuer (page 17 of the Prospectus)	- Illustration of the key subsidiaries
- UBS Handbook 2005/2006, in English; pages 103 - 106 (inclusive) and 108 and pages 110 – 112 (inclusive)	- Conflicts of Interest (page 19 of the Prospectus)	- Description of the outside interests of the members of the Board of Directors and the Group Executive Board
- UBS Handbook 2005/2006, in English; pages 99 – 100 (inclusive)	- Major Shareholders of the Issuer (page 19 of the Prospectus)	- Further details on UBS shares
- UBS Financial Report 2004, in English:  (i) page 194  (ii) page 195  (iii) page 193  (iv) pages 73 - 79 (inclusive)	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses (page 19 of the Prospectus)	- For financial year 2003/2004: (i) Income Statement, together with the Notes and other disclosures, (ii) Balance Sheet, together with the Notes and other disclosures, (iii) Parent Bank Review, (iv) Accounting standards and policies, accounting principles, critical accounting policies
- UBS Financial Report 2005, in English:  (i) page 194  (ii) page 195  (iii) page 193  (iv) pages 65 - 70 (inclusive)	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses (page 19 of the Prospectus)	- For financial year 2004/2005: (i) Income Statement, together with the Notes and other disclosures, (ii) Balance Sheet, together with the Notes and other disclosures, (iii) Parent Bank Review, (iv) Accounting standards and policies, accounting principles, critical accounting policies
- UBS Financial Report 2004, in English; page 83 - UBS Financial Report 2005, in English; page 73	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses (page 19 of the Prospectus)	- Report of the Group Auditors for the reporting periods 2003/2004 and 2004/2005.
- UBS Financial Report 2004, in English; page 202 - UBS Financial Report 2005, in English; page 202	- Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses (page 19 of the Prospectus)	- Report of the Statutory Auditors for the reporting periods 2003/2004 and 2004/2005.

The UBS quarterly report as of 31 March 2006 in English is incorporated in its entirety.

The documents incorporated by reference shall be maintained in printed format, for free distribution, at the offices of the Issuer as well as at UBS Deutschland AG, Stephanstrasse 14 - 16, D-60313 Frankfurt am Main, Federal Republic of Germany. In addition, they are published on the UBS website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address.

## **SUMMARY**

This Summary contains selected information from this Prospectus or the sections "Description of the Issuer" and "Description of the Securities", to give potential investors the opportunity to acquire information about UBS AG, acting through its London Branch (hereinafter referred to as the "Issuer"), the UBS [TWIN-WIN] [●] Certificates\* (hereinafter referred to as a "Certificate" or the "Certificates", as well as a "Security" or the "Securities"), which form the object of this Prospectus, and about the risk associated with an investment in the Securities.

The Summary, however, should be understood as an introduction to the Prospectus. **When making decisions relating to investment in the Securities, therefore, potential investors should carefully consider the information contained in the Prospectus as a whole.** To ensure full comprehension of the Securities it is recommended that potential investors carefully read the Terms and Conditions of the Securities, as well as the sections on tax implications and other important factors related to the decision on investing in the Securities. If necessary, **advice should be sought from legal, tax, financial or other advisors.**

The Issuer also expressly emphasises, that where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might have to bear the cost of translating this Prospectus before the legal proceedings are initiated under applicable national law of the respective member state of the European Economic Area.

Potential investors should note that neither the Issuer nor UBS Limited as the Offeror can be held liable on the basis of this Summary alone, nor any translation hereof, unless the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

### **Who is the Issuer?**

UBS AG, with registered offices in Zurich and Basle, was formed from the merger of Schweizerischer Bankverein (SBV) and Schweizerische Bankgesellschaft (SBG) in 1998.

With main offices in Zurich and Basle, Switzerland, UBS boasts a global presence, with around 70,200 employees (as of 31 March 2006) in more than 50 countries. UBS AG and its subsidiaries and branch offices (hereinafter also referred to as "UBS"), including UBS AG, London Branch, as Issuer of the Securities described in this Prospectus, is among the world's largest private asset managers. As a global leader in the world of finance, UBS serves some of the most demanding clients worldwide and combines financial strength with a global corporate culture that views change as an opportunity. As an integrated company, UBS generates added value for its clients by giving them access to the expertise and capabilities of an entire group.

UBS is structured into three main business groups: Global Wealth Management & Business Banking – one of the largest asset managers in the world, in terms of assets under management, and the leading bank for corporate and institutional clients in Switzerland; Global Asset Management – a leading global asset manager; and Investment Bank – a first-class investment banking and securities firm.

The services offered include traditional investment banking activities, such as consulting services for mergers and acquisitions, the execution of capital markets transactions on both the primary and secondary markets, recognised research expertise and the issuing of investment products for institutional and private investors.

UBS is among the few globally active major banks that have a first-class rating. The rating agencies Standard & Poor's Inc., Fitch Ratings and Moody's Investors Service Inc. have assessed the creditworthiness of UBS – i.e. the ability of UBS to fulfil payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing, in a timely manner. The results are displayed in the rating levels schematically arranged below. The ratings from Fitch and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within

\* The designation of the Securities is different for each series of the Securities.

the respective rating class. Standard & Poor's currently rates UBS' creditworthiness with AA+, Fitch with AA+ and Moody's with Aa2.<sup>1</sup>

<b>Fitch</b>	<b>Moody's</b>	<b>Standard&amp;Poor's</b>	<b>Description</b>
AAA	Aaa	AAA	very good: highest level of creditworthiness, almost no risk of default
AA	Aa	AA	good to very good: high probability of payment, low insolvency risk
A	A	A	satisfactory to good: reasonable debt servicing coverage, still low insolvency risk
BBB	Baa	BBB	satisfactory: reasonable debt servicing coverage, medium insolvency risk (speculative characteristics, lack of protection against economic changes)
BB	Ba	BB	acceptable to satisfactory: adequate debt servicing coverage, higher insolvency risk
B	B	B	inadequate to acceptable: low debt servicing coverage, high insolvency risk
CCC CC C	Caa	CCC	insufficient: creditworthiness is barely adequate, very high insolvency risk
DDD DD D	Ca C	CC SD/D	in default or bankruptcy

### **Who are the members of the Issuer's management and supervisory bodies?**

The Board comprises a minimum of six or a maximum of twelve members. Their term of office lasts three years.

### **Board of Directors as of 31 December 2005**

		<b>Term in Office</b>	<b>Position outside of UBS</b>
Marcel Ospel	Chairman	2008	
Stephan Haeringer	Executive Vice Chairman	2007	
Marco Suter	Executive Vice Chairman	2008	
Prof. Dr. Peter Bockli	Non-Executive Vice Chairman	2006	Partner in the law firm Bockli, Bodmer & Partner, Basle
Ernesto Bertarelli	Member	2006	Chief Executive Officer of Serono International SA, Geneva
Sir Peter Davis	Member	2007	
Dr. Rolf A. Meyer	Member	2006	Member of the Board of DKSH AG, Zurich, and of Ascom (Switzerland) Ltd., Bern
Dr. Helmut Panke	Member	2007	Chairman of the Board of Management of BMW AG, Munich
Peter Spuhler	Member	2007	Owner of Stadler Rail AG (Switzerland)
Peter R. Voser	Member	2008	Chief Financial Officer of The Royal Dutch Shell plc, London
Lawrence A. Weinbach	Member	2008	Executive Chairman of Unisys Corporation, Blue Bells PA, USA, and Member of the Board of Directors of

<sup>1</sup> Long-term rating, as of 31 March 2006

			Avon Products Inc., New York, USA
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Changes in 2006:

The 2006 Annual General Meeting marked the end of Peter Böckli's term of office as non-executive Vice Chairman of the Board of Directors. Gabrielle Kaufmann-Kohler, partner at the law firm Schellenberg Wittmer and a professor of international private law at the University of Geneva, becomes a non-executive member, as does Jörg Wolle, Chairman and CEO of DKSH Holding Ltd.

### Group Executive Board as of 31 December 2005

The Group Executive Board comprises ten members:

Peter Wuffli	Group Chief Executive Officer
John P. Costas	Chairman Investment Bank
John A. Fraser	Chairman and CEO Global Asset Management
Huw Jenkins	CEO Investment Bank
Peter Kurer	Group General Counsel
Marcel Rohner	Chairman and CEO Global Wealth Management & Business Banking
Clive Standish	Group CFO
Walter Stürzinger	Group Chief Risk Officer
Mark B. Sutton	Chairman and CEO Wealth Management USA
Raoul Weil	Head of Wealth Management International

Changes in 2006:

On 1 January 2006, John Costas assumed responsibility for the newly created Dillon Read Capital Management unit within Global Asset Management, relinquishing his role on the Group Executive Board. At the same date Rory Tapner, Chairman and CEO Asia Pacific, joined the Group Executive Board and Huw Jenkins became Chairman Investment Bank.

None of the aforementioned members of the Group Executive Board holds qualified interests outside of UBS.

### What is the Issuer's financial situation?

The following table has been produced from the quarterly report of UBS as of 31 March 2006 published in English. This table represents the capitalisation and the liabilities of UBS Group as of 31 March 2006:

*in CHF millions*

For the period ending on	<b>31 March 2006</b>
Liabilities	
short-term liabilities <sup>1)</sup>	147 830
long-term liabilities <sup>1)</sup>	148 802
Total liabilities <sup>1)</sup>	296 632
Minorities <sup>2)</sup>	5 571
Shareholders' equity	47 850
<b>Total capitalisation</b>	<b>350 053</b>

1) Includes money-market instruments and medium-term debt according to the balance sheet items listed by maturities (breakdown into short- and long-term maturities is available only on a quarterly basis)

2) Includes Trust Preferred Securities

As of 31 March 2006, the BIS tier 1 ratio for UBS was 12.9 % (own funds in relation to all risk-weighted assets), while the BIS total capital ratio was 14.1 %. On 31 March 2006, a total of 1,088,632,522 registered shares in UBS AG were issued with a par value of CHF 0.80 per share (of which 1,088,632,522 registered

shares, corresponding to a total share capital of CHF 870,906,017.60, were entered in the commercial register).

There have been no major changes relating to the debt issued by UBS Group since 31 March 2006.

### **How are the net proceeds used by the Issuer?**

The net proceeds of the issue will be used for funding purposes of the UBS Group and shall not be employed by the Issuer within Switzerland. The net proceeds from the sale of the Securities shall be employed by the Issuer for general business purposes. A separate ("special purpose") fund will not be established.

### **Are there any risks relating to the Issuer?**

There are no particular risks relating to the Issuer. Potential investors in the Securities should, however, be aware that, as with any company, there are general risks associated with the Issuer:

Each investor thus bears the general risk that the financial situation of the Issuer could deteriorate. Furthermore, the general assessment of the Issuer's creditworthiness may affect the value of the Securities. This assessment generally depends on the ratings assigned to the outstanding Securities of the Issuer or affiliated companies by rating agencies such as Moody's and Standard & Poor's. The Issuer and affiliated companies may also participate in transactions that are related to the Securities, for their own account or for account of a client. Such transactions can have a negative effect on the price of the Securities.

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 or financial advisor.**

### **What are the Securities?**

The object of this Prospectus are the UBS [TWIN-WIN] [●] Certificates, in bearer form, with the *International Security Identification Number*, issued by UBS AG, acting through its London Branch, as Issuer in accordance with German law. These Securities rank *pari passu* with all other direct, unsubordinated, unconditional and unsecured obligations of the Issuer.

These Securities are each based on the [listed] Underlying [●].

### **How are the Securities offered and are the Securities admitted to trading?**

The Issuer intends to offer the Securities described in this Prospectus – following any necessary notification of the relevant member state of the European Economic Area by Germany's Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*), as the competent authority in the (selected) Home Member State of UBS within the meaning of Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**") and the German Securities Prospectus Act (*Wertpapierprospektgesetz*) – in different member states of the European Economic Area. On or after the respective *Issue Date*, UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "**Offeror**") shall underwrite the Securities by means of an underwriting agreement and shall place them for sale [at the *Issue Price*] under terms subject to change. [The Issue Price shall be set at [the Fixing Date] [the beginning of the public offer] [after the Subscription Period] [based on the prevailing market situation and the price of the Underlying], as of which time it is available from the Offeror.] Thereafter, the selling price shall be continually adjusted to reflect the prevailing market situation.

The Offeror intends to apply for inclusion of the Securities to trading on the *Stock Exchange*. [The Securities shall be delisted [two] [●] trading day[s] prior to the Expiration Date. As of this point until the Expiration Date, trading may only take place off exchange with the Offeror.]

### **Are there any restrictions on the sale of the Securities?**

Since the Securities are not registered or authorised for public distribution in all countries, sale of the Securities may be restricted in some countries.

## What does the Securityholder acquire from the Securities in question?

With purchase of the Security, the investor acquires the right to receive from the Issuer, under certain conditions described in the Terms and Conditions of the Securities and depending on the performance of the *Underlying* payment of the *Settlement Amount* [, converted into the *Settlement Currency*,] commercially rounded to two decimal places (the "**Certificate Right**"). The Securityholder shall not be entitled to any interim payments. None of the Securities vests a right to payment of fixed or variable interest or dividends and, as such, they **generate no regular income**. Therefore, potential losses in the value of a Security cannot be offset by any other income from the Security.

UBS [TWIN-WIN] [●] Certificates on the *Underlying* are securities which are similar in economic terms to a direct investment in the corresponding *Underlying*, but which are nonetheless not fully comparable with such a direct investment because the value of the Securities also depends on the occurrence or non-occurrence of a *Kick Out Event* during the *Term of the Securities*. [In addition, the participation and the value of the Securities is limited to the *Maximum Amount*].

A *Kick Out Event* occurs if the *Price of the Underlying* reaches [the *Kick Out Level*] [the *Floor*] during the *Term of the Securities*, i.e. if it touches it once or falls below it.

If the *Price of the Underlying* neither reaches nor falls below [the *Kick Out Level*] [the *Floor*] [during the *Term of the Securities*], i.e. **no Kick Out Event has occurred**, and if the *Price of the Underlying* on [the *Valuation Date*] [the *Valuation Averaging Dates*] (the "*Settlement Price*") **is equal to or lower than** the **Strike Price**, the holder of a UBS [TWIN-WIN] [●] Certificate is entitled to receive the *Settlement Amount* [converted into the *Settlement Currency*] pursuant to § 1 of the Terms and Conditions of the Securities, which is equal to, considering the *Ratio*, the *Strike Price* plus the difference between the *Strike Price* and the *Settlement Price* of the *Underlying*.

If the *Price of the Underlying*, however, reaches or falls below [the *Kick Out Level*] [the *Floor*] [during the *Term of the Securities*], i.e. **a Kick Out Event occurs**, and if the *Settlement Price* of the *Underlying* **is equal to or lower than** the **Strike Price**, the holder of a UBS [TWIN-WIN] [●] Certificate is entitled to receive [*in case of Physical Settlement insert the following text: the Physical Underlying* in a number as expressed by the *Ratio* (the "*Physical Settlement*")] [*in case of Cash Settlement insert the following text: the Settlement Price* of the *Underlying* [converted into the *Settlement Currency*] multiplied by the *Ratio*].

If the *Settlement Price* of the *Underlying* **is higher than the Strike Price**, the holder of a UBS [TWIN-WIN] [●] Certificate is entitled to receive – irrespective of the occurrence or the non-occurrence of a *Kick Out Event* – the *Redemption Amount* [, converted into the *Settlement Currency*,] multiplied by the *Ratio* and afterwards commercially rounded to two decimal places, which is equal to, considering the *Ratio*, the *Strike Price* plus the product of the difference between the *Settlement Price* of the *Underlying* and the *Strike Price* multiplied with the *Leverage Factor* [, however capped at the *Maximum Amount*].

## Which risks are attached to investment in the Securities?

An investment in the Securities carries product-specific risks for the investor. The following section shall therefore provide an economic description of the Certificates and the typical risks involved.

The value of a Certificate is determined not only by changes in the price of the *Underlying*, but also a number of other factors. These include, *inter alia*, the maturity of the Security, the frequency and intensity of price fluctuations (volatility) in the *Underlying* and the prevailing interest rate and dividend levels. A decline in the value of the Certificate may therefore occur even if the price of the *Underlying* remains constant. Therefore, we expressly recommend that investors familiarise themselves with the specific risk profile of the product type described in this Prospectus and that investors seek the advice of a professional if necessary.

Prospective investors should note that changes in the price of the *Underlying* on which the Certificate is based (or even the non-occurrence of anticipated price changes) can lower the value of a Certificate to the point that it no longer possesses any value. [In light of the limited term of the Certificates, there is no certainty that the value of the Certificate will recover before the Securities reach maturity.] This risk is independent of the financial strength of the Issuer.

In the opinion of the Issuer the following risks constitute the essential risks associated with the Securities:

1. Features of the UBS [TWIN-WIN] [●] Certificates



- [2.] Features of Certificates on [currency exchange rates] [,] [commodities] [or] [precious metals]
- [2.] [3.] [Possible decline in Underlying value in case of Physical Settlement]
- [2.] [3.] [4.] Other factors affecting value
- [3.] [4.] [5.] Effect of ancillary costs
- [4.] [5.] [6.] Transactions to offset or limit risk
- [5.] [6.] [7.] Trading in the Securities / Liquidity
- [6.] [7.] [8.] Borrowed funds
- [7.] [8.] [9.] The effect on the Securities of hedging transactions by the Issuer
- [8.] [9.] [10.] Expansion of the spread between bid and offer prices
- [9.] [10.] [11.] Changes in the tax treatment of the Securities

Potential investors are expressly made aware of the fact that the Certificates constitute a **risk investment** which can lead to **losses** of the invested capital. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the invested capital. Any investor interested in purchasing the Certificates should assess their financial situation to ensure that they are in a position to bear the **risks of loss** connected with the Certificates.

## **RISK FACTORS RELATING TO THE ISSUER AND THE SECURITIES**

The different risk factors associated with investment in the Securities issued within the framework of this Prospectus are outlined below. Which of these are relevant to the Securities described in this Prospectus depends upon a number of interrelated factors, especially the type of Securities and Underlying. Investments in the Securities should not be made until all the factors relevant to the Securities have been acknowledged and carefully considered. Terminology and expressions defined in the Terms and Conditions of the Securities shall have the same meaning when used herein. When making decisions relating to investments in the Securities, potential buyers should consider all information contained in the Prospectus and, **if necessary, consult their legal, tax, financial or other advisor.**

### **I. ISSUER-SPECIFIC RISKS**

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

#### **General insolvency risk**

Each investor bears the general risk that the financial situation of the Issuer could deteriorate. The Securities constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, in particular in case of insolvency of the Issuer, rank *pari passu* with each other and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions.

#### **Effect of downgrading of the Issuer's rating**

The general assessment of the Issuer's creditworthiness may affect the value of the Securities. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's.

#### **Potential conflicts of interest**

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

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the respective *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. In addition, one or more of the Issuer's affiliated companies may publish research reports on the *Underlying*. Such activities could present conflicts of interest and may affect the value of the Securities.

Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities,

from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The [Issuer] [Offeror], upon request, will provide information on the amount of these fees.

## II. SECURITY-SPECIFIC RISKS

Investing in the Securities involves certain risks. Among others, these risks may take the form of equity market, bond market, foreign exchange, interest rate, market volatility and economic and political risks and any combination of these and other risks. The most important risks are presented briefly below. Prospective investors should be experienced with regard to transactions in instruments such as the Securities and in the Underlying. **Prospective buyers should understand the risks associated with an investment in the Securities and should only reach an investment decision after careful consideration, with their legal, tax, financial and other advisors, of (i) the suitability of an investment in the Securities in the light of their own particular financial, fiscal and other circumstances; (ii) the information set out in this document and (iii) the Underlying.** An investment in the Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the *Underlying*, as the return of any such investment will be dependent, *inter alia*, upon such changes. More than one risk factor may have simultaneous effects with regard to the Securities, so that the effect of a particular risk factor is not predictable. In addition, more than one risk factor may have a compounding effect which also cannot be predicted. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

Prospective purchasers of the Securities should recognise that the Securities may decline in value and should be prepared to sustain a total loss of their investment in the Securities. This risk is independent of the financial strength of the Issuer. The shorter the remaining term of the Securities is, the lower the probability that any losses can be offset by maturity. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the invested capital.

The Securityholders shall not be entitled to any interim payments unless this is expressly provided for in the Terms and Conditions of 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 Certificate cannot be offset by any other income from the Certificate.

*[In case of currencies, commodities and/or precious metals as Underlying insert the following text: **Physical Settlement in the form of [currencies] [and] [or] [commodities] [and] [or] [precious metals] is excluded in all cases.**]*

**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. Features of the UBS [TWIN-WIN] [•] Certificates

UBS [TWIN-WIN] [•] Certificates on the *Underlying* are securities which are similar in economic terms to a direct investment in the corresponding *Underlying*, but which are nonetheless not fully comparable with such a direct investment because the value of the Securities also depends on the occurrence or non-occurrence of a *Kick Out Event* during the *Term of the Securities*. [In addition, the participation and the value of the Securities is limited to the *Maximum Amount*].

A *Kick Out Event* occurs if the *Price of the Underlying* reaches [the *Kick Out Level*] [the *Floor*] during the *Term of the Securities*, i.e. if it touches it once or falls below it.

If the *Price of the Underlying* neither reaches nor falls below [the *Kick Out Level*] [the *Floor*] [during the *Term of the Securities*], i.e. **no *Kick Out Event* has occurred**, and if the *Price of the Underlying* on [the *Valuation Date*] [the *Valuation Averaging Dates*] (the "*Settlement Price*") **is equal to or lower than the *Strike Price***, the holder of a UBS [TWIN-WIN] [•] Certificate is entitled to receive the *Settlement Amount* [converted into the *Settlement Currency*] pursuant to § 1 of the Terms and Conditions of the Securities, which is equal to, considering the *Ratio*, the *Strike Price* plus the difference between the *Strike Price* and the *Settlement Price* of the *Underlying*.

If the *Price of the Underlying*, however, reaches or falls below [the *Kick Out Level*] [the *Floor*] [during the *Term of the Securities*], **i.e. a *Kick Out Event* occurs**, and if the *Settlement Price* of the *Underlying* **is equal to or lower than** the ***Strike Price***, the holder of a UBS [TWIN-WIN] [●] Certificate is entitled to receive [in case of *Physical Settlement* insert the following text: the *Physical Underlying* in a number as expressed by the *Ratio* (the "*Physical Settlement*") [in case of *Cash Settlement* insert the following text: the *Settlement Price* of the *Underlying* [converted into the *Settlement Currency*] multiplied by the *Ratio*].

If the *Settlement Price* of the *Underlying* **is higher than the *Strike Price***, the holder of a UBS [TWIN-WIN] [●] Certificate is entitled to receive – irrespective of the occurrence or the non-occurrence of a *Kick Out Event* – the *Redemption Amount* [, converted into the *Settlement Currency*,] multiplied by the *Ratio* and afterwards commercially rounded to two decimal places, which is equal to, considering the *Ratio*, the *Strike Price* plus the product of the difference between the *Settlement Price* of the *Underlying* and the *Strike Price* multiplied with the *Leverage Factor* [, however capped at the *Maximum Amount*].

## **[2.] Features of Certificates on [currency exchange rates] [,] [commodities] [or] [precious metals]**

In cases of [currency exchange rates] [,] [commodities] [or] [precious metals] used as [the *Underlying*] [the *Underlyings*] [a *Basket Component*], it should be noted that the values are traded 24 hours a day through the time zones of Australia, Asia, Europe and America. It is therefore possible that a relevant limit or threshold, pursuant to the Terms and Conditions of the Securities, may be reached, exceeded or fallen below outside of local or Offeror business hours.]

### **[2.] [3.] [Possible decline in Underlying value in case of Physical Settlement]**

To the extent that *Physical Settlement* is provided for in the Terms and Conditions of the Securities, potential buyers of the Securities should note that any fluctuations in the *Price of the Underlying* between the *Expiration Date* of the Security and the delivery of the *Physical Underlying* on the *Settlement Date* are borne by the Securityholder. Losses in the value of the *Underlying* can therefore still occur after the corresponding *Expiration Date*, and are borne by the Securityholder.]

### **[2.] [3.] [4.] Other factors affecting value**

The value of a Security is determined not only by changes in the price of the *Underlying*, 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, *inter alia*, the *Term of the Security*, the frequency and intensity of price fluctuations (volatility) in the *Underlying*, as well as the prevailing interest rate and dividend levels. A decline in the value of the Security may therefore occur even if the price of the *Underlying* remains constant.

Prospective buyers of the Securities should be aware that an investment in the Securities involves a valuation risk with regard to the *Underlying*. They should have experience with transactions in securities with a value derived from an *underlying*. The value of the *Underlying* may vary over time and may increase or decrease by reference to a variety of factors which may include UBS corporate action, macro economic factors and speculation. If the *Underlying* comprises a basket of various assets, fluctuations in the value of any one asset may be offset or intensified by fluctuations in the value of other basket components. In addition, the historical performance of an *underlying* is not an indication of its future performance. The historical price of an *Underlying* does not indicate its future performance. Changes in the market price of the *Underlying* will affect the trading price of the Securities, and it is impossible to predict whether the market price of the *Underlying* will rise or fall.

If the Securityholder's right vested in the Security is determined on the basis of a currency other than the *Settlement Currency*, currency unit or calculation unit, or if the value of the *Underlying* is determined in such a currency other than the *Settlement Currency*, currency unit or calculation unit,

potential investors should be aware that investments in these Securities could entail risks due to fluctuating exchange rates, and that the risk of loss does not depend solely on the performance of the Underlying, but also on unfavourable developments in the value of the foreign currency, currency unit or calculation unit. Such unfavourable developments may increase the Securityholder's risk of loss, in such a way that

- the value of the acquired Securities diminishes accordingly, or
- any possible settlement amount diminishes accordingly.

### **[3.] [4.] [5.] Effect of ancillary costs**

Commissions and other transaction costs incurred in connection with the purchase or sale of Securities may result in charges, particularly in combination with a low order value, **which can substantially reduce any settlement amount, if any, to be paid under the Securities.** Before acquiring a Security, prospective buyers 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.

### **[4.] [5.] [6.] Transactions to offset or limit risk**

Prospective buyers 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.

### **[5.] [6.] [7.] Trading in the Securities / Liquidity**

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

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

The Offeror intends, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Offeror 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 buyers therefore should not rely on the ability to sell securities at a specific time or at a specific price.**

### **[6.] [7.] [8.] 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 but also have to pay interest on and redeem the loan. This produces a substantial increase in investors' risk of loss. Buyers 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.

**[7.] [8.] [9.] The effect on the Securities of hedging transactions by the Issuer**

The Issuer may use all or some of the proceeds received from the sale of the Securities to enter into hedging transactions relating to the risks incurred in issuing the Securities. In such a case, the Issuer or one of its affiliated companies may conclude transactions that correspond to the Issuer's obligations arising from the Securities. Generally speaking, this type of transaction will be concluded before or on the *Issue Date* of the Securities, although these transactions can also be concluded after the Securities have been issued. The Issuer or one of its affiliated companies may take the necessary steps for the closing out of any hedging transactions, on or prior to the relevant [*Valuation Date*] [*Valuation Averaging Date*]. Although the Issuer does not consider these types of transactions to have a massive impact on the value of the Securities, it cannot be ruled out that the price of the *Underlying* might, in certain cases, be affected by these transactions. In the case of Securities whose value depends on the occurrence of a specific event in relation to the *Underlying*, entering into or closing out such hedging transactions may affect the likelihood of this event occurring or not occurring.

**[8.] [9.] [10.] 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 price based on the actual level of the *Underlying* level prevailing at the time of their sale.

**[9.] [10.] [11.] Changes in the tax treatment of the Securities**

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

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

## **RESPONSIBILITY**

UBS AG, having its registered offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basle, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom, as Issuer and UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom, as Offeror of the Securities described in this Prospectus, accept responsibility for the content of this Prospectus, as set out in section 5 (4) of the German Securities Prospectus Act.

The Issuer and the Offeror declare that they have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts, and contains no omissions likely to affect its import.

Neither the Issuer nor the Offeror may be held liable on the basis of the Summary contained in this Prospectus alone, nor in any translation hereof, unless the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

In relation to the information in the section entitled "Information about the Underlying" beginning on page 58 of this Prospectus, which obviously stems from a third party rather than from the Issuer or the Offeror, the Issuer and the Offeror confirm that such information has been carefully prepared and accurately reproduced. As far as the Issuer and Offeror were aware and were able to ascertain from the information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

[Provided that UBS AG, acting via its London Branch, does not also function as Index Sponsor in relation to the Index described in the section entitled "Information about the Underlying", the Index Sponsor shall assume no responsibility for the content of this Prospectus, with the exception of the information contained in the section entitled "Information about the Underlying" beginning on page 58 of this Prospectus. [The Index Sponsor declares that it has taken all reasonable care to guarantee that the information contained in the section entitled "Information about the Underlying" beginning on page 58 of this Prospectus is, to the best of its knowledge, accurate, and that no information has been omitted that could materially alter its implications.]]

## **DESCRIPTION OF THE ISSUER**

The following description contains general information on UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4002 Basle, Switzerland, acting via its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.

### **I. AUDITORS**

The auditor of the Issuer is Ernst & Young AG, Aeschengraben 9, 4002 Basle, Switzerland, as the statutory auditor in accordance with company law and banking law provisions (appointed until the 2007 UBS Annual General Meeting; re-appointed at the UBS Annual General Meeting on 19 April 2006). Ernst & Young AG, Basle, is a member of the Swiss Chamber of Trustees (*Treuhand-Kammer*) based in Zurich, Switzerland.

### **II. INFORMATION ABOUT THE ISSUER**

The legal name of the Issuer is UBS AG. For commercial purposes, the Issuer also operates under the name of UBS.

UBS was formed in Switzerland on 29 June 1998 from the merger of Schweizerische Bankgesellschaft, established in 1862, and Schweizerischer Bankverein, established in 1872. UBS has its registered office in Switzerland (main offices: Zurich and Basle), where it is entered in the commercial register as a corporation limited by shares under Swiss company law and the Swiss banking law provisions. The commercial register number is CH-270.3.004.646-4.

The addresses and telephone numbers of both registered main offices are: Bahnhofstrasse 45, 8001 Zurich, Switzerland, Tel. +41 44-234 1111; and Aeschenvorstadt 1, 4051 Basle, Switzerland, Tel. +41 61-288 2020. As a corporation limited by shares, UBS AG has issued registered shares to investors. UBS AG shares are listed on the SWX Swiss Exchange and traded on the virt-x, in which the SWX Swiss Exchange is the majority shareholder. UBS shares are also listed on the New York and Tokyo stock exchanges.

### **III. BUSINESS OVERVIEW**

According to Article 2 of the Articles of Association the purpose of UBS is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, service and trading activities in Switzerland and abroad. UBS AG and its subsidiaries and branch offices, including UBS AG, London Branch, as Issuer of the Securities described in this Prospectus, is a leading global financial services provider for some of the most demanding clients worldwide. The Group combines innovation and financial strength with a global corporate culture that views change as an opportunity.

UBS is a provider of wealth management services for affluent private clients. Among the major global financial institutions, UBS is active in the investment banking and securities business, and is a player in institutional asset management. As an integrated company, UBS generates added value for its clients by giving them access to the expertise and capabilities of an entire group. UBS boasts a global presence, with around 72,200 employees (as of 31 March 2006) based in more than 50 countries, including the major international financial centres. This global presence is combined with comprehensive services, provided through a range of channels.

UBS is among the few globally active major banks that have a first-class rating. The rating agencies Standard & Poor's Inc., Fitch Ratings and Moody's Investors Service Inc. have assessed the creditworthiness of UBS – i.e. the ability of UBS to fulfil payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing, in a timely manner. The ratings from Fitch and Standard & Poor's may be attributed a plus or minus sign, and those from Moody's a number. These supplementary attributes indicate the relative position within the respective rating class. Standard & Poor's currently rates UBS' creditworthiness with AA+, Fitch with AA+ and Moody's with Aa2. <sup>2</sup>

<sup>2</sup> Long-term rating, as of 31 March 2006



UBS is structured into three main business groups: Global Wealth Management & Business Banking (formed on 1 July 2005 from the merger of the previous Wealth Management & Business Banking and Wealth Management USA divisions), Global Asset Management and Investment Bank, which, together with the Corporate Center form the operating structure of the Group's financial services business. A description of the business groups – or, in the case of Global Wealth Management & Business Banking, the previous Wealth Management & Business Banking and Wealth Management USA divisions – their strategies, structure, organisation, products, services and markets can be found in the UBS Handbook 2005/2006, in English, on pages 27-50 (inclusive).

### **Competition**

UBS faces stiff competition in all business areas. Both in Switzerland and abroad, the Bank competes with asset management companies, commercial, investment and private banks, brokerages and other financial services providers. Competitors include not only local banks, but also global financial institutions which are similar to UBS in terms of both size and services offered.

In addition, the consolidation trend in the global financial services sector is introducing new competition, which may have a greater impact on prices, thanks to an expanded range of products and services as well as increased access to capital and growing efficiency.

## **IV. ORGANISATIONAL STRUCTURE OF THE ISSUER**

The objective of UBS' group structure is to support the business activities of the Company within an efficient legal, tax, supervisory and financial framework. Neither the individual business groups of UBS – Global Wealth Management & Business Banking, Global Asset Management, Investment Bank – nor the Corporate Center are legally independent entities; instead, they perform their activities through the domestic and foreign offices of the parent UBS AG.

Settlement of transactions through the parent allows UBS to fully exploit the advantages generated for all business groups through the use of a single legal entity. In cases where it is impossible or inefficient to process transactions via the parent – due to local statutory, tax or supervisory provisions or newly acquired companies – these tasks are performed on location by legally independent group companies. The major subsidiaries are listed in the UBS Financial Report 2005, in English, on pages 157-160 (inclusive).

## **V. TREND INFORMATION**

There have been no major negative changes relating to the prospects of the Issuer since the last audited financial report from 2005.

## **VI. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER**

As stipulated in Swiss banking legislation, UBS has two distinct Boards at the highest level. The functions of the Chairman of the Board of Directors, on the one hand, and the President of the Group Executive Board and Chief Executive Officer, on the other, are allocated to two different persons to guarantee the separation of powers. This structure facilitates mutual controlling, and separates the Board of Directors from the Bank's daily business, for which the Group Executive Board is responsible. No one may be a member of both Boards.

The Board comprises a minimum of six or a maximum of twelve members. Their term of office lasts three years.

### **Board of Directors as of 31 December 2005**

		<b>Term in Office</b>	<b>Position outside of UBS</b>
Marcel Ospel	Chairman	2008	
Stephan Haeringer	Executive Vice Chairman	2007	
Marco Suter	Executive Vice Chairman	2008	
Prof. Dr. Peter Böckli	Non-Executive	2006	Partner in the law firm Böckli, Bodmer &

	Vice Chairman		Partner, Basle
Ernesto Bertarelli	Member	2006	Chief Executive Officer of Serono International SA, Geneva
Sir Peter Davis	Member	2007	
Dr. Rolf A. Meyer	Member	2006	Member of the Board of DKSH AG, Zurich, and of Ascom (Switzerland) Ltd., Bern
Dr. Helmut Panke	Member	2007	Chairman of the Board of Management of BMW AG, Munich
Peter Spuhler	Member	2007	Owner of Stadler Rail AG (Switzerland)
Peter R. Voser	Member	2008	Chief Financial Officer of The Royal Dutch Shell plc, London
Lawrence A. Weinbach	Member	2008	Executive Chairman of Unisys Corporation, Blue Bells PA, USA, and Member of the Board of Directors of Avon Products Inc., New York, USA

Changes in 2006:

The 2006 Annual General Meeting marked the end of Peter Böckli's term of office as non-executive Vice Chairman of the Board of Directors. Gabrielle Kaufmann-Kohler, partner at the law firm Schellenberg Wittmer and a professor of international private law at the University of Geneva, becomes a non-executive member, as does Jörg Wolle, Chairman and CEO of DKSH Holding Ltd.

### Group Executive Board as of 31 December 2005

The Group Executive Board comprises ten members:

Peter Wuffli	Group Chief Executive Officer
John P. Costas	Chairman Investment Bank
John A. Fraser	Chairman and CEO Global Asset Management
Huw Jenkins	CEO Investment Bank
Peter Kurer	Group General Counsel
Marcel Rohner	Chairman and CEO Global Wealth Management & Business Banking
Clive Standish	Group CFO
Walter Stürzinger	Group Chief Risk Officer
Mark B. Sutton	Chairman and CEO Wealth Management USA
Raoul Weil	Head of Wealth Management International

Changes in 2006:

On 1 January 2006, John Costas assumed responsibility for the newly created Dillon Read Capital Management unit within Global Asset Management, relinquishing his role on the Group Executive Board. At the same date Rory Tapner, Chairman and CEO Asia Pacific, joined the Group Executive Board and Huw Jenkins became Chairman Investment Bank.

None of the aforementioned members of the Group Executive Board holds qualified interests outside of UBS.

### Board of Directors

The Board of Directors is the highest management body of UBS. Every member of the Board of Directors is elected by the shareholders for a period of three years. The Board of Directors itself appoints the Chairman, Vice-Chairmen and the other Board Committees (Audit Committee, Compensation Committee, Nominating Committee).

The Board of Directors is responsible for the direction and strategic guidance of the Company and for monitoring the Group Executive Board. It defines UBS' risk principles and risk capacity. Most members of the Board of Directors are external, and independent of UBS. The Board of Directors meets as required by the course of business, and at least six times per year.

The Chairman and at least one of the Vice-Chairmen also exercise executive functions (in accordance with Swiss banking law) and bear supervisory and executive responsibility.

The business address of the members of the Board of Directors is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

### **Group Executive Board**

The Group Executive Board has executive responsibility for UBS. All Group Executive Board members are appointed by the Board of Directors. The Group Executive Board and, in particular, its President are responsible for implementing the Group's strategies and for its results. Additionally, it guarantees the Group-wide cooperation between the business groups, in line with the integrated business model, as well as the exploitation of synergies within UBS. The Group Executive Board is answerable to the Board of Directors for the Group's results. It also bears joint responsibility with the Executive Committee (*Präsidium*) for developing the UBS strategies.

The business address of the members of the Group Executive Board is UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland.

### **Conflicts of interest**

A description of outside interests of the members of the Board of Directors and the Group Executive Board can be found in the UBS Handbook 2005/2006, in English, on pages 103-106 (inclusive), on page 108 and pages 110-112 (inclusive) respectively. No conflicts exist between the private interests of the members of the Board of Directors or the Group Executive Board and their obligations to the Issuer.

## **VII. MAJOR SHAREHOLDERS OF THE ISSUER**

The ownership of UBS shares is broadly disbursed. As of 31 December 2005, Chase Nominees Ltd., London, was registered with a 8.55 % holding (2004: 8.76 %, 2003: 8.27 %) of total share capital held in trust for other investors. As of 31 December 2005, the US securities clearing organisation DTC (Cede & Co.), New York, "The Depository Trust Company", held 9.95 % (31 December 2004: 5.77 %) of total share capital in trust for other beneficiaries. Pursuant to UBS provisions on registering shares, the voting rights of nominees are limited to 5 %. This regulation does not apply to securities clearing and settlement organisations. No other shareholder was registered with a holding in excess of 5 % of total share capital.

Further details on the distribution of UBS shares, the number of registered and non-registered securities, voting rights as well as distribution by shareholder categories and geographical regions can be found in the UBS Handbook 2005/2006, in English, on pages 99-100 (inclusive).

## **VIII. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

A description of the Issuer's assets and liabilities, financial position and profits and losses is available in the Financial Reports of the Issuer for financial years 2003/2004 and 2004/2005, in English.

In the case of financial year 2003/2004, particular reference is made to the Income Statement of the Issuer on page 194, to the Balance Sheet of the Issuer on page 195, together with the Notes and other disclosures, to the Parent Bank Review on page 193 and to the sections entitled "Accounting Standards and Principles", "Accounting principles" and "Critical accounting policies" on pages 73-79 (inclusive) in the Financial Report 2004. In the case of financial year 2004/2005, particular reference is made to the Income Statement of the Issuer on page 194, to the Balance Sheet of the Issuer on page 195, together with the Notes and other disclosures, to the Parent Bank Review on page 193 and to the sections entitled "Accounting Standards and Principles", "Accounting principles" and "Critical accounting policies" on pages 65-70 (inclusive) in the Financial Report 2005. All relevant financial information contained therein and audited by the UBS auditor, form an integral part of this Prospectus, and are therefore fully incorporated in this Prospectus.

The Financial Reports form an essential part of UBS' reporting. They include the audited Consolidated Financial Statements of UBS, prepared in accordance with International Financial Reporting Standards (IFRS), a reconciliation to United States Generally Accepted Accounting Principles (US GAAP), and the audited financial

statements of UBS AG, prepared according to Swiss banking law provisions. The "Report of the Group Auditor" can be found on page 83 of the Financial Report for 2004 and on page 73 of the Financial Report for 2005. The Financial Reports also include discussions and analyses of the financial and business results of UBS and its business groups, as well as certain additional disclosures required under Swiss and US regulations.

The financial statements for UBS Group as well as UBS AG were audited by Ernst & Young AG, Basle, for the corresponding reporting periods 2003/2004 and 2004/2005. The "Report of the Statutory Auditors" for reporting periods 2003/2004 and 2004/2005 can be found on page 202 of the corresponding Financial Reports for 2004 and 2005, respectively.

Reference is also made to the English version of the Issuer's Quarterly Report for first quarter 2006, which includes information on the current financial condition and results of operation of the Issuer. The information contained in this report as of 31 March 2006 was not audited by the Issuer's auditor.

## **1. Legal and Arbitration Proceedings**

The Issuer and other UBS Group companies are involved in various claims, legal and court proceedings in the ordinary course of business. UBS maintains reserves for such matters, if – in the opinion of its management and professional advisors – payment is likely to be demanded of UBS and an appropriate figure can be given for the amount. At present, there are no government interventions, court proceedings or arbitrations pending or awaiting commencement in the twelve months to the date of this Prospectus, which could have (or could recently have had) a noticeable effect on the financial situation or the profitability of the Issuer and other UBS Group companies.

## **2. Significant changes in the financial situation or trading position of the Issuer**

There have been no major changes to the financial situation or trading position of the Issuer since the end of the most recent financial year for which an Annual Report (composed of the Annual Review 2005, the Handbook 2005/2006 and the Financial Report 2005) was published (i.e. 2005).

## **IX. MATERIAL CONTRACTS**

No material agreements have been concluded outside of the normal course of business which could lead to UBS being subjected to an obligation or obtaining a right, which would be of key significance to the Issuer's ability to meet its obligations to the Securityholders in relation to the issued Securities.

## **X. DOCUMENTS ON DISPLAY**

The Annual Report of UBS AG as of 31 December 2004, comprising (i) the Annual Review 2004, (ii) the Handbook 2004/2005 and (iii) the Financial Report 2004 (including the "Report of the Statutory Auditors"), the Annual Report of UBS AG as of 31 December 2005, comprising (i) the Annual Review 2005, (ii) the Handbook 2005/2006 and (iii) the Financial Report 2005 (including the "Report of the Statutory Auditors"), the Quarterly Report of UBS AG as of 31 March 2006 and the Articles of Association of UBS AG Zurich/Basle, as the Issuer, shall be maintained in printed format, for free distribution, at the offices of the Issuer as well as UBS Deutschland AG, Stephanstrasse 14 - 16, 60313 Frankfurt am Main, Federal Republic of Germany, for a period of twelve months after the publication of this Prospectus. In addition, the Annual and Quarterly Reports of UBS AG are published on the UBS website, at [www.ubs.com/investors](http://www.ubs.com/investors) or a successor address..

## **DESCRIPTION OF THE SECURITIES**

### **I. GENERAL INFORMATION ABOUT THE PROSPECTUS AND THE ISSUE**

#### **1. Base Prospectus / To be supplemented by final terms / Availability of documentation**

This Prospectus is a Base Prospectus within the meaning of Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**") and the corresponding German implementation legislation in the form of the Securities Prospectus Act. It is published incomplete and does not yet contain the final terms of the offer. The Base Prospectus has been approved by Germany's Federal Financial Supervisory Authority, as the competent authority in the (selected) home Member State of UBS within the meaning of the Prospectus Directive and the Securities Prospectus Act, as UBS' offering programme. "Approval" means the positive act at the outcome of the scrutiny of the completeness of the Prospectus by BaFin, including the consistency of the information given and its comprehensibility.

Printed copies of the Base Prospectus are available free of charge at UBS Deutschland AG, Stephanstrasse 14 - 16, D-60313 Frankfurt am Main, Federal Republic of Germany [•], and at [•]. Additionally, the Base Prospectus is published on the website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest), or a successor website.

The specific terms and conditions relating to the respective securities offering are contained in the final terms of the offer. The final terms of the offer shall be presented by incorporation in the Base Prospectus and shall, in principle, comprise the deletion of, in particular, the relevant square brackets contained in this Prospectus, and the filling out of placeholders contained in square brackets. It is therefore only possible to gain a comprehensive impression of the Issuer and the Securities through examination of the Base Prospectus together with the corresponding final terms of the offer.

The final terms of the offer shall be filed with BaFin and communicated to investors on the day of the public offer at the latest:

- a) by insertion in one or more newspapers circulated throughout, or widely circulated in, the member states of the European Economic Area in which the public offer is to be made; or
- b) in printed form to be made available, free of charge at UBS Deutschland AG, Stephanstrasse 14-16, D-60313 Frankfurt Main, Federal Republic of Germany; or
- c) in an electronic form on the website [www.ubs.com/keyinvest](http://www.ubs.com/keyinvest), or a successor website.

If the final terms are published in electronic form, the Issuer and the Offeror shall also provide investors with a paper version free of charge upon request.

#### **2. General Note on the Prospectus**

No dealer, salesman or other person is authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the offering or sale of the Securities. If given or made, such information or representation must not be relied upon as having been authorised by the Issuer or Offeror. None of this document or any further information supplied in connection with the Securities is intended to provide the basis of any credit assessment or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this document or any further information supplied in connection with the Securities should purchase any of the Securities. Potential investors who are contemplating purchasing Securities should conduct their own independent investigation of the risks involved in an investment in the Securities. Neither this Prospectus, nor other information relating to the Securities represents an offer (in the legal sense) on the part of or on behalf of the Issuer or other persons, i.e. a subscription or purchase agreement relating to the Securities will not be effectively concluded with a unilateral declaration made on the part of or on behalf of the subscriber or buyer to the Issuer or Offeror.

#### **3. Object of the Prospectus**

The object of this Prospectus are the UBS [TWIN-WIN] [•] Certificates, in bearer form, with the *International Security Identification Number* (both as defined in the section entitled "Summary of the

Key Terms of the Securities”), issued by UBS AG, acting through its London Branch, as Issuer in accordance with German law, and issued in the amount of the *Aggregate Amount of the Issue* (as defined in the “Summary of the Key Terms of the Securities”). All payments relating to the Securities are made in the *Settlement Currency* (as defined in the section entitled “Summary of the Key Terms of the Securities”).

These Securities are each based on the [listed] Underlying, as detailed in the sections entitled “Summary of the Key Terms of the Securities” and “Information about the Underlying”

[The Securities expire on the *Expiration Date* (as defined in the section entitled “Summary of the Key Terms of the Securities”).]

#### **4. Issue and sale of the Securities**

The Issuer intends to employ this Prospectus – following any necessary notification of the relevant member state of the European Economic Area by Germany’s Federal Financial Supervisory Authority, as the competent authority in the (selected) home Member State of UBS within the meaning of the Prospectus Directive and the German Securities Prospectus Act – for the public offer of the Securities in different member states of the European Economic Area. Since, however, the Securities will not be admitted to public offer / registered in all member states, distribution of this Prospectus and the offer of the Securities may be subject to certain legal restrictions in some countries. Neither the Issuer nor the Offeror represent that this document may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any distribution or offering. Potential investors can find further information in the “Selling restrictions” section beginning on page 60 of this Prospectus.

#### **5. Underwriting and Issue Price**

It has been agreed that, on or after the respective *Issue Date* of the Securities (as defined in the section entitled “Summary of the Key Terms of the Securities”), UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the “**Offeror**”) shall underwrite the Securities by means of an underwriting agreement and shall place them for sale [at the *Issue Price as defined in the section entitled “Summary of the Key Terms of the Securities”*] under terms subject to change. [The Issue Price will be fixed [on the *Fixing Date* (as defined in the section entitled “Summary of the Key Terms of the Securities”), [at the beginning of the public offer] [after the Subscription Period] [based on the prevailing market situation and the price of the Underlying], as of which time it is available from the Offeror.] Thereafter, the selling price shall be continually adjusted to reflect the prevailing market situation.

The Offeror shall be responsible for coordinating the entire Securities offering. The total commission due for the respective underwriting and/or placement service relating to the underwriting of the Securities is: *Aggregate amount of underwriting and/or placing fee* (as defined in the section entitled “Summary of the Key Terms of the Securities”).

#### **6. Form and status of the Securities**

The Securities issued by the Issuer are represented by one or more permanent global bearer certificate(s) and are deposited for clearing and settlement at the *Clearing System* (as defined in the section entitled “Definitions”). No definitive Securities will be issued.

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.

#### **7. Admission to Trading**

The Offeror intends to apply for inclusion of the Securities to trading on the *Stock Exchange* (as defined in the section entitled “Summary of the Key Terms of the Securities”). [[Provided that the Securities have not expired early], [The] [the] Securities shall be delisted [two] [•] trading day[s] prior to

the Expiration Date. As of this point until the Expiration Date, trading may only take place off exchange with the Offeror.]

**8. Subscription and delivery of the Securities**

The Securities may be [subscribed] [purchased] from the Offeror during normal banking hours [as of the *Start of public Offer of the Securities* (as defined in the section entitled "Summary of the Key Terms of the Securities")] [within the *Subscription Period* (as defined in the section entitled "Summary of the Key Terms of the Securities")]. [No Subscription Period is planned.] The Issue Price per Security is payable on the *Initial Payment Date* (as defined in the section entitled "Summary of the Key Terms of the Securities").

[The Issuer reserves the right to shorten or to extend the Subscription Period if market conditions so require.] After the Initial Payment Date, the appropriate number of Securities shall be credited to the buyer's account in accordance with the rules of the corresponding *Clearing System* (as defined in the section entitled "Definitions".) [If the Subscription Period is shortened or extended, the Initial Payment Date may also be brought forward or postponed.]

**9. Authorisation/Resolution for the Issue of the Securities**

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

**10. Use of Proceeds**

The net proceeds from the sale of the Securities will be used for funding purposes of the UBS Group and shall not be employed by the Issuer within Switzerland. The net proceeds from the issue shall be employed by the Issuer for general business purposes. A separate ("special purpose") fund will not be established.

If, in the normal course of business, the Issuer trades in the Underlyings, or - if the Underlying is a basket or an index – in the respective components, or in related options and futures contracts, or hedges the financial risks associated with the Securities by means of hedging transactions in the corresponding shares or other underlying assets or in related options or futures contracts, the Securityholders have no rights to or interests in the respective shares or other underlyings or in related options or futures contracts.

## **II. ZUSAMMENFASSUNG DER WICHTIGSTEN AUSSTATTUNGSMERKMALE DER WERTPAPIERE**

### ***II. SUMMARY OF THE KEY TERMS OF THE SECURITIES***

Der nachstehende Abschnitt enthält die wesentlichen Ausstattungsmerkmale der Wertpapiere. Diese Übersicht stellt keine vollständige Beschreibung der Wertpapiere dar, unterliegt den Wertpapierbedingungen, den allgemeinen Emissionsbedingungen sowie allen anderen Abschnitten dieses Prospekts und ist in Verbindung mit diesen zu lesen.<sup>3</sup>  
/

*This following section contains the key terms of the Securities. This summary does not represent a comprehensive description of the Securities, and is subject to and should be read in conjunction with the Terms and Conditions of the Securities, the general offering terms of the Securities and all other sections of this Prospectus.<sup>3</sup>*

<sup>3</sup> Die Bezeichnung der Wertpapiere ist für jede Serie der Wertpapiere unterschiedlich und auch die folgenden wichtigsten Ausstattungsmerkmale können für jede Serie der Wertpapiere unterschiedlich sein. /

*The notation of the Securities will be different for each series of the securities and also the key terms can be different for each series of the Securities.*



## **DIE WICHTIGSTEN AUSSTATTUNGSMERKMALE DER UBS [TWIN-WIN] [•]-ZERTIFIKATE / THE KEY TERMS OF THE UBS [TWIN-WIN] [•] CERTIFICATES**

Die UBS [TWIN-WIN] [•]-Zertifikate weisen, vorbehaltlich einer Anpassung in Übereinstimmung mit den Wertpapierbedingungen, die nachstehend dargestellten wichtigsten Ausstattungsmerkmale auf /

*Subject to an adjustment according to the Terms and Conditions of the Securities, the UBS [TWIN-WIN] [•] Certificates have the key terms as described below:*

<b>Emittentin /</b>	UBS AG, Bahnhofstrasse 45, 8001 Zürich, Schweiz, und Aeschenvorstadt 1, 4002 Basel, Schweiz, handelnd durch ihre Niederlassung London, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich. /
<b>Issuer:</b>	<i>UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4002 Basle, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.</i>
<b>Anbieterin /</b>	UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich. /
<b>Offeror:</b>	<i>UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.</i>
<b>Zahlstelle /</b>	UBS Limited c/o UBS Deutschland AG, Stephanstraße 14 – 16, 60313 Frankfurt am Main, Bundesrepublik Deutschland. [•] [Der Begriff „Zahlstelle“ umfasst sämtliche Zahlstellen.] /
<b>Paying Agent:</b>	<i>UBS Limited c/o UBS Deutschland AG, Stephanstrasse 14 – 16, 60313 Frankfurt am Main, Federal Republic of Germany. [•] [The term “Paying Agent” shall also refer to all Paying Agents.]</i>
<b>Berechnungsstelle /</b>	[•] [UBS Deutschland AG, Stephanstraße 14 – 16, 60313 Frankfurt am Main, Bundesrepublik Deutschland.] /
<b>Calculation Agent:</b>	<i>[•] [UBS Deutschland AG, Stephanstrasse 14 – 16, 60313 Frankfurt am Main, Federal Republic of Germany.]</i>
<b>Emissionsvolumen /</b>	[•] Wertpapiere [- indikativ. Das Emissionsvolumen wird am Festlegungstag zur Festlegungszeit von der Berechnungsstelle festgelegt. *] /
<b>Issue Size:</b>	<i>[•] Securities [- indicative. The Issue Size will be fixed by the Calculation Agent on the Fixing Date at Fixing Time. **]</i>
<b>Gesamtsumme der Emission /</b>	[•] [- indikativ. Die Gesamtsumme der Emission wird am Festlegungstag zur Festlegungszeit von der Berechnungsstelle festgelegt. *] /
<b>Aggregate Amount of the Issue:</b>	<i>[•] [- indicative. The Aggregate Amount of the Issue will be fixed by the Calculation Agent on the Fixing Date at Fixing Time. **]</i>
<b>Gesamtbetrag der Übernahme- und/oder Platzierungsprovision /</b>	[•] /

\* Sämtliche Festlegungen werden von der Berechnungsstelle getroffen und unverzüglich gemäß den Wertpapierbedingungen bekannt gemacht.

\*\* All determinations will be made by the Calculation Agent and will be published without undue delay in accordance with the Terms and Conditions of the Securities.

<b>Aggregate amount of underwriting and/or placing fee:</b>	[•]
<b>Beginn des öffentlichen Angebots der Wertpapiere / Start of public Offer of the Securities:</b>	[•] / [•]
<b>Basiswert /  Underlying:</b>	[•] [im Fall eines Index als Basiswert folgenden Text einfügen: [•] (der „Index“), wie er von [•] (der „Index Sponsor“) verwaltet, berechnet und veröffentlicht wird] [, ausgedrückt in [•]]. / [•] [in case of an Index as the Underlying insert the following text: [•] (the „Index“), as maintained, calculated and published by [•] (the „Index Sponsor“)] [and expressed in [•]].
<b>[Korbbestandteile /  Basket Components:</b>	[•]. Jede Definition bzw. Bestimmung im Zusammenhang mit einem Korbbestandteil wird bestimmt und ausgelegt in Übereinstimmung mit der auf einen Basiswert jeweils anwendbaren Definition bzw. Bestimmung. Insoweit gilt jede Bezugnahme auf den Begriff „Basiswert“ als Bezugnahme auf den Korbbestandteil. / [•]. Any definition or condition, as the case may be, in relation to a Basket Component shall be determined and construed in accordance with the definition or condition, as the case may be, applicable to an Underlying. Any reference in this respect to “Underlying” shall be deemed to reference to the Basket Component.]
<b>Basiswährung / Underlying Currency:</b>	[•] / [•]
<b>Auszahlungswährung / Settlement Currency:</b>	[•] / [•]
<b>Emissionspreis /  Issue Price:</b>	[•] [zuzüglich eines Ausgabeaufschlags in Höhe von [•] je Wertpapier] [-indikativ. Der Emissionspreis wird am Festlegungstag zur Festlegungszeit von der Berechnungsstelle festgelegt.*] / [•] [plus an offering premium amounting to [•] per Security] [-indicative. The Issue Price will be fixed by the Calculation Agent on the Fixing Date at Fixing Time. **]
<b>Emissionstag / Issue Date:</b>	[•] / [•]
<b>[Zeichnungsfrist /  Subscription Period:</b>	[•]. [Die Emittentin behält sich vor, die Zeichnungsfrist bei entsprechender Marktlage zu verkürzen oder zu verlängern.] / [•]. [The Issuer reserves the right to earlier close or to extend the Subscription Period if market conditions so require.]]
<b>Bezugsverhältnis /</b>	[[•] bzw. als Dezimalzahl ausgedrückt [•]; das heißt [•] Wertpapier(e)

\* Sämtliche Festlegungen werden von der Berechnungsstelle getroffen und unverzüglich gemäß den Wertpapierbedingungen bekannt gemacht.

\*\* All determinations will be made by the Calculation Agent and will be published without undue delay in accordance with the Terms and Conditions of the Securities.

<b>Ratio:</b>	bezieht(en) sich auf 1 Basiswert [bzw. 1 Wertpapier bezieht sich auf [●] Basiswert(e)] [- indikativ. Das Bezugsverhältnis wird am Festlegungstag zur Festlegungszeit von der Berechnungsstelle festgelegt. *] / [[●], or expressed as a decimal number [●], i.e. [●] Security(ies) relate(s) to 1 Underlying[, respectively, 1 Security relates to [●] Underlying(s), as the case may be]] [- indicative. The Ratio will be fixed by the Calculation Agent on the Fixing Date at Fixing Time. **]
<b>[Maximalbetrag / Maximum Amount:</b>	[●] [umgerechnet in die Auszahlungswährung] [multipliziert mit dem Bezugsverhältnis] [auf zwei Dezimalstellen kaufmännisch gerundet] [- indikativ. Der Maximalbetrag wird am Festlegungstag zur Festlegungszeit von der Berechnungsstelle festgelegt. *] / [●] [converted into the Settlement Currency] [multiplied by the Ratio] [commercially rounded to two decimal places] [- indicative. The Maximum Amount will be fixed by the Calculation Agent on the Fixing Date at Fixing Time. **]
<b>Zahntag bei Emission / Initial Payment Date:</b>	[●] [Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Zahntag bei Emission entsprechend verschieben.] / [●] [In case of abbreviation or extension of the Subscription Period the Initial Payment Date may be changed accordingly.]
<b>[Bewertungstag / Valuation Date:</b>	Der Bewertungstag entspricht dem [Verfalltag] [unmittelbar auf den Verfalltag folgenden Tag]. Falls dieser Tag kein Basiswert-Berechnungstag ist, dann gilt der unmittelbar darauf folgende Basiswert-Berechnungstag als Bewertungstag [für den betroffenen Korbbestandteil] [für sämtliche Korbbestandteile]. / The Valuation Date means [the Expiration Date] [the day immediately succeeding the Expiration Date]. If this day is not an Underlying Calculation Date, the immediately succeeding Underlying Calculation Date is deemed to be the Valuation Date [in relation to [the affected Basket Component] [the aggregate Basket Components]].]
<b>[Bewertungsdurchschnittstag / Valuation Averaging Date:</b>	Der Bewertungsdurchschnittstag <sub>(i=1)</sub> steht für den [●]; [...] und der Bewertungsdurchschnittstag <sub>(i=n)</sub> steht für den [●] [Verfalltag]. Der Begriff „Bewertungsdurchschnittstag“ umfasst sämtliche Bewertungsdurchschnittstage <sub>(i=1)</sub> bis <sub>(i=n)</sub> . Falls einer dieser Tage kein Basiswert-Berechnungstag ist, dann gilt der unmittelbar darauf folgende Basiswert-Berechnungstag als maßgeblicher Bewertungsdurchschnittstag [für den betroffenen Korbbestandteil] [für sämtliche Korbbestandteile]. / The Valuation Averaging Date <sub>(i=1)</sub> means the [●]; [...] and the Valuation Averaging Date <sub>(i=n)</sub> means the [●] [Expiration Date]. The term “Valuation Averaging Date” shall also refer to all Valuation

\* Sämtliche Festlegungen werden von der Berechnungsstelle getroffen und unverzüglich gemäß den Wertpapierbedingungen bekannt gemacht.

\*\* All determinations will be made by the Calculation Agent and will be published without undue delay in accordance with the Terms and Conditions of the Securities.

*Averaging Dates*<sub>(i=1)</sub> to <sub>(i=n)</sub>.

*If one of these days is not an Underlying Calculation Date, the immediately succeeding Underlying Calculation Date is deemed to be the relevant Valuation Averaging Date [in relation to [the affected Basket Component] [the aggregate Basket Components]].*

**[Festlegungstag /**

[•]. Falls dieser Tag kein Basiswert-Berechnungstag ist, dann gilt der unmittelbar darauf folgende Basiswert-Berechnungstag als Festlegungstag [für den betroffenen Korbbestandteil] [für sämtliche Korbbestandteile]. [Bei Verkürzung oder Verlängerung der Zeichnungsfrist kann sich der Festlegungstag entsprechend verschieben.] /

**Fixing Date:**

*[•]. If this day is not an Underlying Calculation Date, the immediately succeeding Underlying Calculation Date is deemed to be the Fixing Date [in relation to [the affected Basket Component] [the aggregate Basket Components]]. [In case of abbreviation or extension of the Subscription Period the Fixing Date may be changed accordingly.]*

**[Festlegungszeit /**

Die Festlegungszeit entspricht [•] [[•] Uhr Ortszeit [•]] [dem Zeitpunkt der offiziellen Bestimmung des [•]-Kurses des jeweiligen Basiswerts] [im Fall eines Korbs als Basiswert folgenden Text einfügen: [[•] Uhr, jeweils zur für den jeweiligen Korbbestandteil maßgeblichen Ortszeit] [dem Zeitpunkt der offiziellen Bestimmung des [•]-Kurses des jeweiligen Korbbestandteils] [durch den Index Sponsor]. /

**Fixing Time:**

*The Fixing Time means [•] [[•] hrs local time [•]] [the time of official determination of the [•] price of the Underlying] [in case of a Basket as Underlying insert the following text: [[•] hrs at the relevant local time for each Basket Component] [the time of official determination of the [•] price of each Basket Component] [by the Index Sponsor].]*

**Laufzeit der Wertpapiere /**

Laufzeit der Wertpapiere steht für den Zeitraum beginnend [um [•] Uhr, Ortszeit [•] [Frankfurt am Main, Bundesrepublik Deutschland] [•]] am [Emissionstag] [Festlegungstag] [•] und endend [um [•] Uhr, Ortszeit [Frankfurt am Main, Bundesrepublik Deutschland] [•]] [mit der Feststellung des Abrechnungskurses] am [Verfalltag] [Bewertungstag] [bzw.] [letzten der Bewertungsdurchschnittstage]. /

**Term of the Securities:**

*Term of the Securities means the period, commencing on the [Issue Date] [Fixing Date] [•] [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [•]] and ending [at [•] hrs local time [Frankfurt am Main, Federal Republic of Germany] [•]] [with the determination of the Settlement Price] on the [Expiration Date] [Valuation Date] [or] [latest of the Valuation Averaging Dates].*

**[Referenzkurs /**

[•] [- indikativ. Der Referenzkurs wird am Festlegungstag [zur Festlegungszeit] von der Berechnungsstelle festgelegt. \*]]

**Reference Price:**

*[•] [- indicative. The Reference Price will be fixed by the Calculation Agent on the Fixing Date [at Fixing Time]. \*\*]]*

\* Sämtliche Festlegungen werden von der Berechnungsstelle getroffen und unverzüglich gemäß den Wertpapierbedingungen bekannt gemacht.

\*\* All determinations will be made by the Calculation Agent and will be published without undue delay in accordance with the Terms and Conditions of the Securities.

<b>Basiskurs /</b>	Der Basiskurs entspricht [●]. [- indikativ. Der Basiskurs wird am Festlegungstag [zur Festlegungszeit] von der Berechnungsstelle festgelegt. *] /
<b>Strike Price:</b>	<i>The Strike Price equals [●]. [- indicative. The Strike Price will be fixed by the Calculation Agent on the Fixing Date [at Fixing Time]. **]</i>
<b>[Kick Out Level] [Kursschwelle] /</b>	[Der Kick Out Level] [Die Kursschwelle] entspricht [dem Kurs des Basiswerts von] [●]. [- indikativ. [Der Kick Out Level] [Die Kursschwelle] wird am Festlegungstag zur Festlegungszeit von der Berechnungsstelle festgelegt. *] /
<b>[Kick Out Level] [Floor]:</b>	<i>The [Kick Out Level] [Floor] equals [the Price of the Underlying of] [●]. [- indicative. The [Kick Out Level] [Floor] will be fixed by the Calculation Agent on the Fixing Date at Fixing Time. **]</i>
<b>Leverage Faktor /</b>	[●] [- indikativ. Der Leverage Faktor wird am Festlegungstag zur Festlegungszeit von der Berechnungsstelle festgelegt. *] /
<b>Leverage Factor:</b>	<i>[●] [- indicative. The Leverage Factor will be fixed by the Calculation Agent on the Fixing Date at Fixing Time. **]</i>
<b>Kleinste handelbare Einheit /</b>	[●] bzw. ein ganzzahliges Vielfaches davon. /
<b>Minimum Trading Size:</b>	<i>[●] or an integral multiple thereof.</i>
<b>Verfalltag /</b>	[●]. [Falls dieser Tag kein Basiswert-Berechnungstag ist, dann gilt der unmittelbar darauf folgende Basiswert-Berechnungstag als der Verfalltag.] /
<b>Expiration Date:</b>	<i>[●]. [If this day is not an Underlying Calculation Date, the immediately succeeding Underlying Calculation Date is deemed to be the Expiration Date.]</i>
<b>Abwicklung /</b>	Abwicklung innerhalb von [●] Bankgeschäftstag[en] nach (i) dem [maßgeblichen Bewertungstag] [bzw.] [letzten der Bewertungsdurchschnittstage] und (ii) im Fall einer Kündigung durch die Emittent(in) nach § 7 der Wertpapierbedingungen nach dem Kündigungstag (der „ <b>Rückzahlungstag</b> “). /
<b>Settlement:</b>	<i>Settlement within [●] Banking Day[s] after (i) the [relevant Valuation Date] [or] [latest of the Valuation Averaging Dates] and (ii) in case of a Termination by the Issuer in accordance with § 7 of the Conditions of the Securities, after the Termination Date (the "<b>Settlement Date</b>").</i>
<b>[Maßgebliche Börse /</b>	[●] [die Börse(n), an (der) (denen) aufgrund der Bestimmung des Index Sponsors die im Index enthaltenen Werte gehandelt werden.] /
<b>Relevant Stock Exchange:</b>	<i>[●] [the stock exchange(s) on which the assets comprised in the Index are traded, as determined by the Index Sponsor.]]</i>
<b>[Maßgebliches Handelssystem /</b>	[[●] [das bzw. die Handelssystem(e), in (dem) (denen) aufgrund der Bestimmung des Index Sponsors die im Index enthaltenen Werte gehandelt werden.] [Der Begriff „Maßgebliches Handelssystem“

\* Sämtliche Festlegungen werden von der Berechnungsstelle getroffen und unverzüglich gemäß den Wertpapierbedingungen bekannt gemacht.

\*\* All determinations will be made by the Calculation Agent and will be published without undue delay in accordance with the Terms and Conditions of the Securities.

	umfasst sämtliche Maßgeblichen Handelssysteme /
<b>Relevant Trading System:</b>	<i>[[•] [the trading system(s) in which the assets comprised in the Index are traded, as determined by the Index Sponsor]. [The term "Relevant Trading System" shall also refer to all Relevant Trading Systems.]]</i>
<b>[Maßgebliche Terminbörse /</b>	<b>[•] [diejenige[n] Terminbörse[n], an [der] [denen] der umsatzstärkste Handel in Bezug auf Termin- oder Optionskontrakte auf [den Basiswert] [die Basiswerte] stattfindet]. [Der Begriff „Maßgebliche Terminbörse“ umfasst sämtliche Maßgeblichen Terminbörsen.] /</b>
<b>Relevant Futures and Options Exchange:</b>	<i>[•] [the futures and options exchange[s], on which future and option contracts on the Underlying[s] are primarily traded]. [The term "Relevant Futures and Options Exchange" shall also refer to all Relevant Futures and Options Exchanges.]]</i>
<b>Wertpapier-Kenn-Nummer[n] / Security Identification Code[s]:</b>	ISIN: [•] [,] [WKN: [•],] [Common Code: [•],] [Valor: [•]] / ISIN: [•] [,] [WKN: [•],] [Common Code: [•],] [Valor: [•]]
<b>Wertpapier-Börse(n) / Security Stock Exchange(s):</b>	[•] / [•]
<b>Anwendbares Recht / Governing Law:</b>	Deutsches Recht / German Law

[Tabellarische Darstellung der wichtigsten Ausstattungsmerkmale /  
*Planning Table of the Key Terms [•]*]

[ISIN des Wert-papiers / <i>ISIN of the Security</i> ]	[Basiswert / <i>Under-lying</i> ]	[ISIN des Basis- werts / <i>ISIN of the Underlying</i> ]	[Basiskurs / <i>Strike Price</i> ]	[[Kursschwelle] [Kick Out Level] / <i>[Kick Out Level][Floor]</i> ]
[Bezugsverhältnis / <i>Ratio</i> ]	[Leverag Faktor / <i>Leverage Factor</i> ]	[Referenzkurs / <i>Reference Price</i> ]	[Verfalltag / <i>Expiration Date</i> ]	[[Basiswährung] / <i>[Underlying Currency]</i> ]
[Auszahlungswährung / <i>Settlement Currency</i> ]	[Emissionspreis / <i>Issue Price</i> ]	[Emissionsvolumen / <i>Issue Size</i> ]	[Gesamtsumme der Emission / <i>Aggregate Amount of the Issue</i> ]	
[Maßgebliche Börse / <i>Relevant Stock Exchange</i> ]	[Maßgebliches Handelssystem / <i>Relevant Trading System</i> ]	[Maßgebliche Terminbörse / <i>Relevant Futures and Options Ex- change</i> ]	[•]	

**III. WERTPAPIERBEDINGUNGEN**

*Diese nachfolgenden [Muster-]Bedingungen der Wertpapiere gelten für jeweils eine Serie von Wertpapieren und sind in Zusammenhang mit und nach Maßgabe der „Zusammenfassung der wichtigsten Ausstattungsmerkmale“ und den „Definitionen“ (die „**Bedingungen**“) zu lesen.*

*Die nachstehenden Bedingungen der Wertpapiere sind gegliedert in*

**Teil 1: Definitionen**

**Teil 2: Wertpapierbedingungen**

**III. TERMS AND CONDITIONS OF THE SECURITIES**

*The following [model] terms and conditions of the Securities in each case apply to one series of Securities and shall be read in conjunction with, and are subject to, the “Summary of Key Terms” and the “Definitions” (the “**Conditions**”).*

*The following Conditions of the Securities are composed of*

**Part 1: Definitions**

**Part 2: Conditions of the Securities**



**TEIL 1: DEFINITIONEN**

„**Abrechnungskurs**“ des Basiswerts entspricht [dem Kurs des Basiswerts an dem Bewertungstag] [bzw.] [dem von der Berechnungsstelle ermittelten Durchschnitt der an jedem der Bewertungsdurchschnittstage jeweils festgestellten Kurse des Basiswerts] zur Bewertungszeit.

„**Bankgeschäftstag**“ steht für jeden Tag, an dem die Banken in [Frankfurt am Main, Bundesrepublik Deutschland] [und] [in [•]] für den Geschäftsverkehr geöffnet sind [, das Trans-European Automated Real-time Gross settlement Express Transfer System („**TARGET-System**“) geöffnet ist] und die Clearingstelle Wertpapiergeschäfte abwickelt.

„**Basiswert-Berechnungstag**“ steht für jeden Tag, [an dem [das Maßgebliche Handelssystem] [und] [die Maßgebliche Börse] für den Handel geöffnet [ist] [sind] [, und] [der Kurs des Basiswerts in Übereinstimmung mit den maßgeblichen Regeln bestimmt wird]] [*im Fall eines Index als Basiswert folgenden Text einfügen:* an dem (i) der Index Sponsor den offiziellen Kurs für den Index bestimmt, berechnet und veröffentlicht und (ii) ein Handel bzw. eine Notierung in den dem Index zugrunde liegenden Werten, die mindestens [•] [80%] [90%] der Marktkapitalisierung aller Index-Werte bzw. des Gesamtwerts des Index darstellen, [, an dem [Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] stattfindet].

„**Bewertungszeit**“ entspricht [•] [[•] Uhr Ortszeit [•]] [dem Zeitpunkt der offiziellen Bestimmung des [•]-Kurses des jeweiligen Basiswerts] [*im Fall eines Korbs als Basiswert folgenden Text einfügen:* [[•] Uhr, jeweils zur für den jeweiligen Korbbestandteil maßgeblichen Ortszeit] [dem Zeitpunkt der offiziellen Bestimmung des [•]-Kurses des jeweiligen Korbbestandteils] [durch den Index Sponsor]. /

„**Clearingstelle**“ steht für [Clearstream Banking AG, Frankfurt am Main, (Neue Börsenstraße 1, 60487 Frankfurt am Main, Bundesrepublik Deutschland)] [,] [Clearstream Banking S.A., Luxemburg, (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg)] [und] [Euroclear Bank S.A./ N.V., Brüssel, als Betreiber des Euroclear Systems (1 Boulevard du Roi Albert IIB - 1210 Brüssel, Belgien)] [•] oder jeden Nachfolger. [Der Begriff „Clearingstelle“ umfasst sämtliche Clearingstellen.]

„**Kurs des Basiswerts**“ entspricht [dem [im Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] [zur Bewertungszeit] [fortlaufend] ermittelten Kurs des Basiswerts] [*im Fall eines Index als Basiswert folgenden Text einfügen:* dem von dem Index Sponsor [zur Bewertungszeit] [fortlaufend] berechneten und veröffentlichten Kurs des Basiswerts,] [*im Fall eines Wechselkurses als Basiswert folgenden Text einfügen:* [•] [dem auf [Reuters] [Bloomberg] auf der Seite

**PART 1: DEFINITIONS**

„**Settlement Price**“ of the Underlying is [the Price of the Underlying on the Valuation Date] [or] [the average of the Prices of the Underlying on each of the Valuation Averaging Dates as determined by the Calculation Agent] at the Valuation Time.

„**Banking Day**“ means each day on which the banks in [Frankfurt am Main, Federal Republic of Germany] [and] [in [•]] are open for business [, the Trans-European Automated Real-time Gross settlement Express Transfer System („**TARGET System**“) is open] and the Clearing System settles securities dealings.

„**Underlying Calculation Date**“ means each day [on which [the Relevant Trading System] [and] [the Relevant Stock Exchange] [is] [are] open for trading [and] [the Price of the Underlying is determined in accordance with the relevant rules]] [*in case of an Index as the Underlying insert the following text:* on which (i) the Index Sponsor determines, calculates and publishes the official price of the Index, and (ii) the assets, which are comprised in the Index are, to the extent of at least [•] [80%] [90%] of the market capitalisation of all Index assets or of the overall value of the Index, available for trading and quotation [on the Relevant Trading System] [or] [on the Relevant Stock Exchange].

„**Valuation Time**“ means [•] [[•] hrs local time [•]] [the time of official determination of the [•] price of the Underlying] [in case of a Basket as Underlying insert the following text: [[•] hrs relevant local time for each Basket Component] [the time of official determination of the [•] price of each Basket Component] [by the Index Sponsor].

„**Clearing System**“ means [Clearstream Banking AG, Frankfurt am Main, (Neue Boersenstrasse 1, 60487 Frankfurt am Main, Federal Republic of Germany)] [,] [Clearstream Banking S.A., Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg)] [and] [Euroclear Bank S.A./ N.V., Brussels, as operator of the Euroclear System (1 Boulevard du Roi Albert IIB - 1210 Brussels, Belgium)] [•] or any successor in this capacity. [The term “Clearing-System” shall refer to all Clearing-Systems.]

„**Price of the Underlying**“ means [the price of the Underlying as determined [at the Valuation Time] [continuously] [in the Relevant Trading System] [or] [on the Relevant Stock Exchange] [*in case of an Index as the Underlying insert the following text:* the price of the Underlying as [continuously] calculated and published by the Index Sponsor [at the Valuation Time]] [*in case of an exchange rate as the Underlying insert the following text:* [•] [the relevant [ask] [mean]

[„EUROFX/1“] [„ECB37“] [●], bzw. auf einer diese Seite ersetzenden Seite, veröffentlichten [Brief-] [Mittel-] [Geld-] Kurs des Basiswerts]] *[im Fall eines Korbs als Basiswert folgenden Text einfügen:* der Summe der Produkte bestehend jeweils aus [dem im jeweiligen Maßgeblichen Handelssystem] [bzw.] [an der jeweiligen Maßgeblichen Börse] ermittelten Kurs des jeweiligen Korbbestandteils] [bzw.,] *[im Fall eines Index als Korbbestandteil folgenden Text einfügen:* dem von dem Index Sponsor berechneten und veröffentlichten Kurs des jeweiligen Korbbestandteils], [bzw.,] *[im Fall eines Wechselkurses als Korbbestandteil folgenden Text einfügen:* dem auf [Reuters] [Bloomberg] auf der Seite [„EUROFX/1“] [„ECB37“] [●], bzw. auf einer diese Seite ersetzenden Seite, veröffentlichten [Brief-] [Mittel-] [Geld-] Kurs des jeweiligen Korbbestandteils multipliziert mit der bei Bestimmung der Zusammensetzung des Korb jeweils festgelegten Gewichtung des jeweiligen Korbbestandteils im Korb,] [bezogen auf die Basiswährung].

*[im Fall der Tilgung durch physische Lieferung folgenden Text einfügen:*

„**Physischer Basiswert**“ steht für *[im Fall von Aktien als Basiswert folgenden Text einfügen:* Aktien der Aktiengesellschaft einschließlich der zugehörigen Dividendenkoupons, Talons (Erneuerungsscheine) und Bezugsrechte,] *[im Fall eines Index als Basiswert folgenden Text einfügen:* auf die Wertentwicklung des Index bezogene Indexzertifikate mit der ISIN [●], deren Anzahl sich unter Berücksichtigung des als Dezimalzahl ausgedrückten Bezugsverhältnisses bestimmt] *[im Fall von Edelmetallen oder Rohstoffen als Basiswert folgenden Text einfügen:* auf die Wertentwicklung des jeweiligen Basiswerts bezogene Zertifikate mit der ISIN [●], deren Anzahl sich unter Berücksichtigung des als Dezimalzahl ausgedrückten Bezugsverhältnisses bestimmt]. ]

„**Wertpapiere**“ steht für die von der Emittentin im Umfang des Emissionsvolumens begebenen UBS [TWIN-WIN] [●]-Zertifikate, die auf den Inhaber lauten (ISIN: [●] [,] [WKN: [●],] [Common Code: [●],] [Valor: [●]]).

„**Wertpapiergläubiger**“ steht für die nach deutschem Recht als Eigentümer der Wertpapiere anerkannten Personen. Der Wertpapiergläubiger wird in jeder Hinsicht seitens (i) der Emittentin, (ii) der Berechnungsstelle, (iii) der Zahlstelle und (iv) aller sonstigen Personen als Berechtigter und Begünstigter bezüglich der in den Wertpapieren repräsentierten Rechte behandelt.

[bid] rate of the Underlying as published on [Reuters] [Bloomberg] on page [“EUROFX/1”] [“ECB37”] [●], or a substitute thereof]] *[in case of a Basket as the Underlying insert the following text:* the sum of the products of [the price of the respective Basket Component as determined [by the Relevant Trading System] [or] [on the Relevant Stock Exchange] *[in case of an Index as the Basket Component insert the following text:* the price of the respective Basket Component as calculated and published by the Index Sponsor] *[in case of an exchange rate as the Basket Component insert the following text:* the relevant [ask] [mean] [bid] rate of the Underlying as published on [Reuters] [Bloomberg] on page [“EUROFX/1”] [“ECB37”] [●], or a substitute thereof] and the weighting of the respective Basket Component within the basket, as used for determining the composition of the Basket,] [related to the Underlying Currency].

*[in case of Physical Settlement insert the following text:*

„**Physical Underlying**“ means *[in case of shares as Underlying insert the following text:* the shares of such stock corporation including any possible dividend coupons, talons (renewal coupons) and subscription rights (coupons) appertaining thereto,] *[in case of an Index as the Underlying insert the following text:* index certificates linked to the performance of the Index with the ISIN [●] in a number that considers the respective Multiplier, expressed as a decimal number] *[in case of precious metals or commodities as Underlying insert the following text:* certificates linked to the performance of the relevant Underlying with the ISIN [●] in a number that considers the respective Multiplier, expressed as a decimal number]. ]

„**Securities**“ means the UBS [TWIN-WIN] [●] Certificates, issued in bearer form by the Issuer in the Issue Size (ISIN: [●] [,] [WKN: [●],] [Common Code: [●],] [Valor: [●]]).

„**Securityholder**“ means the persons acknowledged by German law as legal owner of the Securities. The Securityholder shall, for all purposes, be treated by (i) the Issuer, (ii) the Calculation Agent (iii) the Paying Agent and (iv) all other persons as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

**TEIL 2: WERTPAPIERBEDINGUNGEN****§ 1  
Zertifikatsrecht**

(1) Die Emittentin gewährt hiermit dem Wertpapiergläubiger von je einem (1) UBS [TWIN-WIN] [•]-Zertifikat bezogen auf den Kurs des Basiswerts nach Maßgabe dieser Bedingungen das folgende Recht (das „**Zertifikatsrecht**“):

- (a) Wenn während der Laufzeit der Wertpapiere **kein Kick Out Event** (§ 1 (2)) **eingetreten ist und der Abrechnungskurs des Basiswerts gleich dem oder kleiner als der Basiskurs** ist, hat der Wertpapiergläubiger das Recht, den [in die Auszahlungswährung umgerechneten] Abrechnungsbetrag (wie nachstehend definiert), multipliziert mit dem Bezugsverhältnis und anschließend auf zwei Dezimalstellen kaufmännisch gerundet, zu beziehen (der „**Auszahlungsbetrag**“).

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

$$\text{Basiskurs} + (\text{Basiskurs} - \text{Abrechnungskurs})$$

- (b) Wenn während der Laufzeit der Wertpapiere **ein Kick Out Event** (§ 1 (2)) **eingetreten ist und der Abrechnungskurs des Basiswerts gleich dem oder kleiner als der Basiskurs** ist, hat der Wertpapiergläubiger das Recht, [im Fall der Tilgung durch physische Lieferung folgenden Text einfügen: den Physischen Basiswert in einer durch das Bezugsverhältnis ausgedrückten Anzahl zu beziehen (die „**Tilgung durch physische Lieferung**“)] [im Fall der Tilgung durch den Auszahlungsbetrag folgenden Text einfügen: den [in die Auszahlungswährung umgerechneten] Abrechnungskurs des Basiswerts multipliziert mit dem Bezugsverhältnis und auf zwei Dezimalstellen kaufmännisch gerundet] (der „**Auszahlungsbetrag**“) zu beziehen].
- (c) Wenn **der Abrechnungskurs des Basiswerts größer als der Basiskurs** ist, hat der Wertpapiergläubiger – **unabhängig vom Eintreten oder Ausbleiben eines Kick Out Events** (§ 1 (2)) – das Recht, den [in die Auszahlungswährung umgerechneten] Abrechnungsbetrag (wie nachstehend definiert), multipliziert mit dem Bezugsverhältnis und anschließend auf zwei Dezimalstellen kaufmännisch gerundet, [höchstens jedoch den Maximalbetrag]

**PART 2: CONDITIONS OF THE SECURITIES****§ 1  
Certificate Right**

(1) The Issuer hereby grants the Securityholder of each (1) UBS [TWIN-WIN] [•] Certificate relating to the Price of the Underlying under these Conditions the following right (the “**Certificate Right**“):

- (a) If, during the Term of the Certificates, a **Kick Out Event** (§ 1 (2)) **has not occurred and if the Settlement Price of the Underlying is equal to or lower than the Strike Price**, the Securityholder is entitled to receive the Redemption Amount (as defined below) [, converted into the Settlement Currency,] multiplied by the Ratio and afterwards commercially rounded to two decimal places (the “**Settlement Amount**“).

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

$$\text{Strike Price} + (\text{Strike Price} - \text{Settlement Price})$$

- (b) If, during the Term of the Certificates, a **Kick Out Event** (§ 1 (2)) **has occurred and if the Settlement Price of the Underlying is equal to or lower than the Strike Price**, the Securityholder is entitled to receive [in case of Physical Settlement insert the following text: the Physical Underlying in a number as expressed by the Ratio (the “**Physical Settlement**“)] [in case of Cash Settlement insert the following text: the Settlement Price of the Underlying [converted into the Settlement Currency] multiplied by the Ratio and afterwards commercially rounded to two decimal places] (the “**Settlement Amount**“).
- (c) If **the Settlement Price of the Underlying is higher than the Strike Price**, the Securityholder is entitled to receive – **irrespective of the occurrence or the non-occurrence of a Kick Out Event** (§ 1 (2)) – the Redemption Amount (as defined below) [, converted into the Settlement Currency,] multiplied by the Ratio and afterwards commercially rounded to two decimal places (the “**Settlement Amount**“) [, however capped at the

zu beziehen (der „**Auszahlungsbetrag**“).

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

$$\text{Basiskurs} + (\text{Abrechnungskurs} - \text{Basiskurs}) \times \text{LFaktor}$$

wobei „**LFaktor**“ für den Leverage Faktor steht.

- (2) Ein Kick Out Event (das „**Kick Out Event**“) hat stattgefunden, wenn der Kurs des Basiswerts während der Laufzeit der Wertpapiere [den Kick Out Level] [die Kursschwelle] erreicht, das heißt berührt oder unterschritten hat. [(Es gelten normale Handelszeiten an normalen Handeltagen.)]
- (3) Sämtliche im Zusammenhang mit dem Zertifikatsrecht vorzunehmenden Berechnungen, insbesondere die Berechnung des Auszahlungsbetrags, erfolgen durch die Berechnungsstelle (§ 9). Die insoweit von der Berechnungsstelle getroffenen Berechnungen sind, außer in Fällen offensichtlichen Irrtums, abschließend und für alle Beteiligten bindend.

## § 2

*Absichtlich freigelassen*

## § 3

*Absichtlich freigelassen*

## § 4

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

- (1) Die von der Emittentin begebenen, auf den Inhaber lautenden Wertpapiere sind durch eine oder mehrere Dauer-Inhaber-Sammelurkunde(n) (die „**Dauerglobalurkunde**“) verbrieft. Effektive Wertpapiere werden nicht ausgegeben. Der Anspruch auf Lieferung effektiver Wertpapiere ist ausgeschlossen.  
Auf die Wertpapiere werden weder Zinsen noch Dividenden gezahlt.
- (2) Die Dauerglobalurkunde ist bei der Clearingstelle hinterlegt. Die Wertpapiere sind als Miteigentumsanteile an der Dauerglobalurkunde übertragbar und sind im Effektingiroverkehr

**Maximum Amount**].

The „**Redemption Amount**“ is calculated in accordance with the following formula:

$$\text{Strike Price} + (\text{Settlement Price} - \text{Strike Price}) \times \text{LFaktor}$$

where „**LFaktor**“ means the Leverage Factor.

- (2) A Kick Out Event (the „**Kick Out Event**“) shall be deemed to have occurred if at any time within the Term of the Certificates, the Price of the Underlying reaches, *i.e.* is equal to or falls short of the [Kick Out Level] [Floor]. [(Regular trading hours on regular trading days apply.)]
- (3) Any calculation in connection with the Certificate Right, in particular the calculation of the Settlement Amount, will be made by the Calculation Agent (§ 9). Calculations made in this respect by the Calculation Agent are final and binding for all participants except in the event of manifest error.

## § 2

*Intentionally left blank*

## § 3

*Intentionally left blank*

## § 4

### **Form of Securities; Interest and Dividends; Permanent Global Note; Transfer; Status**

- (1) The bearer Securities issued by the Issuer are represented in one or more permanent global bearer document(s) (the „**Permanent Global Note**“). No definitive Securities will be issued. The right to request the delivery of definitive Securities is excluded.  
No interest and no dividends are payable on the Securities.
- (2) The Permanent Global Note is deposited with the Clearing System. The Securities are transferable as co-ownership interests in the Permanent Global Note and may be transferred within the

ausschließlich in der kleinsten handelbaren Einheit übertragbar. Die Übertragung wird mit Eintragung der Übertragung in den Büchern der Clearingstelle wirksam.

- (3) Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt.

### § 5

#### **Tilgung; [Unmöglichkeit der Physischen Lieferung;] [Umrechnungskurs;] Vorlegungsfrist**

- (1) Die Emittentin wird, vorbehaltlich einer Marktstörung (§ 8 (3)) bis zum Rückzahlungstag (keinesfalls aber vor dem Rückzahlungstag), die Überweisung des Auszahlungsbetrags bzw. des Kündigungsbetrags (§ 7 (3)) in der Auszahlungswährung über die Zahlstelle zur Gutschrift auf das Konto des jeweils maßgeblichen Wertpapiergläubigers über die Clearingstelle veranlassen.
- (2) Die Bestimmung des Währungsumrechnungskurses für die erforderliche Umrechnung des Auszahlungsbetrags, des Kündigungsbetrags oder sonstiger Zahlungsbeträge unter diesen Bedingungen in die Auszahlungswährung erfolgt auf Grundlage desjenigen relevanten [Brief-] [Mittel-] [Geld-] Kurses, [wie er (i) an dem [Bewertungstag] [bzw.] [letzten der Bewertungsdurchschnittstage], oder (ii) im Fall der Kündigung durch die Emittentin, an dem Bankgeschäftstag, auf den das Kündigungsereignis (§ 7 (1)) fällt bzw., falls der letztgenannte Tag kein Bankgeschäftstag ist, an dem Bankgeschäftstag, der unmittelbar auf den Tag, in den das Kündigungsereignis fällt, folgt] [wie er an dem Bankgeschäftstag unmittelbar folgend (i), auf den [Bewertungstag] [bzw.] [letzten der Bewertungsdurchschnittstage], oder (ii) im Fall der Kündigung durch die Emittentin, auf den Tag, auf den das Kündigungsereignis (§ 7 (1)) fällt], von [Reuters] [●] unter [„EUROFX/1“] [„ECB37“] [●], bzw. auf einer diese Seite ersetzenden Seite, veröffentlicht wird. Falls auf dieser Seite voneinander abweichende [Brief-] [Mittel-] [Geld-] Kurse veröffentlicht werden bzw. kein entsprechender [Brief-] [Mittel-] [Geld-] Kurs veröffentlicht wird, ist die Emittentin berechtigt, einen angemessenen [Brief-] [Mittel-] [Geld-] Kurs, wie er von einem vergleichbaren Anbieter von Wirtschaftsdaten (wie zum Beispiel Bloomberg) unter Verwendung einer vergleichbaren Berechnungsmethode veröffentlicht wird, zu ver-

collective securities settlement procedure in the Minimum Trading Size only. Such transfer becomes effective upon registration of the transfer in the records of the Clearing System.

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

### § 5

#### **Settlement; [Impracticability of Physical Settlement;] [Conversion Rate;] Period of Presentation**

- (1) The Issuer will, subject to a Market Disruption (§ 8 (3)), procure until the Settlement Date (in any case not before the Settlement Date) the payment of the Settlement Amount or of the Termination Amount (§ 7 (3)), as the case may be, in the Settlement Currency to be credited via the Paying Agent to the account of the relevant Securityholder via the Clearing System.
- (2) The currency conversion rate used for converting the Settlement Amount, the Termination Amount, as the case may be, or any other amount payable under these Conditions into the Settlement Currency shall be determined on the basis of the relevant [ask] [mean] [bid] rate as published on [(i) [the Valuation Date] [or] [the latest of the Valuation Averaging Dates] or (ii) in case of Termination by the Issuer, on the Banking Day, on which the Termination Event (§ 7 (1)) occurs, or if the latter day is not a Banking Day, on the Banking Day immediately succeeding the day on which the Termination Event occurs] [the Banking Day immediately succeeding (i) the [Valuation Date] [or] [the latest of the Valuation Averaging Dates] or (ii) in case of Termination by the Issuer, the day, on which the Termination Event (§ 7 (1)) occurs], on [Reuters] [●] on page [“EUROFX/1”] [“ECB37”] [●], or a substitute thereof. In case that controversial [ask] [mean] [bid] rates are or no relevant [ask] [mean] [bid] rate is published on such page, the Issuer is entitled to use an appropriate [ask] [mean] [bid] rate as published by another comparable provider of financial information (e.g. Bloomberg), calculated with a similar calculation methodology. The determination of the provider of financial information shall be done in the Issuer's reasonable discretion pursuant to § 315 of the German Civil Code (“BGB”).

wenden. Die Entscheidung über die Auswahl der Wirtschaftsdatenbank steht im billigen Ermessen der Emittentin nach § 315 BGB.

Sollte der Währungsumrechnungskurs nicht in der vorgesehenen Art und Weise festgestellt oder angezeigt werden, ist die Emittentin berechtigt, als maßgeblichen Währungsumrechnungskurs einen auf der Basis der dann geltenden Marktsancen ermittelten Währungsumrechnungskurs festzulegen.]

*[im Fall der Tilgung durch physische Lieferung zusätzlich folgenden Text einfügen:*

([2] [3]) Im Fall eines nicht ganzzahligen Bezugsverhältnisses, wie es beispielsweise insbesondere durch eine Anpassungsmaßnahme nach § 6 [a] [b] [c] [d] entstehen kann, werden im Fall der Tilgung durch physische Lieferung bei Abrechnung Bruchteile je Physischem Basiswert für jedes Wertpapier durch Barausgleich abgegolten. Eine Zusammenfassung solcher Bruchteile für sämtliche Wertpapiere eines Wertpapiergläubigers findet nicht statt. Auf diesen Geldbetrag finden die in diesen Bedingungen enthaltenen Bestimmungen über den Auszahlungsbetrag entsprechende Anwendung.

Sollte die Lieferung des Physischen Basiswerts wirtschaftlich oder tatsächlich unmöglich sein, hat die Emittentin das Recht, statt der Lieferung des Physischen Basiswerts einen Geldbetrag in der Auszahlungswährung zu zahlen, der dem Abrechnungskurs des Basiswerts multipliziert mit dem Bezugsverhältnis und anschließend gegebenenfalls auf zwei Dezimalstellen kaufmännisch gerundet entspricht. Auf diesen Geldbetrag finden die in diesen Bedingungen enthaltenen Bestimmungen über den Auszahlungsbetrag entsprechende Anwendung.]

([2] [3] [4]) Die Emittentin wird von ihrer Verpflichtung unter diesen Wertpapieren durch Zahlung des Auszahlungsbetrags, des Kündigungsbetrags oder der sonstigen Zahlungsbeträge unter diesen Bedingungen *[im Fall der Tilgung durch physische Lieferung folgenden Text einfügen:* bzw., falls anwendbar, durch die Lieferung des Physischen Basiswerts in entsprechender Anzahl] an die Clearingstelle zur Weiterleitung an den jeweiligen Wertpapiergläubiger befreit.

([3] [4] [5]) Alle im Zusammenhang mit der Zahlung des Auszahlungsbetrags, des Kündigungsbetrags oder der sonstigen Zahlungsbeträge unter diesen Bedingungen *[im Fall der Tilgung durch physische Lieferung folgenden Text einfügen:* bzw., falls anwendbar, durch die Lieferung des Physischen Basiswerts in entsprechender Anzahl] anfallenden Steuern, Abgaben und/oder Kosten sind von dem jeweiligen Wertpapiergläubiger zu tragen und zu zahlen. Die Emittentin und die Zahlstelle sind berechtigt, jedoch nicht verpflichtet, von den an

In case that the currency conversion rate is not determined or quoted in the manner described above, the Issuer shall be entitled to identify a currency conversion rate, determined on the basis of the then prevailing markets customs.]

*[in case of Physical Settlement add the following text:*

([2] [3]) In case of the Ratio not being an integral number, as in particular caused e.g. by an adjustment pursuant to § 6 [a] [b] [c] [d], a cash consideration will be paid for each Security upon Physical Settlement with respect to any fractions per Physical Underlying. A consolidation of such fractions for all of the Securityholder shall not take place. The provisions of these Conditions relating to the Settlement Amount shall apply *mutatis mutandis* to such payment.

Should the delivery of the Physical Underlying be impracticable for economic or factual reasons, the Issuer is entitled to pay a sum of money in the Settlement Currency instead that is equal to the Settlement Price of the Underlying multiplied by the Ratio, if applicable, afterwards commercially rounded to two decimal places. The provisions of these Conditions relating to the Settlement Amount shall apply *mutatis mutandis* to such payment.]

([2] [3] [4]) The Issuer will be discharged from its obligations under the Securities by payment of the Settlement Amount, the Termination Amount, as the case may be, or of any other amount payable under these Conditions *[in case of Physical Settlement insert the following text:* or, if applicable, by the transfer of the Physical Underlying in the relevant number] to the Clearing System for further credit to the relevant Securityholder.

([3] [4] [5]) All taxes, charges and/or expenses incurred in connection with the payment of the Settlement Amount, the Termination Amount or of any other amount payable under these Conditions, as the case may be, *[in case of Physical Settlement insert the following text:* or, if applicable, by the transfer of the Physical Underlying in the relevant number] shall be borne and paid by the Securityholder. The Issuer and the Paying Agent, as the case may be, are entitled, but not obliged, to withhold or deduct,

den Wertpapiergläubiger zahlbaren Beträgen *[im Fall der Tilgung durch physische Lieferung folgenden Text einfügen:* bzw., falls anwendbar, oder ihm geschuldeten Lieferungen] zur Begleichung von Steuern, Abgaben, Gebühren, Abzügen oder sonstigen Zahlungen den erforderlichen Betrag *[im Fall der Tilgung durch physische Lieferung folgenden Text einfügen:* bzw., falls anwendbar, oder Anteil] einzubehalten oder abzuziehen. Jeder Wertpapiergläubiger hat die Emittentin bzw. die Zahlstelle von Verlusten, Kosten oder sonstigen Verbindlichkeiten, die ihr in Verbindung mit derartigen Steuern, Abgaben, Gebühren, Abzügen oder sonstigen Zahlungen im Hinblick auf die Wertpapiere des jeweiligen Wertpapiergläubigers entstehen, freizustellen.

[(4) (5)] Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB wird auf zehn Jahre verkürzt.

[(5) (6)] Die Emittentin kann zur Deckung ihrer Verpflichtungen aus den Wertpapieren einen Deckungsbestand unterhalten. Der Deckungsbestand kann dabei nach der Wahl und dem freien Ermessen der Emittentin insbesondere aus dem Basiswert bzw. aus den darin enthaltenen Einzelwerten bzw. aus Optionen auf die vorgenannten Werte bestehen. Den Wertpapiergläubigern stehen jedoch keine Rechte oder Ansprüche in Bezug auf einen etwaigen Deckungsbestand zu.]

*[im Fall von Aktien, Edelmetallen, Rohstoffen oder Zinsen als Basiswert folgenden § 6 [a] einfügen:*

#### § 6 [a]

#### **Anpassungen; Optionskontrakte; Potenzielles Anpassungsereignis; [Ersatz-Handelssystem;] [Ersatz-Börse]**

(1) Die Emittentin ist bei Vorliegen eines Potenziellen Anpassungsereignisses (§ 6 [a] (2)) berechtigt, Anpassungen dieser Bedingungen in der Weise und in dem Verhältnis vorzunehmen, wie entsprechende Anpassungen im Hinblick auf die an der Maßgeblichen Terminbörse gehandelten Optionskontrakte auf den Basiswert (die „**Optionskontrakte**“) vorgenommen werden, sofern der nachstehend bezeichnete Stichtag vor oder auf [den Bewertungstag] [bzw.] [einen Bewertungsdurchschnittstag] fällt. Werden an der Maßgeblichen Terminbörse keine Optionskontrakte gehandelt, so wird die Emittentin die Anpassung in der Weise vornehmen, wie die Maßgebliche Terminbörse sie vornehmen würde, wenn entsprechende Optionskontrakte dort gehandelt werden würden.

as the case may be, from any amount payable *[in case of Physical Settlement insert the following text:* or, if applicable, delivery due] to the Securityholder such amount *[in case of Physical Settlement insert the following text:* or, if applicable, fraction] required for the purpose of settlement of taxes, charges, expenses, deductions or other payments. Each Securityholder shall reimburse the Issuer or the Paying Agent, as the case may be, from any losses, costs or other debts incurred in connection with these taxes, charges, expenses, deductions or other payments related to the Security of the relevant Securityholder.

[(4) (5)] The period of presentation as established in § 801 section 1 sentence 1 of the BGB is reduced to ten years.

[(5) (6)] The Issuer may hold a coverage portfolio to cover its obligations under these Securities. The coverage portfolio may comprise the Underlying or the assets comprised in the Underlying, as the case may be, or options on these aforementioned assets, at the Issuer's option and free discretion. However, the Securityholders are not entitled to any rights or claims with respect to any coverage portfolio.]

*[in case of shares, precious metals, commodities or interest rates as Underlying insert the following § 6 [a]:*

#### § 6 [a]

#### **Adjustments; Option Contracts; Potential Adjustment Event; [Substitute Trading System;] [Substitute Stock Exchange]**

(1) In case of the occurrence of a Potential Adjustment Event (§ 6 [a] (2)), the Issuer shall be entitled to effect adjustments to these Conditions in a manner and relation corresponding to the relevant adjustments made with regard to option contracts on the Underlying traded on the Related Options Exchange (the "**Option Contracts**") provided that the Record Date (as defined below) is prior to or on [the Valuation Date] [or] [a Valuation Averaging Date], as the case may be. If no such Option Contracts are being traded on the Relevant Futures and Options Exchange, the adjustments may be effected by the Issuer in a manner as relevant adjustments would be made by the Relevant Futures and Options Exchange if those Option Contracts were traded on the Relevant Futures and Options Exchange.

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

- (2) Ein „**Potenzielles Anpassungsereignis**“ bezeichnet jede Maßnahme in Bezug auf den Basiswert, durch die sich die Maßgebliche Terminbörse zu einer Anpassung des Basispreises, der Kontraktgröße des Basiswerts oder der Bezugnahme [der] [des] für die Bestimmung des Kurses des Basiswerts zuständige[n] [Börse] [Handelssystem] veranlasst sieht oder veranlasst sähe, wenn Optionskontrakte gehandelt werden würden. Bei den Potenziellen Anpassungsereignissen handelt es sich *insbesondere*, aber nicht abschließend, um folgende Maßnahmen, wobei, vorbehaltlich § 6 [a] (3), jedoch die tatsächliche oder hypothetische Entscheidung der Maßgeblichen Terminbörse maßgeblich ist:

*[im Fall von Edelmetallen oder Rohstoffen als Basiswert folgenden Text einfügen:*

- (i) Der Basiswert wird [an der] [in dem] für die Bestimmung des Kurses des Basiswerts zuständigen [Maßgeblichen Börse] [Handelssystem] in einer anderen Qualität, in einer anderen Zusammensetzung (zum Beispiel mit einem anderen Reinheitsgrad oder anderem Herkunftsort) oder in einer anderen Standardmaßeinheit gehandelt.
- (ii) Eintritt eines sonstigen Ereignisses oder Ergreifen einer sonstigen Maßnahme, infolge dessen bzw. derer der Basiswert, wie er [an der] [in dem] für die Bestimmung des Kurses des Basiswerts zuständigen [Maßgeblichen Börse] [Handelssystem] gehandelt wird, eine wesentliche Veränderung erfährt.]

*[im Fall von Aktien als Basiswert folgenden Text einfügen:*

- (i) Kapitalerhöhung der Aktiengesellschaft, deren Aktie den Basiswert bildet (die „**Gesellschaft**“) durch Ausgabe neuer Aktien gegen Einlage unter Einräumung eines unmittelbaren oder mittelbaren Bezugsrechts an ihre Aktionäre, Kapitalerhöhung der Gesellschaft aus Gesellschaftsmitteln, Ausgabe von Schuldverschreibungen oder sonstigen Wertpapieren mit Options- oder Wandelrechten auf Aktien unter Einräumung eines unmittelbaren oder mittelbaren Bezugsrechts an ihre Aktionäre.
- (ii) Kapitalherabsetzung der Gesellschaft durch Einziehung oder Zusammenlegung von Aktien der Gesellschaft. Kein Potenzielles Anpassungsereignis liegt vor, wenn die Kapitalherabsetzung durch Herabsetzung

The „**Record Date**“ will be the first trading day on the Relevant Futures and Options Exchange on which the adjusted Option Contracts are traded on the Relevant Futures and Options Exchange or would be traded if those Option Contracts were traded on the Relevant Futures and Options Exchange.

- (2) A „**Potential Adjustment Event**“ means any measure in relation to the Underlying, which gives reason, or would give reason, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be, to the Relevant Futures and Options Exchange for an adjustment to the strike price, the contract volume of the Underlying or to the quotation of the [stock exchange] [trading system] relevant for the determination of the Price of the Underlying. Potential Adjustment Events are, *in particular*, but not limited to, the following measures, whereas, however, subject to § 6 [a] (3), the *de facto* or hypothetical decision of the Relevant Futures and Options Exchange is decisive:

*[in case of precious metals or commodities as Underlying insert the following text:*

- (i) The Underlying is traded [on] [in] the [Relevant Stock Exchange] [Relevant Trading System] relevant for the determination of the Price of the Underlying in a different consistency (e.g. with a different degree of purity or a different point of origin) or in a different standard measuring unit.
- (ii) The occurrence of another event or action, due to which the Underlying, as traded [on] [in] the [Relevant Stock Exchange] [Relevant Trading System] relevant for the determination of the Price of the Underlying, is materially modified.]

*[in case of shares as Underlying insert the following text:*

- (i) The stock corporation, the share of which is used as the Underlying (the „**Company**“) increases its share capital against deposits/contributions granting a direct or indirect subscription right to its shareholders, capital increase out of the Company's own funds, through the issuance of new shares, directly or indirectly granting a right to its shareholders to subscribe for bonds or other Securities with option or conversions rights to shares.
- (ii) The Company decreases its share capital through cancellation or combination of shares of the Company. No Potential Adjustment Event shall occur, if the capital decrease is effected by way of reduction of



- des Nennbetrages der Aktien der Gesellschaft erfolgt.
- (iii) Ausschüttung außergewöhnlich hoher Dividenden, Boni oder sonstige Bar- oder Sachausschüttungen („**Sonderausschüttungen**“). Die Ausschüttungen von normalen Dividenden, die keine Sonderausschüttungen sind, begründen kein Potenzielles Anpassungsereignis. Hinsichtlich der Abgrenzung zwischen normalen Dividenden und Sonderausschüttungen ist die von der Maßgeblichen Terminbörse vorgenommene Abgrenzung maßgeblich.
- (iv) Durchführung eines Aktiensplits (Herabsetzung des Nennbetrags und entsprechende Vergrößerung der Anzahl der Aktien ohne Kapitalveränderung) oder einer ähnlichen Maßnahme.
- (v) Angebot gemäß dem Aktien- oder Umwandlungsgesetz oder gemäß einer vergleichbaren Regelung des für die Gesellschaft anwendbaren Rechts an die Aktionäre der Gesellschaft, die Aktien der Gesellschaft in Aktien einer anderen Aktiengesellschaft oder Altaktien der Gesellschaft in neue Aktien umzutauschen.
- (vi) Die nach Abgabe eines Übernahmeangebots gemäß Wertpapiererwerbs- und Übernahmegesetz erfolgte Übernahme der Aktien der Gesellschaft durch einen Aktionär (Hauptaktionär) in Höhe von mindestens 95% des Grundkapitals.
- (vii) Ausgliederung eines Unternehmensteils der Gesellschaft in der Weise, dass ein neues rechtlich selbstständiges Unternehmen entsteht, oder der Unternehmensteil von einem dritten Unternehmen aufgenommen wird, den Aktionären der Gesellschaft unentgeltlich oder zu einem geringeren Preis als dem Marktpreis Anteile entweder an dem neuen Unternehmen oder an dem aufnehmenden Unternehmen gewährt werden, und für die den Aktionären gewährten Anteile ein Markt- oder Börsenpreis festgestellt werden kann.
- (viii) Endgültige Einstellung der Notierung oder des Handels der Aktien der Gesellschaft [in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] aufgrund einer Verschmelzung durch Aufnahme oder Neubildung oder aus sonstigen vergleichbaren Grund, insbesondere als Folge eines Delistings der Gesellschaft. Das Recht der Emittentin zur Kündigung gemäß § 7 dieser Bedingungen bleibt hiervon unberührt.]
- the nominal amount of the shares of the Company.
- (iii) The Company grants exceptionally high dividends, boni or other cash or non-cash distributions (“**Special Distributions**”) to its shareholders. The distributions of regular dividends, which do not constitute Special Distributions, do not create any Potential Adjustment Event. With regard to the differentiation between regular dividends and Special Distributions the differentiation made by the Relevant Futures and Options Exchange shall prevail.
- (iv) In case of a stock split (reduction of the nominal amount and corresponding increase in the number of shares without a change in the share capital) or a similar measure.
- (v) Offer to the shareholders of the Company pursuant to the German Stock Corporation Act (*Aktiengesetz*), the German Law regulating the transformation of Companies (*Umwandlungsgesetz*) or any other similar proceeding under the jurisdiction applicable to and governing the Company to convert existing shares of the Company to new shares or to shares of another stock corporation.
- (vi) Take-over of shares of the Company in the amount of at least 95% of the share capital of the Company by a shareholder (Principal Shareholder) in course of a tender offer in accordance with the German Securities Acquisition and Take-over Act (*Wertpapiererwerbs- und Übernahmegesetz*).
- (vii) The Company spins off any part of the Company so that a new independent enterprise is created or any part of the Company is absorbed by a third company, the Company’s shareholders are granted shares in the new company or the absorbing company free of charge or at a price below the market price and so that a market price or price quotation may be determined for the shares granted to shareholders.
- (viii) The quotation of or trading in the shares of the Company [on the Relevant Trading System] [or] [on the Relevant Stock Exchange] is permanently discontinued due to a merger or a new company formation, or for any other comparable reason, in particular as a result of a delisting of the Company. The Issuer’s right for termination in accordance with § 7 of these Conditions remains unaffected.]

Auf andere als die in den § 6 [a] (2) bezeichneten Ereignisse, die jedoch in ihren werterhöhenden oder verwässernden Auswirkungen diesen Ereignissen vergleichbar sind, sind die beschriebenen Regeln entsprechend anzuwenden.

- (3) Die Emittentin ist berechtigt, gegebenenfalls von den durch die Maßgebliche Terminbörse vorgenommenen Anpassungen abzuweichen, sofern sie dies für erforderlich hält, um Unterschiede zwischen diesen Wertpapieren und den an der Maßgeblichen Terminbörse gehandelten Optionskontrakten zu berücksichtigen. Unabhängig davon, ob und welche Anpassungen zu welchem Zeitpunkt tatsächlich an der Maßgeblichen Terminbörse erfolgen, kann die Emittentin Anpassungen mit dem Ziel vornehmen, die Wertpapiergläubiger wirtschaftlich soweit wie möglich so zu stellen, wie sie vor den Maßnahmen nach § 6 [a] (2) standen.
- (4) Im Fall der endgültigen Einstellung der Notierung oder des Handels des Basiswerts [in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] und des gleichzeitigen Bestehens oder des Beginns der Notierung oder des Handels [in einem anderen Handelssystem] [bzw.] [an einer anderen Börse] ist die Emittentin berechtigt, [ein solches anderes Handelssystem] [bzw.] [eine solche andere Börse] durch Bekanntmachung gemäß § 11 dieser Bedingungen als [neues maßgebliches Handelssystem (das „**Ersatz-Handelssystem**“)] [bzw.] [als neue maßgebliche Börse (die „**Ersatz-Börse**“)] zu bestimmen, sofern sie die Wertpapiere nicht gemäß § 7 dieser Bedingungen gekündigt hat. Im Fall einer solchen Ersetzung gilt jede in diesen Bedingungen enthaltene Bezugnahme auf [das Maßgebliche Handelssystem] [bzw.] [auf die Maßgebliche Börse] fortan als Bezugnahme auf [das Ersatz-Handelssystem] [bzw.] [die Ersatz-Börse]. Die vorgenannte Anpassung wird spätestens nach Ablauf eines Monats nach der endgültigen Einstellung der Notierung des Basiswerts [in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] gemäß § 11 dieser Bedingungen bekannt gemacht.
- (5) Jede Anpassung wird von der Emittentin nach billigem Ermessen gemäß § 315 BGB, unter Berücksichtigung der herrschenden Marktgegebenheiten und unter Wahrung des bisherigen wirtschaftlichen Ergebnisses des Basiswerts vorgenommen. In Zweifelsfällen über (i) die Anwendung der Anpassungsregeln der Maßgeblichen Terminbörse und (ii) die vorzunehmende Anpassung entscheidet die Emittentin über die Anwendung der Anpassungsregeln gemäß § 315 BGB nach billigem Ermessen, unter Berücksichtigung der herrschenden Markt-
- The provisions set out above shall apply *mutatis mutandis* to events other than those mentioned in § 6 [a] (2), if the concentrative or dilutive effects of these events are comparable.
- (3) The Issuer shall be entitled to deviate from the adjustments made by the Relevant Futures and Options Exchange, should this be considered as being necessary in order to account for existing differences between the Securities and the Options Contracts traded on the Relevant Futures and Options Exchange. Disregarding, whether or how adjustments are *de facto* effected by the Relevant Futures and Options Exchange, the Issuer is entitled to effect adjustments for the purpose to reconstitute to the extent possible the Securityholder's economic status prior to the measures in terms of § 6 [a] (2).
- (4) If the quotation of or trading in the Underlying [on the Relevant Trading System] [or] [on the Relevant Stock Exchange] is permanently discontinued, however, a quotation or trading is started up or maintained [on another trading system] [or] [on another stock exchange], the Issuer shall be entitled to stipulate such other [trading system] [or] [stock exchange] [as the new relevant trading system (the "**Substitute Trading System**")] [or] [as new relevant stock exchange (the "**Substitute Stock Exchange**")], [as the case may be,] through publication in accordance with § 11 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 7 of these Conditions. In case of such a substitution any reference in these Conditions [to the Relevant Trading System] [or] [to] [the Relevant Stock Exchange] thereafter shall be deemed to refer [to the Substitute Trading System] [or] [to the Substitute Stock Exchange] [, as the case may be]. The adjustment described above shall be published in accordance with § 11 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of the Underlying [on the Relevant Trading System] [or] [on the Relevant Stock Exchange] [, as the case may be], at the latest.
- (5) Any adjustment shall be done in the Issuer's reasonable discretion pursuant to § 315 of the German Civil Code ("**BGB**"), under consideration of the market conditions then prevailing and protecting the previous economic development of the Underlying. The Issuer reserves the right to determine in cases of doubt (i) the applicability of the adjustment rules of the Relevant Futures and Options Exchange and (ii) the required adjustment. Such determination shall be done in the Issuer's reasonable discretion pursuant to § 315 of the BGB, considering the market

gegebenheiten.

- (6) Anpassungen und Festlegungen nach den vorstehenden Absätzen werden durch die Emittentin vorgenommen und von der Emittentin nach § 11 dieser Bedingungen bekannt gemacht. Anpassungen und Festlegungen sind (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten endgültig und bindend.
- (7) Anpassungen und Festlegungen treten zu dem Zeitpunkt in Kraft, zu dem entsprechende Anpassungen an der Maßgeblichen Terminbörse in Kraft treten oder in Kraft treten würden, wenn entsprechende Optionskontrakte dort gehandelt werden würden.]

conditions then prevailing.

- (6) The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer and shall be published by the Issuer in accordance with § 11 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.
- (7) Any adjustment and determination will become effective as of the time at which the relevant adjustments become effective on the Relevant Futures and Options Exchange or would become effective, if the Option Contracts were traded on the Relevant Futures and Options Exchange, as the case may be.]

*[im Fall von Währungen oder sonstigen Wertpapieren als Basiswert folgenden § 6 [a] [b] einfügen:*

*[in case of currencies or securities other than shares as Underlying insert the following § 6 [a] [b]:*

#### **§ 6 [a] [b]**

#### **Anpassungen; Nachfolge-Basiswert; [Ersatz-Handelssystem;] [Ersatz-Börse]**

- (1) Sind die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens gemäß § 315 BGB der Ansicht, dass eine erhebliche Änderung der Marktbedingungen an [der] [bzw.] [dem] für die Bestimmung des Kurses des Basiswerts zuständige[n] [Maßgeblichen Börse] [bzw.] [Maßgeblichen Handelssystem] [internationalen Devisenmarkt] eingetreten ist, ist die Emittentin berechtigt, Anpassungen dieser Bedingungen in der Weise und in dem Verhältnis vorzunehmen, um den geänderten Marktbedingungen Rechnung zu tragen.
- (2) Veränderungen in der Berechnung des Basiswerts (einschließlich Bereinigungen) oder der Zusammensetzung oder Gewichtung der Kurse oder Wertpapiere, auf deren Grundlage der Basiswert berechnet wird, führen nicht zu einer Anpassung, es sei denn, dass das an dem [Bewertungstag] [bzw.] [Bewertungsdurchschnittstag] maßgebende Konzept und die Berechnung des Basiswerts infolge einer Veränderung (einschließlich einer Bereinigung) nach Auffassung der Emittentin und der Berechnungsstelle nach billigem Ermessen gemäß § 315 BGB nicht mehr vergleichbar ist mit dem bisher maßgebenden Konzept oder der maßgebenden Berechnung des Basiswerts. [Dies gilt insbesondere, wenn sich aufgrund irgendeiner Änderung trotz gleich bleibender Kurse der in dem Basiswert enthaltenen Einzelwerte und ihrer Gewichtung eine wesentliche Änderung des Wertes des Basiswerts ergibt.] Eine Anpassung kann auch bei Aufhebung des Basiswerts und/oder seiner Ersetzung durch einen anderen

#### **§ 6 [a] [b]**

#### **Adjustments; Successor Underlying; [Substitute Trading System;] [Substitute Stock Exchange]**

- (1) If, in the opinion of the Issuer and of the Calculation Agent in their reasonable discretion pursuant to § 315 of the BGB, a material change in the market conditions occurred in relation to the [Relevant Stock Exchange] [or] [Relevant Trading System] [international foreign exchange market] relevant for the calculation and determination of the Price of the Underlying, the Issuer shall be entitled to effect adjustments to these Conditions to count for these changed market conditions.
- (2) Any changes in the calculation of the Underlying (including corrections) or of the composition or of the weighting of the prices or securities, which form the basis of the calculation of the Underlying, shall not lead to an adjustment unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion (§ 315 of the BGB), determine that the underlying concept and the calculation of the Underlying (including corrections) applicable on any [Valuation Date] [or] [Valuation Averaging Date] is no longer comparable to the underlying concept or calculation of the Underlying applicable prior to such change. [This applies especially, if due to any change the Underlying value changes considerably, although the prices and weightings of the securities included in the Underlying remain unchanged.] Adjustments may also be made as a result of the termination of the Underlying and/or its substitution by another underlying. For the purposes of making any adjustments, the Issuer and the Calculation

Basiswert erfolgen. Zum Zweck einer Anpassung ermitteln die Emittentin und die Berechnungsstelle nach billigem Ermessen gemäß § 315 BGB einen angepassten Wert je Einheit des Basiswerts der bei der Bestimmung des Kurses des Basiswerts zugrunde gelegt wird und in seinem wirtschaftlichen Ergebnis der bisherigen Regelung entspricht, und bestimmt unter Berücksichtigung des Zeitpunktes der Veränderung den Tag, zu dem der angepasste Wert je Einheit des Basiswerts erstmals zugrunde zu legen ist. Der angepasste Wert je Einheit des Basiswerts sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

- (3) Wird der Basiswert zu irgendeiner Zeit aufgehoben und/oder durch einen anderen Wert als Basiswert ersetzt, legen die Emittentin und die Berechnungsstellen nach billigem Ermessen gemäß § 315 BGB, gegebenenfalls unter entsprechender Anpassung entsprechend § 6 [a] [b] (2) dieser Bedingungen, fest, welcher mit dem bisher maßgebenden Konzept des Basiswerts vergleichbare neue Basiswert künftig zugrunde zu legen ist (der "**Nachfolge-Basiswert**"). Der Nachfolge-Basiswert sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

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

- (4) Im Fall der endgültigen Einstellung der Notierung oder des Handels des Basiswerts [in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] [in dem internationalen Devisenmarkt, der als Grundlage für die Feststellung des Basiswerts dient,] und des gleichzeitigen Bestehens oder des Beginns der Notierung oder des Handels [in einem anderen Handelssystem] [bzw.] [an einer anderen Börse] [in dem internationalen Devisenmarkt] ist die Emittentin berechtigt, [ein solches anderes Handelssystem] [bzw.] [eine solche andere Börse] [einen solchen anderen internationalen Devisenmarkt] durch Bekanntmachung gemäß § 11 dieser Bedingungen als [neues maßgebliches Handelssystem (das „**Ersatz-Handelssystem**“)] [bzw.] [als neue maßgebliche Börse (die „**Ersatz-Börse**“)] [als neuen maßgeblichen internationalen Devisenmarkt] zu bestimmen, sofern sie die Wertpapiere nicht gemäß § 7 dieser Bedingungen gekündigt hat. Im Fall einer solchen Ersetzung gilt jede in diesen Bedingungen enthaltene Bezugnahme [auf das Maßgebliche Handelssystem] [bzw.] [auf die Maßgebliche Börse] [auf den internationalen Devisenmarkt, der als Grundlage für die

Agent shall at their reasonable discretion pursuant to § 315 of the BGB determine an adjusted value per unit of the Underlying as the basis of the determination of the Price of the Underlying, which in its result corresponds with the economic result prior to this change, and shall, taking into account the time the change occurred, determine the day, on which the adjusted value per unit of the Underlying shall apply for the first time. The adjusted value per unit of the Underlying as well as the date of its first application shall be published without undue delay pursuant to § 11 of these Conditions.

- (3) In the event that the Underlying is terminated and/or replaced by another underlying as Underlying, the Issuer and the Calculation Agent shall determine at their reasonable discretion pursuant to § 315 of the BGB, after having made appropriate adjustments according to § 6 [a] [b] (2) of these Conditions, which underlying, comparable with the underlying concept of the Underlying, (the "**Successor Underlying**") shall be applicable in the future. The Successor Underlying and the date it is applied for the first time shall be published without undue delay in accordance with § 11 of these Conditions.

Any reference in these Conditions of the Securities to the Underlying shall, to the extent appropriate, be deemed to refer to the Successor Underlying.

- (4) If the quotation of or trading in the Underlying on [the Relevant Trading System] [or] [the Relevant Stock Exchange] [the international foreign exchange market, which is used as a basis for the calculation of the Underlying,] is permanently discontinued, however, a quotation or trading is started up or maintained [on another trading system] [or] [another stock exchange] [the international foreign exchange market], the Issuer shall be entitled to stipulate such other [trading system] [or] [stock exchange] [international foreign exchange market,] [as the new relevant trading system (the "**Substitute Trading System**")] [or] [as the new relevant stock exchange (the "**Substitute Stock Exchange**")] [as the new relevant international foreign exchange market,] [, as the case may be,] through publication in accordance with § 11 of these Conditions, provided that the Issuer has not terminated the Securities in accordance with § 7 of these Conditions. In case of such a substitution any reference in these Conditions to [the Relevant Trading System] [or] [the Relevant Stock Exchange] [the international foreign exchange market, which is used as a basis for the calculation of the Underlying,] thereafter shall be

Feststellung des Basiswerts dient,] fortan als Bezugnahme auf [das Ersatz-Handelssystem] [bzw.] [die Ersatz-Börse] [den ersetzenden internationalen Devisenmarkt]. Die vorgenannte Anpassung wird spätestens nach Ablauf eines Monats nach der endgültigen Einstellung der Notierung oder des Handels des Basiswerts [in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] [in dem internationalen Devisenmarkt, der als Grundlage für die Feststellung des Basiswerts dient,] gemäß § 11 dieser Bedingungen bekannt gemacht.

- (5) Jede Anpassung wird von der Emittentin nach billigem Ermessen gemäß § 315 BGB, unter Berücksichtigung der herrschenden Marktgegebenheiten und unter Wahrung des bisherigen wirtschaftlichen Ergebnisses des Basiswerts vorgenommen. In Zweifelsfällen über die vorzunehmende Anpassung entscheidet die Emittentin über die Anwendung der Anpassungsregeln gemäß § 315 BGB nach billigem Ermessen, unter Berücksichtigung der herrschenden Marktgegebenheiten.
- (6) Anpassungen und Festlegungen nach den vorstehenden Absätzen werden durch die Emittentin vorgenommen und von der Emittentin nach § 11 dieser Bedingungen bekannt gemacht. Anpassungen und Festlegungen sind (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten endgültig und bindend.]

*[im Fall eines Index als Basiswert folgenden § 6 [a] [b] [c] einfügen:*

#### **§ 6 [a] [b] [c]**

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

- (1) Sollte der Index endgültig nicht mehr vom Index Sponsor verwaltet, berechnet und veröffentlicht werden, ist die Emittentin berechtigt, den Index Sponsor durch eine Person, Gesellschaft oder Institution, die für die Emittentin und die Berechnungsstellen nach billigem Ermessen gemäß § 315 BGB akzeptabel ist (der „**Nachfolge-Index Sponsor**“), zu ersetzen.
- In diesem Fall gilt dieser Nachfolge-Index Sponsor als Index Sponsor und jede in diesen Bedingungen enthaltene Bezugnahme auf den Index Sponsor als Bezugnahme auf den Nachfolge-Index Sponsor.
- (2) Veränderungen in der Berechnung des Index (einschließlich Bereinigungen) oder der Zusammensetzung oder Gewichtung der Indexbestandteile, auf deren Grundlage der Index berechnet wird, führen nicht zu einer Anpassung, es sei denn,

deemed to refer to [the Substitute Trading System] [or] [the Substitute Stock Exchange] [the substitute international foreign exchange market,] [, as the case may be]. The adjustment described above shall be published in accordance with § 11 of these Conditions upon the expiry of one month following the permanent discontinuation of the quotation of or trading in the Underlying on [the Relevant Trading System] [or] [the Relevant Stock Exchange] [the international foreign exchange market, which is used as a basis for the calculation of the Underlying,] [, as the case may be], at the latest.

- (5) Any adjustment shall be done in the Issuer's reasonable discretion pursuant to § 315 of the BGB, under consideration of the market conditions then prevailing and protecting the previous economic development of the Underlying. The Issuer reserves the right to determine the required adjustment in cases of doubt. Such determination shall be done in the Issuer's reasonable discretion pursuant to § 315 of the BGB, considering the market conditions then prevailing.
- (6) The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer and shall be published by the Issuer in accordance with § 11 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.]

*[in case of an Index as Underlying insert the following § 6 [a] [b] [c]:*

#### **§ 6 [a] [b] [c]**

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

- (1) If the Index is definitively not maintained, calculated and published by the Index Sponsor anymore, the Issuer shall be entitled to replace the Index Sponsor by a person, company or institution, which is acceptable to the Issuer and the Calculation Agent in their reasonable discretion pursuant to § 315 of the BGB (the "**Successor Index Sponsor**").
- In such case, the Successor Index Sponsor will be deemed to be the Index Sponsor and each reference in these Conditions to the Index Sponsor shall be deemed to refer to the Successor Index Sponsor.
- (2) Any changes in the calculation of the Index (including corrections) or of the composition or of the weightings of the Index components, which form the basis of the calculation of the Index, shall not lead to an adjustment unless the

dass das an [dem Bewertungstag] [bzw.] [einem Bewertungsdurchschnittstag] maßgebende Konzept und die Berechnung des Index infolge einer Veränderung (einschließlich einer Bereinigung) nach Auffassung der Emittentin und der Berechnungsstelle nach billigem Ermessen gemäß § 315 BGB nicht mehr vergleichbar ist mit dem bisher maßgebenden Konzept oder der maßgebenden Berechnung des Index. Dies gilt insbesondere, wenn sich aufgrund irgendeiner Änderung trotz gleich bleibender Kurse der in dem Index enthaltenen Einzelwerte und ihrer Gewichtung eine wesentliche Änderung des Indexwertes ergibt. Eine Anpassung kann auch bei Aufhebung des Index und/oder seiner Ersetzung durch einen anderen Index erfolgen. Zum Zweck einer Anpassung ermitteln die Emittentin und die Berechnungsstellen nach billigem Ermessen gemäß § 315 BGB einen angepassten Wert je Index-Einheit, der bei der Bestimmung des Kurses des Basiswerts zugrunde gelegt wird und in seinem wirtschaftlichen Ergebnis der bisherigen Regelung entspricht, und bestimmt unter Berücksichtigung des Zeitpunktes der Veränderung den Tag, zu dem der angepasste Wert je Index-Einheit erstmals zugrunde zu legen ist. Der angepasste Wert je Index-Einheit sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

- (3) Erlischt die Erlaubnis der [Emittentin] [Berechnungsstelle], den Index für die Zwecke der Wertpapiere zu verwenden oder wird der Index aufgehoben und/oder durch einen anderen Index ersetzt, legen die Emittentin und die Berechnungsstellen nach billigem Ermessen gemäß § 315 BGB, gegebenenfalls unter entsprechender Anpassung entsprechend § 6 [a] [b] [c] (2) dieser Bedingungen, fest, welcher Index künftig zugrunde zu legen ist (der "**Nachfolgeindex**"). Der Nachfolgeindex sowie der Zeitpunkt seiner erstmaligen Anwendung werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

Jede in diesen Bedingungen enthaltene Bezugnahme auf den Index gilt dann, sofern es der Zusammenhang erlaubt, als Bezugnahme auf den Nachfolgeindex.

- (4) Ist nach Ansicht der Emittentin und der Berechnungsstelle, nach billigem Ermessen gemäß § 315 BGB, eine Anpassung oder die Festlegung eines Nachfolgeindex, aus welchen Gründen auch immer, nicht möglich, werden die Emittentin und die Berechnungsstelle für die Weiterrechnung und Veröffentlichung des Index auf der Grundlage des bisherigen Indexkonzeptes und des letzten festgestellten Indexwertes Sorge tragen. Eine derartige Fortführung wird unverzüglich gemäß § 11 dieser Bedingungen

Issuer and the Calculation Agent, upon exercise of their reasonable discretion (§ 315 of the BGB), determine that the underlying concept and the calculation of the Index (including corrections) applicable on [the Valuation Date] [or] [any Valuation Averaging Date] is no longer comparable to the underlying concept or calculation of the Index applicable prior to such change. This applies especially, if due to any change the Index value changes considerably, although the prices and weightings of the securities included in the Index remain unchanged. Adjustments may also be made as a result of the termination of the Index and/or its substitution by another Index. For the purposes of making any adjustments, the Issuer and the Calculation Agent shall at their reasonable discretion pursuant to § 315 of the BGB determine an adjusted value per Index unit as the basis of the determination of the Price of the Underlying, which in its result corresponds with the economic result prior to this change, and shall, taking into account the time the change occurred, determine the day, on which the adjusted value per Index unit shall apply for the first time. The adjusted value per Index unit as well as the date of its first application shall be published without undue delay pursuant to § 11 of these Conditions.

- (3) In the event that the authorisation of the [Issuer] [Calculation Agent] to use the Index for the purposes of the Securities is terminated or that the Index is terminated and/or replaced by another index, the Issuer and the Calculation Agent shall determine at their reasonable discretion pursuant to § 315 of the BGB, after having made appropriate adjustments according to § 6 [a] [b] [c] (2) of these Conditions, which Index (the "**Successor Index**") shall be applicable in the future. The Successor Index and the date it is applied for the first time shall be published without undue delay in accordance with § 11 of these Conditions.

Any reference in these Conditions of the Securities to the Index shall, to the extent appropriate, be deemed to refer to the Successor Index.

- (4) If, in the opinion of the Issuer and the Calculation Agent at their reasonable discretion pursuant to § 315 of the BGB, an adjustment or the determination of a Successor Index is not possible, for whatsoever reason, the Issuer and the Calculation Agent shall, at their reasonable discretion pursuant to § 315 of the BGB provide for the continued calculation and publication of the Index on the basis of the existing Index concept and the last determined Index value. Any such continuation shall be published without

bekannt gemacht.

- (5) Die in den vorgenannten § 6 [a] [b] [c] (1) bis (4) dieser Bedingungen erwähnten Anpassungen und Festlegungen der Emittentin und der Berechnungsstelle nach billigem Ermessen gemäß § 315 BGB sind abschließend und verbindlich, es sei denn, es liegt ein offensichtlicher Irrtum vor.
- (6) Vorgenommene Anpassungen und Festlegungen werden von der Emittentin nach § 11 dieser Bedingungen bekannt gemacht.
- (7) Das Recht der Emittentin zur Kündigung gemäß § 7 dieser Bedingungen bleibt hiervon unberührt.]

*[im Fall eines Korbs als Basiswert zusätzlich folgenden § 6 [b] [c] [d] einfügen:*

#### **§ 6 [b] [c] [d]**

##### **Anpassungen bei Wertpapieren auf Körbe; Nachfolge-Korbbestandteil**

- (1) Sollte bei einem Korbbestandteil ein Potenzielles Anpassungsereignis eintreten, ist die Emittentin (zusätzlich zu den in § 6 [a] [b] [c] dieser Bedingungen genannten Maßnahmen in Bezug auf jeden einzelnen Korbbestandteil) berechtigt, entweder
- (i) den betreffenden Korbbestandteil nach billigem Ermessen gemäß § 315 BGB ersatzlos aus dem Korb zu streichen (gegebenenfalls unter Einfügung von Korrekturfaktoren für die verbliebenen Korbbestandteile) oder
- (ii) ganz oder teilweise durch einen neuen Korbbestandteil nach billigem Ermessen gemäß § 315 BGB zu ersetzen (gegebenenfalls unter Einfügung von Korrekturfaktoren für die nunmehr im Korb befindlichen Bestandteile) (der „**Nachfolge-Korbbestandteil**“).
- In diesem Fall gilt dieser Nachfolge-Korbbestandteil als Korbbestandteil und jede in diesen Bedingungen enthaltene Bezugnahme auf den Korbbestandteil als Bezugnahme auf den Nachfolge-Korbbestandteil.
- (2) Das Recht der Emittentin zur Kündigung gemäß § 7 dieser Bedingungen bleibt hiervon unberührt.]

*[im Fall einer von Euro abweichenden Auszahlungswährung kann zusätzlich folgender § 6 [b] [c] [d] [e] eingefügt werden:*

undue delay pursuant to § 11 of these Conditions.

- (5) The adjustments and determinations of the Issuer and the Calculation Agent pursuant to § 6 [a] [b] [c] (1) through (4) of these Conditions at their reasonable discretion pursuant to § 315 of the BGB shall be conclusive and binding, except where there is a manifest error.
- (6) Any effected adjustment and determination described above shall be published by the Issuer in accordance with § 11 of these Conditions.
- (7) The Issuer's right for termination in accordance with § 7 of these Conditions remains unaffected.]

*[in case of a Basket as Underlying add the following § 6 [b] [c] [d]:*

#### **§ 6 [b] [c] [d]**

##### **Adjustments for Securities on Baskets; Successor Basket Component**

- (1) If a Potential Adjustment Event occurs in relation to Basket Component, the Issuer shall (in addition to the adjustments pursuant to § 6 [a] [b] [c] of these Conditions in relation to each Basket Component) be entitled either
- (i) to remove in its reasonable discretion pursuant to § 315 of the BGB the respective Basket Component without replacement from the basket (if applicable by adjusting the weighting of the remaining Basket Components) or
- (ii) to replace in its reasonable discretion pursuant to § 315 of the BGB the Basket Component in whole or in part by a new Basket Component (if applicable by adjusting the weighting of the Basket Components then present) (the “**Successor Basket Component**”).
- In such case, the Successor Basket Component will be deemed to be the Basket Component and each reference in these Conditions to the Basket Component shall be deemed to refer to the Successor Basket Component.
- (2) The Issuer's right for termination in accordance with § 7 of these Conditions remains unaffected.]

*[in case of a Settlement Currency other than Euro the following § 6 [b] [c] [d] [e] may be added:*

**§ 6 [b] [c] [d] [e]**

**Anpassungen aufgrund der Europäischen  
Währungsunion**

- (1) Nimmt ein Land, unabhängig davon, ob ab 1999 oder später, an der dritten Stufe der Europäischen Wirtschafts- und Währungsunion teil, sind die Emittentin und die Berechnungsstelle berechtigt, nach billigem Ermessen gemäß § 315 BGB folgende Anpassungen dieser Bedingungen vorzunehmen:
- (i) Ist die Auszahlungswährung unter diesen Bedingungen eine von Euro abweichende nationale Währungseinheit eines Landes, das an der dritten Stufe der Europäischen Wirtschafts- und Währungsunion beteiligt ist, unabhängig davon, ob ab 1999 oder später, dann gilt die Auszahlungswährung als ein Betrag in Euro, der aus der ursprünglichen Auszahlungswährung zum rechtlich festgesetzten Wechselkurs und unter Anwendung der rechtlich festgesetzten Rundungsregeln in Euro umgetauscht wurde.  
Nach der Anpassung erfolgen sämtliche Zahlungen hinsichtlich der Wertpapiere in Euro, als ob in ihnen der Euro als Auszahlungswährung genannt wäre.
- (ii) Ist in diesen Bedingungen ein Währungsumrechnungskurs angegeben oder gibt eine Bedingung eine Währung (die „**Originalwährung**“) eines Landes an, das an der dritten Stufe der Europäischen Wirtschafts- und Währungsunion beteiligt ist, unabhängig davon, ob ab 1999 oder später, gelten der angegebene Währungsumrechnungskurs und/oder sonstige Währungsangaben in diesen Bedingungen als Angabe in Euro, oder, soweit ein Währungsumrechnungskurs angegeben ist, als Kurs für den Umtausch in oder aus Euro unter Zugrundelegung des rechtlich festgesetzten Wechselkurses.
- (iii) Die Emittentin und die Berechnungsstelle können weitere Änderungen an diesen Bedingungen vornehmen, um diese ihrer Auffassung nach den dann gültigen Gepflogenheiten anzupassen, die für Instrumente mit Währungsangaben in Euro gelten.
- (iv) Die Emittentin und die Berechnungsstelle können ferner solche Anpassungen dieser Bedingungen vornehmen, die sie nach billigem Ermessen gemäß § 315 BGB, für angebracht halten, um den Auswirkungen der dritten Stufe der Europäischen Wirtschafts- und Währungsunion gemäß dem Vertrag zur Gründung der Europäischen Gemeinschaft auf diese Bedingungen

**§ 6 [b] [c] [d] [e]**

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

- (1) Where a country participates in the third stage of the European Economic and Monetary Union, whether as from 1999 or after such date, the Issuer and the Calculation Agent in their reasonable discretion pursuant to § 315 of the BGB, shall be entitled to effect the following adjustments to these Conditions:
- (i) Where the Settlement Currency under these Conditions is the national currency unit other than Euro of a country which is participating in the third stage of the European Economic and Monetary Union, whether as from 1999 or after such date, such Settlement Currency shall be deemed to be an amount of Euro converted from the original Settlement Currency into Euro at the statutory applicable exchange rate and subject to such statutory applicable rounding provisions.  
After the adjustment, all payments in respect of the Securities will be made solely in Euro as though references in the Securities to the Settlement Currency were to Euro.
- (ii) Where these Conditions contain a currency conversion rate or any of these Conditions are expressed in a currency (the “**Original Currency**“) of a country which is participating in the third stage of the European Economic and Monetary Union, whether as from 1999 or after such date, such currency conversion rate and/or any other terms of these Conditions shall be deemed to be expressed in or, in the case of a currency conversion rate, converted for or, as the case may be into, Euro at the statutory applicable exchange rate.
- (iii) The Issuer and the Calculation Agent are entitled to effect adjustments to these Conditions as they may decide to conform them to conventions then applicable to instruments expressed in Euro.
- (iv) The Issuer and the Calculation Agent in their reasonable discretion pursuant to § 315 of the BGB shall be entitled to effect such adjustments to these Conditions as they may determine to be appropriate to account for the effect of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community on these



Rechnung zu tragen.

- (2) Die Emittentin und die Wertpapierstellen haften weder gegenüber den Wertpapiergläubigern noch gegenüber sonstigen Personen für Provisionen, Kosten, Verluste oder Ausgaben, die aus oder in Verbindung mit der Überweisung von Euro oder einer damit zusammenhängenden Währungsumrechnung oder Rundung von Beträgen entstehen.
- (3) Die in den vorgenannten § 6 [b] [c] [d] [e] (1) dieser Bedingungen erwähnten Anpassungen und Festlegungen der Emittentin und der Berechnungsstelle nach billigem Ermessen gemäß § 315 BGB sind abschließend und verbindlich, es sei denn, es liegt ein offensichtlicher Irrtum vor.
- (4) Vorgenommene Anpassungen und Festlegungen werden von der Emittentin nach § 11 dieser Bedingungen bekannt gemacht.]

### § 7 Kündigung

- (1) Bei Vorliegen eines der nachstehend beispielhaft beschriebenen „**Kündigungsergebnisse**“ ist die Emittentin berechtigt, aber nicht verpflichtet, die Wertpapiere durch Bekanntmachung gemäß § 11 dieser Bedingungen unter Angabe des Kündigungsergebnisses zu kündigen (die „**Kündigung**“):
- (i) Die Ermittlung und/oder Veröffentlichung des Kurses des Basiswerts wird endgültig eingestellt oder der Emittentin oder der Berechnungsstelle wird eine entsprechende Absicht bekannt.
- (ii) Die Emittentin und die Berechnungsstelle sind nach Ausübung billigen Ermessens gemäß § 315 BGB der Ansicht, dass eine Anpassung dieser Bedingungen [oder die Festlegung eines] [Nachfolge-Index Sponsors oder Nachfolgeindex] [Nachfolge-Korbbestandteils], aus welchen Gründen auch immer, nicht möglich ist.
- (iii) Die Emittentin und die Berechnungsstelle sind nach Ausübung billigen Ermessens gemäß § 315 BGB der Ansicht, dass eine sonstige erhebliche Änderung der Marktbedingungen an [der] [dem] für die Bestimmung des Kurses des Basiswerts zuständigen [Maßgeblichen Börse] [Maßgeblichen Handelssystem] eingetreten ist.

*[im Fall von Aktien als Basiswert zusätzlich folgenden Text einfügen:*

- (iv) Der Emittentin wird die Absicht, die Notierung der Aktien der Gesellschaft [in dem Maßgeblichen Handelssystem] [bzw.]

Conditions.

- (2) The Issuer and the Security Agents shall not be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of Euro or any currency conversion or rounding effected in connection therewith.
- (3) The adjustments and determinations of the Issuer and the Calculation Agent pursuant to § 6 [b] [c] [d] [e] (1) of these Conditions at their reasonable discretion pursuant to § 315 of the BGB shall be conclusive and binding, except where there is a manifest error.
- (4) Any effected adjustment and determination described above shall be published by the Issuer in accordance with § 11 of these Conditions.]

### § 7 Termination

- (1) If any of the following “**Termination Events**”, as described below, occurs at any time, the Issuer shall be entitled, but not obliged, to terminate the Securities by way of publication pursuant to § 11 of these Conditions specifying the Termination Event (the “**Termination**”):
- (i) The determination and/or publication of the Price of the Underlying is discontinued permanently or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (ii) It is, in the opinion of the Issuer and of the Calculation Agent in their reasonable discretion pursuant to § 315 of the BGB, not possible, for whatever reason, to make adjustments to these Conditions [or to select a] [Successor Index Sponsor or a Successor Index] [Successor Basket Component].
- (iii) In the opinion of the Issuer and of the Calculation Agent in their reasonable discretion pursuant to § 315 of the BGB, another material change in the market conditions occurred in relation to the [Relevant Stock Exchange] [Relevant Trading System] relevant for the determination of the Price of the Underlying.

*[in case of shares as Underlying add the following text:*

- (iv) The Issuer obtains knowledge about the intention to discontinue permanently the quotation of the shares of the Company [on

[an der Maßgeblichen Börse] aufgrund einer Verschmelzung durch Aufnahme oder durch Neubildung, einer Umwandlung in eine Rechtsform ohne Aktien oder aus irgendeinem sonstigen vergleichbaren Grund, insbesondere in Folge eines Delistings der Gesellschaft, endgültig einzustellen, bekannt.

- (v) Die Beantragung des Insolvenzverfahrens oder eines vergleichbaren Verfahrens über das Vermögen der Gesellschaft nach dem für die Gesellschaft anwendbaren Recht.
  - (vi) Die Übernahme der Aktien der Gesellschaft durch einen Aktionär in Höhe von mindestens 75% des Grundkapitals, wodurch die Liquidität der Aktie im Handel nach Ansicht der Emittentin maßgeblich beeinträchtigt wird.
  - (vii) Das Angebot gemäß dem Aktien- oder Umwandlungsgesetz oder gemäß einer vergleichbaren Regelung des für die Gesellschaft anwendbaren Rechts an die Aktionäre der Gesellschaft, die Altaktien der Gesellschaft gegen Barausgleich, andere Wertpapiere als Aktien oder andere Rechte, für die keine Notierung an einer Börse bzw. einem Handelssystem besteht, umzutauschen.]
- (2) Die Kündigung hat innerhalb von [•] [einem Monat] nach dem Vorliegen des Kündigungsereignisses und unter Angabe des Kalendertags, zu dem die Kündigung wirksam wird (der „**Kündigungstag**“), zu erfolgen. In Zweifelsfällen über das Vorliegen des Kündigungsereignisses entscheidet die Emittentin gemäß § 315 BGB nach billigem Ermessen.
- (3) Im Fall der Kündigung zahlt die Emittentin an jeden Wertpapiergläubiger bezüglich jedes von ihm gehaltenen Wertpapiers einen Geldbetrag in der Auszahlungswährung, der von der Emittentin gemäß § 315 BGB nach billigem Ermessen, gegebenenfalls unter Berücksichtigung des dann maßgeblichen Kurses des Basiswerts und der durch die Kündigung bei der Emittentin angefallenen Kosten, als angemessener Marktpreis eines Wertpapiers bei Kündigung festgelegt wird (der „**Kündigungsbetrag**“).

## § 8 Marktstörungen

- (1) Sind die Emittentin und die Berechnungsstelle nach Ausübung billigen Ermessens gemäß § 315 BGB der Ansicht, dass [an] [dem Verfalltag]

the Relevant Trading System] [or] [on the Relevant Stock Exchange] [, as the case may be] due to a merger or a new company formation, due to a transformation of the Company into a legal form without shares, or due to any other comparable reason, in particular as a result of a delisting of the Company,

- (v) An insolvency proceeding or any other similar proceeding under the jurisdiction applicable to and governing the Company is initiated in regard to the assets of the Company.
  - (vi) Take-over of the shares of the Company in the amount of at least 75% of the share capital of the Company by a shareholder, resulting in, in the Issuer's opinion, a massive impact on the liquidity of such shares in the market.
  - (vii) Offer to the shareholders of the Company pursuant to the German Stock Corporation Act (*Aktiengesetz*), the German Law regulating the Transformation of Companies (*Umwandlungsgesetz*) or any other similar proceeding under the jurisdiction applicable to and governing the Company to convert existing shares of the Company to cash settlement, to Securities other than shares or rights, which are not quoted on a stock exchange and/or in a trading system.]
- (2) The Termination has to be effected within [•] [one month] following the occurrence of the Termination Event and shall specify the calendar day on which the Termination becomes effective (the "**Termination Date**"). The Issuer reserves the right to determine in cases of doubt the occurrence of a Termination Event. Such determination shall be done in the Issuer's reasonable discretion pursuant to § 315 of the BGB.
- (3) In case of Termination the Issuer shall pay to each Securityholder an amount in the Settlement Currency with respect to each Certificate held by him, which is stipulated by the Issuer at its reasonable discretion and, if applicable, considering the Price of the Underlying then prevailing and the expenses of the Issuer caused by the Termination, pursuant to § 315 of the BGB as fair market price at occurrence of termination (the "**Termination Amount**").

## § 8 Market Disruptions

- (1) If, in the opinion of the Issuer and of the Calculation Agent in their reasonable discretion pursuant to § 315 of the BGB, a Market

[bzw.] [an] [dem Bewertungstag] [bzw.] [einem der Bewertungsdurchschnittstage] [oder] [dem Festlegungstag] eine Marktstörung (§ 8 (3)) vorliegt, dann wird [der Verfalltag] [bzw.] [der Bewertungstag] [bzw.] [der jeweilige Bewertungsdurchschnittstag] [oder] [der Festlegungstag] in Bezug auf [den betroffenen Basiswert] [sämtliche Basiswerte] auf den unmittelbar darauf folgenden Basiswert-Berechnungstag, an dem keine Marktstörung mehr vorliegt, verschoben. Die Emittentin wird sich bemühen, den Beteiligten unverzüglich gemäß § 11 dieser Bedingungen mitzuteilen, dass eine Marktstörung eingetreten ist. Ein Pflicht zur Mitteilung besteht jedoch nicht.

- (2) Wenn [der Verfalltag] [bzw.] [der Bewertungstag] [bzw.] [der jeweilige Bewertungsdurchschnittstag] aufgrund der Bestimmungen des § 8 (1) um [•] [acht] Basiswert-Berechnungstage nach [dem Verfalltag] [bzw.] [dem Bewertungstag] [bzw.] [dem jeweiligen Bewertungsdurchschnittstag] verschoben worden ist und auch an diesem Tag die Marktstörung fortbesteht, dann gilt dieser Tag als [der Verfalltag] [bzw.] [der Bewertungstag] [bzw.] [der maßgebliche Bewertungsdurchschnittstag]; eine weitere Verschiebung [des Verfalltags] [bzw.] [des Bewertungstags] [bzw.] [des maßgeblichen Bewertungsdurchschnittstags] findet nicht statt.

Die Emittentin und die Berechnungsstelle werden dann nach Ausübung billigen Ermessens gemäß § 315 BGB sowie unter Berücksichtigung (i) der dann herrschenden Marktgegebenheiten, (ii) eines geschätzten Kurses des Basiswerts, ermittelt auf Grundlage der zuletzt erhältlichen Kurse des Basiswerts [*im Fall eines Index als Basiswert folgenden Text einfügen:* und der von dem Index Sponsor abgegebenen Schätzungen,] und (iii) sämtlicher sonstiger Konditionen bzw. Faktoren, die die Emittentin und die Berechnungsstelle angemessenerweise für bedeutsam halten, bestimmen, ob, und gegebenenfalls in welcher Höhe, die Emittentin einen Geldbetrag in der Auszahlungswährung zahlen wird. Auf diesen Geldbetrag finden die in diesen Bedingungen enthaltenen Bestimmungen über den Auszahlungsbetrag entsprechende Anwendung.

- (3) Eine „**Marktstörung**“ bedeutet die Suspendierung der Bekanntgabe des maßgeblichen Kurses des Basiswerts an einem für die Berechnung eines Auszahlungsbetrags bzw. eines Kündigungsbetrags maßgeblichen Basiswert-Berechnungstags oder die Suspendierung oder eine nach Auffassung der Emittentin und der Berechnungsstelle wesentliche Einschränkung des Handels
- (i) [[in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] [oder] [,

Disruption (§ 8 (3)) prevails [on] [the Expiration Date] [or] [on] [the Valuation Date] [or] [one of the Valuation Averaging Dates] [or] [on] the Fixing Date] [, as the case may be,] [the Expiration Date] [or] [the Valuation Date] [or] [the relevant Valuation Averaging Date] [or] [the Fixing Date] [, as the case may be,] in relation to [the affected Underlying] [all Underlyings] shall be postponed to the next succeeding Underlying Calculation Date on which no Market Disruption prevails. The Issuer shall endeavour to notify the parties pursuant to § 11 of these Conditions without delay of the occurrence of a Market Disruption. However, there is no notification obligation.

- (2) If [the Expiration Date] [or] [the Valuation Date] [or] [the relevant Valuation Averaging Date] [, as the case may be,] has been postponed, due to the provisions of § 8 (1), by [•] [eight] Underlying Calculation Dates following [the Expiration Date] [or] [the Valuation Date] [or] [the relevant Valuation Averaging Date] [, as the case may be,] and if the Market Disruption continues to prevail on this day, this day shall be deemed [the Expiration Date] [or] [the Valuation Date] [or] [the relevant Valuation Averaging Date] [, as the case may be,] and [the Expiration Date] [or] [the Valuation Date] [or] [the relevant Valuation Averaging Date] [, as the case may be] and shall not be further postponed.

The Issuer and the Calculation Agent will then, in their reasonable discretion pursuant to § 315 of the BGB and taking into account (i) the market conditions then prevailing, (ii) a Price of the Underlying estimated on the basis of last announced Prices of the Underlying [*in case of an Index as the Underlying insert the following text:* and of any estimate given by the Index Sponsor,] and (iii) such other conditions or factors as the Issuer and the Calculation Agent reasonably consider to be relevant, determine whether and in which amount, if applicable, the Issuer will make payment of an amount in the Settlement Currency. The provisions of these Conditions relating to the Settlement Amount shall apply *mutatis mutandis* to such payment.

- (3) A “**Market Disruption**” shall mean A suspension of the announcement of the Price of the Underlying on any Underlying Calculation Date relevant for determining the Settlement Amount or the Termination Amount, as the case may be, or a suspension or a restriction, the latter of which is in the Issuer’s and the Calculation Agent’s opinion significant, imposed on trading
- (i) [[on the Relevant Trading System] [or] [on the Relevant Stock Exchange] [, as the case

- im Fall eines Wechselkurses als Basiswert:* in dem internationalen Devisenmarkt, der als Grundlage für die Feststellung des Basiswerts dient,] [, *im Fall eines Index als Basiswert:* an der/den Börse(n) bzw. in dem Markt/den Märkten, an/in der/dem/denen die dem Basiswert zugrunde liegenden Werte notiert oder gehandelt werden,] allgemein oder
- (ii) [in dem Basiswert [in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse]] [[oder] [, *im Fall eines Index als Basiswert:* in einzelnen dem Basiswert zugrunde liegenden Werten an der/den Börse(n) bzw. in dem Markt/den Märkten an/in der/dem/denen diese Werte notiert oder gehandelt werden, sofern eine wesentliche Anzahl oder ein wesentlicher Anteil unter Berücksichtigung der Marktkapitalisierung betroffen ist (als wesentliche Anzahl bzw. wesentlicher Anteil gilt eine solche oder ein solcher von mehr als [●] [20%] [10%]),] oder
- (iii) in Options- oder Terminkontrakten in Bezug auf [den Basiswert] [[oder] [, *im Fall eines Index als Basiswert:* die dem Basiswert zugrunde liegenden Werten] an der Maßgeblichen Terminbörse, falls solche Options- oder Terminkontrakte dort gehandelt werden, oder
- [(iv) in dem/den Währungsmarkt/-märkten, in dem/denen gegebenenfalls die Kurse für die Währungsumrechnung in die Auszahlungswährung gemäß § 5 (2) dieser Bedingungen festgestellt werden, oder]
- [(iv) (v)] aufgrund einer Anordnung einer Behörde [, des betreffenden Handelssystems] [oder] [der Maßgeblichen Börse] bzw. aufgrund eines Moratoriums für Bankgeschäfte in dem Land, in dem [das Maßgebliche Handelssystem] [bzw.] [die Maßgebliche Börse] ansässig ist, oder aufgrund sonstiger Umstände.
- (4) Eine Beschränkung der Stunden oder Anzahl der Tage, an denen ein Handel statt findet, gilt nicht als Marktstörung, sofern die Einschränkung auf einer Änderung der regulären Handelszeiten [des Maßgeblichen Handelssystems] [bzw.] [der Maßgeblichen Börse] [oder] [*im Fall eines Wechselkurses als Basiswert:* in dem internationalen Devisenmarkt, der als Grundlage für die Feststellung des Basiswerts dient,] beruht, die mindestens eine (1) Stunde vor (i) entweder dem tatsächlichen regulären Ende der Handelszeiten [in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse] [oder] [*im Fall eines Wechselkurses als Basiswert:* in dem internationalen Devisenmarkt, der als Grundlage für
- may be,] [or] [, *in case of an exchange rate as Underlying:* on the international foreign exchange market, which is used as a basis for the calculation of the Underlying,] [or] [, *in case of an Index as Underlying:* on the stock exchange(s) or in the market(s) on/in which the underlying values of Underlying are quoted or traded,] in general or
- (ii) [in the Underlying [on the Relevant Trading System] [or] [on the Relevant Stock Exchange] [, as the case may be] [[or] [, *in case of an Index as Underlying:* in individual underlying values of the Underlying on the stock exchange(s) or in the market(s) on/in which these values are quoted or traded, provided that a major number or a major portion in terms of market capitalization is concerned (a number or part in excess of [●] [20%] [10%] shall be deemed to be material),] or
- (iii) in option or futures contracts with respect to the [Underlying] [[or] [, *in case of an Index as Underlying:* to the underlying values of the Underlying] on the Relevant Futures and Options Exchange, if such option or futures contracts are traded there, or
- [(iv) on the foreign exchange market/s in which the rates for the conversion into the Settlement Currency pursuant to § 5 (2) of these Conditions are determined, if applicable, or]
- [(iv) (v)] due to a directive of an authority [, of the Relevant Trading System] [or] [of the Relevant Stock Exchange] or due to a moratorium, which is declared in respect of banking activities in the country, in which [the Relevant Trading System] [or] [the Relevant Stock Exchange] is located, or due to other whatsoever reasons.
- (4) A restriction of the hours or the number of days during which trading takes place is not deemed a Market Disruption, if the restriction is based on a change in regular trading hours [on the Relevant Trading System] [or] [at the Relevant Stock Exchange] [, as the case may be,] [or] [, *in case of an exchange rate as Underlying:* on the international foreign exchange market, which is used as a basis for the calculation of the Underlying,] 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 Trading System] [or] [on the Relevant Stock Exchange] [or] [, *in case of an exchange rate as Underlying:* on the

die Feststellung des Basiswerts dient,] oder (ii) dem Termin für die Abgabe von Handelsaufträgen zur Bearbeitung an dem betreffenden Tag [in dem Maßgeblichen Handelssystem] [bzw.] [an der Maßgeblichen Börse], je nachdem welcher Zeitpunkt früher ist, angekündigt worden ist. Eine im Laufe eines Tages auferlegte Beschränkung im Handel aufgrund von Preisbewegungen, die bestimmte vorgegebene Grenzen überschreiten, gilt nur dann als Marktstörung, wenn diese Beschränkung bis zum Ende der Handelszeit an dem betreffenden Tag fort dauert.

- (5) Das Bestehen einer Marktstörung vor [dem Verfalltag] [bzw.] [vor] [dem Bewertungstag] [einem der Bewertungsdurchschnittstage] [oder] [dem Festlegungstag] bleibt für die Feststellung des Erreichens, Überschreitens oder Unterschreitens einer nach diesen Bedingungen maßgeblichen Schwelle unberücksichtigt.

## § 9

### Berechnungsstelle; Zahlstelle

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

international foreign exchange market, which is used as a basis for the calculation of the Underlying,] or (ii) the submission deadline for orders entered [into the Relevant Trading System] [or] [into the Relevant Stock 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 a Market Disruption, if such restriction continues until the end of trading hours on the relevant day.

- (5) The existence of a Market Disruption prior to [the Expiration Date] [or] [to] [the Valuation Date] [one of the Valuation Averaging Dates] [or] [to] the Fixing Date] [, as the case may be,] shall be disregarded when determining reaching, exceeding or falling short of any threshold, relevant under these Conditions.

## § 9

### Calculation Agent; Paying Agent

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

**§ 10**  
**Ersetzung der Emittentin**

- (1) Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Wertpapiergläubiger eine andere Gesellschaft der UBS Gruppe als Emittentin (die „**Neue Emittentin**“) hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Wertpapieren an die Stelle der Emittentin zu setzen, sofern
- (i) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Wertpapieren übernimmt,
  - (ii) die Neue Emittentin alle etwa notwendigen Genehmigungen von den zuständigen Behörden erhalten hat, wonach die Neue Emittentin alle sich aus oder in Verbindung mit den Wertpapieren ergebenden Verpflichtungen erfüllen kann und Zahlungen ohne Einbehalt oder Abzug von irgendwelchen Steuern, Abgaben oder Gebühren an die Zahlstelle transferieren darf, und
  - (iii) die Emittentin unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert.
- (2) Im Falle einer solchen Ersetzung der Emittentin gilt jede in diesen Bedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen.
- (3) Die Ersetzung der Emittentin ist für die Wertpapiergläubiger endgültig und bindend und wird den Wertpapiergläubigern unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.

**§ 11**  
**Bekanntmachungen**

- (1) Bekanntmachungen, die die Wertpapiere betreffen, werden [in einer oder mehreren Zeitungen veröffentlicht, die in [dem Mitgliedstaat] [den Mitgliedstaaten] des Europäischen Wirtschaftsraums, in [dem] [denen] das öffentliche Angebot unterbreitet wird, gängig sind oder in großer Auflage verlegt werden, [und, sofern rechtlich erforderlich, im [elektronischen] Bundesanzeiger veröffentlicht] [bzw.] [in einer der jeweils maßgeblichen Rechtsordnung entsprechenden Form veröffentlicht]. Soweit rechtlich zulässig, werden die Bekanntmachungen den Wertpapiergläubigern ausschließlich durch Mitteilung der Emittentin an die Clearingstelle zur Benachrichtigung der Wertpapiergläubiger übermittelt.
- (2) Bekanntmachungen sind mit Veröffentlichung bzw. mit Mitteilung an die Clearingstelle durch

**§ 10**  
**Substitution of the Issuer**

- (1) The Issuer is entitled at any time, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the "**New Issuer**") with respect to all obligations under or in connection with the Securities, if
- (i) the New Issuer assumes all obligations of the Issuer under or in connection with the Securities,
  - (ii) the New Issuer has obtained all necessary authorisations, if any, by the competent authorities, under which the New Issuer may perform all obligations arising under or in connection with the Securities and transfer payments to the Paying Agent without withholding or deduction of any taxes, charges or expenses, and
  - (iii) the Issuer unconditionally and irrevocably guarantees the obligations of the New Issuer.
- (2) In case of such a substitution of the Issuer any reference in these Conditions to the Issuer shall forthwith be deemed to refer to the New Issuer.
- (3) The substitution of the Issuer shall be final, binding and conclusive on the Securityholders and will be published to the Securityholders without undue delay in accordance with § 11 of these Conditions.

**§ 11**  
**Publications**

- (1) Publications relating to the Securities will be published [by insertion in one or more newspapers circulated throughout, or widely circulated in, the Member State[s] of the European Economic Area, in which the offer to the public is made] [and, to the extent required by law, in the [online] German Federal Gazette (*Bundesanzeiger*)] [or, as the case may be,] [in the way required by the relevant jurisdiction, respectively]. To the extent legally possible, the publications will be published by way of Issuer's notification to the Clearing System for the purposes of notifying the Securityholders.
- (2) All publications have been validly given to the Securityholders with their publication or with the

die Emittentin den Wertpapiergläubigern gegenüber wirksam abgeben.

- (3) Bekanntmachungen sind, falls sie der Clearingstelle zugehen, am dritten Tag nach Zugang bei der Clearingstelle den Wertpapiergläubigern wirksam zugegangen oder, falls sie veröffentlicht werden (unabhängig davon, ob dies zusätzlich geschieht), am Tag der Veröffentlichung oder, falls sie mehr als einmal veröffentlicht werden, am Tag der ersten Veröffentlichung, oder falls Veröffentlichungen in mehr als einem Medium erforderlich sind, am Tag der ersten Veröffentlichung in allen erforderlichen Medien. Im Fall der Bekanntmachung sowohl durch Veröffentlichung als auch durch Erklärung gegenüber der Clearingstelle ist die zeitlich vorangehende Bekanntmachung bzw. Erklärung maßgeblich.

### § 12

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

- (1) Die Emittentin ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit weitere Wertpapiere mit gleicher Ausstattung in der Weise zu begeben, dass sie mit diesen Wertpapieren eine einheitliche Serie bilden, wobei in diesem Fall der Begriff „Wertpapier“ entsprechend auszulegen ist.
- (2) Die Emittentin ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit Wertpapiere im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Sofern diese Käufe durch öffentliches Angebot erfolgen, muss dieses Angebot allen Wertpapiergläubigern gegenüber erfolgen. Die von der Emittentin erworbenen Wertpapiere können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder entwertet werden.
- (3) Die Emittentin ist berechtigt, ohne Zustimmung der Wertpapiergläubiger, jederzeit ausstehende Wertpapiere einzuziehen und damit ihre Anzahl zu reduzieren.
- (4) Aufstockung bzw. Reduzierung der Wertpapiere werden unverzüglich gemäß § 11 dieser Bedingungen bekannt gemacht.
- (5) Sämtliche vollständig zurückgezahlten Wertpapiere sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

### § 13

#### **Sprache**

Diese Bedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache

Issuer's notification to the Clearing System, as the case may be.

- (3) Each publication shall, in case of the Issuer's notification to the Clearing System, be effectively given to the Securityholders on the third day after its receipt by the Clearing System or, if published (whether or not such publication occurs in addition to a notification to the Clearing System) on the date of its publication, or, if published more than once, on the date of its first publication, or, if a publication is required in more than one medium, on the date of the first publication in all required media. In case of announcement by both, publication and Issuer's notification to the Clearing System, the publication becomes effective on the date of the first of such publication or Issuer's notification, as the case may be.

### § 12

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

- (1) The Issuer is entitled at any time to issue, without the consent of the Securityholders, further securities having the same terms and conditions as the Securities so that the same shall be consolidated and form a single series with such Securities, and references to "Securities" shall be construed accordingly.
- (2) The Issuer 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 public tender, public tenders must be available to all Securityholders alike. Such Securities may be held, reissued, resold or cancelled, all at the option of the Issuer.
- (3) The Issuer is entitled at any time to call, without the consent of the Securityholders, outstanding Securities and to reduce their number.
- (4) Increase or reduction of Securities shall be published without undue delay in accordance with § 11 of these Conditions.
- (5) All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

### § 13

#### **Language**

These Conditions are written in the German language and provided with an English language translation.

ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

The German text shall be controlling and binding. The English language translation is provided for convenience only.

#### § 14

##### **Anwendbares Recht; Erfüllungsort; Gerichtsstand; Zustellungsbevollmächtigte; Korrekturen; Teilunwirksamkeit**

- (1) Form und Inhalt der Wertpapiere sowie alle Rechte und Pflichten aus den in diesen Bedingungen geregelten Angelegenheiten bestimmen sich in jeder Hinsicht nach dem Recht der Bundesrepublik Deutschland.
- (2) Erfüllungsort und Gerichtsstand für alle Klagen oder sonstigen Verfahren aus oder im Zusammenhang mit den Wertpapieren ist, soweit rechtlich zulässig, Frankfurt am Main, Bundesrepublik Deutschland.
- (3) Die UBS AG, Niederlassung London, in ihrer Funktion als Emittentin und die UBS Limited in ihren Funktionen als Anbieterin und Zahlstelle ernennen hiermit die UBS Deutschland AG, Stephanstraße 14 – 16, 60313 Frankfurt am Main, Bundesrepublik Deutschland, als deutsche Bevollmächtigte, an die innerhalb der Bundesrepublik Deutschland im Rahmen jedes Verfahrens aus oder im Zusammenhang mit den Wertpapieren die Zustellung bewirkt werden kann (die „**Zustellungsbevollmächtigte**“). Falls, aus welchem Grund auch immer, die Zustellungsbevollmächtigte diese Funktion nicht mehr ausübt oder keine Anschrift innerhalb der Bundesrepublik Deutschland mehr hat, verpflichten sich die UBS AG, Niederlassung London, und die UBS Limited, eine Ersatz-Zustellungsbevollmächtigte in der Bundesrepublik Deutschland zu ernennen. Hiervon unberührt bleibt die Möglichkeit, die Zustellung in jeder anderen gesetzlich zulässigen Weise zu bewirken.
- (4) Die Emittentin ist berechtigt, in diesen Bedingungen (i) offensichtliche Schreib- oder Rechenfehler oder ähnliche offenbare Unrichtigkeiten sowie (ii) widersprüchliche oder lückenhafte Bestimmungen ohne Zustimmung der Wertpapiergläubiger zu ändern bzw. zu ergänzen, wobei in den unter (ii) genannten Fällen nur solche Änderungen bzw. Ergänzungen zulässig sind, die unter Berücksichtigung der Interessen der Emittentin für die Wertpapiergläubiger zumutbar sind, das heißt die finanzielle Situation der Wertpapiergläubiger nicht wesentlich verschlechtern. Änderungen bzw. Ergänzungen dieser Bedingungen werden gemäß § 11 bekannt gemacht.
- (5) Sollte eine Bestimmung dieser Bedingungen ganz oder teilweise unwirksam sein oder werden, so bleiben die übrigen Bestimmungen wirksam. Die

#### § 14

##### **Governing Law; Place of Performance; Place of Jurisdiction; Agent of Process; Corrections; Severability**

- (1) The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall in every respect be governed by the laws of the Federal Republic of Germany.
- (2) The place of performance and place of jurisdiction for all actions or other procedures under or in connection with the Securities shall, to the extent legally possible, be Frankfurt am Main, Federal Republic of Germany.
- (3) Each of UBS AG, London Branch, in its role as Issuer and UBS Limited in its roles as Offeror and Paying Agent hereby appoints UBS Deutschland AG, Stephanstrasse 14 – 16, 60313 Frankfurt am Main, Federal Republic of Germany, as its agent in the Federal Republic of Germany to receive service of process in any proceedings under or in connection with the Securities in the Federal Republic of Germany (the “**Agent of Process**”). If, for any reason, such Agent of Process ceases to act as such or no longer has an address in the Federal Republic of Germany, UBS AG, London Branch, and UBS Limited agree 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.
- (4) The Issuer is entitled to change or amend, as the case may be, in these Conditions of Securities (i) any manifest writing or calculation errors or other manifest incorrectnesses as well as (ii) any conflicting or incomplete provisions without the consent of the Securityholders, provided that in the cases referred to under (ii) only such changes or amendments shall be permissible which are acceptable to the Securityholders taking into account the interests of the Issuer, i.e. which do not materially impair the financial situation of the Securityholders. Any changes or amendments of these Conditions shall be published in accordance with § 11.
- (5) If any of the provisions of these Conditions is or becomes invalid in whole or in part, the remaining provision(s) shall remain valid. The



unwirksame Bestimmung ist durch eine wirksame Bestimmung zu ersetzen, die den wirtschaftlichen Zwecken der unwirksamen Bestimmung so weit wie rechtlich möglich entspricht. Entsprechendes gilt für etwaige Lücken in den Bedingungen.

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.

#### IV. INFORMATION ABOUT THE UNDERLYING

The following information describes the Underlying:

##### [1.] **Description of the Underlying**

- \_\_\_\_\_ [•]
- [[•] [share] [ISIN]]
- [[•] [Index] [ISIN]]
- [[•] [currencies] [ISIN]]
- [[•][precious metals] [ISIN]]
- [[•] [commodities] [ISIN]]
- [[•] [interest rates] [ISIN]]
- [[•] [other securities] [ISIN]]
- [[•] [baskets of the above instruments] [ISIN]]

## V. TAX CONSIDERATIONS

### 1. General information

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

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

### 2. Switzerland

In Switzerland, where the UBS AG, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom, as Issuer of the Securities, has its registered office (main offices: Zurich and Basle), no taxes on the income from the Securities is withheld at source.

### [3. Federal Republic of Germany]

#### [•] Withholding tax

Proceeds from the disposal or redemption of the Certificates are not subject to German withholding tax (Quellensteuer).

### [4. [•]]

[•]

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

## VI. SELLING RESTRICTIONS

The distribution of this document and the offering of the Securities in certain jurisdictions may be restricted by law. Neither the Issuer nor the Offeror represent that this document may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any distribution or offering.

Unless expressly specified otherwise below, neither the Issuer nor the Offeror has taken action, nor will they take action to render the public offer of the Securities or their possession, or the distribution of offer documents relating to the Securities, admissible in any jurisdiction requiring special measures to be taken for this purpose. Accordingly, the Securities may not be offered or sold, directly or indirectly, and none of this document, any advertisement relating to the Securities and any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes must inform themselves about, and observe, any such restrictions.

### **Public Offer of the Securities within the European Economic Area**

Anyone who purchases the Securities is obliged and agrees never to publicly offer the Securities to persons in one of the member states of the European Economic Area that has implemented EU Directive 2003/71/EC (hereinafter the "**Prospectus Directive**"; the term also covers all implementation measures by member states of the European Economic Area), except in circumstances that comply with one of the following offerings of the respective Securities:

- (a) within the period which begins on publication of the Base Prospectus which was approved in accordance with the Prospectus Directive, and, if necessary, for which cross-border validity pursuant to sections 17 and 18 of the Securities Prospectus Act has been granted, and which ends twelve months after publication of the Base Prospectus;
- (b) to legal entities which are authorised or regulated to operate in the financial markets, including: to credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, collective investment schemes and their management companies, pension funds and their management companies, commodity dealers, as well as entities that are not authorised or regulated whose corporate purpose is solely to invest in securities;
- (c) to other legal entities which meet two of the following three criteria: an average number of employees during the most recent financial year of more than 250, total assets exceeding EUR 43,000,000.00 and an annual net revenue of over EUR 50,000,000.00; all as stated in the most recent annual financial statements or consolidated accounts, or
- (d) other circumstances prevail whereby the publication of a Prospectus is not required pursuant to Article 3 of the Prospectus Directive.

The term "public offer of securities" in this context means any kind or means of communication to the public containing sufficient information relating to the offering conditions and the securities offered to put an investor in a position to decide whether to buy or subscribe to these securities. Anyone buying the Securities should note that the term "public offer of securities" may vary, depending on the implementation measures in the various member states of the European Economic Area.

In any member states of the European Economic Area which have not yet implemented the Prospectus Directive in national law, the Securities may only be offered or sold directly or indirectly, in accordance with prevailing legislation, to which dissemination and publication of the Prospectus, any advertising or other sales documents, is also subject.

### **United States of America**

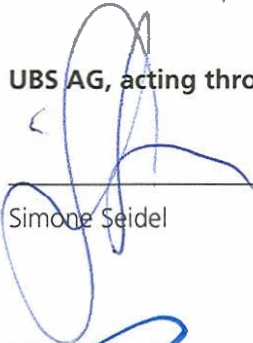
The Securities have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**"), as amended, and trading in the Securities has not been and will not be approved by the United States Commodity Futures Trading Commission ("**CFTC**") and the United States Commodity Exchange Act (the "**Commodity Exchange Act**"). No Securities, or interest therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to or for the account or benefit of any

U.S. person. The Securities may not be exercised or redeemed by or for the account of any U.S. Person or any person within the United States. As used herein, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction, and "U.S. person" means (i) an individual who is a resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; or (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act.

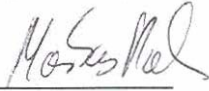
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Frankfurt am Main, 11 July 2006

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

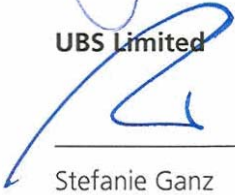


Simone Seidel



Markus Koch

**UBS Limited**



Stefanie Ganz



Eyke Grüning